



Brussels, 24.8.2020
COM(2020) 396 final

2020/0181 (NLE)

Proposal for a

COUNCIL DECISION

on the position to be taken on behalf of the European Union within the Customs Sub-Committee established by the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and the Republic of Moldova, of the other part, as regards the amendment of Protocol II to that Agreement concerning the definition of the concept of 'originating products' and methods of administrative cooperation

EXPLANATORY MEMORANDUM

1. SUBJECT MATTER OF THE PROPOSAL

This proposal concerns the decision establishing the position to be taken on the Union's behalf in the Customs Sub-Committee of the EU- Republic of Moldova Association Agreement in connection with the envisaged adoption of a Decision amending Protocol II of the EU-Republic of Moldova Association Agreement.

2. CONTEXT OF THE PROPOSAL

2.1. The Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and the Republic of Moldova, of the other part

The Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and the Republic of Moldova, of the other part¹ ('the Agreement') aims to establish conditions for enhanced economic and trade relations leading towards the Republic of Moldova's gradual integration in the EU internal market. The Agreement entered into force on 1 of July 2016.

2.2. The Customs Sub-Committee

The Customs Sub-Committee established according to the provisions of article 200 of the Agreement, may decide to amend the provisions of Protocol II concerning the definition of the concept of 'originating products' and methods of administrative cooperation (Article 3 of Protocol II). The Customs Sub-Committee draws up its decisions and recommendations by agreement between the two Parties.

2.3. The envisaged act of the Customs Sub-Committee

On its next meeting or by exchange of letters, the Customs Sub-Committee is to adopt a Decision regarding the amendment of the provisions of Protocol II concerning the definition of the concept of 'originating products' and methods of administrative cooperation ('the envisaged act').

The purpose of the envisaged act is the amendment of the provisions of Protocol II concerning the definition of the concept of 'originating products' and methods of administrative cooperation.

3. POSITION TO BE TAKEN ON THE UNION'S BEHALF

The Regional Convention on pan-Euro-Mediterranean preferential rules of origin ('the Convention') lays down provisions on the origin of goods traded under relevant Agreements concluded between the Contracting Parties. The Union signed the Convention on 15 June 2011. With its Decision No 2 of 21 May 2014, the Joint Committee established by Article 3(1) of the Convention decided that the Republic of Moldova should be invited to accede to the Convention.

The EU and the Republic of Moldova deposited their instrument of acceptance with the depositary of the Convention on 26 March 2012 and 31 July 2015 respectively. As a consequence, in application of its Article 10(2), the Convention entered into force in relation

¹ OJ L 260, 30.08.2014, p4.

to the EU and the Republic of Moldova on 1 May 2012 and on 1 September 2015 respectively.

Article 6 of the Convention provides that each Contracting Party shall take appropriate measures to ensure that the Convention is effectively applied. To that effect, the Customs Sub-Committee established by the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and the Republic of Moldova, of the other part, should adopt a Decision introducing the rules of the Convention under Protocol II concerning the definition of the concept of ‘originating products’ and methods of administrative cooperation. This is done by introducing in the amended Protocol a reference to the Convention that will render it applicable.

At the same time, the ongoing process of amending the Convention resulted in a new set of modernised and more flexible rules of origin. The formal amendment of the Convention requires a vote by unanimity by the Contracting Parties. The fact that there are still some Contracting Parties which have objections to the amendment risks delaying its adoption. Additionally, given the number of Contracting Parties and their respective internal procedures required to be in a position to vote on the formal adoption and to prepare the entry into force of the amended rules, no clear timeframe for the application of the amended Convention can be established.

Against this background, Republic of Moldova has requested to start applying the amended set of rules as soon as possible, alternatively to the current rules of the Convention, while awaiting the outcome of the amendment process. Such request is explained below.

These alternative rules of origin are intended for provisional application, on an optional and bilateral basis, by the EU and the Republic of Moldova pending the conclusion and entry into force of the amendment of the Convention. They are intended to apply alternatively to the rules of the Convention, as the latter are laid down without prejudice to the principles laid down in the relevant agreements and other related bilateral agreements among Contracting Parties. Accordingly, these rules will not be mandatory but of optional application by economic operators that wish to use preferences based on them, instead of Convention-based preferences. They are not intended to modify the Convention, which will remain in application among the Contracting Parties, and will not alter the rights and obligations of the Contracting Parties under the Convention.

The position to be taken by the EU within the Customs Sub-Committee should be established by the Council.

The proposed amendments insofar they relate to the current Convention are technical in nature and do not affect the substance of the protocol on rules of origin currently in effect. Therefore, they do not require an impact assessment.

3.1. Details on the alternative rules of origin

The proposed amendments relating to the introduction of the alternative set of rules of origin provide for additional flexibilities and elements of modernisation, which have already been agreed by the Union in other bilateral agreements (Comprehensive Economic and Trade Agreement between the EU and Canada, EU-Vietnam Free Trade Agreement, EU-Japan Economic Partnership Agreement, EU-South African Development Community Economic Partnership Agreement) or preferential schemes (Generalised System of Preferences). The main ones are the following:

(a) Wholly obtained products - ‘vessels’ conditions:

The so-called vessel conditions contained in the alternative set of rules are simpler and provide for more flexibility. Compared to the current text (art. 5) certain conditions have been deleted (i.e. specific crew requirements); others have been amended in order to provide for more relaxation (ownership).

(b) Sufficient working or processing – Average basis

The proposed alternative set of rules (art. 4) offers the exporter the flexibility to ask the customs authorities an authorisation to calculate the ex-works price and the value of non-originating materials on an average basis in order to take account of fluctuations in costs and currency rates. This should provide exporters with more predictability.

(c) Tolerance

The current tolerance (art. 6) is set at 10% in value of the ex-works price of the product.

The proposed text (art. 5) provides for agricultural products a tolerance of 15% of the net weight of the product and for industrial products a tolerance of 15% in value of the ex-works price of the product.

The tolerance in weight introduces a more objective criterion and a 15% threshold should provide a sufficient level of leniency. It ensures also that the international price fluctuation of the commodities does not have an impact on the origin of the agricultural products.

(d) Cumulation

The proposed text (art. 7) maintains diagonal cumulation for all products under the condition that the same set of alternative rules of origin is accepted by the partners involved in the cumulation. In addition, it provides for a generalised full cumulation for all products except textiles and clothing listed in Chapters 50-63 of the Harmonised System (HS).

Moreover, for products of HS Chapters 50-63, it provides for bilateral full cumulation. Finally, the Union and the Republic of Moldova will have the option to agree to extend the generalised full cumulation also to products of HS Chapters 50-63.

(e) Accounting segregation

Under the current rules (art. 20 of ‘the Convention’), customs authorities may authorise accounting segregation where ‘considerable cost or material difficulties arise in keeping separate stocks’. The amended rule (art. 12) stipulates that customs authorities may authorise accounting segregation ‘if originating and non-originating fungible materials are used’.

An exporter will no longer have to justify when requesting an authorisation for accounting segregation that keeping separate stocks has a considerable cost or gives rise to material difficulties; it will be sufficient to indicate that fungible materials are used.

In the case of sugar, being a material or a final product, originating and non-originating stocks will no longer have to be kept physically separated.

(f) Principle of territoriality

The current rules (art. 12) allow for certain working or processing to be done outside the territory under certain conditions, with the exception of products of HS Chapters 50 to 63, such as textiles. The proposed rules (art. 12) no longer contain the exclusion for textiles.

(g) Non-alteration

The proposed non-alteration rule (art. 14) provides for more leniencies for the movement for originating products between Contracting Parties. It should avoid situations whereby products, for which there is no doubt about their originating status, are excluded from the benefit of the preferential rate at importation because the formal requirements of the direct transport provision are not met.

(h) Prohibition of drawback of, or exemption from, customs duties

Under the current rules (art. 15) the general principle of the prohibition of drawback applies to materials used in the manufacture of any product. Under the proposed rules (art. 16) the prohibition is eliminated for all products, with the exception of materials used in the manufacture of products falling within the scope of HS Chapters 50 to 63. Nevertheless, the text also provides for some exceptions to the prohibition of duty drawback to these products.

(i) Proof of origin

The text introduces a single type of proof of origin (EUR.1 or origin declaration), instead of the double approach EUR.1 and EUR.MED, which substantially simplifies the system. This should improve compliance by economic operators by avoiding mistakes due to complex rules as well as facilitate the management by the customs authorities. Moreover, it should not affect the capacity of verification of proofs of origin, which remains the same.

The amended rules (art. 17) also include the option to agree on the application of a system of registered exporters (REX). These exporters registered in a common database will be responsible for making out themselves statements on origin without going through the approved exporter procedure. The statement on origin will have the same legal value as the origin declaration or the movement certificate EUR.1.

Further, the amended rules foresee the option to agree on the use of proof of origin that is issued and/or submitted electronically.

In order to be able to distinguish products originating under the alternative set of rules from products originating under the Convention, origin certificates or invoice declarations based on the alternative set of rules will have to include a statement pointing to the rules applied.

(j) Validity of a proof of origin

It is proposed to prolong the period of validity of a proof of origin from 4 to 10 months. It should again provide for more leniencies for the movement for originating products between the Parties.

3.2. List rules

3.2.1. Agricultural products

(a) Value and weight

The limit of non-originating materials was expressed only in value. The new thresholds are expressed in weight in order to avoid price fluctuation and currency fluctuation (e.g. ex-chapters 19, 20, 2105, 2106) together with a deletion of certain limit for sugar (e.g. chapter 8 or HS 2202).

The alternative set of rules raised the threshold of weight (from 20% to 40%) and the possibility for some headings to use an alternative choice value or weight. The HS chapters and headings concerned by the change are notably: ex-1302, 1704 (alternative rule weight or value), 18 (1806: alternative rule weight or value), 1901.

(b) Adaptation to sourcing patterns

Other agricultural products (i.e. vegetable oils, nuts, tobacco) contain more flexible rules adapted to the economic reality notably for HS chapters 14, 15, 20 (including heading 2008), 23, 24. The alternative set of rules strike the balance between regional and global sourcing like for chapters 9 and 12. Rules have also been simplified (reduction of exceptions) in chapters 4, 5, 6, 8, 11, ex-13.

3.2.2. *Industrial products (except textiles)*

The proposed compromise contains considerable changes compared to the current rules:

- regarding a number of products the current Chapter rule contains a double cumulative condition. This is brought to a single condition (HS Chapters 74, 75, 76, 78 and 79);
- a large number of specific rules that are derogating from the Chapter rule have been deleted (HS Chapters 28, 35, 37, 38 and 83). This more horizontal approach implies a simpler panorama for operators and customs;
- the inclusion in the current Chapter rule of an alternative rule thereby offering to the exporter more choice in meeting the origin criterion (Chapters 27, 40, 42, 44, 70 and 83, 84 and 85).

All these changes result in updated and modernised list rules which in general make it easier to meet the criterion for obtaining the originating status of a product. In addition, the above-mentioned possibility of using an average basis over a period of time to calculate the ex-works price and the value of non-originating will provide for further simplification for exporters.

3.2.3. *Textiles*

In relation to textiles and garments, new options have been introduced regarding outward processing and tolerances. New origin conferring processes have also been introduced for these products, especially for fabric which would become more easily available. Finally, full bilateral cumulation will apply also to these products. Such cumulation will allow processing carried out on textile materials (i.e. weaving, spinning etc.) to be taken into account in the production process in the cumulation zone.

4. LEGAL BASIS

4.1. Procedural legal basis

4.1.1. *Principles*

Article 218(9) of the Treaty on the Functioning of the European Union (TFEU) provides for decisions establishing ‘*the positions to be adopted on the Union’s behalf in a body set up by an agreement, when that body is called upon to adopt acts having legal effects, with the exception of acts supplementing or amending the institutional framework of the agreement.*’

The concept of ‘*acts having legal effects*’ includes acts that have legal effects by virtue of the rules of international law governing the body in question. It also includes instruments that do not have a binding effect under international law, but that are ‘*capable of decisively influencing the content of the legislation adopted by the EU legislature*’².

² Judgment of the Court of Justice of 7 October 2014, Germany v Council, C-399/12, ECLI:EU:C:2014:2258, paragraphs 61 to 64.

4.1.2. Application to the present case

The Customs Sub-Committee is a body set up by an agreement, namely Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and the Republic of Moldova, of the other part.

The act which the Customs Sub-Committee is called upon to adopt constitutes an act having legal effects.

The envisaged act does not supplement or amend the institutional framework of the Agreement.

Therefore, the procedural legal basis for the proposed decision is Article 218(9) TFEU.

4.2. Substantive legal basis

4.2.1. Principles

The substantive legal basis for a decision under Article 218(9) TFEU depends primarily on the objective and content of the envisaged act in respect of which a position is taken on the Union's behalf.

4.2.2. Application to the present case

The main objective and content of the envisaged act relate to the common commercial policy.

Therefore, the substantive legal basis of the proposed decision is the first subparagraph of Article 207(4) TFEU.

4.3. Conclusion

The legal basis of the proposed decision should be the first subparagraph of Article 207(4), in conjunction with Article 218(9) TFEU.

5. BUDGETARY IMPLICATIONS

The proposed amendments relating to the introduction of the alternative set of rules of origin are based on a principle of modernization of the rules of origin to align them to the new trends set by the recent Free Trade Agreements. The amended rules in the PEM Convention contain mostly elements of simplification of customs procedures and elements of modernisation, such as:

Sufficient working or processing – Average basis: by calculating the ex-works price and the value of non-originating materials on an average basis taking into account the fluctuations of the market, provides exporters with more predictability,

Proof of origin: it is subject to simplification since only one type certificate of origin will be used – EUR1,

Validity of a proof of origin: provides for more leniencies for the movement of originating products, by increasing the validity from 4 to 10 months).

These amendments to the PEM Convention have no measurable impact on the EU budget since their scope mainly concerns trade facilitation and consolidation of modern practices by customs authorities. They provide for optional facilitation in the areas which remain under competence of the authorities without impacting the substance of the rules (accounting segregation, proofs of origin, averaging). Some aspects of simplification (such as reduction of the vessels criteria) provide for greater predictability by removing conditions which are

currently difficult to control by customs authorities whereas others (non-alteration) refer to logistics without affecting the substance of the rules.

Although the provisions on duty drawback are amended, the prohibition of duty drawback is maintained in the sector of textiles and clothing, which remains one of the main sectors of trade in the PEM zone. The amended rules codify the status quo by maintaining the prohibition currently applied with some Contracting Parties. The proposed generalisation of full cumulation in the PEM zone aims at strengthening the existing trade patterns within the zone and their complementarity, but should not affect in a meaningful way the EU customs duties collected since products subject to cumulation will have to comply with their own requirement of value added in the zone in order to benefit from preferences, as it is currently the case.

The amendments to the list rules in the sector of agricultural and processed agricultural goods mainly consist of adapted methodology without affecting the substance of the rules. The existing thresholds expressed currently in value will be expressed in weight. This criterion is more objective and more easy to be controlled by customs authorities. The simplification of the product-specific rules for industrial products should have a limited impact on custom duty revenues, as in many instances they may result more in sourcing changes than in increases of preferential imports from PEM countries replacing imports that were previously subject to import duties. The impact on import duty revenue of those changes is therefore not quantifiable. In terms of trade and its impact on the use of preferences, the relaxations provided in the new rules put emphasis on economic integration in the entire zone, for example in the textile sector where the use of preferences is already very high. The improved rules on textiles and cumulation are mainly intended to enhance already existing regional integration and availability of materials within the zone, rather than to allow more non-originating materials to be imported from outside the zone.

6. PUBLICATION OF THE ENVISAGED ACT

As the act of the Customs Sub-Committee will amend the Association Agreement, it is appropriate to publish it in the *Official Journal of the European Union* after its adoption.

Proposal for a

COUNCIL DECISION

on the position to be taken on behalf of the European Union within the Customs Sub-Committee established by the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and the Republic of Moldova, of the other part, as regards the amendment of Protocol II to that Agreement concerning the definition of the concept of 'originating products' and methods of administrative cooperation

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular the first subparagraph of Article 207(4), in conjunction with Article 218(9) thereof.

Having regard to the proposal from the European Commission,

Whereas:

- (1) The Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and the Republic of Moldova, of the other part ('the Agreement') was concluded by the Union by Council Decision 2014/493/Euratom¹ and entered into force on 1 July 2016.
- (2) The Agreement includes Protocol II concerning the definition of the concept of 'originating products' and methods of administrative cooperation. Pursuant to Article 3 of that Protocol, the Customs Sub-Committee established by Article 200 of the Agreement ("Customs Sub-Committee") may decide to amend its provisions.
- (3) The Customs Sub-Committee is to adopt a Decision on an amendment of Protocol II during its next meeting.
- (4) It is appropriate to establish the position to be taken on the Union's behalf in the Customs Sub-Committee as the Customs Sub-Committee Decision will be binding on the Union.
- (5) The Regional Convention on pan-Euro-Mediterranean preferential rules of origin ('the Convention') was concluded by the Union by Council Decision 2013/93/EU² and entered into force in relation to the Union on 1 May 2012. It lays down provisions on the origin of goods traded under relevant agreements concluded between the Contracting Parties, which apply without prejudice to the principles laid down in those agreements.

¹ Council Decision of 16 June 2014 approving the conclusion, by the European Commission, on behalf of the European Atomic Energy Community, of the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and the Republic of Moldova, of the other part (OJ L 260, 30.8.2014, p.739).

² Council Decision 2013/93/EU of 14 April 2011 on the signing, on behalf of the European Union, of the Regional Convention on pan-Euro-Mediterranean preferential rules of origin (OJ L 54, 26.2.2013, p. 4).

- (6) Article 6 of the Convention provides that each Contracting Party is to take appropriate measures to ensure that the Convention is effectively applied. To that effect, the Customs Sub-Committee should adopt a decision introducing in Protocol II to the Agreement a reference to the Convention.
- (7) The discussions on amending the Convention have resulted in a new set of modernised and more flexible rules of origin to be incorporated into the Convention. The Union and the Republic of Moldova have signalled their will to apply the new rules as soon as possible bilaterally, on an alternative basis alongside the current rules while awaiting the final outcome of the amending process.
- (8) In the cumulation zone constituted by the EFTA States, the Faroe Islands, the European Union, Turkey, the participants in the Stabilisation and Association Process, the Republic of Moldova, Georgia and Ukraine, the possibility of using EUR.1 movement certificates or origin declaration instead of movement certificates EUR-MED or origin declaration EUR-MED, as a derogation from the provisions of the Convention in case of diagonal cumulation among these partners, should be maintained,

HAS ADOPTED THIS DECISION:

Article 1

The position to be taken on the Union's behalf in the Customs Sub-Committee shall be based on the draft act of the Customs Sub-Committee attached to this Decision.

Article 2

This Decision is addressed to the Commission.

Done at Brussels,

*For the Council
The President*

GZ: BRÜSSEL-ÖV/LÄN/0167/2020

Datum: 24.08.2020

SB: Ges.Prof. Dr. Klemens H. Fischer

An: BKA-KabHBK, FBM-EU-Kab, BKA-EU-SL, BKA-EU, BMeiA-KabHBM, BMeiA-GS,
BMeiA-III.1,VST, Parlamentsdirektion, Ö-Städtebund, Ö-Gemeindebund

Cc: HMC; stv-HMC; Antici; Mertens

Beilage: Konvolut

Betreff: EU;AdR;197.Präsidiumssitzung;Protokoll GS/AdR

Der Bericht wird gemäß § 3 Z. 10 des EU-InfoG als nicht öffentliche Information im Sinne des § 3 Abs. 2 iVm. § 12 Abs. 1 InfoG übermittelt und ist nicht zur Veröffentlichung geeignet.

1. In der Anlage wird das Protokoll iG übermittelt
2. Weitere Berichterstattung iG durch die Abteilung Länderangelegenheiten vorbehalten.

i.A. FISCHER+



**European Committee
of the Regions**

**BEILAGE
zu BRÜSSEL-ÖV/LÄN/0167/2020
vom 24. August 2020**

Brussels, 19 September 2020

198th MEETING OF THE EUROPEAN COMMITTEE OF THE REGIONS BUREAU

11 SEPTEMBER 2020

ITEM 2

**MINUTES OF THE 197th MEETING OF THE BUREAU
OF THE EUROPEAN COMMITTEE OF THE REGIONS,
HELD ON 29 JUNE 2020**

Submitted by the secretary-general

FOR DECISION

AGENDA AND MINUTES AND ORGANISATION

1. Adoption of the agenda <i>(for decision)</i>	COR-2020-02390-00-04-CONVPOJ-TRA
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The **president** welcomed the members, both physically and remotely present, to the first hybrid Bureau meeting. He underlined that the CoR did not stop working hard, after the first remote meeting in May, to adapt the way of functioning and he thanked all members and staff who were involved in this process.

The **president** briefly set out the new format of the agenda with A points and B points, as well as points for information. The agenda was adopted with modifications. The item concerning the revised decision on public access to the documents of the European Committee of the Regions was postponed to a future meeting.

2. Minutes of the 196th remote Bureau meeting on 19 May 2020 <i>(for decision)</i>	COR-2020-02147-00-01-PV-TRA COR-2020-02147-00-00-PV-REF
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The minutes of the remote Bureau meeting held on 19 May were adopted.

3. Written procedures a. Minutes of the written procedure 2020/02 <i>(for decision)</i>	COR-2020-02168-00-00-PV-TRA
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The minutes of written procedure 2020/02 were adopted.

Christophe Rouillon (FR/PES) asked the administration to provide an analysis of the tax impact of remote meeting allowances in the Member States.

Frank Ceconi (FR/Renew E.) called for a quick return to normality.

Kieran McCarthy (IE/EA) stressed the importance of monitoring the development of the current health situation.

The president concluded by saying that the CoR would continue working despite the pandemic, and that decisions would be taken according to the situation.

3. Written procedures b. Minutes of the written procedure 2020/03 <i>(for information)</i>	COR-2020-02693-00-00-PV-TRA
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The minutes of written procedure 2020/03 were adopted.

4. Arrangements for next plenary sessions - <u>July plenary</u>	
a. Draft agenda of the 139th plenary session on 30 June, 1 and 2 July 2020 <i>(for decision)</i>	COR-2020-02390-00-00-NB-TRA

The Bureau members adopted the draft agenda of the 139th hybrid plenary session, with physical and online attendance.

The **president** set out the political agenda of the three day plenary, including several debates with high-level guests, the debate on EU local matters and the adoption of opinions and resolutions.

4. Arrangements for next plenary sessions - <u>October plenary</u>	
b. Preliminary draft agenda of the 140th plenary session on 12, 13 and 14 October 2020 <i>(for information)</i>	COR-2020-02390-01-00-NB-TRA

The president informed members that the October plenary session would coincide with the 18th European Week of Regions and Cities. He also mentioned that a debate on *The regional and local barometer* was planned.

The Bureau members took note of the preliminary draft agenda.

5. Statement by the president	
a. Presidency's activities <i>(for information)</i>	COR-2020-02390-00-00-NB-REF

The Bureau members were informed of the main activities of the presidency since the 196th Bureau meeting on 19 May 2020.

The president said that it had been an intense period back home in the regions and cities for all members, and for the CoR. He highlighted that during the first five months of this new mandate the reality on the ground showed, once more, that the only way to succeed is by taking the regional and local dimension of the EU into account. This had been increasingly recognised by national leaders, EU Commissioners and MEPs, contacting the CoR for help and involvement. The president concluded by saying that, in order to make an impact, the CoR should change the tone of voice, using its full potential based on its institutional remit but also the strength of its membership.

5. Statement by the president	
b. Report on the Conference of Presidents	

Bureau members took note of the report on the Conference of Presidents.

The president reported that the Conference of Presidents had discussed in particular the topics of resilience and the Conference on the Future of Europe. These two topics were linked as local and regional authorities highlighted the need of a more reactive Europe to manage crisis that do not stop at borders and require more European coordination.

DEBATE	
2.30 p.m. – 3.30 p.m.	
<p>6. Presentation of the Trio programme of the Council of the European Union</p> <p>Statements by:</p> <ul style="list-style-type: none"> - Ambassador Michael Clauss, Permanent Representative of the Federal Republic of Germany to the EU - Ambassador Nuno Brito, Permanent Representative of the Republic of Portugal to the EU - Ambassador Iztok Jarc, Permanent Representative of the Republic of Slovenia to the EU 	COR-2020-02390-15-00-NB-TRA

The president highlighted the need for this Trio presidency and the next one to imagine a new model for local communities and the public administration, which should be greener and digitalised. He also mentioned the need for a debate concerning European added value on matters related to resilience, such as crisis management and the European coordination on health policies.

He linked those challenges to the need for a solid EU budget: the Multiannual Financial Framework (MFF) should be adopted as soon as possible, and an agreement on own resources should be reached. Since many priorities of the Trio presidency would need interaction with the local and regional level, the president proposed that structured cooperation be developed between the Trio presidency and the CoR through thematic exchanges on a number of topics.

The president spoke about the Conference on the Future of Europe and stressed the fact that it should be focused on the people's needs and on the growing democratic deficit in the EU. He regretted the fact that the position adopted by the European Parliament on the structure of the Conference did not properly reflect the political and legal powers of local and regional authorities (LRAs), and therefore called for reference to LRAs to be included in the final text of the inter-institutional declaration.

Ambassador **Michael Clauss**, Permanent Representative of the Federal Republic of Germany to the EU, said that the German presidency had had to refocus its priorities because of the COVID-19 pandemic, and listed some of the challenges to be tackled in the coming months. First of all, it was essential to deal with the repercussions of the COVID-19 pandemic, and to boost the recovery. Secondly, it was necessary to find a political agreement on the Recovery Fund and on the next MFF. Thirdly, an agreement with the UK on relations after Brexit needed to be reached before the end of the year, even if for the time being negotiations were not progressing. Other topics would also need to be addressed. As regards migration, a new proposal from the European Commission was expected in the autumn. Concerning the Conference on the Future of Europe, he agreed on the need to refer to the CoR in the declaration, and that a common position on the structure would have to be agreed between the main institutions. Finally, the discussions on the Green Deal needed to advance, including the setting of new targets for 2050.

Mark Speich (DE/EPP) supported more structured cooperation between the CoR and the presidencies. As an example, he mentioned the CoR Bureau meeting which would take place in

Düsseldorf in September, and which would host discussions on the future of Europe and on better regulation. He called for the Conference on the Future of Europe to reach people outside Brussels and for cooperation with LRAs to be improved.

Ambassador **Nuno Brito**, Permanent Representative of the Republic of Portugal to the EU, emphasised the role of regional policy and of the Structural Funds in the crisis recovery, and called for cohesion policy to continue to be available for all regions with the aim of reducing disparities. He acknowledged the importance of consultation processes, advocated for no regions to be left behind in the recovery, and pointed out that the outermost regions needed to be supported. He stressed the importance of the Green Deal, in order to reach climate neutrality and boost economic development, while ensuring social justice. He focused on the importance of social rights and of the digital transformation. Portugal would host a social summit during the presidency. As regards the Conference on the Future of Europe, he called for dialogue with the CoR to be deepened. Finally, he mentioned the need for the Trio presidency to act in unison on EU values, and concluded by pointing to the importance of external relations, in particular in relation to emerging powers such as India.

Ambassador **Iztok Jarc**, Permanent Representative of the Republic of Slovenia to the EU, said that the priority was the recovery after the pandemic. He mentioned the importance of improving resilience when it came to global crises such as pandemics or cyberattacks, and said that the integration of the Western Balkans was a priority for Slovenia. He focused on municipalities and on their role in implementing EU legislation and in improving people's lives through investment coming from cohesion policy. Slovenia encouraged efforts to reach agreement on the MFF and the new recovery instrument as soon as possible. Timely adoption was of practical importance as regards enabling municipalities to launch new projects. In his view, the local level should be involved in the Conference on the Future of Europe, which should have a bottom-up approach, allowing citizens to have their say.

Olgierd Geblewicz (PL/EPP) noted the role of LRAs in tackling the challenges for the future, and advocated for the CoR to be included in the joint declaration concerning the Conference on the Future of Europe.

Günther Platter (AT/EPP) called for an agreement on the MFF to be reached in the autumn. Concerning the budget structure, he called for a consensus to be achieved.

André Viola (FR/PES) called for the CoR to be included in the joint declaration concerning the Conference on the Future of Europe, and stressed the wish of the French delegation to support the organisation of local dialogues. He proposed that the next Summit of Regions and Cities be held in France, in order to link it to the presidency and to the closing of the conference.

Vasco Ilídio Alves Cordeiro, first vice-president of the CoR, focused on the MFF and on the Conference on the Future of Europe. Regarding the MFF, he called for an ambitious budget proposal and for decentralisation, in order to fulfil the potential of LRAs. Cohesion policy should be an important part of the MFF. As regards recovery from COVID-19, he stressed the importance of social recovery. On the Conference on the Future of Europe, he stressed that the role of the CoR should be political and noted the danger of having debates with forbidden issues: the conference should be open, transparent and inclusive.

Ellen Nauta van Moorsel (NL/EPP) spoke about the Urban Agenda, a priority of the German presidency, which was launched during the Dutch presidency in 2016. She expressed her satisfaction

with the renewed Leipzig Charter and the Implementation Document, and called for the Portuguese and Slovenian presidencies to ensure that the Urban Agenda would develop into a form of cooperation between Member States, the European Commission, cities and the European Committee of the Regions.

Christophe Rouillon (FR/PES) said that the meeting in Düsseldorf should set the example for the return to normality. He wondered about how dialogue with LRAs would be organised in the context of the Conference on the Future of Europe, called for transparent procedures and for the involvement of LRAs in framing the Recovery Plan, and wanted to see swift approval of the MFF.

Vincenzo Bianco (IT/PES) expressed the need for the CoR to have more political impact by setting real priorities. He said that the experience of LRAs during the pandemic should be shared at EU level, and said that the issue of the environment was a priority.

Willy Borsus (BE/Renew Europe) talked about EU trade policy and its impact on the environment, social rights, the circular economy and the Green Deal. He called for coherence between the rules applying to EU products and to imported products.

Rob Jonkman (NL/ECR) said that recovery should be the cornerstone of the Trio presidencies, and called for additional red tape to be avoided.

Satu Haapanen (FI/Greens) advocated an environmentally friendly, socially just and democratic Europe, and called for young people to be included in the debates. Finally, she mentioned the importance of listening to the ideas of LRAs.

Kieran McCarthy (IE/EA) pointed to the need to provide funds for small cities and focus on the practical projects of the Urban Agenda. He also hoped that the CoR's relations with the Trio would improve.

FOR DECISION: POINTS Aⁱ	
<p>7. Commission for Financial and Administrative Affairs - Part I</p> <p>a. Revision of Regulation 3/2005 on the reimbursement of language courses for CoR members due to the COVID-19 pandemic.</p>	COR-2020-02390-05-00-NB-TRA

The Bureau members adopted the revised regulation.

<p>7. Commission for Financial and Administrative Affairs - Part I</p> <p>b. Planning of 2020 budget expenditure for the budget lines covering activities of members, CoR bodies and political groups</p>	COR-2020-02390-06-00-NB-TRA
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The Bureau members adopted the planning document.

7. Commission for Financial and Administrative Affairs - Part I c. External and extraordinary activities of the CoR for 2020	COR-2020-02390-07-00-NB-TRA
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The Bureau members adopted the external and extraordinary activities of the CoR for 2020.

7. Commission for Financial and Administrative Affairs - Part I d. Re-establishment of the audit committee and its composition in a new CoR mandate 2020 – 2025	COR-2020-02390-08-00-NB-TRA
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The Bureau members approved the re-establishment of the audit committee and its composition for the new CoR term of office 2020-2025.

7. Commission for Financial and Administrative Affairs - Part I e. Administrative cooperation agreement with the EESC: possible extension of the current agreement	COR-2020-02390-09-00-NB-TRA
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The secretary-general explained that an extension was needed because negotiations were not possible during the COVID-19 crisis, and because of the upcoming membership renewal of the EESC.

The Bureau members approved the extension of the current agreement until 30 June 2021 and gave a mandate to the president and the secretary-general to sign the extension agreement with the EESC.

8. Simplification of financial management: pilot project	COR-2020-02390-17-00-NB-TRA
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The secretary-general explained that the aim of this pilot project was to free up resources for the CoR's important political work by reducing time spent on unnecessary procedures without jeopardising compliance with the financial rules. The results would be presented to the CFAA and to the Bureau in autumn, with a view to implementing it in 2021 in case of a positive outcome.

Per Bødker Andersen (DK/PES) agreed on the content and asked for a discussion at the CFAA.

The Bureau members authorised the secretary-general to adopt a service instruction laying down the arrangements for a temporary pilot project in the area of financial ex ante verification, derogating from the standard financial workflow provided for in the CoR Internal Financial Rules.

9. Legislative works – Part I Allocation of own-initiative opinions	COR-2020-02390-02-01-NB-TRA
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The Bureau members approved the following proposal for an own-initiative opinion:

- NAT – *Agroecology*, rapporteur: Guillaume Cros (FR/Greens).

FOR DECISION: POINTS B**	
10. CoR-UK Contact Group - Political objectives and working methods	COR-2020-02390-11-01-NB-TRA

The president reminded Bureau members that the Contact Group had been set up by the Bureau on 11 February 2020 and that a decision on its composition was taken on 5 April 2020 by the Bureau. A first meeting was scheduled for mid-July.

Markku Markkula (FI/EPP) mentioned the need to enhance collaboration in education and research between the UK and the EU.

Ellen Nauta van Moorsel (NL/EPP) inquired why the Commonwealth Local Government Forum (CLGF) was listed under the section "Local government bodies" in the document, and proposed that meetings of the Contact Group be held at the end of plenary sessions.

Michael Murphy (IE/EPP) asked if the Contact Group would also discuss the impact of Brexit on cities and regions, or if a monitoring group would be set up.

Kieran McCarthy (IE/EA) pointed to the need to reinforce and further develop the UK Contact Group.

The Bureau members adopted the political objectives and working methods of the CoR-UK Contact Group.

11. Impact of CoR opinions	
a. Executive summary	COR-2020-02390-03-00-NB-TRA
b. Report on the impact of CoR opinions	COR-2020-02390-03-00-NB-REF

The secretary-general presented the report on the annual activities and on the impact on CoR opinions. He explained that the report was required under Article 60 of the Rules of Procedure and the structure of the two documents. He gave some examples of the impact of the CoR's work, such as the CoR's role in influencing the Cohesion Policy legislative package 2021-2027, and spoke about the planning for the 2020 report.

The Bureau members took stock of the executive summary and of the report on the impact of CoR opinions.

FOR INFORMATION	
12. Commission for Financial and Administrative Affairs – Part II Summary of decisions and recommendations of the 117th CFAA meeting held on 18 June 2020	COR-2020-02390-01-00-NB-REF

The Bureau members took note of the decisions and recommendations of the last CFAA meeting.

13. Legislative works – Part II	
a. Assignment of documents by the president	COR-2020-02390-16-00-NB-TRA

The Bureau members took note of the assignment of documents by the president

13. Legislative works – Part II	
b. Decision not to draw up an opinion	COR-2020-02390-04-01-NB-TRA

The Bureau members took note of the decision.

14. EGTC Annual report 2019 – State of play	COR-2020-02390-13-02-NB-TRA
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The Bureau members took note of the EGTC annual report for 2019.

15. 2019 Annual Report	
a. Executive summary	COR-2020-02390-14-01-NB-TRA

The Bureau members took note of the executive summary of the Annual Activity Report.

15. 2019 Annual Report	
b. Report	COR-2020-02390-15-01-NB-REF

The Bureau members took note of the 2019 Annual Activity Report.

AOB & NEXT MEETING	
16. AOB	

None

17. Date of the next meeting

The next Bureau meeting would take place on 11 September in Düsseldorf.

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- * Items to be adopted without debate, unless requested during the meeting
 - ** Items to be adopted after a debate



**European Committee
of the Regions**

Brussels, 19 August 2020

198th MEETING OF THE EUROPEAN COMMITTEE OF THE REGIONS BUREAU

HYBRID MEETING

DRAFT AGENDA

**State Parliament North Rhine-Westphalia (Landtag)
Platz des Landtags 1, 40221 Düsseldorf, Germany
Plenary chamber**

11 SEPTEMBER 2020

ITEM 2

**MINUTES OF THE 197th MEETING OF THE BUREAU
OF THE EUROPEAN COMMITTEE OF THE REGIONS,
HELD ON 29 JUNE 2020**

APPENDIX 1

- ATTENDANCE LIST -

Submitted by the secretary-general

ATTENDANCE LIST

President: **TZITZIKOSTAS Apostolos (EPP)**

First Vice-President: **ALVES CORDEIRO Vasco Ilídio (PES)**

Bureau Members:

ANDREU RODRÍGUEZ Concepción (PES), Member	GONZÁLEZ GONZÁLEZ Francisco Celso (PES)
BIANCO Vincenzo (PES), Member	
BIWER Roby (PES), Vice-President	
BODKER ANDERSEN Per (PES), Vice-President	
BORBOLY Csaba (EPP), Vice-President	
BRANDA Pavel (ECR), Member	
CECCONI Frank (renew E.), Vice-President	
CIAMBETTI Roberto (ECR), Vice-President	
CORDINA Joseph (PES), Vice-President	
DECOSTER François (renew E.), President of Renew Europe	
DOOLEY Eamon (renew E.), Member	
DROBA Juraj (ECR), Vice-President	
FERNÁNDEZ VARA Guillermo (PES), Member	BALAS TORRES Rosa (PES)
GEBLEWICZ Olgierd (EPP), President PPE	
HAAPANEN Satu (GREENS), President of the Greens	
HLINKA Jaroslav (PES), Member	
HRANIC Bruno (EPP), Member	
KAMINSKIS Gints (renew E.), Vice-President	
KARJALAINEN Anne (PES), Member	
KARNAVOS Dimitrios (EPP), Member	
KNAPE Anders (EPP), Vice-President	
LAMBERTZ Karl Heinz (PES), Member	BORSUS Willy (renew E.)
LINEK Roman (EPP), Vice-President	
MAGYAR Anna (EPP), Vice-President	
MARKKULA Markku (EPP), Vice-President	
MCCARTHY Kieran (EA), President EA	
MEDINA Fernando (PES), Vice-President	
MURPHY Michael (EPP), Vice-President	
NAUTA-VAN MOORSEL Ellen (EPP), Vice-President	
NEGOIȚĂ Robert Sorin (PES), Member	
NUNEZ FEIJOO Alberto (EPP), Vice-President	
OBERSNEL Vojko (PES), Vice-President	
ORTYL Władysław (ECR), President ECR	JONKMAN Rob (ECR)
PATOULIS Georgios (EPP), Vice-President	
PETERSEN Karsten Uno (PES), Member	
PHILIPP Marcel (EPP), Member	
PLATTER Günther (EPP), Vice-President	
PROUST Franck (EPP), Member	
RIBANYI József (EPP), Member	

Physical presence – Remote participation

COR-2020-02390-00-00-PV-REF

RIBAU ESTEVES José (EPP), Member	
ROUILLON Christophe (PES), President PSE	
SARRABEZOLLES Nathalie (PES), Member	VIOLA André (PES)
SINKEVICIUS Mindaugas (PES), Vice-President	
SPEICH Mark (EPP), Member	
STADLER Matthias (PES), Member	
STAVRINIDES Stavros (PES), Vice-President	
STAWIARSKI Jarosław Piotr (ECR), Member	
STRUZIK Adam (EPP), Member	
TOMA Donato (EPP), Member	
VAN DE DONK Wim (EPP), Member	
VORKLAEV Mart (renew E.), Vice-President	
VRUBLIAUSKAS Algirdas (EPP), Member	
WANNGÅRD Karin (PES), Member	
WOZNIAK Marek (EPP), Vice-President	IWANIUK Krzysztof (EA)
ZAGAR Ivan (EPP), Vice-President	

European Committee of the Regions

President's private office:

Mr TRANDAFIR Aurel

Head of President's private office

General Secretariat:

Mr BLIZKOVSKY Petr

Secretary General

Mr GSODAM

Head of the Secretary-General's private office

Mr CERVILLA MARTINEZ

Director, Directorate A, Members and Plenaries

Mr THIEULE

Director, Legislative Work 1

Mr WOB BEN

Director, Legislative Work 2

Mr BARBER

Director, Communication

Ms KUDLIŃSKA

Director, Human Resources and Finance

Political groups:

Mr KNAPP

Secretary-general (EPP)

Mr HARRISON

Secretary-general (PES)

Mr O'CURNEEN

Secretary-general (renew E.)

Representative of the Administration

(The Greens)

Mr. Ó CONCHÚIR

Secretary-general (EA)

Mr LAZARSKI

Secretary-general (ECR)

Ambassadors

CLAUSS Michael, Permanent Representative of the Federal Republic of Germany to the EU

BRITO Nuno, Permanent Representative of the Republic of Portugal to the EU

JARC Iztok, Permanent Representative of the Republic of Slovenia to the EU

Physical presence – Remote participation

COR-2020-02390-00-00-PV-REF