

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 31ST ANNUAL REPORT 2023 ON THE APPLICATION OF THE PRINCIPLES OF SUBSIDIARITY AND PROPORTIONALITY

The European Committee of the Regions (CoR) continued in 2023 to work on subsidiarity, proportionality and better regulation guided by the priorities for its 2020-2025 term of office. In 2023, the CoR adopted 53 opinions and 6 resolutions¹. More than half of CoR opinions² and resolutions³ contained explicit references to and/or recommendations for improvement of the compliance with subsidiarity and proportionality.

Throughout 2023, the CoR's <u>Better Regulation and Active Subsidiarity Steering Group (BRASS-G), chaired</u> by Karl-Heinz Lambertz (BE/PES)⁴, carried out its overarching role of steering the different better regulation tools of CoR, ensuring coherence and synergies between them and promoting the contribution of local and regional authorities to better EU regulation throughout its lifecycle, from the stages of identifying trends and issues early (via strategic foresight), the policy development phase (ex-ante through subsidiarity and proportionality monitoring, territorial impact assessments, and rural proofing), through to the legislative review phase by focussing on implementation (ex post via the RegHub network) and the possible policy revision (via the CoR's contribution to the Fit-4-Future platform)⁵.

Given the growing importance of **strategic foresight** as an instrument of anticipatory governance and better regulation, the CoR worked in 2023 on building its foresight capacity, on mainstreaming foresight in its policy work, and on identifying and linking foresight capacity in cities and regions with each other and to the CoR-EU level⁶. In its opinion on *Strategic foresight as an instrument of EU governance and better regulation*, the CoR highlighted the importance for local and regional leaders to anticipate risk factors and evaluate the possible policy responses by means of strategic foresight, in order to help regions and cities develop proactive

¹ For full details see <u>EUR-Lex (europa.eu).1</u>

² 29 out of the total of 53 opinions.

 $^{^{3}}$ 4 out of 6 resolutions. Importantly, the CoR resolution on the 2023 state of regions and cities in the European union and proposals in view of the next strategic agenda 2024-29 emphasised that an 'optimisation of the current Treaty provisions should actively ensure greater transparency and accountability in the EU decision-making process, including increased emphasis on subsidiarity, multilevel governance and the role of the CoR' and considered 'in that respect indispensable a revision of the interinstitutional agreement on better law-making during the next policy cycle'.

⁴ Antje Grotheer (DE/PES), CoR member and President of the Bremen Regional Parliament, succeeded Karl-Heinz Lambertz in 2024 in the fonction of BRASS-G chair.

⁵ More information on BRASS-G is available on the dedicated section of the <u>CoR website</u>.

⁶ In 2023 the CoR was involved in many of the European Institutions' activities on strategic foresight, mainly in the context of ESPAS

⁽European Strategic Policy Analysis System). This included the participation in the ESPAS Global Trends Report 2024 core drafting team, in the ESPAS Project team, in the ESPAS Steering Group, and in the ESPAS Young Talent Network including participation in the 2023 ESPAS Annual Conference.

policies. The CoR is gradually building a network of regions and cities with experience in strategic foresight and supporting the sharing of good practices and foresight culture at a sub-national level, as evidenced by a participatory lab on strategic foresight for regions and cities during the European Week of Regions and Cities 2023 co-organized with the European Commission, by a pilot <u>foresight exercise</u> for the members of the CoR Green Deal Going Local Working Group in cooperation the Commission's Joint Research Centre, and by including a foresight dimension in all relevant externally commissioned studies.

With the objective of ensuring compliance with subsidiarity and proportionality principles in the upcoming EU legislation, the CoR **subsidiarity monitoring** was guided by its <u>Annual Subsidiarity Work Programme for</u> 2023 which identified 5 initiatives from the European Commission's Work Programme 2023⁷ as priorities for monitoring due to a clear political interest for local and regional authorities and the impact on their competences, and as a result the CoR has adopted opinions on most of the initiatives identified and already published at the time of writing.⁸ The exchange of subsidiarity and proportionality-related observations between the local and regional authorities was also facilitated by the CoR's <u>Subsidiarity Monitoring Network</u> (SMN)⁹, in particular thanks to the members of <u>REGPEX</u>¹⁰, who transmitted 25 contributions.¹¹

The **Renewed Territorial Impact Assessment strategy** adopted by the CoR Bureau in February 2023 guided three territorial impact assessment (TIA) workshops carried out in 2023: <u>A Drone Strategy 2.0</u> in May, <u>Sustainable Food Systems</u> in June and <u>Strategic Technologies for Europe Platform (STEP)</u> in October. At the invitation of the Spanish Presidency of the Council of the EU, the CoR also presented its work at the Better Regulation Council working group meeting on 13 September 2023, and received positive feedback from the Member States' delegates. Importantly, the CoR opinion <u>Do no harm to cohesion – A cross-cutting principle</u> <u>contributing towards cohesion as an overall objective and value of the EU</u> adopted in May 2023 stresses the need for a systematic **ex-ante assessment** of potential differentiated territorial impacts of all new EU policies with a territorial dimension in their design phase.

Ensuring the specificities of **rural areas** are taken into account prior to any EU legislation being adopted, the CoR **methodology for rural proofing** was endorsed by the NAT Commission on 30 March 2023 and by BRASS-G on 20 June 2023.¹² The renewed TIA strategy also provides that TIA workshops and tools can be applied with a specific rural focus for appropriate dossiers. As a result, the first TIA workshop on the topic of Sustainable Food Systems (a priority under the Subsidiarity Work Programme 2023) with a specific rural proofing focus took place on 22 June.

Throughout 2023, the CoR also continued to deploy its **ex-post better regulation tools** in partnership with the European Commission and the European Parliament, notably through its participation in the **<u>Fit4Future</u>** platform and the work of its **<u>RegHub network</u>**. Following the appointment of CoR members Michiel

⁷ <u>https://commission.europa.eu/system/files/2022-10/com 2022 548 1 annexe en.pdf</u>: Healthy soils (no. 7), Waste reduction (no.

^{3),} Economic governance (no. 21), Sustainable food systems (no. 6) and SME relief (no. 11)

⁸ ECON-VII/030 - <u>Reform of the EU economic governance framework</u>; NAT-VII/033 - <u>Legislative framework for Sustainable food</u> <u>systems</u>; ENVE-VII/042 - <u>Soil Monitoring and Resilience (Soil Monitoring Law)</u>; ECON-VII/035 - <u>The SME Relief Package and the</u> <u>BEFIT framework</u>

⁹ The network gathers parliaments and governments of regions with legislative powers, local and regional authorities without legislative powers and local government associations in the European Union, and is also open to CoR national delegations and chambers of national parliaments

¹⁰ Sub-group of SMN gathering parliaments or assemblies representing regions with legislative power

¹¹ These contributions include positions adopted by individual regional parliaments (Lower Austria, Vorarlberg, and Upper Austria State Parliaments, Emilia Romagna Regional Assembly, and the Bavarian State Parliament), regional governments (Lower Austria and Vorarlberg state governments), coordinated positions of the Austrian Länder, and positions by two chambers of national parliaments, Austrian Bundesrat and French Senate.

¹² COR-2023-01183-00-03-TCD-TRA

Rijsberman (NL/Renew Europe) as a F4F rapporteur for the platform opinion <u>Digital Europe Programme</u> and Anne Karjalainen (FI/PES) as a F4F rapporteur on <u>Public Procurement</u>, the <u>RegHub</u> network conducted two targeted consultations of its 46 members in 2023 in order to provide valuable information on the implementation of both policies, that fed into the aforementioned F4F opinions.

The <u>RegHub</u> network also consulted the Hubs on <u>"The future of the Green Deal: taking stock and looking ahead" and gathered the experiences of local and regional authorities in implementing Green Deal measures, which were published in an <u>implementation report</u> and highlighted in the CoR's <u>2023</u> Annual Report of the <u>State of Regions and Cities</u>. The first of a three-phase consultation of the Hubs on the regional dimension of the **Common Agricultural Policy** (**CAP**) strategic plans was also conducted in 2023. The results of its first phase were gathered and collected in 2023 in an <u>implementation report</u>, thus informing the CoR's discussions with its institutional partners and contributing to its work on the mid-term review of the CAP in the period 2024-2025.</u>

Finally, the CoR and the Commission prepared in 2023 the review of their cooperation agreement due to be adopted in early 2024. This review also includes amendments to chapter III of the cooperation agreement *on the Implementation of Subsidiarity and Proportionality, Multi-Level Governance and Better Regulation,* notably on the CoR's participation in expert groups, on concrete steps to jointly strive for a culture of active subsidiarity and on the use of the subsidiarity and proportionality assessment grid.

In conclusion, the CoR continued in 2023 to implement the concept of active subsidiarity¹³ through its cooperation with the European Commission and further development and operationalisation of its own better regulation toolbox under the guidance of BRASS-G, as a follow-up to the conclusions of the Conference on the Future of Europe (in particular the proposal no. 40).

¹³ The concept of 'active subsidiarity' implies that national Parliaments and local and regional authorities provide contributions in the pre-legislative phase to help the Commission calibrate its proposals in the specific multi-level governance context. See <u>the report</u> on 'active subsidiarity' by the Task Force on Subsidiarity, Proportionality and 'Doing less more efficiently'.