<u>A new consultation warns: many EU</u> <u>governments are excluding regions and</u> <u>cities from the preparation of post-</u> <u>COVID recovery plans</u>

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[]The CoR-CEMR work points out that only a few countries took on localregional authorities' input, thereby threatening the successful implementation of the Recovery Plan for Europe.

The results of the joint consultation were presented during the meeting of the Commission for Economic Policy (ECON) of the European Committee of the Regions (CoR). Members of the ECON also adopted by unanimity the draft opinion on the Action Plan on Critical Raw Materials, undertaken by Isolde Ries (DE/PES), First Vice-President of the Saarland Regional Parliament.

In order to understand the extent to which local communities are involved in the preparation of the national Recovery and Resilience plans, the CoR and the Council of European Municipalities and Regions (CEMR) carried out <u>a</u> consultation of associations of local and regional authorities. The submission of the national plans to the European Commission is mandatory if Member States want to benefit from the support of the <u>Recovery and Resilience Facility</u> (RRF), the EUR 672.5 billion instrument that is the cornerstone of the recovery instrument Next Generation EU, known also as <u>Recovery Plan for Europe</u>.

"The CoR and ECON pride itself on evidence-based research and these results show that unfortunately 'only a minority of Member States consult their local and regional authorities in the preparation of the national Recovery and Resilience Plans and that an even smaller number actually takes on their input'. The principal barrier identified by respondents is 'a simple lack of willingness on behalf of the national government, which did not seek to involve subnational government representatives'. Going forward, what is important is that this reality is shared widely with the institutions which can further encourage the involvement of local and regional authorities in these plans before their final version is submitted", underlined Michael Murphy (IE/EPP), chair of the ECON commission and member of Tipperary County Council.

<u>Christophe Rouillon</u> (FR/PES), Mayor of Coulaines and CoR's rapporteur-general on the RRF, highlighted that "the RRF's regulation contains declarations of intent for involving cities and regions in the national recovery plans. Involving them at the planning stage would guarantee an efficient use of resources on the ground to avoid deadweight effects and redundancies, in particular for the European structural funds. The left hand needs to know what the right hand is doing. The ball is still in the Member States' court: they can and must do better in terms of transparency and coordination". **Dario Nardella**, president of Eurocities and Mayor of Florence, who joined the round table discussion, stated: "If we act quickly we can still ensure the recovery funds find their mark to put people's lives back on track and deliver the twin digital and green priorities locally. Now that cities have been recognised as important partners in the Recovery Plan's regulation, we need national governments and local ones to work together to deliver urgent resources to the people that have been hardest hit in our cities".

Dragos Pîslaru (RO/Renew Europe), member of the European Parliament and corapporteur on the RRF, said: "When I first started working on the Recovery and Resilience Facility, I realised that answers will be found only through dialogue with citizens. That is why I launched 13 consultations in EU Member States. An ideal national Recovery and Resilience Plan should coherently reflect all good ideas. I plead for the Member States to do the same exercise. The European Parliament made sure that the Member States will run consultations with relevant stakeholders of the civil society, as well as local and regional authorities, when drafting and implementing the recovery and resilience plans".

Lucia Puttrich, Minister for European and Federal Affairs of the German Land of Hessen, declared "The RRF is the largest component of the Recovery Plan. Given the amount of aid, implementation is particularly important. The focus must now be on ensuring that the money reaches the region and generates important impulses. This means investing in competitiveness, in the Green Deal, in strengthening the health system and in digitalisation. These goals can only be implemented if the regions have a say in the design and implementation of the programmes. Because having a say means co-designing very close to the needs on the ground. This is the basic idea of subsidiarity and we explicitly promote it".

The CoR engaged in an extensive monitoring process of the implementation of the RRF. This activity will culminate in a Recovery and Resilience Forum, whose first edition is planned in October 2021 during the European Week of Regions and Cities.

During the meeting, members of the ECON commission also adopted by unanimity the draft opinion on the <u>Action Plan on Critical Raw Materials</u>. Rapporteur <u>Isolde Ries</u> (DE/PES), First Vice-President of the Saarland Regional Parliament, said: "Modern societies and economies cannot function in the long term without reliable, safe, competitive and environmentally friendly supply of raw materials. Critical raw materials are required in many key European industries, such as automotive, steel, aerospace, IT, health and renewable energy sectors. The dependence on critical raw materials should be reduced through a circular use of resources, sustainable products and innovations. Domestic raw material extraction and processing in the EU must be strengthened and procurement from third countries diversified". The draft opinion is scheduled to be voted during the CoR's Plenary session in March.

The ECON commission appointed Loïg Chesnais-Girard (FR/PES), president of Brittany's regional council and chair of the CoR-UK Contact Group, to serve as rapporteur-general on the Brexit Adjustment Reserve. The European

Commission has proposed a EUR 5 billion budget for <u>this instrument</u> intended to support business, regions and local communities worst affected by the withdrawal of the United Kingdom from the European Union. The draft opinion will be voted during the Plenary session in March.

Moreover, <u>Ricardo Rio</u> (PT/EPP), Mayor of Braga, was pre-appointed as rapporteur of the own initiative opinion Delivering on the Sustainable Development Goals by 2030. The appointment is subject to the approval of the CoR's Bureau.

Background:

The CoR-CEMR joint consultation gathered the views and experiences of 25 organisations representative of a variety of subnational government levels across 19 EU Member States: Austria, Belgium, Croatia, Czech Republic, Estonia, Finland, France, Germany, Ireland, Italy, Lithuania, Malta, Netherlands, Poland, Romania, Slovakia, Slovenia, Spain, and Sweden. The targeted consultation was carried out from early November 2020 to beginning of January 2021.

The results could be consulted <u>here</u>.

Recovery and Resilience Facility (RRF) is the EUR 672.5 billion instrument (up to EUR 312.5 billion in grants and up to EUR 360 billion in loans) designed to support EU countries in carrying out reforms and investing in the EU's common priorities. The RRF is the biggest financial tool included in the EUR 750 billion recovery instrument Next Generation EU, known also as **Recovery Plan for Europe**. To benefit from the RRF's support, Member States should present national Recovery and Resilience Plans indicating the reforms and investments that would be financed.

<u>On 18 December 2020</u>, the European Parliament and the Council of the EU found a political agreement on the facility. The Parliament is expected to vote on the text at its February plenary session, followed by formal adoption by the Council.

In October, the CoR Plenary adopted the opinion <u>European recovery plan:</u> <u>Recovery and Resilience Facility and Technical Support Instrument</u>, drafted by Christophe Rouillon (FR/PES). Please find the press release <u>here</u>.

The national Recovery and Resilience Plans must be <u>submitted by 30 April 2021</u> to the European Commission. The governance of this new instrument is closely aligned with the European Semester process of economic policy coordination. The lack of structured and systematic involvement of local and regional authorities in economic governance in general and in the European Semester in particular has been a repeated criticism of the CoR for several years. The Committee's remarks and proposal for an economic governance review of the EU are collected into <u>this</u> opinion drafted by the Minister-President of Wallonia, <u>Elio di Rupo</u> (BE/PES). The opinion was adopted in December by the Plenary. Please find the press release <u>here</u>.

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