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From:	General Secretariat of the Council
To:	Permanent Representatives Committee
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Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulation (EC) No 1059/2003 as regards the territorial typologies (Tercet) - Confirmation of the final compromise text with a view to agreement

1. On 13 December 2016, the Commission submitted to the Council and the European Parliament a Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EC) No 1059/2003 as regards the territorial typologies (Tercet).
2. The Working Party on statistics met on 22 February, 29 March and 16 May 2017 to discuss the proposal. On the 16 May 2017, the Working Party agreed on a compromise.
3. Based on the outcome of the Working Party discussions, the Permanent Representative Committee on 31 May 2017 granted the Presidency a mandate to start negotiations with the European Parliament (document 9351/17).

4. The European Parliament adopted its position by simplified procedure, i.e., taking over the Commission proposal on 22 June 2016.
5. A technical meeting took place on 13 July 2017 where the Presidency presented the Council position.
6. It was followed by an informal trilogue meeting which took place on 26 September 2017 where the Council position was accepted subject to minor technical changes already incorporated in the proposal annexed to this note.
7. The main technical change to the Council position is on delegated acts, regarding the information on changes in the administrative units which have to be "*provided only by Member States*", Commission proposed to add "*in accordance with Article 5(1)*" for clarity reasons, addition which has been accepted. So the sentence now reads : "*... on the basis of the changes in the administrative units that have been notified to it by the Member State concerned in accordance **with Article 5(1).***" This is reflected in Art 1(3)(a), (4) and (6)(a).

CONCLUSION

The Permanent Representative Committee is thus invited to:

- **endorse the annexed compromise text as agreed in the trilogue,**
- **mandate the Presidency to inform the European Parliament that, should the European Parliament adopt its position at first reading, in accordance with Article 294 paragraph 3 of the Treaty, in the form set out in the compromise package contained in the Annex to this document (subject to revision by the legal linguists of both institutions), the Council would, in accordance with Article 294, paragraph 4 of the Treaty, approve the European Parliament's position and the act shall be adopted in the wording which corresponds to the European Parliament's position.**

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

amending Regulation (EC) No 1059/2003 as regards the territorial typologies (Tercet)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 338(1) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee⁽¹⁾,

Having regard to the opinion of the Committee of the Regions⁽²⁾,

Acting in accordance with the ordinary legislative procedure,

Whereas:

- (1) Regulation (EC) No 1059/2003 of the European Parliament and of the Council⁽³⁾ of 26 May 2003 establishes a common classification of territorial units for statistics (Nomenclature of territorial units for statistics NUTS) in order to enable the collection, compilation and dissemination of harmonised regional statistics in the EU.
- (2) The Commission, in collaboration with the OECD, has defined a number of basic and most relevant territorial typologies to classify the statistical units established by the NUTS Regulation.

¹ OJ C , , p. .

² OJ C , , p. .

³ Regulation (EC) No 1059/2003 of the European Parliament and of the Council of 26 May 2003 on the establishment of a common classification of territorial units for statistics (NUTS) (OJ L 154, 21.6.2003, p.1).

- (3) The European Statistical System (ESS) already uses those typologies, in particular the degree of urbanisation, including the definition of cities.
- (4) The codification of the typologies is necessary in order to set out unambiguous definitions of and conditions for territorial types, ensuring harmonised and transparent application and making the typologies stable in order to support the compilation and dissemination of European statistics. These statistical typologies are not to prejudice the identification of specific areas for EU policies.
- (5) A system of statistical grids should apply to calculate and attribute the territorial types to the regions and areas in question, since these depend on the population distribution and density in grid cells of one square kilometre.
- (6) A number of minor aspects of the local administrative units (LAU) should also be clarified to simplify terminology and the delivery mechanism of the lists of LAU from the Member States to the Commission (Eurostat).
- (7) In order to adapt to corresponding developments in the Member States, the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission with regard to amending, in accordance with the information notified by Member States, the NUTS classification in Annex I, the list of existing administrative units in Annex II and the list of local administrative units in Annex III of Regulation (EC) No 1059/2003. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles set out in the Interinstitutional Agreement on Better Law-Making of 13 April 2016⁽⁴⁾. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member State experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.

⁴ OJ L 123, 12.5.2016, p. 1.

- (8) In order to ensure uniform conditions for the implementation of this regulation, implementing powers should be conferred on the Commission in respect of the application of territorial typologies and the time series the Member States are to give to the Commission in case of amendments to the NUTS classification. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council⁵.
- (8a) Since the objective of this regulation, namely the harmonisation of regional classification, cannot be sufficiently achieved by the Member States but can rather be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve that objective.
- (9) Regulation (EC) No 1059/2003 should therefore be amended accordingly,

HAVE ADOPTED THIS REGULATION:

Article 1

Regulation (EC) No 1059/2003 is amended as follows:

- (1) Article 1 is replaced by the following:

'Article 1

Subject matter

1. This regulation establishes a common statistical classification of territorial units (NUTS), in order to enable the collection, compilation and dissemination of European statistics at different territorial levels of the EU.

⁵ Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13).

2. The NUTS classification is set out in Annex I.
 3. Local administrative units (LAU), as referred to in Article 4, shall complement the NUTS classification.
 4. Statistical grids, as referred to in Article 4a, shall complement the NUTS classification. They shall be used to calculate population-based territorial typologies.
 5. Union territorial typologies, as referred to in Article 4b, shall complement the NUTS classification by attributing types to the territorial units.’;
- (2) in Article 2, paragraph 5 is deleted;
 - (3) Article 3 is amended as follows:
 - (a) paragraph 4 is replaced by the following:
 - ‘4. The existing administrative units used for the NUTS classification are set out in Annex II. The Commission shall be empowered to adopt delegated acts in accordance with Article 7a to amend Annex II on the basis of the changes in the administrative units that have been notified to it by the Member State concerned in accordance with Article 5(1).’;
 - (b) in paragraph 5, the third subparagraph is replaced by the following:

‘Some non-administrative units may, however, deviate from those thresholds because of particular geographical, socioeconomic, historical, cultural or environmental circumstances, especially in the islands and the outermost regions.’;

- (4) Article 4 is replaced by the following:

‘Article 4

Local administrative units

1. In each Member State, local administrative units (LAU) shall subdivide NUTS level 3 into one or two further levels of territorial units. At least one of the LAU levels shall be an administrative unit as defined in Article 3(1) and as set out in Annex III. The Commission shall be empowered to adopt delegated acts in accordance with Article 7a to **amend** the list of LAU in Annex III on the basis of the changes in the administrative units that have been notified to it by the Member State concerned in accordance with Article 5(1)'.
2. Within the first six months of each year, Member States shall transmit to the Commission (Eurostat), with reference to 31 December of the previous year, the list of LAU indicating any changes and the NUTS 3 region they belong to. In doing so it shall follow the electronic data format requested by the Commission (Eurostat).
3. The Commission (Eurostat) shall publish the list of LAU in the dedicated section of its website by 31 December of each year.’

- (5) the following articles 4a and 4b are inserted:

‘Article 4a

Statistical grids

The Commission (Eurostat) shall maintain and publish a system of statistical grids at Union level in the dedicated section of its website. The statistical grids shall conform to the specifications laid down in Commission Regulation (EU) No 1089/2010⁶.

⁶ Commission Regulation (EU) No 1089/2010 of 23 November 2010 implementing Directive 2007/2/EC of the European Parliament and of the Council as regards interoperability of spatial data sets and services (OJ L 323, 8.12.2010, p. 11).

Union territorial typologies

1. The Commission (Eurostat) shall maintain and publish in the dedicated section of its website Union typologies composed of territorial units at the levels of NUTS, LAU and grid cells.
2. The grid-based typology shall be established at the 1 km² grid resolution level as follows:
 - ‘urban centres’,
 - ‘urban clusters’,
 - ‘rural grid cells’.
3. The following typologies shall be established at LAU level:
 - (a) degree of urbanisation (DEGURBA):
 - ‘Urban areas’:
 - ‘Cities’ or ‘Densely populated areas’,
 - ‘Towns and suburbs’ or ‘Intermediate density areas’,
 - ‘Rural areas’ or ‘Thinly populated areas’;
 - (b) functional urban areas:
 - ‘Cities’ plus their ‘Commuting zones’;
 - (c) coastal areas:
 - ‘Coastal areas’,
 - ‘Non-coastal areas’.

If there is more than one administrative level of LAU in a Member State, the Commission (Eurostat) shall consult that Member State to determine the administrative level of LAU that shall be used for the attribution of typologies.

4. The following typologies and labels shall be established at NUTS level 3.
 - a) urban-rural typology:
 - ‘Predominantly urban regions’,
 - ‘Intermediate regions’,
 - ‘Predominantly rural regions’;
 - b) metropolitan typology:
 - ‘Metropolitan regions’,
 - ‘Non-metropolitan regions’;
 - c) coastal typology:
 - ‘Coastal regions’,
 - ‘Non-coastal regions’.

5. The Commission shall, by means of implementing acts, set out uniform conditions for the harmonised application of the typologies at Union level. These conditions shall describe the method of how the typologies will be assigned to the individual LAU and NUTS level 3 regions. When applying the uniform conditions the Commission shall take into account geographical, socioeconomic, historical, cultural and environmental circumstances. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 7.’;

(6) Article 5 is amended as follows:

(a) paragraph 4 is replaced by the following:

- ‘4. Amendments to the NUTS classification shall be adopted in the second half of the calendar year, every three years at the earliest, on the basis of the criteria set out in Article 3. Nevertheless, if there is a substantial reorganisation of the relevant administrative structure of a Member State, the amendments to the NUTS classification may be adopted at shorter intervals.

The Commission shall be empowered to adopt delegated acts in accordance with Article 7a to amend the NUTS classification in Annex I on the basis of the changes in the territorial units that have been notified to it by the Member State concerned in accordance with paragraph 1". Regional data the Member States send to the Commission (Eurostat) shall be based on the amended NUTS classification starting from 1 January of the second year after the adoption of the delegated act referred to in the first subparagraph.’;

(b) paragraph 5 is replaced by the following:

- ‘5. When an amendment is made to the NUTS classification, the Member State concerned shall transmit to the Commission (Eurostat) the time series for the new regional breakdown, to replace data already transmitted.

The Commission shall, by means of implementing acts, set out uniform conditions for time series and their length, taking into account the feasibility of providing them. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 7.

The time series shall be supplied until 1 January of the fourth year after the adoption of a delegated act as referred to in paragraph 4.’;

(7) Article 7 is replaced by the following:

‘Article 7

Committee procedure

1. The Commission shall be assisted by the European Statistical System Committee. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.
2. Where reference is made to this paragraph, Article 5 of Regulation 182/2011 shall apply.’;

(8) the following Article 7a is inserted:

‘Article 7a

Exercise of the delegation

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this article.
2. The power to adopt delegated acts referred to in Article 3(4), Article 4(1) and Article 5(4) shall be conferred on the Commission for a period of five years from [*Publications Office: please insert exact date of entry into force of this Regulation*]. The Commission shall draw up a report in respect of the delegation of power not later than nine months before the end of the five-year period. The delegation of power shall be tacitly extended for periods of an identical duration, unless the European Parliament or the Council opposes such extension not later than three months before the end of each period.

3. The delegation of power referred to in Article 3(4), Article 4(1) and Article 5(4) may be revoked at any time by the European Parliament or by the Council. A decision of revocation shall put an end to the delegation of the power specified in that decision. It shall take effect on the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.
 4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016.
 5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.
 6. A delegated act adopted pursuant to Article 3(4), Article 4(1) and Article 5(4) shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or the Council.’;
- (9) Article 8 is deleted.
- (9a) The title of Annex III is amended to read ‘Local administrative units’

Article 2

This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the European Parliament
The President

For the Council
The President
