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Opinion of the European Committee of the Regions – European Competitiveness Fund

(C/2026/2608)

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Reference document: Proposal for a Regulation of the European Parliament and of the Council on establishing the European Competitiveness Fund ('ECF'), including the specific programme for defence research and innovation activities, repealing Regulations (EU) 2021/522, (EU) 2021/694, (EU) 2021/697, (EU) 2021/783, repealing provisions of Regulations (EU) 2021/696, (EU) 2023/588, and amending Regulation (EU) [EDIP]

COM(2025) 555 final

I. RECOMMENDATIONS FOR AMENDMENTS

Amendment 1

Recital 5

Text proposed by the European Commission	CoR amendment
This also requires that Union funding facilitates the creation and expansion of innovative and industrial ecosystems, where different actors interact in a synergetic way. Successful ecosystems feature intensive and agile interactions and collaboration between small and large companies, universities research institutions, infrastructure providers, investors as well as public authorities. Without such collaborations within and between individual innovation and industrial ecosystems, innovation potential stays unexploited.	This also requires that Union funding facilitates the creation and expansion of innovative and industrial ecosystems, where different actors interact in a synergetic way. Successful ecosystems feature intensive and agile interactions and collaboration between small and large companies, universities research institutions, infrastructure providers, investors as well as public authorities ***at national, regional and local level***. Without such collaborations within and between individual innovation and industrial ecosystems, innovation potential stays unexploited.

Reason

Highlighting the role of the ECF as a value chain builder by supporting the deployment of strategic infrastructures within regions and existing innovation ecosystems and by fostering stronger connections between these ecosystems across the EU, thereby contributing to the development of integrated European supply chains while reinforcing territorial cohesion and regional competitiveness.

Amendment 2

New recital 51

Text proposed by the European Commission	CoR amendment
	An essential objective of the ECF should be to advance and support the completion of the Single Market by enabling businesses, including SMEs and startups, to grow, scale and innovate. As a priority, the ECF should seek to facilitate improved access for businesses to

Text proposed by the European Commission	CoR amendment
	funding, information and administrative assistance, thereby contributing to a more competitive, dynamic and well-integrated Single Market across all Member States. This support should also encompass enhanced guidance and awareness on how to access Union funds and related instruments, as well as efforts to reduce the administrative and bureaucratic burdens that currently hinder effective access to such financing and support measures.

Reason

Important that the ECF prioritises advancing the completion of the Single Market by helping businesses. It should also enhance awareness of EU funding opportunities while reducing administrative burdens that hinder businesses from benefiting fully from these instruments.

Amendment 3

Article 2.1 new point (22)

Text proposed by the European Commission	CoR amendment
	In the context of this Regulation, competitiveness should mean measures that result in increased economic growth, innovation, territorial resilience, and productivity in response to market demand within the Single Market, as well as better quality in terms of products and services and an improved price ratio for products and services.

Reason

It would prove useful to define competitiveness in the context of the ECF, market-oriented and place-based.

Amendment 4

After Article 2(21)

Text proposed by the European Commission	CoR amendment
	Definition of 'place-based innovation': ***Place-based innovation refers to innovation based on the local and regional context and aims to drive economic growth, improve quality of life, and contribute to sustainable development at regional and local level, while also having strong potential to contribute to the realisation of EU competitiveness and innovation agendas.***

Reason

To clarify that there are different regional conditions which are important for innovation that leads to increased competitiveness.

Amendment 5

Article 3(1), point (e)

Text proposed by the European Commission	CoR amendment
aligning research, innovation and industrial policy support to translate Union's research excellence into Union industrial strength on global markets and securing the future of manufacturing in Europe;	aligning research, innovation***, including place-based innovation,*** and industrial policy support to translate Union's research excellence into Union industrial strength on global markets and securing the future of manufacturing in Europe;

Amendment 6

Article 3(1), point (k)

Text proposed by the European Commission	CoR amendment
ensuring a just transition to a sustainable, decarbonised and digital economy that is fair and supporting workers and communities	ensuring a just transition to a sustainable, decarbonised and digital economy that is fair and supporting workers and communities ***in all regions and Member States, in line with technological neutrality and with a particular focus on regions dependent on energy-intensive industries.***

Reason

To call for the inclusion of dedicated measures on just transition to support societal transformations, including economic diversification, upskilling and reskilling building on the positive experiences made with the Just Transition Mechanism in the current funding period with cities and regions at its centre.

Amendment 7

Article 3(2), point (a)

Text proposed by the European Commission	CoR amendment
For support to Clean Transition and Industrial Decarbonisation, the specific objectives of support to decarbonisation of European industry, including SMEs and energy intensive industries, clean tech manufacturing and its supply chains, and contributing to the shift towards a sustainable, circular, energy-, water- and resource-efficient, climate-neutral and resilient economy. This includes the uptake by industries of decarbonisation technologies and other solutions for their industrial processes and activities, as well as the decarbonisation of energy supply, promotion of energy efficiency, the uptake of renewable and clean energy solutions, the development of energy system flexibility, the uptake of lead markets for clean products, the development, resilience, integration and digitalisation of the energy and transport infrastructures and systems, boosting smart mobility and sustainable alternative fuels, as well as boosting the sustainable blue economy, the development of innovative nature-based business models	For support to Clean Transition and Industrial Decarbonisation, the specific objectives of support to decarbonisation of European industry, including SMEs and energy intensive industries, clean tech manufacturing and its supply chains, and contributing to the shift towards a sustainable, circular, energy-, water- and resource-efficient, climate-neutral and resilient economy***, in order to protect, restore and improve the quality of the environment, including air, water and soil, and to halt and reverse biodiversity loss and the degradation of ecosystems, while adhering to the principle of technological neutrality. It also includes support to a Just Transition, such as tailored territorial actions to support societal transformations, including economic diversification, upskilling and reskilling in regions and communities most affected by the transition to climate neutrality and other structural shifts, in close partnership with local and regional authorities and social partners.*** This includes the uptake by

Text proposed by the European Commission	CoR amendment
and demand side solutions for clean and decarbonised buildings, transport and industry, and production ramp up contributing to Europe's strategic autonomy.	industries of decarbonisation technologies and other solutions for their industrial processes and activities, as well as ***the implementation of local and regional climate and energy plans,*** the decarbonisation of energy supply, promotion of energy efficiency, the uptake of renewable and clean energy solutions, the development of energy system flexibility, the uptake of lead markets for clean products, the development, resilience, integration and digitalisation of the energy and transport infrastructures and systems, boosting smart mobility and sustainable alternative fuels, as well as boosting the sustainable blue economy, the development of innovative nature-based business models and demand side solutions for clean and decarbonised buildings, transport and industry, ***the guarantee of supply of raw materials necessary for the shift to a decarbonised and digitalised economy*** and production ramp up contributing to Europe's strategic autonomy.

Reason

Highlights the need to increase production and supply of clean energy within the EU, while allowing Member States to adopt a technology-neutral approach which best suits their own region's needs and allowing public participation by local and regional energy-communities acting as key facilitators.

Welcomes the inclusion of a specific policy window on clean transition and industrial decarbonisation which strongly depends on local and regional capacities for implementation; therefore, calls for more dedicated action for not only clean but also just transition to support industrial transformation and reducing the economic and societal costs of the effects of climate change.

Amendment 8

Article 3 (2), point (c)

Text proposed by the European Commission	CoR amendment
Achieving technological sovereignty by building resilient digital ecosystems and ensuring a high level of cybersecurity in the Union;	Achieving technological sovereignty by building resilient digital ecosystems and ensuring a high level of cybersecurity in the Union***, including at all levels of government***;

Amendment 9

Article 3(2), point (d)(4)

Text proposed by the European Commission	CoR amendment
For support to civil industrial security, the specific objectives of strengthening the competitiveness and responsiveness of the European civil security industry, in the application areas of security, resilience of critical and	For support to civil industrial security, the specific objectives of strengthening the competitiveness and responsiveness of the European civil security industry, in the application areas of security, resilience of critical and

Text proposed by the European Commission	CoR amendment
dual-use infrastructures, technologies including critical energy infrastructure, and solutions for the control of goods and persons at borders, the protection of borders, maritime security, customs security and civil preparedness against security threats, as well as reinforcing the capabilities of the relevant end-users in the civil security sector	dual-use infrastructures, technologies including critical energy infrastructure, and solutions for the control of goods and persons at borders, the protection of borders, maritime security, customs security and civil preparedness against security threats, ***and against climate-related disasters,*** as well as reinforcing the capabilities of the relevant end-users in the civil security sector

Amendment 10

Article 5 (2)

Text proposed by the European Commission	CoR amendment
Resources allocated to Member States under shared management may, at their request, in accordance Article X of Regulation (EU) (XXX) NRPF regulation), be made available to the ECF.	**Delete**

Amendment 11

Article 7(2)

Text proposed by the European Commission	CoR amendment
The Commission and Member States shall, in a manner commensurate to their respective responsibilities, facilitate coordination and coherence between European Competitiveness Fund and national and regional partnership plans on common competitiveness priorities in selected key areas and projects deemed of strategic importance and of common European interest.	The Commission and Member States shall, in a manner commensurate to their respective responsibilities, facilitate coordination and coherence between European Competitiveness Fund and national and regional partnership plans on common competitiveness priorities in selected key areas and projects deemed of strategic importance and of common European interest. ***Such coordination should meaningfully involve regions based on multilevel governance and partnership provisions (as per Article 6 of the NRPP Fund Regulation) and in full consistency with the European Code of Conduct of Partnership.***

Amendment 12

New point Article 7(4)

Text proposed by the European Commission	CoR amendment
	In order to ensure continuity of the European Union's just transition efforts, the European Commission and Member States shall ensure that support provided under this

Text proposed by the European Commission	CoR amendment
	Regulation is coherent and complementary with territorial transition strategies and chapters set out in the National and Regional Partnership Plans Regulation (EU) [XXX], in particular for regions and territories most affected by the transition to a climate-neutral and resource-efficient economy. Local and regional authorities shall be closely involved in the design, implementation, monitoring and evaluation of such support in accordance with the principles of multilevel governance and partnership.

Amendment 13

Article 9a

Text proposed by the European Commission	CoR amendment
	1. Where relevant and appropriate depending on the nature of the award procedure, award criteria set out in the work programmes referred to in Article 15 shall take into account the following principles: ***(a) an assessment of the quality of the proposals submitted in the light of the objectives set out in Article 3;*** ***(b) an assessment of the expected results of the proposals and their impact on achieving the objectives set out in Article 3;*** ***(c) the ability of the proposals to support specific activities in Chapters III, IV, V, VI and VII, Sections 1, 3 and 4, considering the nature of the activities.*** ***(d) proven impact on strengthening the innovation eco-system via place-based innovation.*** ***2. Representatives of third countries or international organisations shall not be present in deliberations on award criteria.*** ***3. This article shall not apply to work programmes adopted to implement the activities under Chapter VII, Section 2.***

Reason

Clarification.

Amendment 14

Article 10(2)

Text proposed by the European Commission	CoR amendment
The work programme, the investment guidelines or the documents related to the award procedure may set out eligibility conditions to ensure the competitiveness of the Union, including protection of economic interests and autonomy of the Union where necessary and appropriate, including through preferential conditions such as restrictions or incentives for Union entities, while limiting distortion of the single market. Those eligibility conditions may take the form of:	The work programme, the investment guidelines or the documents related to the award procedure may set out eligibility conditions to ensure the competitiveness of the Union, including protection of economic interests and autonomy of the Union where necessary and appropriate, including through preferential conditions such as restrictions or incentives for Union entities, while limiting distortion of the single market ***such as shown in adequate impact assessments or territorial impact assessments***. Those eligibility conditions may take the form of:

Amendment 15

Article 14(2)

Text proposed by the European Commission	CoR amendment
The members of the ECF Strategic Stakeholders Board shall be appointed by the Commission, following an open call for nominations or for expressions of interest, or both, whichever the Commission finds more appropriate, and taking into account the need for balance in sector, organisation type, including private investors, and size, expertise, gender, age and geographical distribution. The term of members the Board shall be limited to four years, renewable once. Members of the Board should act with integrity and probity.	The members of the ECF Strategic Stakeholders Board shall be appointed by the Commission, following an open call for nominations or for expressions of interest, or both, whichever the Commission finds more appropriate, and taking into account the need for balance in***,*** sector, organisation type, including private investors, and size, expertise, gender, age and geographical distribution ***at all levels of government, including regional and local authorities, as well as regional clusters***. The term of members the Board shall be limited to four years, renewable once. Members of the Board should act with integrity and probity.

Amendment 16

Article 14(11)

Text proposed by the European Commission	CoR amendment
The Commission shall ensure that stakeholders are consulted in the development of the work programmes, with the creation of one or several thematic platforms per window.	The Commission shall ensure that stakeholders ***at all levels of government, including regional innovation agencies, clusters and development agencies,*** are consulted in the development of the work programmes, with the creation of one or several thematic platforms per window.

Amendment 17

New Article after 14

Text proposed by the European Commission	CoR amendment
	Promotion of place-based innovation: — ***The ECF shall promote and leverage the potential of place-based innovation by (i) learning from local dynamics, (ii) aligning European investments with shared priorities, and (iii) broadening the potential for productivity growth, thereby ensuring better deployment and scaling, while promoting economic growth in all types of places, while maintaining the directionality of the EU sustainability and inclusiveness agenda*** — ***This shall be achieved by alignment of the governance structures at the EU and national and regional levels around key priorities thereby providing the basis for an active engagement of territorial ecosystems in the specific objectives of the fund.*** — ***The following actions shall be envisaged:*** — ***promote effective synergies in combining EU support for place-based innovation via renewed smart specialisation strategies in Europe's regions that are aligned with European long-term sustainability and inclusiveness goals,*** — ***promote effective synergies in combining local, regional and national support from renewed smart specialisation strategies towards EU competitiveness and innovation priorities,*** — ***elevate place-based innovation systems through capacity-building measures that promote transformative innovation approaches,*** — ***allow co-creation and mutual learning across policy areas, borders and governance levels to ensure horizontal and vertical coherence via supporting the networking of innovation ecosystems particularly along European value chains,*** — ***establish a community of practices to apply innovative tools in promoting cutting edge concepts of place-based innovation-driven transformation,*** — ***provide resources for developing new approaches in innovation promotion and testing them at local/regional level, through dedicated regulatory learning spaces,*** — ***support measures to promote partnership and multilevel governance of policies and measures to support place-based innovation-driven transformation in a coordinated and consistent way.***

Text proposed by the European Commission	CoR amendment
	Each funding objective of the ECF should take into account the need to reach out to the place-based innovation systems when implementing their policies.

Reason

Suggests explicitly including the concept of place-based innovation, building on existing experiences such as the Smart Specialisation Strategies, as a key delivery tool for the ECF to ensure that investment in frontier technologies will be taken up and turned into new products and that talent is harnessed across all territories.

Amendment 18

Article 15(1), point (a)

Text proposed by the European Commission	CoR amendment
1. The work programmes may set out:	1. The work programmes may set out:
(a) actions and associated budget from ECF as well as actions set out in the specific dedicated part of the work programmes indicated in paragraph 2;	(a) (actions and associated budget from ECF as well as actions set out in the specific dedicated part of the work programmes indicated in paragraph 2 ***based on a thorough assessment of the identified needs and proposed actions. In instances where subnational data are unavailable, work programmes may use results from voluntary self-assessment tools that have been supported or developed with either direct or indirect support from the European Commission***;

Amendment 19

Article 16

Text proposed by the European Commission	CoR amendment
In order to foster resilient Union value chains, the work programmes may include dedicated value-chains scale up calls which shall support both project preparation and crowding in of additional public and private capital to integrate suppliers, manufacturers, and innovators from different Member States and diversify sources of supply.	In order to foster resilient Union value chains, the work programmes may include dedicated value-chains scale up calls which shall support both project preparation and crowding in of additional public and private capital to integrate suppliers, manufacturers, and innovators from different Member States and diversify sources of supply. ***They should also foresee measures to promote interregional and cross-border cooperation of local and regional eco-systems along these value chains.***

Amendment 20

Article 21(4)

Text proposed by the European Commission	CoR amendment
The minimum amount of the Union support from ECF delivered through ECF InvestEU Instrument shall be EUR 17 000 000 000, to be used in support of the general and specific objectives set out in Article 3. This minimum amount shall be increased by the contributions from the work programmes set out in Article 15. The contributions shall be a favoured means of implementation under the ECF and used for provisioning of the budgetary guarantee or financing of the financial instruments.	The minimum amount of the Union support from ECF delivered through ECF InvestEU Instrument shall be EUR 17 000 000 000, to be used in support of the general and specific objectives set out in Article 3. ***This minimum amount may operate through the four policy windows set out in Article 8(1), points (a), (b), (c) and (d) of the Regulation (EU) 2021/523.*** This minimum amount shall be increased by the contributions from the work programmes set out in Article 15. The contributions shall be a favoured means of implementation under the ECF and used for provisioning of the budgetary guarantee or financing of the financial instruments.

Amendment 21

Article 25 new point after point 1

Text proposed by the European Commission	CoR amendment
	Without prejudice to the timely selection for new implementing partners, the Commission may rely on and reuse in full or in part the agreements with implementing partners concluded under Regulation (EU) 2021/523, and on assessments made by itself or other entities in the context of agreements under that Regulation.

Reason

In accordance with Recital 69, to ensure sound financial management, a faster roll-out and simplification to entrusted entities, the implementation of the ECF InvestEU should build on existing agreements, templates for legal and contractual arrangements and established monitoring and reporting tools.

Amendment 22

Article 27(1)

Text proposed by the European Commission	CoR amendment
'EU for Business' Network shall be established to help Union businesses become more competitive and innovate, grow and scale in the Single Market and beyond, with a particular emphasis on SMEs, startups, scaleups and small mid-cap companies. The network shall have a Union-wide and geographically balanced coverage, taking into account the specificities of all types of regions in the Union, including the less developed regions and the Union outermost regions.	'EU for Business' Network shall be established to help Union businesses become more competitive and innovate, grow and scale in the Single Market and beyond, with a particular emphasis on SMEs, startups, scaleups and small mid-cap companies. The network shall have a Union-wide and geographically balanced coverage, taking into account the specificities of all types of regions in the Union, including the less developed regions and the Union outermost regions. ***It shall build as far as possible on the already existing networks.***

Amendment 23

Article 28(1), point (e)

Text proposed by the European Commission	CoR amendment
increasing the access and the availability of finance for SMEs including microfinance and support to social enterprises, and for small mid-cap companies;	increasing the access and the availability of finance for SMEs including microfinance and support to social enterprises, and for small mid-cap companies; ***support should be delivered to SMEs locally, in the places where they operate;***

Amendment 24

Article 29

Text proposed by the European Commission	CoR amendment
Each window shall support dedicated, sector-specific actions targeting start-ups, SMEs and small mid-cap companies or calls for SMEs in strategic sectors with a view to fostering innovation, business acceleration, commercialisation and scaling-up.	Each window shall support dedicated, sector-specific actions targeting start-ups, SMEs and small mid-cap companies or calls for SMEs in strategic sectors with a view to fostering innovation, business acceleration, commercialisation and scaling-up ***building largely on existing support structures***.

Amendment 25

Article 33, point (1)

Text proposed by the European Commission	CoR amendment
Support for clean transition, and industrial decarbonisation window shall be implemented in particular through the following activities:	Support for clean transition, and industrial decarbonisation window shall be ***technology-neutral and*** implemented in particular through the following activities:

Reason

To highlight the need for technological neutrality.

Amendment 26

Article 33(1) point (c)

Text proposed by the European Commission	CoR amendment
(c) Clean energy and decarbonisation solutions in industry, including electrification of energy intensive industries and carbon capture, storage and utilisation (CCS/CCU)***, and in cities, in particular for energy, transport and buildings***.	(c) Clean energy and decarbonisation solutions in industry, including electrification of energy intensive industries and carbon capture, storage and utilisation (CCS/CCU).

Text proposed by the European Commission	CoR amendment
	(d) Development, implementation and monitoring of climate and energy action plans at the local and regional level, in particular for energy, transport and buildings.

Amendment 27

Art 33(1), point (o)

Text proposed by the Commission	CoR amendment
(o) Support actions for the development, implementation, monitoring and enforcement of relevant Union legislation and policy. This includes supporting the relevant institutions, the cooperation between national authorities and with stakeholders, studies, the development and deployment of tools and infrastructures, including IT infrastructure and tools.	(o) Support actions for the development, implementation, monitoring and enforcement of relevant Union legislation and policy. This includes supporting the relevant institutions, the cooperation between national authorities***, local and regional authorities*** and with stakeholders, studies, the development and deployment of tools and infrastructures, including IT infrastructure and tools.

Amendment 28

Article 33, new point after point 1 (o)

Text proposed by the European Commission	CoR amendment
	supporting the development of place-based innovation eco-systems that strengthen the territorial dimension of industrial decarbonisation and just transition by facilitating cooperation among industry, SMEs, research organisations, and cities and regions; promoting regionally anchored clean technology value chains, skills and innovation capacities; and enabling the deployment and scaling of decarbonisation technologies and solutions across all territories of the Union.

Reason

Important to ensure that industrial decarbonisation and the just transition are rooted in the specific strengths and needs of each territory and build regionally anchored value chains and capabilities so that clean technologies can be developed, deployed and scaled across the Union.

Amendment 29

Article 34(1)

Text proposed by the Commission	CoR amendment
For activities supporting Coordination and Support Actions in the area of energy efficiency and clean energy transition, Union support may cover up to 100 % of the eligible costs, without prejudice to the co-financing principle.	For activities supporting Coordination and Support Actions in the area of energy efficiency and clean energy transition, ***as well as climate and water resilience,*** Union support may cover up to 100 % of the eligible costs, without prejudice to the co-financing principle.

Amendment 30

Article 37(1), point (a)

Text proposed by the Commission	CoR amendment
Improving and protecting health, including cross-border health, by prioritising health promotion and disease prevention across the life course through a health-in-all and One Health policies approach, with a special emphasis on communicable and non-communicable diseases, including mental health, degenerative health, autism, cardiovascular diseases, cancer and other non-communicable diseases, including those related to pollution, sexual and reproductive health and enhancing international health initiatives and cooperation.	Improving and protecting health, including cross-border ***and rural*** health, by prioritising health promotion and disease prevention across the life course through a health-in-all and One Health policies approach, with a special emphasis on communicable and non-communicable diseases, including mental health, degenerative health, autism, cardiovascular diseases, cancer and other non-communicable diseases, including those related to pollution, sexual and reproductive health and enhancing international health initiatives and cooperation.

Amendment 31

Article 39(2), point (b)

Text proposed by the Commission	CoR amendment
Achieving technological sovereignty by building resilient digital ecosystems, including advanced digital skills, and ensuring a high-level of cybersecurity in the Union. […]	Achieving technological sovereignty by building resilient digital ecosystems, including advanced digital skills, and ensuring a high-level of cybersecurity in the Union***, including at all levels of government***. […]

Amendment 32

Article 39(2), point (e)

Text proposed by the Commission	CoR amendment
Support actions for the development, implementation, monitoring and enforcement of relevant Union legislation and policy. This includes supporting the relevant institutions, the cooperation between national authorities and with stakeholders, studies, the development and deployment of tools and infrastructures, including IT infrastructure and tools.	Support actions for the development, implementation, monitoring and enforcement of relevant Union legislation and policy. This includes supporting the relevant institutions, the cooperation between national authorities and with stakeholders, studies, ***feedback from local and regional authorities,*** the development and deployment of tools and infrastructures, including IT infrastructure and tools.

Amendment 33

Article 52(4)

Text proposed by the European Commission	CoR amendment
For actions referred to in Article 44(1), point (c), the Union support may cover up to ***50 %*** of the eligible costs.	For actions referred to in Article 44(1), point (c), the Union support may cover up to ***100 %*** of the eligible costs.

Reason

Proposing higher support to defence industrial responsiveness, industrial scale-up and resilience, given the urgency of the matter.

Amendment 34

Art 60(2)

Text proposed by the Commission	CoR amendment
Copernicus shall also support the formulation, implementation and monitoring of the Union's and its Member States' policies in particular in the fields of environment, climate change, marine, maritime, atmosphere, agriculture and rural development, preservation of cultural heritage, civil protection, infrastructure monitoring, safety and security, as well as digital economy, under the Digital Leadership window, which shall be aligned with the objective of Copernicus.	Copernicus shall also support the formulation, implementation and monitoring of the Union's and its Member States' policies***, and local and regional authorities when relevant,*** in particular in the fields of environment, climate change, marine, maritime, atmosphere, agriculture and rural development, preservation of cultural heritage, civil protection, infrastructure monitoring, safety and security, as well as digital economy, under the Digital Leadership window, which shall be aligned with the objective of Copernicus.

Amendment 35

Article 83(7)

Text proposed by the Commission	CoR amendment
In accordance with international agreements concluded by the Union, representatives of third countries, international organisations or other European Union institutions, bodies and agencies may be invited as observers in the meetings of the committee configurations under the conditions laid down in their rules of procedure, taking into account security and public order interests of the Union. Representatives of third countries or international organisations shall not be present in deliberations on matters related to eligibility, including deliberations related to Articles 9 and 10 of this Regulation.	In accordance with international agreements concluded by the Union, representatives of third countries, international organisations or other European Union institutions, ***including the European Committee of the Regions,*** bodies and agencies may be invited as observers in the meetings of the committee configurations under the conditions laid down in their rules of procedure, taking into account security and public order interests of the Union. Representatives of third countries or international organisations shall not be present in deliberations on matters related to eligibility, including deliberations related to Articles 9 and 10 of this Regulation.

II. POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS (COR)

General considerations

1. welcomes the proposal for setting up the European Competitiveness Fund to address the challenges identified in the Draghi report on the future of European competitiveness;

2. while welcoming the simplification, flexibility, synergies and consolidation of funding in the ECF, underlines that the merging of 14 previous funding programmes into one instrument may pose a challenge to adequately address the funding needs in these policy fields and avoid losing the effective tools that were in place in the previous programmes in reaching out to the local and regional level;

3. underscores the necessity for enhanced transparency concerning the Fund's revised structure and governance in light of the consolidation of programmes, so that it is clearly identifiable which programmes and instruments remain within the Fund, in what capacity, and which will be discontinued as a result of prioritisation;

4. highlights the key role of local and regional authorities not only as eligible beneficiaries of the fund, but also as key enablers, facilitators and testbeds of local regional innovation ecosystems that bring together research and educational institutions, businesses and civil society;

5. therefore, underlines the need to combine the global approach on competitiveness as defined in the Draghi report with a place-based approach that unlocks the growth potential throughout the EU;

6. underlines that renewed Smart Specialisation Strategies (S3) are a key place-based tool to strengthen synergies between the National and Regional Partnership Plans and the European Competitiveness Fund by aligning European competitiveness priorities with regional innovation ecosystems and industrial strengths;

7. highlights in this context the key role of cohesion policy also as an investment policy that contributes to promoting local and regional competitiveness for a smarter Europe in the current programming period, and is therefore very concerned about the proposal for a NRPP in the next MFF that does not explicitly recognise the role of regions in the decision-making process and brings into question how all regions in the EU will benefit from cohesion policy;

8. recalls in this sense that territorial cohesion is a Treaty objective and requests that the ECF incorporate the principle of 'do no significant harm to cohesion', requiring ex-ante territorial impact assessments for work programmes, calls and selections;

9. calls for the respective financial envelopes of the four policy windows of the European Competitiveness Fund to be rebalanced in order to guarantee sufficient and predictable resources for the ecological and digital transitions, which are essential for long-term, sustainable and inclusive European competitiveness;

10. stresses that EU competitiveness also depends on reducing economic and societal costs linked to the negative impact of climate change. In this regard, calls for more substantive action to address climate change adaptation and preparedness for climate-related disasters;

11. stresses that the lack of affordable housing has become an economic threat to the competitiveness of local and regional economies, creating labour market barriers and exacerbating labour shortages. In this regard, calls for the allocation of resources towards mitigating this pressing challenge also through the ECF;

Objective and structure of the ECF

12. welcomes the strengthened role planned for InvestEU under the ECF as a key instrument to support industrial scale-up across strategic value chains; stresses that support should go beyond technological development to also address skills, training and capacities necessary for market deployment; centrally managed financial instruments should contribute to reducing technological, financial and market risks during critical scale-up phases while remaining responsive to the needs of regional and local ecosystems;

13. suggests a dedicated article on place-based innovation, ensuring that the ECF promotes and leverages the potential of place-based innovation by (i) learning from local dynamics, (ii) aligning European investments with shared priorities, and (iii) broadening the potential for productivity growth while promoting economic growth in all types of places;

14. welcomes the idea of a Single Rulebook for further simplification and achieving greater synergies between different funding instruments and thus allowing for greater legal certainty for beneficiaries; underlines, however, that this requires effective coordination and clarity to avoid overlaps and inconsistencies in the implementation; calls, therefore, for investment planning to be designed by the concrete needs of industrial actors on the ground, in order to maximise impact and strengthen Europe's long-term competitiveness;

15. welcomes the intention to align ECF spending with EU-wide goals; takes note, however, that the proposal makes no explicit reference to the European Semester process as an important coordination mechanism and therefore calls for further clarification on how the ECF would interact with it;

16. stresses, however, that while the European Semester process is significant, it is also imperative to emphasise that, for the ECF to effectively facilitate increased investment, conditions ensuring long term predictability and stability are essential, thereby safeguarding investments from being subjected to alterations arising from annual budgetary processes;

17. suggests that close attention be paid to ensuring smooth and effective synergy with other EU programmes and policies, in particular the National and Regional Partnership Plans, the Horizon Europe programme and the Connecting Europe Facility;

18. stresses the importance of striking a balance to ensure a procedure for financing and reporting that offers legal certainty and, at the same time, is transparent and accessible. The administrative threshold for financing should not be too high, so that smaller players, who can contribute to increased innovation, are not excluded;

19. suggests that representatives of local and regional authorities be involved in the advisory boards and governance structures of the ECF to ensure effective linkages with place-based innovation, effective synergies with public investment on the ground and a focus on tailor-made solutions;

20. stresses further the need for the European Competitiveness Fund to support a genuinely common European industrial policy rather than a fragmentation into 27 national approaches, and therefore calls for the Competitiveness Coordination Tool to be closely associated with the ECF in order to ensure strategic alignment, coherence and coordination of industrial investments across the Union;

ECF Toolbox

21. demands that local and regional authorities be closely involved and regularly consulted in the development and preparation process of the work programmes for the ECF to discuss funding priorities from the angle of local and regional needs, including SMEs, startups and others, considering that smaller-scale innovation often serves as a testing ground for new solutions;

22. welcomes the proposed Single Market value chains builder as an innovative tool to strengthen business links beyond borders, and suggests including dedicated actions to engage and attract additional public and private capital for investments and to engage local and regional authorities in this process by building on existing regional industry alliances such as the European Semiconductor Regions Alliance, the Automotive Regions Alliance, the European Chemical Regions Network or the European Network of Defence-related Regions;

23. underlines the role of regional promotional banks and cooperative or similar financing institutions as key partners for the InvestEU instrument and especially in the envisaged national compartments;

24. highlights that the proposed measures to support EU tech frontrunners and the production ramp-up actions should be built on effective place-based innovation strategies to ensure its effective uptake on the ground;

25. welcomes the support of Important Projects of Common European Interest (IPCEI) but reiterates the concerns for simplifying and streamlining the creation and approval of IPCEIs and by also promoting EU regions to join future consortia;

Project Advisory, SME collaboration, skills development and access to funding

26. stresses that SMEs are fundamental drivers of European competitiveness and calls for dedicated earmarking of financial support for SMEs under the European Competitiveness Fund, recalling that advisory and support services alone are insufficient to meet their investment and scaling-up needs;

27. recommends that the planned EU for Business network build on the existing expertise of the EEN, the European Cluster Collaboration Platform and other regional ecosystem actors, which are complementary to SMEs;

Support for clean transition and industrial decarbonisation

28. welcomes the climate earmarking of 43 % within the European Competitiveness Fund, but calls for clear definitions, transparent criteria and measurable outcomes to ensure credibility, avoid greenwashing and enable effective monitoring and evaluation;

29. highlights the essential role of the LIFE programme in ensuring the implementation of climate, energy and environmental policies on the ground and calls for the continuation of LIFE actions as a stand-alone programme with a specific regulation and with a particular focus, in future calls, on local and regional authorities;

30. highlights that investments under the ECF should centre on technological neutrality, enabling a wide array of solutions, thus advancing decarbonisation while ensuring energy security, affordability and price stability;

Support for health, biotech, agriculture and bioeconomy

31. welcomes the explicit reference to the 'health-in-all-policies' approach and commitment to strengthening innovation and resilience of health systems as strategic infrastructure for competitiveness; reiterates that the latter are managed by regional government in two-thirds of EU Member States;

32. calls for the creation of Member-State/Regional ECF Partnership Hubs to bring the place-based dimension into the governance of the ECF health objective;

Support for digital leadership

33. advocates sustained and ongoing support for both established and emerging decentralised initiatives and projects implemented at the local or regional level throughout the current and previous programming periods, irrespective of their co-financing status with the EU budget;

34. reiterates its call on the Commission to establish a single 'AI Fund for regional and local authorities' as part of the specific activities to support digital leadership, with the aim of accelerating the full implementation of actions envisaged in relevant EU strategic documents;

Support for resilience and security, defence industry and space

35. highlights the role of regions in broadening the defence industrial base by incorporating capable regional ecosystems that contribute to territorial cohesion, by supporting SMEs and startups, as well as in preparedness of citizens, business and local infrastructure;

36. welcomes an increase of investment in defence and space under the ECF; calls for close coordination and synergies investments with the National and Regional Partnership Plans and the Connecting Europe Facility's military mobility strand; highlights that EU space policy relies on a strong and competitive European space industrial base, which is inherently dual; stresses that civil and defence uses depend on the same industrial capacities and that the objective is not separation, but to ensure clear visibility, predictability and continuity of civil space programmes within the European Competitiveness Fund and the future MFF 2028–2034, including Copernicus, Galileo/EGNOS and IRIS2, so that civilian objectives, services and territorial applications are clearly identified and effectively supported.

Brussels, 4 March 2026.

The President
of the European Committee of the Regions
Kata TÜTTŐ