A new CoR study sounds the alarm about the lack of involvement of regions and cities in national recovery plans



According to the study, which analyses eight of the NRRPs submitted to the European Commission by the end of May, the national recovery plans foresee very limited opportunities for regions to provide democratic input. Most of the regional and local actors were only consulted in formal and unilateral ways and will mainly be tasked with the administrative delivery of investment policies. Their ideas were rarely transposed into the plans. However, granting more political leeway over the use of investment resources to cities and regions would foster local communities' ownership over policies and boost capacity building at the local level. The lack of involvement of regional and local authorities, which are crucial to delivering investments and services as well as to implementing reforms, could undermine the impact and efficiency of NRRPs.

Michael Murphy (IE/EPP), Chair of the CoR's ECON Commission and member of Tipperary County Council, said: "The study presented today confirms what our earlier work had suggested: there is a broad diversity of situations across the EU but many Member States treat consultations with regional and local actors not as meaningful exchanges, but rather as unilateral processes — as 'box-ticking' exercises. Regions' and towns' wealth of knowledge and experience rarely make it into the recovery plans, which is a missed

opportunity and simply does not constitute good governance. Local and regional authorities are crucial to delivering investments and public services, as well as implementing reforms, and it is a mistake to attempt to build the EU's recovery without them. "

ECON members expressed their regret that the investments proposed in the NRRPs don't consider potential synergies between the Recovery and Resilience facility (RRF) and EU cohesion policy funds. Overlaps between the two financial instruments could undermine cohesion policy's effectiveness. Other than Italy and Belgium, there is no territorial allocation of resources. The study also comes to the conclusion that the role which NRRPs intend for local and regional authorities in driving forward the green and digital transitions remains vague and ill-defined.

In light of the study's results, the ECON members urged the European Commission to carry out a thorough assessment of all NRRPs, to insist — jointly with the European Parliament — on the definition of local and regional authorities' role in the remaining phases of the NRRPs, to maintain cohesion as a fundamental value and to involve EU regions and cities in the European Semester and in the monitoring and evaluation of the plans.

Besides the debate about the EU's Recovery Fund, the ECON commission adopted the draft opinion "Protecting Industrial and Craft Geographical Indications (ICGIs) in the European Union "which calls for a harmonised EU regulatory framework for ICGIs to replace the patchwork of national legal instruments and thereby safeguard an important part of Europe's cultural heritage, improve consumer rights, increase producers' incomes and contribute to the development of the regions concerned.

Martine Pinville (FR/PES), member of the Regional Council of Nouvelle-Aquitaine and rapporteur for the opinion, said: "The CoR's long-standing demand for a regulation to protect industrial and craft geographical indications must now be put into practice. For consumers, such a regulation would be a guarantee of the origin, quality and authenticity of a product. For craftsmen or companies, it would mean an appreciation of their know-how and protect them against unfair competition and counterfeiting. Finally, for the regions, it's about protecting a local heritage and maintaining value added and non-relocatable jobs in their territory."

The opinion is scheduled to be adopted by the CoR's plenary during its October session.

The ECON commission meeting also provided an opportunity for members to exchange views on working documents for "Updating the 2020 Industrial Strategy: towards a stronger Single Market for Europe's recovery", presented by rapporteur Jeannette Baljeu (NL/Renew Europe), and for the opinion on better regulation, presented by the rapporteur of the CIVEX commission Piero Mauro Zanin (IT/EPP).

In addition, the ECON commission appointed <u>Rob Jonkman</u> (ECR/NL), as a rapporteur on the opinion "The implementation of the Recovery and Resilience Facility", and recommended <u>Mark Weinmeister</u> (EPP/DE), to be appointed as

rapporteur general on the "European Digital Identity".

Background:

The EU's Recovery and Resilience Facility (RRF) is the EUR 672.5 billion fiscal instrument (EUR 312.5 billion in grants and EUR 360 billion in loans) designed to support Member States 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 . 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. Up to now, the European Commission has received 24 national plans out of 27, of which it has endorsed 11.

The study on "Regional and Local Authorities in the National Recovery and Resilience Plans", commissioned by the CoR, focuses on eight of the NRRPs submitted to the EU by the end of May 2021: Belgium, Croatia, France, Germany, Italy, Poland, Romania and Spain. The full study is available here.

A <u>Cor-CEMR joint consultation</u> presented in January already pointed out that many EU governments were excluding regions and cities from the preparation of post-COVID recovery plans. The full results are available <u>here</u>.

According to the <u>RRF Regulation</u> (art. 18.4.q), and as recently recalled in a <u>European Parliament resolution</u> adopted by a large majority, the recovery and resilience plans should be prepared and, "where available", implemented after a "consultation process, conducted in accordance with the national legal framework of local and regional authorities, social partners, civil society organisations, youth organisations and other relevant stakeholders". Member States will have to submit a summary of the consultation process, which has to detail "how the input of the stakeholders is reflected in the recovery and resilience plans".

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