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ITEM 10 C

SUBSIDIARITY ANNUAL REPORT 2020

Submitted by the secretary-general

FOR INFORMATION

SUMMARY

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Subsidiarity Annual Report 2020

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- Document for information / debate
- Document for decision
- Recommendation to the Assembly

Short description:

This eleventh Annual Report on Subsidiarity sets out the subsidiarity and proportionality work of the European Committee of the Regions (CoR) in 2020. The report presents the main features of the Subsidiarity Work Programme 2020 and summarises activities carried out to implement it in 2020, as well as details of the governance structure and tools for subsidiarity monitoring. It also describes the impact of monitoring through an examination of relevant CoR opinions relating to subsidiarity.

The Bureau is invited to take note:

- of the Subsidiarity Annual Report 2020.

Remarks:

N/A

1. Introduction

This eleventh Annual Report on Subsidiarity sets out the subsidiarity and proportionality activities of the European Committee of the Regions (CoR) in 2020. In that year, in line with **Article 5(3)** of the **Treaty on the European Union**, which contains an explicit reference to the local and regional dimension and thus underlines the need to respect the competences of local and regional authorities (LRAs) within the EU, the CoR monitored the application of the subsidiarity principle through its various instruments. While 2020 was marred by the unprecedented challenge of the COVID-19 pandemic, the CoR continued its work as the guardian of the interests of local and regional authorities in the EU, making sure their competences were respected in line with the subsidiarity principle.

Responding to the realities of the COVID-19 pandemic, the CoR issued a declaration¹ calling for more support for Europe's one million local and regional elected politicians and for a collaborative review of health competences in line with the subsidiarity principle. It stressed that, even in the coronavirus pandemic, the measures relating to the state of emergency had to be proportionate, limited in time, subject to democratic control and in line with the principles of subsidiarity and multilevel governance.

Despite the operational challenges of the pandemic, the CoR continued its work unwaveringly and set out its **priorities for 2020-2025** in its Resolution entitled *Europe closer to the people through its villages, cities and regions*², where it expressed its "determination to continue to improve the quality of EU legislation and to better anticipate its territorial impact and promote the principle of **active subsidiarity**". It also emphasised that: "The pandemic is demonstrating the importance of properly applying the active subsidiarity principle, as well as the essential role of local and regional authorities on the one hand, and the need for coordination and support at European level on the other."

On 12 October 2020, the CoR published the first edition of its **EU Annual Regional and Local Barometer**³, which focused mainly on the impact of the COVID-19 pandemic. The report shows that EU regional and local authorities have been on the frontline in tackling the health crisis and are also crucial to a successful economic recovery. In its key findings, it calls for the better involvement of LRAs in the governance of EU and national recovery plans. For instance, the report recommends that the **European Semester** – as the Recovery and Resilience Facility's governance mechanism – should incorporate a Code of Conduct for the involvement of LRAs, following the principle of **active subsidiarity**. The report also calls for cities and regions to be closely involved in the preparation of national plans so as to ensure their complementarity with the necessary regional and local recovery strategies. Finally, as a practical application of the active subsidiarity principle, it suggests that the CoR and European Commission should hold an annual Recovery and Resilience Forum to ensure that the recovery plan works for cities and regions.

¹ [Declaration of the European Committee of the Regions on Local and regional authorities as actors of the European response to the COVID-19 crisis.](#)

² [Resolution of the European Committee of the Regions – The European Committee of the Regions' priorities for 2020-2025 – Europe closer to the people through its villages, cities and regions.](#)

³ [EU Annual Regional and Local Barometer \(europa.eu\).](#)

In its **Resolution** adopted in regard to the **European Commission work programme⁴ for 2021** the CoR encouraged the European Commission to pursue successful cooperation with the CoR on the promotion of the concept of "active subsidiarity", including through the CoR's **Network of Regional Hubs for EU Policy Implementation Review (RegHub)⁵** initiative and by supporting the CoR in developing RegHub 2.0 to provide feedback based on user experience in EU policy implementation at the local and regional levels. In October 2020, the CoR approved the continuation of this project in the form of RegHub 2.0 and welcomed new members, increasing the network to 46⁶. The **Fit for Future Platform** (a high-level expert group helping the Commission in its efforts to simplify EU laws and to reduce unnecessary related costs) directly embeds RegHub into its structure as an expert network in addition to the other groups, such as the government group, where the CoR is also represented by three of its members. This marks a significant expansion of the CoR's role beyond the statutory ex-post provisions in the Treaties and contributes to the application of the principle of active subsidiarity along the entire legislative cycle⁷.

In order to achieve the best possible **legislation**, the CoR seeks to constructively contribute to the European decision-making process at an early stage. The purpose of its subsidiarity monitoring activities in 2020 was to detect any subsidiarity and proportionality concerns as early as possible in legislative and non-legislative procedures. The guidance as to which proposals should be subjected to increased scrutiny regarding their compliance with the principles of subsidiarity and proportionality was provided by the **Subsidiarity Work Programme 2020** as a practical instrument of subsidiarity monitoring implemented by the CoR. In this context, the CoR carried out **assessments of the compliance with the principles of subsidiarity and proportionality** of the legislative proposals on which it issued opinions⁸.

This eleventh **Annual Subsidiarity Report** presents the main features of the Subsidiarity Work Programme 2020 and details the governance structure and tools for subsidiarity monitoring. It also describes the impact of the monitoring through an examination of relevant CoR opinions relating to subsidiarity.

The final sections are devoted to the most important activities and events of the year in the field of subsidiarity, as well as the conclusions and outlook for the following year.

4 [Resolution of the European Committee of the Regions – the European Committee of the Regions' proposals in view of the European Commission Work Programme for 2021, COR 2020/02622.](#)

5 The Network of Regional Hubs for EU Policy Implementation Review (RegHub) originated from the final report and recommendations of the Taskforce for Subsidiarity, Proportionality and Doing Less More Efficiently.

6 [new-reghub-2-0-members.pdf \(europa.eu\).](#)

7 See [RegHub evaluation report.pdf \(europa.eu\).](#)

8 Rule 55(2) of the [CoR Rules of Procedure, OJ L 65, 5.3.2014, p. 41.](#)

2. Subsidiarity Work Programme 2020

2.1 Adoption

Under the Subsidiarity Monitoring Strategy⁹, a Subsidiarity Work Programme (SWP) was drawn up for 2020 using a procedure comprising several steps. The first step consisted of an initial pre-selection of legislative initiatives from the 2020 European Commission Work Programme by the Subsidiarity Expert Group (SEG)¹⁰ and the CoR commission chairs, based on the following criteria and information available at that stage:

- a) initiatives should present a clear political interest for local and regional authorities;
- b) initiatives should touch on competences of local and regional authorities;
- c) initiatives should bear a potential subsidiarity dimension;
- d) preference should be given to legislative proposals. This selection also takes account of CoR priorities and initiatives included in the work programmes of the thematic commissions.

The second step entailed endorsement by the Subsidiarity Steering Group (SSG) at the 13th meeting of the SSG held, on 8 April 2020, and the presentation of the draft Subsidiarity Work Programme at the CIVEX commission meeting on 25 June 2020. The programme was adopted by the CoR Bureau on 11 September 2020.

The Subsidiarity Work Programme is based on a priority list drafted following a pre-selection of legislative (and non-legislative) initiatives included in the European Commission Work Programme for 2020. The following **five priority initiatives were identified, along with three additional relevant dossiers** for the 2020 SWP.

Priorities initiatives¹¹

- 1) Digital services,
- 2) The European Green Deal,
- 3) Protecting our environment,
- 4) Social Europe,
- 5) A New Pact on Migration and Asylum.

Additional relevant initiatives¹²

- 1) Commission contribution to COP26 in Glasgow – 2030 Climate Target Plan,
- 2) Sustainable production and consumption – Empowering the consumer for the green transition,
- 3) European Strategy for Data.

⁹ R/CdR 606/2012 item 7a), adopted on 2 May 2012.

¹⁰ The SEG meeting took place on 8 April 2020.

¹¹ Descriptions of the priority initiatives are taken from the European Commission 2020 Work Programme.

¹² Descriptions of the additional relevant initiatives are taken from the European Commission 2020 Work Programme.

2.2 Implementation

Under the Subsidiarity Work Programme (SWP), the CoR administration set up an early internal flagging system to ensure proper monitoring of the selected EU initiatives that might raise subsidiarity concerns. Implementation of the SWP requires the involvement at the earliest possible stage of all relevant political and administrative stakeholders, with a view to identifying and planning subsidiarity monitoring activities. Below are the priority initiatives included in the Subsidiarity Work Programme 2020, as adopted by the CoR Bureau.

In terms of the priority initiatives, the following provides an overview of the state of implementation of SWP 2020. Furthermore, through its preliminary analysis of the opinions to be submitted for adoption at the CoR plenary, CoR's CIVEX secretariat ensures the application of Rule 55.2 of the Rules of Procedure of the CoR, according to which: "Committee opinions on proposals for legislative acts in areas not falling within the Union's exclusive field of competence shall express a view on the proposal's compliance with the principles of subsidiarity and proportionality."

2.2.1 Digital services

This initiative relates to the Digital Services Act (legislative, incl. impact assessment, Article 114 TFEU, Q4 2020). This legislative proposal is expected to update the EU regulatory framework for online services, including for collaborative economy platforms. Following their rapid development in the past years, these platforms (in particular in the accommodation and transport sectors) have had a very significant impact at the local and regional level. There is legal uncertainty surrounding their activities and several cities have launched legal proceedings or appealed for regulatory changes.

In its most recent [opinion](#) on the topic in December 2019, the CoR has called for the new European regulatory framework to "recognise this territorial dimension and to strengthen the capacity of public authorities to take action to regulate the collaborative economy according to their national, regional or local situation, in full respect of the principle of subsidiarity".

The [Digital Services Act](#) (Proposal for a Regulation on a Single Market for Digital Services) was presented by the European Commission on 15 December 2020. It was thus too late to be addressed in the implementation of the SWP in 2020 and its assessment had to be carried forward to 2021. In this connection, the ECON commission appointed Ms Rodi Kratsa (EL/EPP), the governor of the Ionian Islands Region, as rapporteur for the opinion on The Digital Services Act¹³ and the Digital Markets Act¹⁴. The discussion and adoption of this opinion is scheduled for 19-20 April 2021 (ECON commission) and 30 June-1 July 2021 (CoR Plenary).

¹³ Proposal for a Regulation of the European Parliament and of the Council on a Single Market For Digital Services (Digital Services Act) and amending Directive 2000/31/EC COM(2020) 825 final.

¹⁴ Proposal for a Regulation of the European Parliament and of the Council on contestable and fair markets in the digital sector (Digital Markets Act) COM(2020) 842 final.

2.2.2 The European Green Deal

Three instruments were mentioned under this priority in the SWP 2020, as outlined below. It should be pointed out that the legislative opinion under point 2 below went through an accelerated adoption procedure and the adoption of SWP 2020 occurred only later in the year.

2.2.2.1 [Communication on the European Green Deal](#)

Having regard to the announcement of the European Commission President-elect, Ursula von der Leyen, of A European Green Deal in A Union that strives for more – My agenda for Europe, the CoR adopted a Resolution entitled [The Green Deal in partnership with local and regional authorities](#) (4.12.2019) calling for *Achieving tangible results on the ground using multi-level governance and active subsidiarity*.

2.2.2.2 [European Climate Law enshrining the 2050 climate neutrality objective](#) (COM(2020) 80 final) On 2 July 2020, the CoR adopted an [opinion](#) on this legislative proposal under the rapporteurship of Juan Manuel Moreno Bonilla (ES/EPP), which stresses that "that all EU measures adhere to the 'do no harm' principle and, in line with the principle of active subsidiarity, fully respect all levels of government as partners in the European decision-making process, not as stakeholders". The opinion laid down the foundation for the CoR's approach to the Green Deal, outlining our institutional position on the 2030 and 2050 climate targets. The opinion was also shared and discussed with the EP rapporteur, Jytte Guteland, and points from it were included in the EP amended proposal on the Climate Law, adopted at its Plenary in September 2020. The opinion was also shared with the EP REGI committee, and it is fair to say that REGI has increasingly noted the role of the LRAs in its amendments.

Contributions from **Subsidiarity Monitoring Network (SMN)** partners relating to subsidiarity and proportionality aspects of COM(2020) 80 final were received from the [Austrian Federal Council \(Bundesrat\)](#) and from the [Lower Austrian State Government](#).

2.2.2.3 [The European Climate Pact](#) – An outlook opinion was adopted on 14 October 2020 under the rapporteurship of Rafał Kazimierz Trzaskowski (PL/EPP) which stressed that the Climate Pact is a great opportunity to implement the principle of active subsidiarity, as the very objectives of the pact coincide greatly with the main aim of the active subsidiarity approach – developing an inclusive and constructive way of working that fully uses the potential of the Union's multilayered democratic and governance framework.

Although not included under the instruments in SWP 2020, it is necessary to include in this regard the opinion on [The impact of climate change on regions: an assessment of the European Green Deal](#) by Andries Gryffroy (BE/EA), which was a result of a referral from the German Presidency and was adopted on 10 December 2020. This opinion provides an overall assessment of the Green Deal from the regional/local perspective and highlights the importance of the application of the principles of subsidiarity, proportionality and multilevel governance for the success of the Green Deal as a whole. It underlines the role of the local and regional authorities in delivering the Green Deal, but stresses that this can only be reached by guaranteeing an open and consultative processes across all levels of governments, and by allowing the local and regional level to drive a green recovery through appropriate tools, such

as Multi-level Platforms and dialogues that enable structured participation of LRAs in the planning and implementation of the national plans, including recovery and resilience plans.

The opinion concludes that: "[In] order to ensure successful implementation of the Green Deal, efforts must be determined in accordance with a bottom-up approach and be shared fairly across the EU territories in compliance with the principle of subsidiarity and proportionality, while allowing the necessary flexibility to ensure their cost-effectiveness." Furthermore, following the good co-operation with the EP's ENVI rapporteur Susana Solís on the opinion "Cohesion Policy and regional environment strategies in the fight against climate change", which feeds into a motion for a resolution from the REGI committee (to be voted on December 17), some elements of this opinion stressing the importance of the local and regional authorities have been incorporated into this motion, including multilevel governance and a monitoring system.

2.3 Protecting our environment

A proposal for a decision of the European Parliament and of the Council on a General Union Environment Action Programme to 2030 (COM/2020/652), the [8th Environmental Action Programme](#) was adopted by the European Commission on 14 October 2020.

The ENVE Commission appointed Dimitrios Karnavos (EL/EPP) as the rapporteur. Drafting of the opinion was informed by a **consultation** of the Subsidiarity Expert Group¹⁵. An assessment of subsidiarity and proportionality of this proposal concluded that: "The proposal for a decision on a general Union Environment Action Program 2030 cannot be seriously examined with regard to compliance with the three basic principles of 'limited conferral', subsidiarity and proportionality [...]. The proposed resolution is a list and summary of political ideas, visions and projects for all policy areas that are in any way related to the environment". The assessment also found that: "Conformity with the principle of subsidiarity [...] cannot be seriously checked due to the 'indeterminacy' of the 'priority objectives' defined and in some cases significantly expanded in terms of content compared to previous programs for the EU's environmental and climate policy action and cross-references to future environmental acquis. If the reporting system based on hundreds of indicators for assessing the environmental and climate situation is carried out on just existing legal acts, at least no disproportionate costs are to be expected. The 'decision' would be compatible with the principle of proportionality, at least with regard to the cost aspect"¹⁶.

This opinion is scheduled for adoption at the CoR plenary on 5 February 2021¹⁷.

¹⁵ Assessment of Dr Johannes Maier, Head of the Unit for Internal EU-Affairs, Office of the Regional Government of Land Kärnten, Austria.

¹⁶ Ibid.

¹⁷ At the time of writing of this report.

2.4 Social Europe

With regard to the proposal for a directive of the European Parliament and of the Council on [Adequate minimum wages in the European Union](#) (COM(2020) 682 final), the CoR's SEDEC commission appointed Peter Kaiser (AT/PES) as the rapporteur in charge of drafting an opinion.

In view of the planned adoption timeline, the CIVEX secretariat **consulted** the **Subsidiarity Expert Group** for an assessment of subsidiarity and proportionality. An assessment¹⁸ found that: "this proposal – as very rarely – has no legal basis in the EU treaties. Even if you have one – perhaps with Art. 153 Para. 1 lit. c TFEU (Social Security and Social Protection of Workers) – there are also massive concerns about the principle of subsidiarity (with very few exceptions, the Member States have functioning systems to guarantee 'minimum wage protection'). Likewise, the concept of the legal act proposed in Articles 5 and the following would massively violate proportionality. The EU legal stipulation of the specifically named criteria and the exclusion of exceptions restricts any autonomy to set minimum wages both of the national legislators and the social partners."

A contribution from **Subsidiarity Monitoring Network (SMN)** partners relating to subsidiarity and proportionality aspects of COM(2020) 80 final was received from the [Upper Austria State Parliament](#).

Both the expert assessment and the position of the SMN partner were taken into consideration by the rapporteur in the process of drafting the opinion.

2.5 New Pact on Migration and Asylum

The European Commission published its long-awaited [New Pact on Migration and Asylum](#) on 23 September 2020. According to the Commission [Communication](#), the New Pact on Migration and Asylum contains the following **new legislative files**:

- [Asylum and Migration Management Regulation](#);
- [Screening Regulation](#);
- [Crisis and Force Majeure Regulation](#);
- Amended proposal revising the [Asylum Procedures Regulation](#);
- Amended proposal revising the [Eurodac Regulation](#).

The Pact also encompasses the following **new non-legislative files**:

- [Recommendation on Migration Preparedness and Crisis Blueprint](#);
- [Recommendation on Resettlement and Complementary Pathways](#);
- [Recommendation on Search and Rescue Operations by Private Vessels](#);
- [Guidance on the Facilitators Directive](#).

¹⁸ Assessment of Dr Johannes Maier, Head of the Unit for Internal EU-Affairs, Office of the Regional Government of Land Kärnten, Austria.

The CIVEX commission appointed **Antje Grotheer (DE/PES)** to be the CoR's rapporteur for this opinion. The first exchange of views took place in CIVEX on 4 December 2020 and the opinion is scheduled for adoption in the CIVEX commission on 16 February 2021 and in the CoR Plenary on 17 March 2021¹⁹.

In line with the principle of active subsidiarity, a number of interinstitutional meetings were held with the European Commission counterparts, MEPs and representatives of the German Presidency of the Council to exchange views and stress the importance of the local and regional dimension in the context of the New Pact so as to impact the legislative process *ex ante*.

Drafting of the opinion was informed by a **consultation** with the members of the **Subsidiarity Expert Group** which resulted in two assessments. The first of these stated that while there were no concerns about the compliance with the principles of conferral or subsidiarity, there were concerns regarding compliance with the principle of proportionality, specifically as regards the planned obligation for Member States to "have national strategies in place to ensure sufficient capacity for the implementation of an effective asylum and migration management system"²⁰. The second assessment²¹ confirmed that the "respect for the principle of subsidiarity is well justified in the various documents accompanying the proposal and in the explanatory memorandum, as well as in the recitals. The aim is to develop common rules and measures, which can only be designed and laid down at EU level, in order to ensure uniform treatment and distribution of responsibilities at the legislative stage. These measures, if adopted by the Member States individually, would create discrepancies that would prevent the achievement of the objectives of the common policies."

Contributions from **Subsidiarity Monitoring Network (SMN)** partners relating to subsidiarity and proportionality aspects of COM(2020) 609 final were received from the [Vorarlberg State Government](#), [Vorarlberg State Parliament](#) and the [Lower Austrian State Government](#)²². The Vorarlberg State Government has also provided the CoR with a common position of the Austrian Laender on the New Pact on Migration and Asylum proposals using the model grid²³ *presented by the Task force on subsidiarity, proportionality and doing less more efficiently as part of its Report on the Task Force on Subsidiarity, Proportionality and Doing Less More Efficiently*²⁴.

Both the expert assessments and positions of the SMN partners were taken into consideration by the rapporteur in the process of drafting the opinion.

¹⁹ At the time of writing of this report.

²⁰ Assessment of Dr Johannes Maier, Head of the Unit for Internal EU-Affairs, Office of the Regional Government of Land Kärnten (Austria), dated 3 December 2020.

²¹ Assessment of Dora Lo Giudice, expert for the Friuli Venezia Giulia Regional Council (Italy), dated 22 December 2020.

²² 7 January 2021.

²³ [COM/2018/703 final](#).

²⁴ Annex V, [Report-task-force-subsidiarity-proportionality-and-doing-less-more-efficiently_en.pdf \(europa.eu\)](#).

Additional SEG consultations

An own-initiative subsidiarity assessment of the proposal for a Recovery and Resilience Facility (Com(2020) 408) was received from Dr Johannes Maier, Head of the Unit for Internal EU-Affairs, Office of the Regional Government of Land Kärnten, Austria, on 22 June 2020.

2.5.1 Additional initiatives

No additional dossiers were chosen to replace one or more of the priority initiatives if the latter failed to materialise, did not progress sufficiently in 2020 or were not considered sufficiently relevant on closer inspection.

3. Political governance and CoR tools for subsidiarity monitoring

3.1 Subsidiarity Steering Group

The Subsidiarity Steering Group was set up in September 2012 to provide political governance for subsidiarity monitoring at the CoR and to ensure coordination between the CoR's administrative and political activities on subsidiarity matters. It continued to direct subsidiarity monitoring activities remotely in 2020, given the realities and difficulties brought about by the COVID-19 pandemic (i.e. the 2020 SWP was adopted through written procedure as it was not possible for members of the SSG to meet). Whereas 2019 was decisive in ensuring that progress made in the previous year was not lost (including in light of the new European Parliament and European Commission), 2020 was characterised by a slow start to work on monitoring subsidiarity and proportionality due to the COVID-19 health crisis. The delay was made up in the second half of the year.

3.2 Subsidiarity Expert Group

Under the revised subsidiarity strategy, the Subsidiarity Expert Group was set up to provide back-up for subsidiarity monitoring based on expert knowledge from the local and regional level. The members of the group were selected from the Subsidiarity Monitoring Network for their expertise and experience in subsidiarity monitoring.

The preparation of the CoR Subsidiarity Work Programme, one of the Subsidiarity Expert Group's most important contributions, starts at the beginning of the subsidiarity monitoring cycle. The involvement of experts ensures that initiatives which are particularly relevant from the point of view of subsidiarity, and which are of interest to regional and local authorities, are selected for the CoR Subsidiarity Work Programme so they can be subject to thorough subsidiarity monitoring. The experts' contribution to the CoR's consultative work creates a link with subsidiarity debate in the Member States, strengthens mutual understanding and brings the CoR closer to its local and regional partners and thus to the needs of Europeans. In fact, the Expert Group also serves as a network of "core" CoR contact points for subsidiarity in the Member States. The active participation of the SEG thus helps to create a "culture of subsidiarity" in Europe.

In 2020, after the publication of the European Commission Work Programme (CWP) 2020, experts were asked to **carry out a subsidiarity/proportionality-related pre-selection of five initiatives from the CWP 2020**. The **SEG** focused their analysis on files presenting potential subsidiarity/proportionality concerns and added a justification for their choice. The pre-selection of initiatives was followed by a **meeting of the SEG to discuss the selected initiatives** and to agree on the priority initiative to include in the SWP 2020, as described in detail above.

The specific consultations of the Subsidiarity Expert Group (SEG) relating to the priority initiatives in the Subsidiarity Work Programme 2020 are outlined in this report under the relevant priority above.

3.3 Subsidiarity Monitoring Network (SMN)

The [Subsidiarity Monitoring Network](#) was launched by the CoR in 2007 to enable its partners to become involved at various stages in the EU decision-making process. This is an important function in light of the Lisbon Treaty, which underlines the local and regional dimension of subsidiarity and strengthens the CoR's role in subsidiarity monitoring.

The composition of the Subsidiarity Monitoring Network²⁵ (SMN) changed in 2020 as a result of the United Kingdom's withdrawal from the European Union, with the total number of members standing at 150²⁶ as at the end of 2020. REGPEX, the sub-network of the SMN designed to support the participation of regions with legislative powers in the early phase of the EU legislative procedure (the Early Warning System. Furthermore), had 76 members at the close of the year.

In 2020, REGPEX²⁷, the sub-network of the SMN open to parliaments and governments of regions with legislative powers, received a total of 18 contributions concerning the following European Commission communications:

Table 1 – REGPEX Contributions 2020

REGPEX PARTNER	COMMUNICATION	YEAR	DATE
Baden-Württemberg State Parliament	640	2019	06-02-2020
Baden-Württemberg State Parliament	640	2019	06-02-2020
Lower Austrian State Government	80	2020	27-04-2020
Austrian Federal Council (Bundesrat)	80	2020	06-05-2020
Austrian Federal Council (Bundesrat)	80	2020	06-05-2020
Lower Austrian State Government	381	2020	20-05-2020
Friuli – Venezia Giulia Regional Assembly	440	2020	23-06-2020
Friuli – Venezia Giulia Regional Assembly	440	2020	23-06-2020
Lower Austrian State Government	80	2020	26-06-2020
Lower Austrian State Government	220	2020	30-06-2020
Lower Austrian State Government	381	2020	14-07-2020
Lower Austrian State Government	299	2020	19-10-2020

²⁵ Launched in April 2007, the SMN was set up to facilitate the exchange of information between LRAs and the EU level on various documents and legislative and political proposals from the European Commission. The network serves as an access point enabling all of its partners not only to obtain information but also to express their views.

²⁶ [CoR – The SMN Partners \(europa.eu\)](#).

²⁷ The [REGPEX \(REGional Parliaments information EXchange\) database](#) can be accessed via the CoR's Subsidiarity web page and is designed to help regions with legislative powers take part in the Early Warning System. It was launched by the CoR in 2012.

Emilia Romagna Regional Legislative Assembly	440	2020	28-10-2020
Upper Austria State Parliament	682	2020	28-10-2020
Austrian Federal Council (Bundesrat)	299	2020	04-11-2020
Lower Austrian State Government	563	2020	13-11-2020
Vorarlberg State Government	609	2020	20-11-2020
Vorarlberg State Parliament	609	2020	09-12-2020

Details of these contributions, and the Commission proposals they concern, are available on the CoR's SMN website²⁸.

The REGPEX search engine facilitates the selection of priorities for subsidiarity monitoring and exchange of information between partners by providing direct access to information for subsidiarity analysis and links to EurLex, IPEX, CoR opinions and other REGPEX partners' contributions. The search engine plays a vital role in the monitoring of initiatives under the Early Warning System and fosters the exchange of good practice and a more coordinated approach to subsidiarity monitoring. Looking ahead to 2021, the CoR is determined to maintain its efforts to encourage the active participation of network partners in consultations and subsidiarity-related activities.

4. Subsidiarity in CoR opinions

Under Rule 55(2) of its Rules of Procedure²⁹, the CoR assesses in its opinions the compliance of legislative proposals on shared competences with the subsidiarity and proportionality principles.

In 2020, the CoR adopted 48 **opinions**, of which eight related to legislative proposals. All eight contained either a direct assessment of compliance with subsidiarity and proportionality or concrete recommendations to improve compliance with these principles. Overall, 18 opinions addressed the issues of subsidiarity and proportionality. In terms of support for the assessment of compliance with the subsidiarity and proportionality principles at administrative level, the subsidiarity secretariat has provided administrative support by carrying out analyses of opinions submitted to the CoR's plenary sessions.

While the overwhelming number of initiatives were non-legislative, the CoR maintained its commitment to implementing the "active subsidiarity" approach throughout 2020. Many opinions on non-legislative proposals included both an assessment of subsidiarity and proportionality in the relevant policy field and constructive recommendations for dealing with potential issues.

To cite a few examples, the CoR opinion on the legislative proposal [European Climate Law: establishing the framework for achieving climate neutrality](#) under the rapporteurship of Juan Manuel Moreno Bonilla (ES/EPP) stressed that "all EU measures adhere to the 'do no harm' principle and, in line with the principle of active subsidiarity, fully respect all levels of government as partners in the European decision-making process, not as stakeholders".

²⁸ [CoR – REGPEX \(europa.eu\)](#). In terms of technical improvements, contributions on the SMN platform now include links to IpeX, EUR-Lex, European Parliament work and to CoR opinions.

²⁹ Rule 55(2) of the [CoR Rules of Procedure, OJ L 65, 5.3.2014, p. 41](#).

Similarly, the CoR opinion [A Reinforced Union Civil Protection Mechanism](#) (rapporteur Alberto Cirio (IT/EPP)) reiterates the CoR's "call for significant strengthening of the emergency and disaster response capacities of the EU, with the involvement of national, local and regional emergency response structures and respecting the subsidiarity principle under TFEU Article 196" and "refers to its commitment, as expressed in the Resolution on the 2020-2025 priorities of the European Committee of the Regions, to 'advocate for coordinated EU action and support for national, regional and local disaster preparedness structures to respond to health threats and crisis situations in compliance with the subsidiarity principle'."

Another example of an indirect assessment of subsidiarity issues can be seen in the opinion [Recovery plan for Europe in response to the COVID-19 pandemic: Recovery and Resilience Facility and Technical Support Instrument](#) (rapporteur Christophe Rouillon (FR/PES)), which specifically calls for due regard for the principle of subsidiarity as follows: "In accordance with the principles of subsidiarity and partnership, the recovery plan should be established in close and structured cooperation with local and regional authorities, insofar as the reforms and investments to be supported fall within their sphere of competence as established in national law."

5. Subsidiarity-related events and activities

5.1 Fit4 Future Platform (F4F)

The first plenary meeting of the [Fit for Future \(F4F\) Platform](#), chaired by European Commission's Vice-President for Interinstitutional Relations and Foresight Maroš Šefčovič, took place with three CoR members, Mark Speich (DE/EPP), Anne Karjalainen (FI/PSE) and Ulrika Landergren (SE/RE), on 26 November 2020. The F4F platform is the main instrument of the European Commission's [Better regulation agenda](#), which aims to reduce unnecessary administrative burdens on citizens and businesses and to help make sure that EU legislation is future proof, more digital and better placed to tackle future challenges. The local and regional level of government, which is the closest to the citizens, is represented in the meetings of the F4F platform in the early drafting and the evaluation phases of EU legislation. In fact, this is the one of the achievements of the CoR work in the [Task force on Subsidiarity and Proportionality](#). The European Committee of the Regions is present in the government group of the F4F platform with three of its six CoR commission chairs (as named above), alongside 27 government representatives from EU Member States.

As highlighted by Mark Speich (DE/EPP), chair of the CoR's CIVEX commission, at the first plenary meeting of F4F, the need to involve the local and regional levels in EU policy-making has been recognised by the Subsidiarity Task Force. As a member of the previous REFIT Platform and the new F4F Platform, the CoR has consistently called for an active approach to be taken to subsidiarity as a way to ensure there is adequate EU added value at all stages of developing, adopting and implementing EU legislation. Mr Speich emphasised that subsidiarity is not about less Europe, but a Europe that delivers and puts citizens first. By taking decisions as close as possible to its citizens and by giving regions and cities a stronger say in the EU decision-making process, its laws can become more effective and visible.

The Platform is expected to work on the basis of an annual work programme which lists specific topics that warrant attention from the perspective of simplification and reduction of unnecessary costs.

RegHub 2.0

The [Network of Regional Hubs for EU Policy Implementation Review](#) (RegHub) originated from the final report and recommendations of the [Task force on subsidiarity, proportionality and doing less more efficiently](#) and was established as a two-year pilot project by a Committee of the Regions' (CoR) Bureau Decision from October 2018.

In October 2020, the CoR approved the continuation of this project in the form of RegHub 2.0 and welcomed new members, increasing the network to 46³⁰. RegHub's feedback on the implementation of EU policies at local and regional level mirrors subsidiarity (proportionality and deferral) in the EU multilevel governance system. This relates directly to the concepts of subsidiarity, active subsidiarity and multilevel governance, as well as to perceptions about RegHub's ability to contribute to a better integration of local and regional authorities' views and experiences in the policymaking process of the EU.

The **main objectives of RegHub** are as follows:

- ✓ provide feedback on the implementation of EU policies at local and regional level;
- ✓ ensure a better involvement of local and regional actors at an early stage in EU policy-making;
- ✓ focus on improving existing EU policies and their implementation at local and regional level;
- ✓ promote simplification and interregional learning in implementing and further developing EU policies.

Regional Hubs

- ✓ act as contact points for relevant institutions and organisations who are involved in the implementation of EU policies;
- ✓ provide feedback on the implementation of EU policies at local and regional level.

As a concrete result of RegHub's work, the European Commission decided to give it a prominent role in its new Fit4 Future Platform and included it as one of the sub-groups of the platform.

In September 2020, the RegHub Secretariat published its [EVALUATION REPORT: Network of Regional Hubs for EU – Policy Implementation Review](#).

6. Conclusion and outlook

The CoR is strongly committed to its subsidiarity monitoring responsibilities under the Lisbon Treaty and is therefore continuing its efforts to ensure effective application of the subsidiarity principle and to contribute to the creation of a subsidiarity culture within the EU. It is also committed to implementing the recommendations of the [Task force on subsidiarity, proportionality and doing less more efficiently](#), which would promote an inclusive and constructive approach to subsidiarity and proportionality monitoring within the EU and highlight the importance of the local and regional levels in the EU policy-making process.

³⁰ [new-reghub-2-0-members.pdf \(europa.eu\)](#).

In that regard, the CoR aims to continue its work to promote the implementation of these principles and recommendations in 2021. The CoR and the Subsidiarity Steering Group will continue to examine ways to raise awareness, improve working methods and increase the added value of the CoR's existing subsidiarity monitoring framework.

Since the active subsidiarity approach calls for involvement of all relevant actors in the EU decision-making process, the CoR will maintain its efforts to promote a partnership approach, in line with the principle of multilevel governance, between all institutional, national and subnational actors.

Looking ahead to 2021, the CoR's priorities 2020-2025³¹ make it clear the Committee will "scrutinise new EU policy initiatives to ensure that they incorporate a **territorial dimension** and meet the **EU added-value requirement**, in line with the recommendations of the '**Task force on subsidiarity, proportionality and doing less more efficiently**' and the '**Better Regulation Guidelines**'".

PROPOSAL:

Bureau members are invited to take note of this annual report.

³¹ [Resolution of the European Committee of the Regions – The European Committee of the Regions' priorities for 2020-2025 – Europe closer to the people through its villages, cities and regions.](#)