

## 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 [Rob Jonkman](#) (ECR/NL), as a rapporteur on the opinion "The implementation of the Recovery and Resilience Facility", and recommended [Mark Weinmeister](#) (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 [CoR-CEMR joint consultation](#) 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 [here](#) .

According to the [RRF Regulation](#) (art. 18.4.q), and as recently recalled in a [European Parliament resolution](#) 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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# **Invitation letter by President Charles**

# Michel to the members of the European Council ahead of their meeting of 24 and 25 June 2021



It is my pleasure to invite you to our European Council meeting on 24 and 25 June, which will start with an exchange of views with UN Secretary-General António Guterres on global challenges and geopolitical issues.

Recovery from the COVID-19 pandemic, both in the EU and worldwide, will be a key topic. The successful vaccination campaign that is well underway across the EU, together with the launch of the Digital COVID Certificate, will facilitate free movement over the summer months and beyond. However, we need to keep a close eye on variants and contain their spread in a coordinated manner. As agreed in February, we will also engage in a first exchange on lessons learned from the pandemic so far, so as to best prepare for future crises. We will discuss how the EU can continue to lead efforts to vaccinate the world through exports and donations and how to increase the worldwide supply of vaccines.

On migration, we will take stock of the situation on the various routes. Our aim continues to be to prevent loss of life and to reduce pressure on the EU's borders. We will therefore focus on the external dimension, with the aim of strengthening our cooperation with countries of origin and transit. We should mandate action that will deliver results rapidly.

As regards international issues, we will return to the EU's relations with Turkey, as announced in March. We will discuss relations with Russia, following our in-depth debate in May and the Commission and High Representative's report. We will review the implementation of our recent decisions on Belarus. I expect us also to adopt conclusions on Libya, the Sahel and Ethiopia.

Turning to the economic recovery, we will take stock of the implementation of Next Generation EU. Once approved, national Recovery and Resilience Plans will enable a full and inclusive economic recovery. They will also pave the way for the Union's green and digital transitions, the twin engines of Europe's growth in the decades to come.

At the end of our meeting on Friday, we will be joined by the Presidents of the European Central Bank and the Eurogroup for a Euro Summit in inclusive format. We will have a forward-looking discussion on how to foster a strong and sustainable economic recovery. This entails addressing the way forward on the Banking Union and the Capital Markets Union as well as policy coordination in the euro area.

As to the practical proceedings, we will start at 1:00 pm on Thursday with our working lunch with UN Secretary-General António Guterres. We will then



hold our traditional exchange of views with President Sassoli. After a report by Prime Minister Costa on the work in the Council, we will address COVID-19, then migration in our first working session. Our working dinner will mainly focus on external relations. We will resume on Friday morning with a working session on the economic recovery, before turning to the Euro Summit in inclusive format.

[Visit the meeting page](#)

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## [Fake perfumes assembly site dismantled in Italy](#)



Criminal network was importing counterfeit goods from EU-neighbouring countries for distribution on the Italian and EU markets

The Italian Carabinieri Corps (NAS Carabinieri), supported by Europol, dismantled an organised crime group involved in the trafficking of counterfeit goods including counterfeit perfumes produced in EU-neighbouring countries.

### **The action day on 18 June 2021 led to:**

- 15 individuals reported to the judicial authority;
- The dismantling of a site used for the clandestine packaging of cosmetics; and
- Seizures including 2 000 counterfeit items (perfumes, clothing, leather accessories, watches and IT accessories), famous brand labels, about 2 000 perfumes still to be assembled and cash.

The investigation disrupted a consolidated system aimed at trafficking perfumes and counterfeit goods. The criminal network was operating throughout

the Italian territory while maintaining close commercial links to producers in EU-neighbouring countries. The goods were transported through the Balkan route and distributed on the Italian market. The criminal network was importing perfumes in bulk filled in tanks, which were then packed in an illegal assembly site. Presumably, the products were packed quickly before being delivered to the buyers, minimising the risk of detection by avoiding stocking in big quantities. The work performed by the underground assembly point was very difficult to detect since the individuals involved created a sophisticated supply chain showing the complete counterfeit product to the buyers only hours before they were delivered.

Europol supported the investigation with operational analysis, facilitated the information exchange and liaised with representatives from the private sector. During the action day, Europol deployed an expert on the field to provide real-time analytical support to investigators. This action day was a spin-off operation from Europol's coordinated Operation Shield.

Europol's Property Crime Coordinated Coalition (IPC3) is co-funded by EUIPO (European Union Intellectual Property Office) to combat intellectual property crime.

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## Six arrested for siphoning €12 million in fraudulent COVID-19 unemployment payments from France

Close to €2 million worth in cash was seized and over €6 million on bank accounts recovered as result of this coordinated action

On 16 June, officers from the **French National Gendarmerie** (Gendarmerie Nationale) and the **Israeli Police** (משטרת ישראל) closed in on the members of an organised crime group running a sophisticated benefit fraud scheme on either side the Mediterranean Sea. A total of six individuals were arrested in various locations across France.

This criminal syndicate is believed to have swindled the French State out of €12 million in COVID-19 unemployment benefits by using 3 600 shell companies to claim the payments. The fraudulently obtained benefits were paid onto French bank accounts, before being immediately transferred abroad and moved across Europe before being exchanged into virtual currencies.

The main suspect – a 30-year-old Franco-Israeli citizen – and his wife were arrested in Replonges (France) close to the Swiss border on 16 June at 05:00 am while trying to flee to Geneva where they were planning to take a flight

to Tel-Aviv booked at the last minute.

An hour later, officers from the Gendarmerie's Central Office for Combatting Illegal Labour (OCLTI) and Research Section of Toulouse (SR Toulouse) raided several addresses across Paris (19th arrondissement) and its suburbs (Pantin) to arrest their accomplices – all family relatives, and carry out searches to locate, among other things, the place where a large sum of money was believed to be hidden.

The cash was found on that same evening in a private parking lot in the 19th arrondissement of Paris). A total of €1 765 630 and US\$ 3 420 in cash was discovered hidden in fireproof and waterproof bags. A pouch containing three luxury watches worth €230 000 and jewellery worth €30 000 was also found at the same location.

Besides these seizures, the French authorities also recovered over €6,2 million on bank accounts owned by this criminal group.

In parallel to the actions in France, the Israeli Police took action against the members of this same criminal group located in Israel. An accomplice was detained, and a call centre believed to have been used to organise these large – scale scams was searched in the city of Netanya. Phones and high-tech IT devices were seized on this occasion.

## Europol's support

Europol's support was instrumental in the success of this case:

- **Europol's European Financial and Economic Crime Centre (EFECC)** performed a financial analysis detailing the scheme used by these criminals to launder their proceeds of crime;
- **Europol's European Cybercrime Centre (EC3)** performed a crypto asset tracing analysis;
- Two operational meetings were organised by Europol to bring together the national investigators to prepare for the action day. Since then, Europol has provided continuous intelligence development to support the field investigators;
- A Europol specialist was deployed to Paris to support the French authorities with the action day.

This operation was carried out in the framework of the European Multidisciplinary Platform Against Criminal Threats (EMPACT).



In 2010 the European Union set up a [four-year Policy Cycle](#) to ensure greater continuity in the fight against serious international and organised crime. In 2017 the Council of the EU decided to continue the EU Policy Cycle for the 2018 – 2021 period. It aims to tackle the most significant threats posed by organised and serious international crime to the EU. This is achieved by improving and strengthening cooperation between the relevant services of EU Member States, institutions and agencies, as well as non-EU countries and organisations, including the private sector where relevant. Criminal finances is one of the priorities for the Policy Cycle.

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## Twelfth meeting of the Accession Conference with Serbia at Ministerial level



The twelfth meeting of the Accession Conference with Serbia at Ministerial level was held today in Luxembourg. The meeting marks a milestone in the evolution of the accession negotiations, since it is the first to have taken place since the Council approved the revised enlargement methodology, which now also applies to the accession process of Serbia.

The European Union delegation was led by Ms Ana Paula Zacarias, Secretary of State for European Affairs, on behalf of the Portuguese Presidency of the Council of the European Union. The Serbian delegation was led by Prime Minister Ana Brnabić.

The revised enlargement methodology aims to reinvigorate the accession process. It includes: a stronger focus on fundamental reforms; a stronger political steer; increased dynamism; and a more predictable process, based on objective criteria and rigorous positive and negative conditionality.

Providing the accession process with a stronger political steer from the Intergovernmental Conferences is one of the key elements of the revised enlargement methodology. The meeting therefore served to strengthen the dialogue between the Member States and Serbia, with the aim of focusing efforts on key reforms that should allow for progress in the accession process.

The EU welcomed Serbia's ambition to open clusters 3 and 4 once all the conditions are met, and the efforts that Serbia has made in recent months in this regard. The advancement of the negotiations will continue to be guided by Serbia's progress in preparing for accession, as established in the Negotiation Framework.

[Visit the meeting page](#)