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Subsidiarity and multi-level Governance

*Check Against Delivery
Seul le texte prononcé fait foi
Es gilt das gesprochene Wort*

Bureau meeting of the Committee of the Regions

Brussels, 4 October 2010

Madame President, Dear Ms BRESSO,

Dear Members of the Bureau,

I am very pleased to be here with you and to have this opportunity to address you following our highly successful meeting with Ms BRESSO last June. You asked me to exchange views with you, mainly on Multi-level Governance and subsidiarity; however this will inevitably touch on the Europe 2020 strategy - a core guiding document for the whole European economy. It is no coincidence that Europe 2020 is the key word for this year's "Open Days 2010" event under the heading "*Europe 2020: Competitiveness, co-operation and cohesion for all regions*". I believe that such a significant number of workshops with thousands of participants will come up with new inspirational ideas, constructive suggestions and promising conclusions.

Let me be frank with you. When I came across the term Multi-level Governance for the first time, I was nervous about this new terminology coming directly from the realm of Union ideology. However, following a profound analysis of this issue, I am entirely convinced that Multi-level Governance is a key principle for the good functioning of the European Union.

Without a doubt, Multi-level Governance is about ownership, about the participation of all stakeholders, about sharing roles, targets and responsibilities. To be clearer, it's about subsidiarity, which means sharing competences between the EU institutions, the Member states and the regional and local authorities.

Let me develop a little bit

The White Paper on Multi-level Governance, adopted in June 2009 by the Committee of the Regions, was a valuable source of inspiration for all the EU institutions and in particular for the European Commission.

In his political guidelines presented to the European Parliament in September 2009, President BARROSO emphasised the importance of partnership with social partners and with the regional and local authorities.

We must put a stop to the idea that different levels of competences are rivals in the European Union. In reality, progress in the European Union comes when players of different levels share a common vision and a common direction; in other words when they work in real partnership. The major question is how to improve this, and this is the essence of the renewed Community method as outlined by President BARROSO.

To tackle the huge and complex challenges posed by the economic crisis we need to mobilise all sectors of society: not only the EU institutions, national, regional and local authorities but also business, trade unions and civil society. Climate change is a typical example. This needs not only strong political leadership from the EU institutions but also the engagement of national, regional and local authorities. The evident success of the Covenant of Mayors is an obvious example of the importance of this dimension.

Bearing in mind the diversity between 27 EU Member States, and inside the Member states, it is extremely challenging to reach the right balance between the different levels of powers. Yet, this is about a positive perception of subsidiarity.

In his political guidelines President BARROSO also emphasised that the EU works best when it focuses on its core business. Subsidiarity is about the choices whether and where to propose action at European level. The Commission of course takes these choices extremely seriously. They are an intrinsic part of our approach to smart regulation. This includes, for example, early planning and involvement of stakeholders in our work, and impact assessments to ensure that we get new legislation right.

Impact assessment is the key element: it provides the most detailed analysis of subsidiarity and proportionality of Commission initiatives, taking into account views expressed during stakeholder consultations. The new 2009 Impact Assessment guidelines have provided a set of structured questions which are inspired very much by the work of the Committee of the Regions.

The new Guidelines also emphasise the need to reinforce the analysis of regional and local aspects in impact assessments, in case the planned initiative might have differing regional and local impacts. The Commission is seeking practical ways to improve its analysis and data availability in these terms, including through the Committee of Regions and its Subsidiarity and Europe2020 networks.

In the coming days the Commission's will adopt two documents of relevance; a Communication on Smart Regulation which will set out the Commission's intentions in this area for the next five years; and the latest report on Better Lawmaking which addresses the issues of subsidiarity and proportionality.

The Commission welcomes the fact that the debate on subsidiarity and proportionality will be further enriched by the new provisions of the Lisbon Treaty giving roles to national parliaments and the Committee of the Regions.

Ladies and gentlemen,

Let me now elaborate more on Multi-level Governance that goes far beyond the strict respect of the principle of subsidiarity.

The principle of Multi-level Governance is already applied in a number of existing Union policies.

Cohesion policy is the main example of Multi-level Governance in Europe. This offers a unique and modern system which values and exploits local and regional knowledge, combines this knowledge with the EU strategic direction, and coordinates interventions between different levels of government. Moreover, Cohesion policy has also been increasingly focussing on institution-strengthening and capacity building at all territorial levels.

In the Europe 2020 strategy, Cohesion policy has a vital role to play in providing incentives to foster adjustment to smart, inclusive and sustainable growth in all regions. It provides a framework for cross-sectoral policy approaches.

Moreover the role of the structural funds is underlined in the Integrated Guidelines for economic and employment policies. They have a key role to play in delivering

several flagship initiatives of the Europe 2020 strategy: Innovation Union, A digital Agenda for Europe, An agenda for new skills and jobs.

We therefore need to ensure that cohesion policy is closely aligned with the Europe 2020 strategy. We need to put in place a system which ensures the delivery of common objectives, and provides flexibility to Member States and regions to define policy mixes adapted to specific national and regional circumstances.

As you know, with the entry into force of the Lisbon Treaty, territorial cohesion is a Community objective and will reinforce an integrated approach to European Union policies in order to increase their effectiveness. In this regard, the Commission will reinforce the analysis of regional, local and territorial aspects in its impact assessments, in case the planned initiatives might have differing effects.

To give you more examples, apart from Cohesion policy, Multi-level Governance has also successfully been implemented in a number of other EU policies, such as the "Leader" policy instrument, decentralised cooperation in development policy and last but not least – the Covenant of Mayors.

The "Leader" policy instrument is based on a bottom-up approach and strongly promotes the creation of new public private partnership areas in rural areas to enhance local rural governance and structures. Moreover, the Leader framework can boost regional governance capacity.

Decentralised cooperation in development policy is another illustration of the relevance of the Multi-level Governance principles. The Commission explicitly recognises that regional and local authorities have taken an important place among development actors both in Europe and the partner countries. The Commission considers the Committee of the Regions as the major contact point if there is need for a structured dialogue with those local and regional authorities. For the moment the Commission is closely working with the CoR to put in place practical modalities of these dialogues.

Concerning the Covenant of Mayors, a major initiative that aims to involve the regional and local authorities in the fight against the climate change, I must say this ambitious initiative has achieved considerable success. More than 1.900 cities and regions containing over 120 million people have signed the Covenant of Mayors. And, if their action plans are fully implemented, they will be contributing to one fifth of the total effort needed for the whole EU. The international dimension of the local action to mitigate climate change should be reinforced and I am particularly pleased to see that your Committee will tomorrow sign **the Memorandum of Understanding on co-operation on climate change mitigation and adaptation with the United States Conference of Mayors**.

However, the principles of Multi-level Governance, apart from being applied in existing EU policies, can also guide to the development of new initiatives.

The last meeting between Ms BRESSO and President BARROSO on 29 June 2010 was marked by the decision to publish a joint statement by the CoR and the European Commission on the future implementation of Multi-level Governance, in particular as far as the Europe 2020 strategy is concerned. The joint statement calls on the Commission and the CoR to identify areas of common actions by the end of this year.

Let me develop on Europe 2020 strategy.

With regards to the ambitious Europe 2020 strategy goals, the Commission counts on the CoR's active assistance by mobilising leaders of regional and local authorities. Already, in its first proposal endorsed by the Spring Summit 2010, the Commission was clear that regions and local authorities should have a key role in implementing the strategy. We all know what a significant role regional and local authorities play in the socio- economic life of the Union. However, their role with regard to the Europe 2020 strategy has far more considerable value in the light of the powers conferred to regional and local authorities by Member States.

I think that the Europe 2020 monitoring platform - a tool set up by the CoR - could serve this aim well and encourage local authorities to personally engage in designing and implementing the national reform programmes (NRPs) that the Member States have to draft. Member States will submit to the Commission their draft NRPs by 12 November 2010. Work is already ongoing and the participation of regions and local authorities is essential.

The President of the European Commission also invited the CoR to put forward further proposals on how the CoR can play a more active role in the delivery of the Europe 2020 strategy. Your idea of a territorial pact in cooperation with the EP could be examined in detail.

As you may know, during their meeting, the Presidents also briefly discussed the Protocol of Cooperation between the EC and the CoR. They agreed that the protocol had to be revised taking into account the changes brought about by the Lisbon Treaty.

Ladies and gentlemen,

Let me conclude

Multi-level Governance and subsidiarity are two key aspects of the Partnership for progress that President BARROSO presented in his guidelines for the new Commission.

In his recent speech on the State of the Union, president BARROSO stated:

I quote:

"Europe is not only Brussels or Strasbourg. It is our regions. It is the cities, towns and villages you come from. When you walk round your constituencies, you can point to the European projects that are so important for their prosperity.

At the end of the day, we are all in the same boat, the European institutions, the Member states, the regions, (the Local authorities). The Union will not achieve its objectives in Europe without the Member States. And the Member States will not achieve their objectives in the world without the European Union."

This interdependence between all the levels of power is one of the main characteristics of the Union today. We absolutely have to take it on board when we consider launching new policies. I am sure your institution will come up with new ideas, suggestions and projects. Let us together put multi-level governance into practice. The Commission is ready to envisage strong and structural cooperation in specific projects. You can count on us as we count on you.

Thank you.