Official Journal
of the European Union

EN
C series

C/2024/1046

9.2.2024

Opinion of the European Committee of the Regions — A multilevel governance for the Green Deal — Towards the revision of the Governance Regulation

(C/2024/1046)

Rapporteur: Joško KLISOVIĆ (HR/PES), President of the Assembly, city of Zagreb

POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS (CoR),

Future-proofing the European Green Deal as a policy framework

1. highlights the fact that the ambitious goals of the European Green Deal (EGD) require unprecedented changes at an unprecedented speed in the coming critical decade and that they need to happen to a large extent at the local and regional levels. This involves putting a strong focus on instruments and measures for a smooth implementation, supporting the less developed regions and territories in order to avoid growing territorial disparities, and moving towards a European framework for sustainable wellbeing;

2. stresses that the EGD needs to be 'local-proofed', as its implementation will play out to a large extent at local and regional level. Therefore, LRAs have to be involved at a very early stage to feed the EU policy making with their knowledge of the social and economic context in which EU policies are implemented. The CoR commits to taking an active and leading role in this local-proofing exercise;

3. stresses that, since its launch in 2019, the EGD has faced repeated challenges posed by multiple crises, but has proven to play a key role in enhancing the ability of the EU's regions and cities to face these crises and be resilient; in order to continue reinforcing this resilience, the EGD's implementation mechanisms need to be bold and crisis-proof and provide a long-term vision to the EU's local areas;

4. calls, therefore, on the European Commission to continue building on the EGD in the next EU term of office to ensure a stable framework going beyond one single term, by publishing a new communication on a 'Green Deal 2.0' and by considering — as provided for in the mid-term review clause of the Environment Action Programme (EAP) to 2030 — presenting a legislative proposal to add an annex to the EAP. This will help the EU to achieve the objectives of the green and digital transition, including climate neutrality and sustainable wellbeing, by 2050, through mitigation and adaptation, as well as to ensure the resilience of the EU's regions and cities and the consistency of national and EU measures with the climate objectives (Articles 6 and 7 of the EU Climate Law ([1])), while addressing systemically other interdependent environmental crises, such as biodiversity loss and pollution;

5. calls on the Council of the European Union, the European Parliament, and the European Commission to further engage in an in-depth review and revision of the Governance of the Energy Union and Climate Action Regulation (Governance Regulation) ([2]) taking as a starting point the requirements of Article 45 of the Governance Regulation and to improve the implementation of the European Climate Law (ECL). This will ensure a stable and consistent legislative framework with scope for national, regional and local solutions, essential to the pursuit of the abovementioned objectives; stresses that the CoR and local and regional authorities (LRAs) must be fully involved in this review;

([1]) Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1).

([2]) Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council (OJ L 328, 21.12.2018, p. 1).

6. considers that the EGD should become an umbrella strategy, further aligned with the Sustainable Development Goals framework (SDGs), with a view to encompassing the most relevant dimensions of sustainable development, harnessing the co-benefits of achieving environmental and social goals, while keeping the climate neutrality target as a compass. These efforts would be in line with the discussions happening at global level, for example in the framework of the UN expert group on climate-SDG synergies ([3]);

7. emphasises the importance of education, reskilling and upskilling programmes in preparing local communities for the green transition. Urges Member States to invest in educational initiatives that promote environmental awareness and equip citizens with skills relevant to the emerging green economy. Calls for targeted support and capacity-building initiatives for LRAs to ensure their active participation and contribution to the Green Deal objectives;

8. insists that the review of the EGD framework must address all aspects relating to vulnerable groups, to better respond to social and territorial needs, which will require a more systematic alignment with the allocation of EU resources, starting with the multiannual financial framework (MFF); welcomes, in this sense, the work of the European Commission on sustainable and inclusive wellbeing ([4]) as a first important step in moving Europe's governance beyond the use of GDP as the single relevant indicator;

9. calls for health and gender policies to be connected more structurally in the EGD framework, leveraging the EU approach to gender mainstreaming and the 'one health' principle ([5]);

10. stresses the need to involve all relevant stakeholders in the implementation of the Green Deal priorities and points at the positive experience of the Zero Pollution Stakeholder Platform (ZPSP), jointly co-chaired by the European Commission and the CoR. The CoR commits to continue its support for the ZPSP and proposes to include it in the 'Green Deal 2.0' in order to continue its work in the long term to help achieving the Zero Pollution Ambition for a Toxic-free Environment of the EGD;

11. highlights the fact that a comprehensive EGD monitoring and outlook system ([6]) is needed to ensure appropriate guidance for EGD governance and implementation, paying particular attention to the territorial specificities — notably by taking into account the fragility of each region when it comes to natural events such as earthquake or flood risk — and vulnerabilities of some territories, including remote and rural areas, in view of promoting sustainable and inclusive wellbeing for all Europeans. The EU should work towards a harmonised set of indicators, building on the existing ones ([7]), which enables adequate granularity at subnational level for key aspects, as is already happening, for example, in the case of the Zero Pollution urban and regional scoreboard ([8]). Welcomes the new European Climate Neutrality Observatory (ECNO) ([9]) initiative as a key step forward in this direction; this set of indicators may also feed the continuous monitoring and update of the Nationally Determined Contributions to the Paris Agreement;

12. acknowledges the pivotal role of Climate Pact Ambassadors in each Member State in raising awareness about climate change and advocating sustainable practices at local level; encourages Member States to expand and support the Climate Pact Ambassador initiatives to foster grassroots engagement and knowledge dissemination and better connect these activities with the other EU green deal initiatives, as, for example, the European Covenant of Mayors;

13. highlights the need of reliable and consistent set of open data to assess the impact of planned policies, to evaluate the current frameworks, plan infrastructure, assess national, regional and local plans and identify priorities; in order to overcome this barrier, calls for the establishment of a European Energy Agency that would provide an impartial data, monitoring and knowledge infrastructure for energy-policy decisions;

([3]) Harnessing Climate and SDGs Synergies, Department of Economic and Social Affairs (https://sdgs.un.org/climate-sdgs-synergies).
([4]) Communication from the Commission — 2023 Strategic Foresight Report (COM(2023) 376 final).
([5]) https://www.who.int/health-topics/one-health#tab=tab_1
([6]) CoR opinion on 'A Clean Planet for all — A European strategic long-term vision for a prosperous, modern, competitive and climate neutral economy' (OJ C 404, 29.11.2019, p. 58) (ENVE-VI/037).
([7]) Report 'Measuring Progress towards Climate Neutrality', Ecologic Institute (https://www.ecologic.eu/18153).
([8]) https://environment.ec.europa.eu/events/zero-pollution-urban-and-regional-scoreboard-workshop-2023-04-25_en
([9]) https://climateobservatory.eu/

Towards the revision of the Governance of the Energy Union and Climate Action Regulation

14. considers that the Governance Regulation has become a key instrument for the implementation of climate and energy policies and has the potential to become one of the backbones of the whole EGD implementation; in view of this purpose, calls on the Member States to better ensure consistency and complementarities within their National Sustainable Development Strategies;

15. believes that the national long-term strategies (LTSs) stipulated in the Governance Regulation could be strengthened and broadened to encompass more facets of the EGD, encompassing fair transition with the aim of sustainable wellbeing, becoming LTSs for the Green Deal, and building on the work developed by the European Commission's Intelligent Cities Challenge blueprint on Local Green Deals ([10]), while the National Energy and Climate Plans (NECPs) and National Adaptation Strategies (NASs) would remain focused on their current scope; the LTS for the Green Deal framework should be flexible enough to ensure that the Member States can make use of existing national plans that are comparable in terms of scope and ambition;

16. welcomes the OECD's work on *Policy Coherence for Sustainable Development*; the CoR calls on the European Commission to further implement this framework, including it in the revised Governance Regulation, building on the consistency checks provided for in the ECL in Articles 6 and 7 and the best practices of several EU Member States ([11]);

17. considers the poor quality of multilevel climate and energy dialogues and consultations in some Member States ([12]), to pose a serious threat to the successful implementation of the Governance Regulation ([13]), which can only succeed with the genuine involvement of cities and regions ([14]); calls therefore for a reinforcement of Article 11 of the Governance Regulation and suggests that the revised Article 11 require Member States, in line with their own administrative circumstances, to establish a permanent multilevel energy and climate dialogue (PMECD), which would discuss the NECPs and could extend the scope of discussion to all facets of the EGD when needed. Existing national structures with similar scope and purpose could be considered as equivalent;

18. considers in particular that cities, especially the more densely populated ones, are the most fragile elements here, and are the most heavily impacted by the negative effects of the global temperature rise. Notes that the structure of cities and metropolises, and the living conditions within these areas, vary greatly at national level; therefore, considers that local and regional authorities must be regularly consulted during the planning phase for the measures under the NECPs;

19. highlights the need for dedicated funding and resources to support the reskilling and upskilling of the workforce in regions heavily impacted by the green transition. Urges Member States to collaborate with LRAs and industry stakeholders to establish training centres and programmes that address the specific skill gaps in these regions;

20. considers that the absence or low quality of multilevel dialogue should be solid grounds for the European Commission to issue recommendations on the Member States NECP, as this could ultimately hinder the whole plan's credibility. The related departments of the European Commission should be provided with sufficient resources to carry out the required checks, as it is already the case for similar consultative obligations included in the environmental legislation;

([10]) www.intelligentcitieschallenge.eu/news/local-green-deals-blueprint-action
([11]) https://www.oecd.org/gov/pcsd/pcsd-country-profiles.htm
([12]) CoR study, *Local and regional authorities in the governance of the energy union*, 2023.
([13]) See Faber, Ricarda, D. Kocher and M. Duwe (2023) *Progress on the implementation of national Multilevel Climate and Energy Dialogues: Assessing Member States' own reporting. A preliminary assessment of the implementation of Article 11 of the EU's Governance Regulation*. 4i-TRACTION Procedural Governance Series. Ecologic Institute, Berlin.
([14]) https://unhabitat.org/urban-climate-action-the-urban-content-of-the-ndcs-global-review-2022

21. suggests that new PMECD should encourage co-planning procedures with relevant subnational authorities that have direct competences regarding climate, energy and environment-related issues, and that they could be activated upon request of the national authority or of a group of LRAs within the Member State concerned;

22. considers that the revised Article 11 of the Governance Regulation should ensure the quality of the multilevel dialogues over time, starting upstream of the climate and energy policy negotiations and continuing during the implementation phase to facilitate exchanges on obstacles and levers. The European Commission should provide guidance to the Member States on how to set up PMECDs, building on inspiring good practices such as the ones identified in the LIFE NECPlatform project ([15]);

23. considers that, in compliance with the Aarhus Convention, the public participation provision in the Governance Regulation (Article 10) should be strengthened and better monitored to ensure that citizens take part to a greater extent in climate, energy and environmental policy design and implementation, which is essential to ensure structural changes in behaviour;

24. stresses that the EGD contains a number of new planning obligations and targets for LRAs. The revised Governance Regulation should therefore make it mandatory for the Member States to include a new chapter in the NECPs on 'Support and resources provided to LRAs for implementation', in which the Member States should describe the technical and financial support available for implementation at all tiers of governance and in particular provide details on a structural and systemic approach to financing, streamlining the different EU funds available to LRAs and aligning Member States' programming of EU funding to support implementation by LRAs (e.g. RePowerEU, social climate fund, the Recovery and Resilience Facility (RRF), the European Regional Development Fund (ERDF), etc.). This chapter should be extensively discussed in the PMECD;

25. calls for making good use of the existing multilevel tools, such as the Knowledge Exchange Platform (KEP 2.0) and Science meets Regions initiatives, to facilitate the exchange of best practices, research findings and innovative solutions related to the green and digital transition. Encourages Member States, LRAs and educational institutions to actively participate in these initiatives following the quadruple helix model, in order to enhance their knowledge base and promote collaborative learning;

26. suggests that the Governance Regulation support the creation of Green Deal one-stop shops (OSSs) at the subnational level to enhance the roll-out of integrated sustainable policies at local and regional levels, with a cross-silo approach, by offering easily accessible information and guidance on the implementation of the new national legislative framework, as well as on where to find technical and financial assistance. These OSSs should build on current experiences of local structures helping cities and regions in implementing climate mitigation and adaptation actions and broaden their support to the other sectors of the EGD;

27. emphasises that local and regional energy and climate agencies are crucial in supporting local and regional administrations in EGD implementation by strengthening local capacities and skills and enabling better access to and distribution of funds. They should be further supported through dedicated EU funding and financial instruments, as well as through more support from technical assistance programmes such as the European City Facility (EUCF), Project Development Fund, and the European Local Energy Assistance (ELENA) and the ManagEnergy programme. Points out that LRAs should be supported through the abovementioned EU programmes and dedicated EU funding and financial instruments, to fill in the existing gap in terms of skills and resources at local and regional level;

([15]) This EU project is aimed at facilitating multilevel dialogues in six Member States (Bulgaria, Croatia, Italy, France, Portugal, Romania) by setting up multilevel dialogue platforms (https://energy-cities.eu/project/life-necplatform/).

28. suggests that the recast Governance Regulation require that Member States integrate and report on commitments, data, and measures relating to LRAs available in the Sustainable Energy and Climate Action Plans (SECAPs) developed by signatories of the European Covenant of Mayors, in the Climate City Contracts (CCCs) developed by cities under the 'EU Mission Climate-Neutral and Smart Cities' and in the Local Green Deals, to ensure the highest level of ambition and also ensure that the NECPs fit with the local context. The Joint Research Centre (JRC) could play a key role ([16]) in this process and provide Member States, along with the Covenant of Mayors national coordinators, with relevant information for each country in a format suitable for inclusion in the NECPs in order to leverage the existing data;

29. considers that the connection of the national targets enshrined in the Governance Regulation and the local and regional targets is crucial to ensure the credibility of the commitments of Member States. Similarly, calls on the European Commission to formally take stock of subnational climate action and report on it at UN level, in the framework of the revision of EU Nationally Determined Contribution (NDC);

30. Recognises the importance of fostering a culture of innovation and entrepreneurship at the local and regional levels. Encourages the establishment of a large number of Regional Innovation Valleys as well as innovation hubs and incubators in less developed regions. These place-based structures should be supported in synergy by public-private partnerships and diverse EU funding streams in order to stimulate green innovation, social inclusion and economic growth.

The European Green Deal as overarching strategy: towards a European framework for a wellbeing economy

31. considers that the structural inclusion of the EGD criteria in all EU economic governance and funding instruments is fundamental for a new European framework for sustainable wellbeing that goes beyond the consideration of GDP as the sole indicator of wellbeing for our societies;

32. considers that the EGD can be successfully implemented only if it is properly embedded in the economic governance of the EU, starting with the MFF and the European Semester cycle, and therefore recommends that the European Commission, in accordance with Article 7(2) of the European Climate Law, enhance its efforts in this direction; points out that all of the environmental priorities outlined in the 8th Environment Action Programme (8th EAP) need to be reflected to ensure that the EU stays within the planetary boundaries;

33. supports a thorough reform of the functioning of the European Semester to further align it with all the sectoral EGD objectives, and therefore with instruments such as the NECPs and the 8th EAP, by building on the relevant experience of the Greening the European Semester initiative and on the integration of SDGs into the European Semester analysis;

34. emphasises the need for continuous monitoring and evaluation of the social impact of the green transition policies. Calls for the integration in the Green Deal monitoring framework of established monitoring tools such as the Social Progress Index in order to assess the effectiveness of social inclusion measures and proposes adjustments to the local green transition strategies as needed;

35. encourages a further integration of the 'do no significant harm' (DNSH) principle and the concepts of just transitions, social and environmental fairness as part of the evaluation indicators of the European Semester, ensuring that the methodologies for implementation at national level are consistent enough and fit for implementation at subnational level;

36. highlights the fact that the European Court of Auditors in its *Special report on EU climate and energy targets* ([17]) notes that the NECPs lack sufficient precision on investment needs and funding sources to assess whether sufficient financing will be made available to reach the 2030 targets. The CoR therefore recommends reinforcing the investment needs assessments by Member States in their NECPs by adopting a common methodology to harmonise the analysis of investment needs: this analysis could be better connected with the framework of the European Semester and be aligned with the measures and objectives of the NECPs, as per Article 3 of the Governance Regulation, and of the LTSs, as set out in Article 15 of the Governance Regulation;

([16]) CoR opinion on Fostering the potential and synergies of EU Green Deal initiatives for regions and cities (OJ C, C/2023/249, 26.10.2023, ELI: http://data.europa.eu/eli/C/2023/249/oj) (CDR 229/2023).

([17]) European Court of Auditors, Special report 18/2023: *EU climate and energy targets — 2020 targets achieved, but little indication that actions to reach the 2030 targets will be sufficient* (https://www.eca.europa.eu/en/publications/SR-2023-18).

37. considers that cohesion policy is a fundamental tool for the sustainable development of local and regional communities. In this regard, calls on the European Commission to further strengthen the inclusion of the EGD in this policy and reinforce the implementation of the DNSH principle and the concepts of just transitions, social and environmental fairness in this context as well;

The social dimension of the Green Deal

38. reiterates that recent crises have weakened EU communities and social cohesion, severely impacting the most vulnerable: therefore, the EGD framework needs to focus more and more on the social dimension, leveraging the potential of social innovation as a trigger for a fair green transition;

39. welcomes the JRC report on *Demography and climate change* ([18]) and reiterates its call to take into account 'regional difference in the demographic structure and the relations between population dynamics and urbanisation' when designing the regional pathways for the green transition: this aspect reinforces the need for a place-based approach to EGD implementation;

40. highlights the fact that young people are the most receptive section of society and a driving force in influencing, advocating, and demanding for responsible behaviour towards a sustainable transition; calls on local and regional authorities to tap into their commitment to protect the environment and fight against climate and better involve them in the decision-making process;

41. stresses the need for stronger development of skills and capacities at local and regional levels, both in the private and in the public sectors through the promotion of trainings, life-long learning opportunities and targeted educational policies promoting a 'sustainable culture'. This element should be further considered in the development of the NECPs with a particular focus on skills in local and regional public administrations, building on the provisions included in the Council Recommendation of 16 June 2022 on ensuring a fair transition towards climate neutrality ([19]) and in the *Commission Guidance document on NECPs* ([20]); urges Member States to collaborate with educational institutions and LRAs to develop tailored educational programmes that inspire a sense of environmental responsibility and climate-consciousness among students;

42. stresses the importance of promoting diversity and inclusivity in the green workforce. Encourages initiatives that target underrepresented groups, including women, minorities, and people with disabilities, to participate in training programmes and employment opportunities related to the green economy. Calls on Member States and LRAs to collaborate with NGOs and private sector partners to create equal access pathways for all individuals in the green job market;

43. highlights the fact that LRA administrations have been identified as facing a shortage of competence, capacity, and funding, which has been exacerbated by the additional workload resulting from the implementation of the Resilience and Recovery Plans. Therefore, believes that efforts should be stepped-up, including through financing and/or direct transfers to local authorities, to strengthen the public workforce with energy transition and climate adaptation-related skills; recommends providing support through education, training and exchanges in order to build the capacity of local administration staff. Initiatives like the Climate Pact Ambassadors Network can help in this sense, by fostering a decentralised network of passionate climate advocates and hence ensuring that LRAs can benefits from increased grassroots engagement, broader public awareness, and enhanced local implementation of climate actions, effectively amplifying the impact of its sustainability initiatives;

44. highlights the importance of peer-to-peer learning and best practice-sharing in speeding up the transition and calls on the European Commission and the relevant executive agencies to work with the CoR to facilitate the exchange of information and knowledge from EU projects and showcase to citizens the benefits of the transition in a tangible way.

([18]) https://publications.jrc.ec.europa.eu/repository/handle/JRC133580
([19]) OJ C 243, 27.6.2022, p. 35.
([20]) Commission Notice on the Guidance to Member States for the update of the 2021-2030 national energy and climate plans (OJ C 495, 29.12.2022, p. 24).

45. reiterates the crucial role of LRAs in implementing fair transition policies, through the provision of essential services of general economic interest (SGEI), measures to address energy mobility poverty and other targeted support to protect vulnerable groups from adverse impact related to the cost of living; therefore reiterate its call for the EU Member States to involve LRAs in the preparation of the Social Climate Plans upstream, in accordance with Regulation (EU) 2023/955 of the European Parliament and of the Council ([21]) establishing a Social Climate Fund and align those plans with their NECPs to prioritise measures to address energy and mobility poverty.

Brussels, 30 November 2023.

The President
of the European Committee of the Regions

Vasco ALVES CORDEIRO

([21]) Regulation (EU) 2023/955 of the European Parliament and of the Council of 10 May 2023 establishing a Social Climate Fund and amending Regulation (EU) 2021/1060 (OJ L 130, 16.5.2023, p. 1).