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> **COH 88 CADREFIN 229 CODEC 2356**

DRAFT STATEMENT OF THE COUNCIL'S REASONS

Position of the Council at first reading with a view to the adoption of a Subject:

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE

COUNCIL on a Border Regions' instrument for development and growth

(BRIDGEforEU)

- Draft Statement of the Council's reasons

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I. <u>INTRODUCTION</u>

- 1. On 29 May 2018, the <u>Commission tabled the proposal</u> for a Regulation of the European Parliament and of the Council on a mechanism to resolve legal and administrative obstacles in a cross-border context (ECBM Regulation)¹, which was part of the Cohesion Policy legislative package for 2021-2027.
- 2. The <u>European Parliament adopted its position</u> on the ECBM Regulation at first reading at its plenary session on 14 February 2019.
- 3. On 13 December 2023, the <u>Commission submitted</u> to the Council and the European Parliament <u>an amended proposal for</u> the ECBM Regulation², which aims to provide a legal framework applicable to all Member States to help finding solutions to legal and administrative obstacles that potentially undermine cross-border interaction and the development of cross-border regions.
- 4. The proposal amends the initial proposal from 29 May 2018, the assessment of which was discontinued by the Working Party on Structural Measures and Outermost Regions on 10 May 2021, due to legal concerns related to subsidiarity and proportionality raised by the Member States and confirmed by the Council Legal Service in their opinion issued on 2 March 2020³.
- 5. The amended proposal responds to the <u>European Parliament's legislative own-initiative</u> report⁴ that was approved in plenary on 13 September 2023.
- 6. The <u>Committee of the Regions</u> delivered its opinion on the amended proposal on 17 April 2024⁵.

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Doc. 9555/18.

Doc. 16805/23.

³ Doc. 6009/20.

https://www.europarl.europa.eu/doceo/document/A-9-2023-0252_EN.html.

⁵ Doc. 9207/24.

- 7. The <u>European Economic and Social Committee</u> delivered its opinion on the amended proposal on 24 April 2024⁶.
- 8. The Working Party on Structural Measures and Outermost Regions examined the proposed amended ECBM Regulation in a number of meetings under the Belgian and Hungarian Presidencies.
- 9. The Council Legal Service issued a second opinion on 8 May 2024⁷.
- 10. The <u>Permanent Representatives Committee</u> endorsed on 18 October 2024 the negotiation mandate.
- 11. On the basis of this mandate, the Hungarian Presidency conducted <u>interinstitutional</u> negotiations. A first political trilogue took place on 25 November 2024 and a second and final one took place on 16 December 2024.
- 12. On 17 December 2024, the <u>Permanent Representatives Committee</u> analysed the final compromise text of the amended proposal for the ECBM Regulation with a view to agreement and confirmed it.
- 13. On 27 January 2025, the <u>European Parliament's Committee on Regional Development</u> (REGI) approved the outcome of the interinstitutional negotiations. On 5 February 2025, the Chair of the REGI Committee addressed a letter to the Presidency of the Council indicating that, should the Council approve the agreed text at first reading, after legal-linguistic revision, the European Parliament would approve without amendment the Council's position in its second reading.

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⁶ Doc. 9664/24.

⁷ Doc. 9345/24 + COR 1.

II. OBJECTIVE

14. The aim of the amended proposal is principally to address Council's concerns that led the file to a stalemate, and provide a legal framework applicable to all Member States to help finding solutions to legal and administrative obstacles that potentially undermine cross-border interaction and the development of cross-border regions.

III. ANALYSIS OF THE COUNCIL'S POSITION AT FIRST READING

Procedural context

15. On the basis of the Commission's proposal, the European Parliament and the Council conducted negotiations with the aim of concluding an early second reading agreement on the basis of the Council's first reading position. The text of the draft Council position fully reflects the compromise reached between the two co-legislators.

Summary of the main issues

- 16. The Council's position at first reading contains the following main elements, on which an agreement between the co-legislators has been found:
 - third countries are excluded from the scope, but the regulation is without prejudice to the
 possibility for Member States to set up equivalent procedural frameworks under national
 law to identify and resolve legal and administrative cross-border obstacles in their
 cooperation with third countries;
 - the set-up of cross-border coordination points is voluntary, and Member States have free choice of the way to solve cross-border obstacles, including not solving them;
 - natural persons are excluded from the possibility to be initiators of cross-border files; the
 obligation to provide detailed information on each cross-border file is limited exclusively
 to the Member States that set up cross-border coordination points, and consequently the
 requirement to set up national public registers on cross-border files was eliminated.
 Instead, a Union public register will be set up and maintained by the Commission;

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- obligations for Member States not setting up cross-border contact points are limited to (i) submitting information on a relevant authority that may be contacted and receive information from a cross-border coordination point of a neighbouring Member State dealing with a cross-border file, and to (ii) providing information on the voluntary follow-up, if any, solely to cross-border obstacles also dealt with by a cross-border coordination point from another Member State.
- 17. The European Parliament's negotiating position contained the following main elements, on which an agreement between the co-legislators has been found:
 - the title of the Regulation was changed to "Border Regions' instrument for development and growth BRIDGEforEU";
 - maritime borders have been kept in the scope. However, a compromise between the
 co-legislators' position has been found, not imposing the set-up of cross-border
 coordination points for maritime borders even if Member States have set them up for land
 borders, and excluding island Member States which only have maritime borders with other
 Member States from any obligation.
- 18. The European Parliament's negotiating position contained the following main elements, which were not included in the final compromise:
 - in line with the Commission's proposal, the European Parliament wanted natural persons to have the possibility to be initiators of cross-border files;
 - beyond the Commission's proposal, the European Parliament aimed at extending the application of the Regulation also to resolving legal and administrative cross-border obstacles between Member States and third countries.

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IV. CONCLUSION

- 19. The Council's position at first reading fully reflects the compromise reached in the negotiations between the European Parliament and the Council, facilitated by the Commission.
- 20. The Council therefore believes that its position at first reading is a balanced representation of the outcome of the negotiations and that, once adopted, the BRIDGEforEU will contribute to helping finding solutions to legal and administrative obstacles that potentially undermine cross-border interaction and the development of cross-border regions.

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