

Directorate for Legislative Works 1 Unit B3 – CIVEX

The Head of Unit

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EUROPEAN COMMITTEE OF THE REGIONS' CONTRIBUTION TO THE EUROPEAN COMMISSION'S 30TH ANNUAL REPORT 2022 ON THE APPLICATION OF THE PRINCIPLES OF SUBSIDIARITY AND PROPORTIONALITY

The European Committee of the Regions (CoR) continued in 2022 to work on subsidiarity, proportionality and better regulation guided by the priorities for its 2020-2025 term of office which include the CoR's 'determination to continue to improve the quality of EU legislation and to better anticipate its territorial impact and promote the principle of active subsidiarity'.

This determination was confirmed by the findings of the CoR's 2022 Annual report on the state of cities and regions (October 2022) which in particular underlines the importance of subsidiarity as a principle in the context of the EU's cohesion policy (Chapter IV) and the key role played by the CoR in promoting the debate about subsidiarity in the Conference on the Future of Europe (see below, chapter VI). ¹

Subsidiarity and Proportionality Monitoring

In 2022, 23 CoR opinions on legal acts were adopted, 31 CoR opinions on other documents or topics, and eight resolutions.

24 out of the total of 54 opinions contained explicit references to the compliance with subsidiarity and proportionality, or concrete recommendations to improve compliance. In addition, seven out of the eight resolutions also addressed issues of subsidiarity and proportionality, including the resolutions on the Conference on the Future of Europe (January) and on the COFE results and follow-up (June), as well as the two resolutions on the European Commission Work Programme 2023 (June and November-December).

The CoR Subsidiarity Steering Group had identified four priority files for subsidiarity monitoring in 2022, and five additional proposals as 'also relevant' for monitoring. The priorities identified were: the zero-pollution package (with integrated water management and ambient air quality proposals); the climate measure package (with carbon removal certification and sustainable use of pesticides); the multi-modal digital mobility services proposal; and the proposal on equality bodies.

As also relevant were identified: digital education and skills, minimum income, the European care strategy, revision of urban waste-water directive and the EU government interoperability strategy.

¹ CoR 2022 report on the State of Cities and Regions available <u>4739 Report State of R and C 2022 EN-N - main page.pdf (europa.eu)</u>

The Committee has adopted, or is in the process of elaborating, opinions on most of the initiatives identified and already published at the time of writing, with the exception of the 'integrated water management' and the Union framework for certification of carbon removals.²

Members of the CoR's Subsidiarity Monitoring Network (SMN) transmitted 20 contributions to the Committee of the Regions in 2022.³

Active Subsidiarity and Better regulation in the wider EU context

The CoR participated very actively in the Conference on the Future of Europe, notably with a focus on the subject of "active subsidiarity", in particular with its proposals on how to 'use "active subsidiarity" to better involve parliaments, regions and cities in the shaping of EU policies'. This contribution called inter alia for a systematic use of the subsidiarity "grid" developed by the CoR, more transparent and broader territorial assessments to evaluate the impact of EU legislation in cities and regions, and for applying subsidiarity also to EU governance processes such as the European Semester. In case of Treaty reform, the CoR calls for giving national/regional parliaments and/or the CoR a right of initiative to propose or abolish EU legislation, and suggests to give the principle of proportionality the same legal status as the principle of subsidiarity.

The CoR's delegation's efforts in the Conference on the Future of Europe and its president Apostolos Tzitzikostas as rapporteur on 'subsidiarity' in the COFE working group on Democracy, contributed to the formulation of the conference's key recommendation in this regard, No 40 which stipulates:

1) Active subsidiarity and multi-level governance are key principles and fundamental features for EU functioning and democratic accountability"

The text then goes on to recommend:

- 3. Reform the Committee of Regions to encompass adequate channels of dialogue for regions as well as cities and municipalities, giving it an enhanced role in the institutional architecture, if matters with a territorial impact are concerned;
- 4. Systematic use of a subsidiarity definition commonly agreed by all EU institutions could help to clarify whether decisions have to be taken at European, national or regional level

Following on from these recommendations, the 10th biennial CoR Subsidiarity Conference took place on 11 November in Valencia, Spain. With the participation of Commission Vice-president Šefčovič (via video message) and Commission Ferreira, and in the presence of Members of the European Parliament, the

² In the case of integrated water-management, the CoR will not a dopt an opinion but draws attention to its <u>opinion ENVE</u> (rapporteur Piotr Cia lbecki, (PL/EPP) on the Fitness Check on the Water Fra mework Directive, (adopted 2 Jul 2020); On the other priority files, please see: <u>Opinion ENVE</u>, rapporteur Una Power (IE/Greens) on the revision of the ambient air quality legislation (adoption in CoR plenary foreseen for July 2023); <u>opinion NAT</u>, rapporteur Loïg Chesnais-Girard (FR/PSE) on Regional adaptation strategies for low carbon a griculture (adoption CoR plenary foreseen February 2023; <u>opinion NAT</u>, Rapporteur Heinz-Joachim Höfer (DE/PES) on Sustainable use of pesticides (adoption CoR plenary foreseen March 2023); <u>opinion SEDEC</u>, rapporteur Anne Karjalainen (FI/PES) on Adequate minimum income for social inclusion: the local and regional perspective (adoption foreseen CoR plenary February 2023); <u>opinion SEDEC</u>, rapporteur Heinrich Dorner (AT/EPP) on European Care Strategy (adoption foreseen CoR plenary February 2023)

³ These contributions include positions adopted by individual regional parliaments (from Austria), coordinated positions of the Austrian Länder, and positions by two chambers of national parliaments, i.e. the Austrian Bundesrat and the French Senate.

⁴ https://futureu.europa.eu/processes/Democracy/f/6/proposals/114517

conference focused on "The Future of Europe: Daring more EU democracy – Creating EU added value". The Conference adopted a set of conclusions which reiterate the CoR's commitment to promote the concept of active subsidiarity as a central element of the EU's better regulation agenda and to reinforce the contribution of the local and regional levels to evidence based and future-proof EU policy making. The conference participants therefore call to reinforce inter-institutional cooperation notably through the planned revisions of the existing bilateral cooperation agreements between the CoR and the European Commission and the European Parliament, and to mainstream active subsidiarity throughout the relevant EU governance processes. They also call for a more active role for the CoR in subsidiarity monitoring and a legislative function in key territorial policies, in case of a Treaty revision.

Throughout 2022, the CoR also continued to develop its better regulation activities, also in partnership with the European Commission and the European Parliament, notably through the cooperation in the Fit4Future platform and the work of the RegHub network, and through its contribution to the European Parliament's report on "Better regulation: Joining forces to make better laws" adopted in May 2022.⁵ The RegHub network contributed two targeted stakeholder consultations to the Fit4Future platform, which fed into two platform opinions (drafted by CoR rapporteurs), and the network also prepared a special report containing suggestions to address obstacles to infrastructure deployment.⁶

In June 2022, the European Committee of the Regions' Bureau created the new Better Regulation and Active Subsidiarity Steering Group (BRASS-G), replacing the former Subsidiarity Steering Group. The group, chaired by former CoR President Karl-Heinz Lambertz (BE/PES), was officially launched on 11 November in Valencia, Spain, following the CoR's 10th subsidiarity conference. The BRASS-G's aim is to provide "more integrated and streamlined CoR governance" in the area of better regulation, including subsidiarity monitoring, in order to increase the coherence, visibility and impact of CoR work and stronger inter-institutional contacts. In its first meeting, the BRASS-G endorsed the draft new strategy for CoR Territorial Impact Assessment (TIA) and suggested some practical measures to increase the coherence and the visibility of the CoR's better regulation activity. The Bureau decision setting up BRASS-G added rural proofing to the CoR's strategic approach for better regulation and active subsidiarity. BRASS-G members therefore agreed that a specific focus on assessing the territorial impact of EU legislation on rural areas should be explored with the aim to develop a rural-proofing approach for the CoR.

⁵ REPORT on Better regulation: Joining forces to make better laws | A9-0167/2022 | European Parliament (europa.eu)

⁶ RegHub Special Report on "21st Century Rules for 21st Century Infrastructure" (europa.eu)

⁷ CoR Bureau decision CoR 2022-02422-23-00-NB-TRA