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**82<sup>nd</sup> EXTRAORDINARY MEETING OF THE CoR BUREAU**

**-21 OCTOBER 2004 -**

**ITEM 6**

**PRELIMINARY DISCUSSION ON THE CoR'S POLITICAL PRIORITIES FOR 2005**

*Submitted by the Secretary-General*

**FOR DISCUSSION**

**MEMO FOR CoR BUREAU MEMBERS**

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**I. INTRODUCTION**

The Committee of the Regions takes into consideration the priorities of the other institutions of the European Union in order to strengthen its consultative role and to improve its effectiveness. After the new Commission has presented its goals for the period 2004-2009, which it is expected to do at the beginning of 2005, and adopted its legislative and work programme for 2005 (probably in November), the Committee of the Regions will set out more precisely its priorities for 2005 in its resolution on the Commission's work programme.

The Commission's annual political strategy (APS) for 2005<sup>1</sup> is part of the strategic planning and programming cycle set out in 2001. It represents the first stage of the Commission's annual political cycle. Its purpose is to set out its political priorities and to ensure an adequate balance between tasks and resources for 2005. In this context, the Commission continues to strengthen dialogue, given that such dialogue is an important part of political planning.

Local and regional authorities bear a significant part of the responsibility for implementing European Union policies. It would therefore be useful for the Committee of the Regions to be actively involved in the inter-institutional dialogue and that it be given the opportunity to make a contribution to the annual political strategy.

For several years, the Committee of the Regions has been proactive in complementing the Commission's commitment to better European governance. This has given rise to preliminary discussions on political planning, which have involved all the CoR's constituent bodies. In particular, the commissions often have the opportunity to discuss the progress of the annual work programme and the political priorities with senior representatives from the Directorates-General. The proposals below relate to the major issues to be discussed by the various commissions in 2005.

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<sup>1</sup> COM(2004) 133 final

## II. PRIORITIES FOR 2005

Now that the Constitutional Treaty has been signed and the recommendations on Turkey's candidacy have been made, the Commission must make progress on the matter of the new financial perspectives, continue acting on the Lisbon/Gothenburg strategy, and develop the concept of European citizenship.

The Commission's annual political strategy for 2005 sets out the following priorities:

- Enlargement;
- Competitiveness and cohesion;
- Security and European citizenship;
- External responsibilities, neighbourhood and partnership.

For its part, the Committee of the Regions will need to address the following issues<sup>2</sup>:

### 1. Territorial cohesion and financial perspectives (territorial dialogue)

Following the success achieved with the inclusion of the territorial dimension in cohesion policy, the CoR will need to ensure that territorial criteria are applied in the implementation of the Structural Funds, and that development is truly polycentric.

Obviously, attention will be focused on the political challenges and budgetary resources of the enlarged Union for the period 2007-2013, in particular the legislative proposals for **the Structural Funds and the financial perspectives**.

The Committee must also emphasise the inextricable link between effective regional policy at European level and the implementation of the Lisbon agenda. Pursuing EU regional policy will promote future growth and competitiveness throughout the EU.

Of the political priorities identified by the European Commission, **the CoR will need to pay particular attention to the following initiatives:**

- Developing and implementing the mature projects identified in the **Growth Initiative**, more specifically via the extension of trans-European networks and the efforts made in research and in the development of human, social and technological capital. The CoR<sup>3</sup> has already quite rightly highlighted the importance of regional and local authorities in promoting public and private investment in specific priority projects of European interest and the complementarity of transport policy with the goal of cohesion.

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<sup>2</sup> The themes relating to the Committee's external relations and to the future of the Union are dealt with in R/CdR 279/2004 points 5 and 6.

<sup>3</sup> CdR 291/2003 fin – *Corridors and TEN-T: a lever for growth and vector of European cohesion and the development of a Euro-Mediterranean transport network* – Rapporteur: Mr Soulage

- The role of **state aids** in the enlarged Union: the CoR, and specifically the commission for territorial cohesion (COTER), in close cooperation with the European Commission, the European Parliament and the relevant European associations, is currently looking at the role, monitoring and development of regional state aids within the framework of territorial cohesion policy.
- In many of its opinions, the Committee of the Regions has highlighted the significant Community added value of **trans-European (cross-border, transnational and interregional) cooperation** measures. The European Commission's recent initiatives strengthen this position. In particular, the proposed regulation on the creation of a European grouping for cross-border cooperation (EGCC) will make it possible to address the difficulties that continue to face such cooperation in a more effective manner than has hitherto been the case. The CoR will have to work together with the European Commission to bring about a sustainable improvement in the legal and institutional environment within which cross-border, transnational and interregional cooperation takes place at national, regional and local level. However, the European Commission's proposal will probably be the subject of a long debate in the Council and the Parliament (co-decision procedure): the CoR, which will adopt its opinion<sup>4</sup> in November 2004, will need to get its message across and continue the debate throughout the decision-making process.
- Promoting better **economic governance** and strengthening capacity for monitoring the macroeconomic and fiscal situation, with the aim of making procedures more transparent and local and regional authorities more accountable.

## 2. **A Constitution for Europe: 1000 debates on Europe**

The Committee of the Regions has joined the Presidents of the other European institutions to launch an appeal to elected representatives to hold public debates on the new European constitution in the 25 Member States. The operation *1000 debates on Europe*, a vast information campaign launched by the European Commission to run until the end of 2005, coincides with the sensitive phase of ratification of the Constitution of the EU. The Committee of the Regions would like to take part in this great European debate. The Committee of the Regions will mobilise its 317 members to introduce and explain the European constitution to the public. For the CoR, the draft Constitution is a significant step forward. This Constitution gives local and regional elected representatives new powers, but also new responsibilities. The local and regional dimension is fully integrated into this document. It provides for a clearer division of powers between the European level and the Member States, the revision of the protocol on subsidiarity and proportionality – specifically, it includes a subsidiarity monitoring mechanism in which the Committee of the Regions will be able to play an active role.

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CdR 62/2004 fin – *Proposal for a Regulation of the European Parliament and of the Council establishing a European grouping of cross-border cooperation (EGCC)* - Rapporteur: Mr Niessl

The CoR's goal for 2005 is, firstly, to support the ratification process and, secondly, to prepare for the challenge of implementing this constitutional treaty. Thus, the CoR's involvement in the constitutional process must not be limited to participating in the ratification process.

The year 2005 is, in this respect, especially significant bearing in mind the Constitutional Treaty's entry into force at the end of 2006. Consequently, the CoR must take advantage of this transition year to assess the potential effects of the constitutional changes on its role in this new constitutional architecture and prepare for changes to its consultative work.

### 3. **The Lisbon Strategy and related issues**

#### 3.1 **Mid-term evaluation of the Lisbon Strategy**

The year 2005 marks the mid-point of the Lisbon Strategy and the Spring Council next year provides a timely opportunity for a major assessment of progress achieved. The Commission's central objective in 2005 will be to provide a new momentum for economic growth, based on enhanced competitiveness and cohesion.

The Committee of the Regions should keep astride of the Union's actions in 2005, which will be pursued with the aim of creating more and better jobs and modernising the European social welfare model; fostering a knowledge-based economy and society, including through education and training; implementation of the EU Entrepreneurship Action Plan, especially fostering entrepreneurial mindsets among young people, reducing the stigma of failure, providing support for women and ethnic minorities and facilitating business transfers.

The issue of the fundamentals of national and **regional competitiveness** is a core question for regional development in Europe. A meaningful concept of competitiveness at a national or regional level defines a competitive area as one that can maintain high rates of growth and employment in the medium-term<sup>5</sup>. Regional diversity in the EU has increased sharply with enlargement, as has the competitiveness challenge. Certain EU regions perform very well and constitute clusters of innovation and productivity growth, while other regions perform poorly.

The key issue of competitiveness should be declared a strategic priority and a joint effort of the concerned commissions could result in greater synergies.

The Committee of the Regions will follow with strong interest the following activities:

- Promote the **Broad Economic Policy Guidelines** and **Employment Guidelines**. In 2004 and 2005 the main emphasis will be on implementing these strategies and policies and ensuring

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<sup>5</sup> For alternative definitions of regional competitiveness see European Competitiveness Report 2003 SEC (2003) 1299. As for the determinants of regional competitiveness see "*A study on the factors for Regional Competitiveness*" by Cambridge Econometrics, Prof. Ronald L. Martin and ECORYS-NEI for the DG Regional Policy, [http://europa.eu.int/comm/regional\\_policy/sources/docgener/studies/pdf/3cr/competitiveness.pdf](http://europa.eu.int/comm/regional_policy/sources/docgener/studies/pdf/3cr/competitiveness.pdf).

that the new Member States are properly integrated into the process as suggested already by the CoR in the opinion adopted on the Lisbon Strategy. Given the strong responsibility of the local and regional authorities in promoting social cohesion, employment is one of the most important ways to achieve it. Following previous cooperation with the European Parliament it might be appropriate to suggest to the Employment and Social affairs Committee of the EP to have a CoR rapporteur on the Lisbon Strategy as a speaker at a possible public hearing on this issue.

- Support the work towards fulfilling the **Social Policy Agenda** in order to modernise and improve the European Social Model. Particular attention will be paid to the fight against social exclusion and poverty. The results of the current Social Policy Agenda will provide the basis for a new framework for action for 2006 onwards. It might also be appropriate to initiate in 2005 the preparation of an own initiative opinion on this issue. Given the importance of this subject and its multidisciplinary nature the creation of a CoR inter-commissional group might be foreseeable.
- Encourage the implementation of the 2003-2008 **Health Action Programme**. This programme seeks better coordination between the different social security systems wherever feasible and achieving a higher level of health care standards. Health systems are expected to be more efficient and more universally accessible, and therefore local and regional authorities have an important role to play in this field. Following the experience the ECOS Commission had for several years with the European Health Forum in *Gastein*, it is possible that CoR could once again be associated with this initiative.
- Reduce the persistent gap between Europe and its main partners in terms of the effort put into research and the development of **human and technological capital**. Given the importance of increasing investment in training and in qualified human resources to boost competitiveness and economic performance, the Committee of the Regions is seeking to promote closer relations between training institutions, the economic community and local and regional authorities. It is obvious that at this decentralized level regional bodies are particularly entitled to promote appropriate and successful partnerships between private sector training institutions. It is therefore envisioned that a joint seminar encompassing several CoR Commissions on the subject of training and competitiveness will be held.

Furthermore, it might be foreseeable to plan a joint opinion on this issue, trying to combine several approaches (educational, economic, social, etc). The European Commission has recently carried out research on Human capital, as one of the most important bases for the success of the Lisbon strategy. Finally, it might also be appropriate to organise a joint seminar involving other CoR Commissions, as a means of ensuring continuity, cohesion and added value.

- In addition, the **Forum “To make the Lisbon Strategy a success” on 16-17 November 2005**, will show how the CoR is committed to this ambitious goal and it will provide a unique opportunity to promote a partnership with civil society. Such an initiative would be organised

using some cities/regions illustrating successful implementation of Lisbon Strategy aims in specific fields. Each CoR Commission could then showcase one/two successful examples within their remits. In this context, Mayors and Presidents of Regions would be invited as speakers in the Forum. This initiative would therefore be a privileged occasion to share best practices between cities and regions and encourage others to emulate such successful performances.

### 3.2 Issues related to the Lisbon Strategy

The CoR should also proactively take up important issues related to the Lisbon Strategy.

- A crucial aspect for the Lisbon strategy will be how demographic challenges will be dealt with. One of the top priorities identified by the Dutch Presidency is to provide substantial input into the European discussion on the **consequences of ageing populations**, following up on a debate initiated by the European Commission<sup>6</sup>.

Since local and regional authorities are the ones most directly affected by the budgetary consequences of this pan-European phenomenon through social systems, health care systems and also the innovation capacity of the European society in general (R&D, innovation transfer to SMEs) the CoR should not only react to Commission activities which will follow in this field but proactively choose this field and try to create synergies across the competent Commissions.

- The key initiatives of the Commission for 2005 in the field of **information society and research** are the follow-up to the eEurope 2005 action plan and the preparation of the **seventh framework programme**.
  - The Commission is currently performing a review of eEurope and elaborating themes for the future. A new policy instrument, the **eEurope 2010 initiative**, will be broadly outlined by the end of 2004 and a concrete proposal prepared in early 2005. The CoR, and more specifically the Commission EDUC, will attempt to be involved in the early discussion stages.
  - **The Seventh Framework Programme (FP7)** is planned to span the period 2006-2010. A programme proposal will be adopted around February 2005. The consultation process will greatly influence the preparations of the 7th framework programme in Spring 2005. The CoR should fulfill a leading role when it comes to the regional dimension of research policy and should strategically act in two directions according to its mission:

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<sup>6</sup> CdR 223/2003 fin – *Communication from the Commission to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions on immigration, integration and employment* - Rapporteur: Mr Boden

- Influence the programme preparations through its inter-institutional consultative function in the various phases. In this regard, the CoR has already taken action. An Opinion<sup>7</sup> on the first preparatory research communication is underway and will be presented to the Plenary session in November 2004, early enough to influence the preparation of the 7<sup>th</sup> framework programme;
- Inform the regions of the development and act as a discussion platform with the institutions. In this context, the Commission has introduced into the discussion the concept of a Mutual Learning Platform for the Regions<sup>8</sup>. So far it is defined as a concept to help regions in the further development of their research strategies, taking into account their specific situations and needs. Building on existing activities, the platform will be supported notably by the development of a typology of regions, a methodology for the comparative assessment of regional performance, and specific actions to promote the use of science and technology foresight at regional level. The CoR was clearly identified as a key stake-holder and the following activities could be envisaged in cooperation with DG Research:
  - \* elaboration of a series of activities for 2005-2006 (2 seminars of which one should take place at the beginning of 2005, a Forum in February and potentially a conference or Open Days later in 2005);
  - \* meetings with the associations represented and exploration of the use of other associations for this activity (in close communication and cooperation with the ongoing activities in this area).

#### 4. **Contribution to the review of the sustainable development strategy**

The mid-term evaluation of the Lisbon strategy and the review of the sustainable development strategy are closely linked. Initially, the Commission had planned to publish the review of the Gothenburg strategy in May 2004, but it has been postponed to an unknown date.

The CoR must make every effort to ensure that the evaluation of progress made since 2001 and the proposal for future action needed for long-term sustainable development are on the new Commission's priority agenda.

The environment, which is the third pillar of sustainable development, alongside the economic and social pillars, has been absent from the political priorities for several years now. This has led to growing problems of increased refuse, the depletion of stocks of certain species of fish, the increase in

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<sup>7</sup> CdR 194/2004 fin – *Communication from the Commission on Science and Technology: the key to Europe's future Guidelines for future European policy to support research* – Rapporteur: Mr Myllyvirta

<sup>8</sup> The concept of the **Mutual Learning Platform for the Regions** – introduced by the Communication "*Investing in research: an action plan for Europe*" COM (2003) 226 final – was presented at the EDUC meeting of July 2004.

transport and in energy consumption, and an insufficient reduction in greenhouse gas emissions. The local Agenda 21 initiatives that exist in many European regions and cities have in many cases lost their momentum and need to be kick started.

5. **Area of freedom, security and justice**

The gradual establishment of an area of freedom, security and justice will continue with the second multi-annual programme (Tampere 2), which is expected to be adopted by the extraordinary European Council on 5 November. In this context, the CoR will ensure that the local and regional dimension is applied from day one, both in terms of the priorities that are set and of the action programme that is adopted.

6. **Strengthening, where appropriate, monitoring of the subsidiarity principle and assessment of the impact of European policies on local and regional authorities**

The subsidiarity principle has been considerably strengthened in the Draft Treaty establishing a Constitution for Europe that was presented by the European Convention and adopted by the European Council.

The draft Constitution requires the European Union, in its role as legislator, not only to respect national powers in areas with shared powers, but also those of regional and local authorities. Furthermore, the application of the subsidiarity principle will be complemented by a monitoring system that will give national parliaments, but also the Committee of the Regions, political powers and responsibilities for monitoring the Union's implementation of the principle. More specifically, the Committee will be able – in its areas of mandatory consultation – to go before the Court of Justice in cases where it believes that a legislative act adopted by the European Union violates the subsidiarity principle.

In 2005, the Committee will therefore have to:

- continue to further its research into the development of decentralisation within the Member States of the Union;
- prepare to take part in the establishment of the ex-ante monitoring system before a European legislative act comes into force;
- take the measures necessary to ensure that it will be able to use its right of appeal before the Court of Justice as soon as the Constitution enters into force.

The Committee's preparatory work to achieve these aims will also require alterations to its Rules of Procedure and will need to be completed before the European Constitution enters into force.

In 2005, the Committee will have to continue to work for a "culture of subsidiarity" within the EU's legislative institutions. In this context, the preparations for the **Second Conference on Subsidiarity**, together with the European institutions involved (Commission, Parliament, Council and Court of Justice) and the national and regional parliaments will be all the more important. As part of the

preparations for this conference, other sectoral conferences looking at subsidiarity in the various policies of the Union should be held jointly with the European Commission.

Furthermore, with a view to strengthening the subsidiarity culture, the Committee ought to continue its research on decentralisation and plan to set up, together with the Commission, a joint **vocational training programme** for European public servants in 2005. This would aim to improve the application of the subsidiarity principle during the preparation of a Community legislative act.

The Committee will also have to continue to ensure more systematic and consistent application of **Rule 51 of its Rules of Procedure** in 2005. This rule provides that “the main part of the Committee's text must, wherever possible, address compliance with the subsidiarity principle and the expected impact on administration and regional and local finances”.

In order to support members in this task, it will be necessary to analyse the compatibility of draft legislation referred to the CoR with the subsidiarity principle. This will require:

- the establishment of criteria for checking whether the draft legislation complies with the subsidiarity principle<sup>9</sup>;
- the creation of an electronic network for monitoring the application of the subsidiarity principle<sup>10</sup>.

### III. CONCLUSIONS

If it is to achieve its goals, the Committee must be able to develop joint actions with other institutional players, continue with the new culture of dialogue and consultation aimed at further increasing the involvement of local and regional authorities in the Union's decision-making process, and place emphasis on increased visibility of its key position statements.

The protocol that has been in force since 2001 has proved to be a valuable tool for developing and strengthening relations between the Committee and the Commission. Recently, however, new political factors have broadened our shared horizon. It would therefore be appropriate to adapt the cooperation protocol; indeed, some chapters may need to be redrafted. Whilst waiting for the political priorities of the European Commission for the next five years, talks will need to be held, in particular with the Commissioner responsible for relations with the Committee. Any proposed revisions will have to be in line with the Commission document on governance and its implementation, and be based on the Constitutional Treaty and the Committee's new role in monitoring the subsidiarity principle.

The Committee's commissions will be expected to create strong links with the new parliamentary committees of the European Parliament, and to organise specific activities in the medium term such as

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<sup>9</sup> Subsidiarity table, currently being prepared.

<sup>10</sup> The partners in this network would be regional parliaments, governments of regions with legislative powers, regional and local associations, national parliaments that represent local and regional authorities at national level, and the CLRAE.

hearings of rapporteurs, participation by chairmen in debates attended by commissioners, and conferences held jointly or with reciprocal attendance.

In order to communicate and promote its political messages and its consultative work, the CoR will organise a series of significant events in 2005 both at plenary sessions and away from Brussels. These events will be designed, prepared and celebrated in partnership with the European institutions (principally the Commission) and regional or local authorities, their representative offices in Brussels and their representative associations. Among these events, it is worth mentioning the summit of regions and cities in Wroclaw (Poland) on 19 and 20 May, on the subject of decentralisation; the third set of Open Days, to be held in Brussels during the plenary session of 13 and 14 October, in partnership with the Commission (DG Regio) on the subject of cohesion policy; and the Forums, in Brussels, during the 2005 plenary sessions.

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