



European Committee
of the Regions

EU Annual Report on the State of Regions and Cities 2022

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EU Annual Report on the State of Regions and Cities

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Foreword of the President of the Committee of the Regions for the 2022 EU Annual Report on the state of regions and cities

The 2022 EU Annual Report on the State of Regions and Cities is published while the war against Ukraine is leading to unpredictable social and economic consequences for the whole of Europe. As regions and cities are not sparing any effort to welcome refugees and address the challenges stemming from the war, we are showing that, as for all other crises the European Union faces, local and regional authorities are actors that cannot be bypassed.

The aim of this Report from the Committee of the Regions is to provide a working tool for European, national, regional and local decision-makers across the EU to see through the perspective of regions and cities as they face the challenges resulting from the war against Ukraine, the climate crisis, the COVID-19 pandemic wider socio-economic trends as well as democratic transformations, to provide more comprehensive and effective responses.

The Report provides data and analytics on a wide-range of issues, but also offers an insightful collection of best practices and stories of how local and regional authorities work every day and everywhere to provide answers.

This Report on the State of Regions and Cities is a wake-up call. The crises we face put all of us to the test and call for historical actions. Our societies require profound changes to achieve the green and digital transitions while maintaining a strong territorial cohesion and our essential social fabric. These profound changes will require the involvement of regions and cities, not only to shape the solutions we need but also to implement them. No one-size-fits-all top-down approach will work.

The Conference on the Future of Europe has left us with one ambition: the one of reinvigorating our democratic culture, with a permanent dialogue with citizens and the active participation of local and regional representatives in shaping Europe's future.

I am therefore proud to present this EU Annual Report on the State of Regions and Cities as an essential contribution to the debate on Europe. I thank all our members and colleagues who made it possible.



Vasco Alves Cordeiro
President of the Committee of the Regions

Executive summary

The 2022 edition of the EU Annual Report on the State of Regions and Cities is the starting point for a deeper reflection on how EU policies can better promote solidarity, sustainability, a fair transition and territorial cohesion in the future.

On 24 February 2022, a new crisis came to light in Europe. Vladimir Putin launched his unjustified and brutal invasion of Ukraine. The effects and repercussions of the war against Ukraine are getting clearer and clearer and they are worsening as the conflict continues. A scenario like this would once again put Europe's cooperation to the test. The EU is now having to deal with new issues, such as the mass displacement of millions of Ukrainian people to European cities, rising energy and fuel prices, and repercussions on food provision and supply chains.

European local and politicians have hastened to help their Ukrainian neighbours with refugee relief and practical support. Cities and regions are not only welcoming Ukrainian refugees, they are also confronted with issues related to rising energy prices and food shortages. This report also shows that Central-Eastern European cities and regions are the most heavily affected, not only in that they are receiving the majority of the refugees, but also because they are being most severely impacted by the economic sanctions and their dependence on Russian energy.

The reconstruction of Ukraine has to be prepared now. Although the economic impact on Ukraine is still unknown, recent predictions project a 55% contraction in its national gross domestic product. Once again, European cities and regions have shown great support for the cause. Through the launch of the European Alliance of Cities and Regions for the reconstruction of Ukraine, European local and regional authorities (LRAs) have joined forces to support the European Commission's Ukraine Reconstruction Platform.

The invasion of Ukraine came as we were still dealing with two years of another type of battle: the battle against the COVID-19 pandemic. Member States, LRAs in Europe adopted different strategies to face the impact of the pandemic. Research appears to suggest existing North-South imbalances and inequality in the Union have been exacerbated. The COVID-19 pandemic also demonstrated how fragile and unprepared European societies were to respond to such a calamity. The EU was also not prepared to face such a crisis, neither in terms of means nor of competences. There was a need for more coordination and the EU moved quickly with its "Next Generation EU" recovery plan and a range of interconnected initiatives to strengthen resilience and socio-economic recovery, with a specific emphasis on the green and digital transition.

Besides managing the lasting impact of the COVID-19 pandemic, the climate crisis appears more than ever to be the biggest challenge for LRAs in Europe and a stress test for solidarity, cohesion and safety for our communities.

Cities and regions are driving transformation toward climate neutrality and the green transition. They are at the forefront of this generation-defining battle through initiatives such as the Covenant of Mayors for Climate and Energy, as well as other policy efforts at all levels where cities are in the lead.

Local and regional governments are also essential drivers when it comes to adopting substantial climate mitigation and adaptation measures, which are critical for achieving the European Green Deal targets. With a view to the next COP 27 in Sharm el-Sheik, it is therefore very important to recognise all these efforts made by LRAs. It is also vital that the Committee of the Regions is fully engaged, representing the interests of the LRAs in this international forum. The climate crisis has already had an impact on our daily lives. Its consequences are posing significant hazards to European regions and cities, and while development and adaptation measures have decreased vulnerability to some extent, as conditions worsen, climate change risks may become more difficult to manage. Furthermore, the way in which regions and cities in the EU are affected by the effects of climate change varies significantly.

Cohesion policy remains a crucial tool to keep our Union together, bringing progress and wellbeing right across Europe. It was critical in responding almost immediately to the COVID-19 crisis, by providing all regions and cities in the EU with support to boost job creation, competitiveness, economic growth, sustainable development, and citizens' quality of life. While support under cohesion policy built on the participation of LRAs, the recovery plans developed after the COVID-19 pandemic unfortunately tended to recentralise the investment policies at European level.

The Committee of the Regions has studied the involvement of LRAs in drawing up and implementing the national recovery plans, in collaboration with the Council of European Municipalities and Regions. The two subsequent surveys revealed that local and regional authority engagement looked to be low overall, raising concerns about how funds would be distributed. The EU Annual Report on the State of Regions and Cities highlights why cohesion is important in order to leave no one and no place behind. Cohesion policy is not just about funding and money, and it is more than just a policy to address development gaps. It is the perfect expression of the fundamental values of the EU: human dignity and human rights, freedom, democracy, equality and the rule of law. Cohesion should be a driver of all EU policies.

While facing multifaceted crises, the European project must not lose track of its original goal since the Treaty of Rome: ensuring social progress. With rising inequalities and increased social distress in face of the consequences of the climate crisis, the impact of the pandemic, and now the war in Ukraine, the Action Plan for the implementation of the European Pillar of Social Rights is an essential compass to keep our society together. LRAs are often on the forefront when it comes to implementing social policies and will continue to be so. The fight against youth unemployment and child poverty remains a fundamental concern.

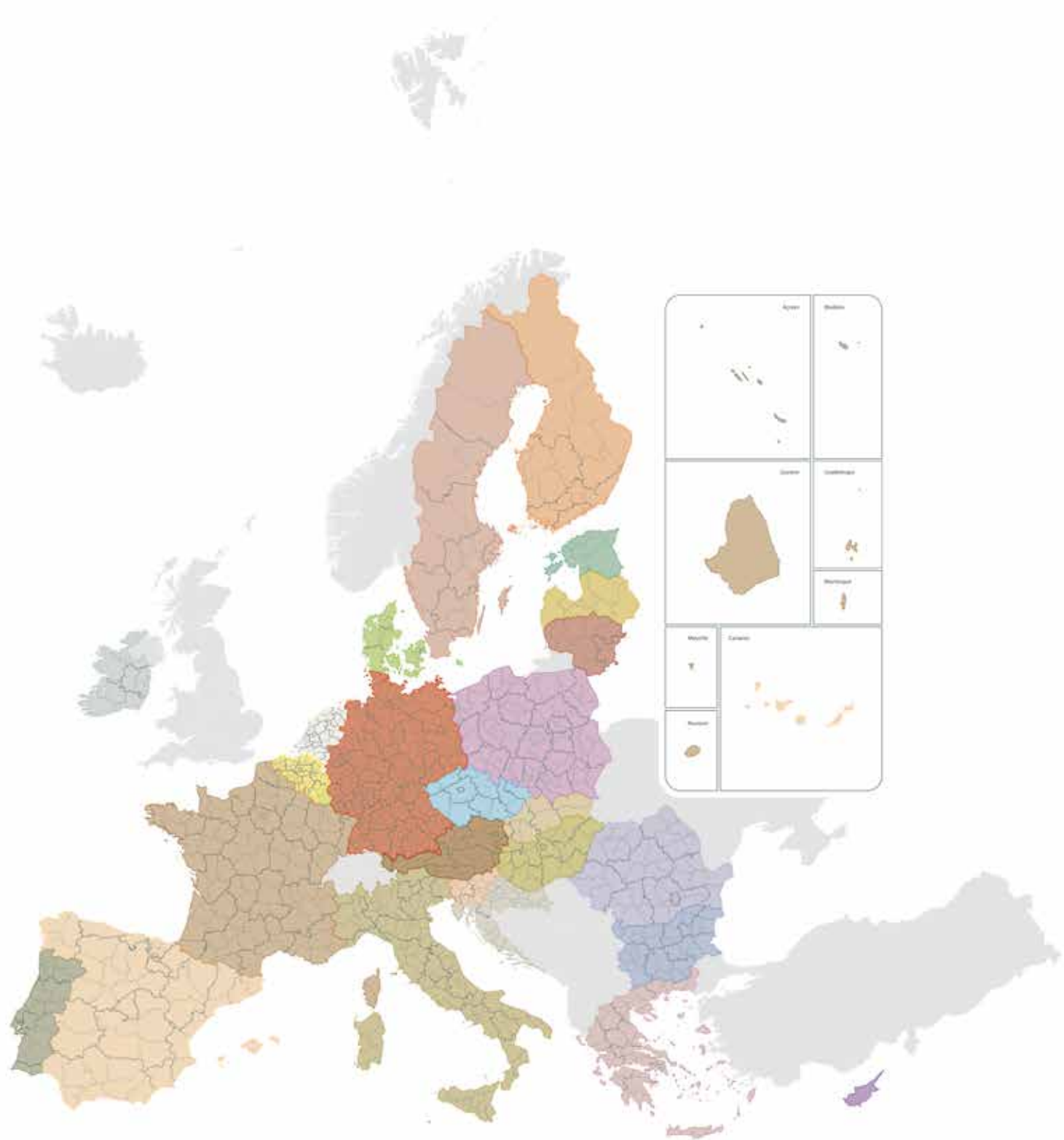
Lastly, in order to make all policies a reality in order to bring sustainable progress to Europe, democratic legitimacy must be ensured. With the recently concluded Conference on the Future of Europe, the EU is now entering a new phase of political and democratic participation involving all citizens. Ensuring that the conclusions of the Conference are taken into account at all levels and bring

tangible changes for citizens and communities is a task that the Committee of the Regions will not shy away from, engaging as it does with young people and youth organisations and empowering women in society.

Given the current uncertain geopolitical situation, the EU has to ask itself what are the best approaches in order to keep on delivering a more socially inclusive and territorially cohesive Union.

This edition of the EU Annual Report on the State of Regions and Cities explores the impacts of these and other challenges on European local realities, and analyses the tools that the EU can mobilise to ensure that a fair and equal social and economic recovery is achieved. It also shows that the local and regional level played a key role in addressing these challenges and that there is a growing need for the EU to support them in this struggle. The EU Annual Report on the State of Regions and Cities provides key insights into the challenges we are facing today, in light of the actions taken at the regional and local levels, and offers policy recommendations paving the way for a fairer future for Europe.

The European Union and its regions



NUTS 2 & 3 level map of the European Union showing its 240 regions and its 1 350 Provinces, counties and districts

Introduction

The European geopolitical environment in which the 2022 EU Annual Report on the State of Regions and Cities has been drawn up, based on information that was up-to-date as of July 2022, was confronted with already well-known challenges, such as the COVID-19 pandemic and the climate emergency. At the same time, it also saw the rise of a new challenge, namely the crisis following Putin's invasion of Ukraine.

The impact of this act of aggression on Europe will last for decades. This report focuses on the most pressing consequences, namely the migration of many Ukrainian citizens to European cities and regions, the European energy transition towards greater independence from Russia, the preservation of food security in Europe, the growing need for resilient digital infrastructure, and, finally, the economic consequences of this war on Europe and the future reconstruction of Ukraine.

As last year's edition of the EU annual regional and local Barometer suggested, the COVID-19 pandemic is still a central topic in the EU's daily political decisions. Over the last three years, cities and regions have had to re-adapt themselves, working towards better social inclusion and investing funds where they were most needed, such as in the area of health. Although the health effects of COVID-19 have been mitigated thanks to a strong vaccination campaign, the virus is still circulating, affecting our political and our daily social lives. What seems to be clear is that, in order to get out of this crisis, LRAs must be fully on board.

Finally, this report shows that there is a huge imbalance in the way European regions are affected by climate change and disasters. Cities and regions, as recent years have demonstrated, are at the forefront of the shift towards climate neutrality and the green transition. They can play a major role in accelerating and scaling up renewable energy in power production, industries, buildings and transportation, as well as in improving energy efficiency.

This edition of the EU Annual Report on the State of Regions and Cities investigates the main tools at our disposal to address the above-mentioned challenges.

Starting from an analysis of cohesion as an overall value of the EU, the report focuses on the fundamental role of cohesion policy in ensuring that nowhere and no one is left behind, as both the COVID-19 pandemic and the war in Ukraine have confirmed. Cohesion policy aims to correct imbalances between countries and regions, and delivers on the EU's political priorities, especially the green and digital transition.

Today, a more social Europe seems more necessary than ever. The aftermath of the COVID-19 pandemic's effects on the economy and the latest crisis of the war in Ukraine are putting the EU's social dimension at stake. The challenges to overcome are linked not only to rising inflation, and energy or housing issues, but also to high youth unemployment and low employment rates, and to fighting child poverty, to name but a few.

Strengthening our European democracy will help address the challenges we are facing today. The Conference on the Future of Europe was an unprecedented experiment in participatory democracy on a European scale. It allowed citizens to engage in a meaningful way with the EU as well as with national, regional and local institutions and it resulted in the submission of 49 proposals and over 300 detailed measures to the EU institutions. On this occasion, LRAs highlighted the territorial dimension of many proposals and measures, helping to build a European democracy that is more efficient, more resilient, and closer to its citizens.

Relying on evidence-based research, the EU Annual Report on the State of Regions and Cities will conclude with policy suggestions aimed at guiding policy-makers at all levels in providing efficient and targeted assistance for a long-term recovery and a more sustainable future for all regions and cities.

In order to develop the EU Annual Report on the State of Regions and Cities, the Committee of the Regions mobilised its resources and partnerships. The Committee of the Regions would like to thank the Organisation for Economic Cooperation and Development, the Joint Research Centre and other European Commission departments, our study contractors, the organisations and individuals who participated in seminars and expert workshops, as well as the numerous cities and regions that shared their experiences.

Thanks to their involvement, this will serve as a compass for all cities and regions, as well as for policy-makers at all levels.

Chapter I – The impact of the Russian invasion of Ukraine on the EU's cities and regions

Key messages:

The Russian invasion of Ukraine has brought destruction, suffering and distress to millions of Ukrainians. At the same time, the reaction to the invasion has also generated an unprecedented level of solidarity throughout the world.

Mayors and regional leaders in Ukraine have played a key role in this struggle, and, from the outset, mayors and regional leaders in the EU and beyond stepped up very quickly to provide support for the refugees and other forms of practical support. The impact of the war will deepen the longer it lasts and it will also be a test for the unity, solidarity and democracy within the EU.

Cities and regions in the EU will have to address the challenges of providing housing and public services for the refugees, while dealing with rising energy costs and inflation, and the economic and social fallout, while at the same time seeking to combat global food shortages.

Data show that cities and regions in the east of the EU are set to be most affected, not only as they have taken in most of the refugees, but also as they have to shoulder the biggest consequences of the economic sanctions.

The EU will need to support cities and regions in the EU and in Ukraine in addressing these challenges.

Key figures:

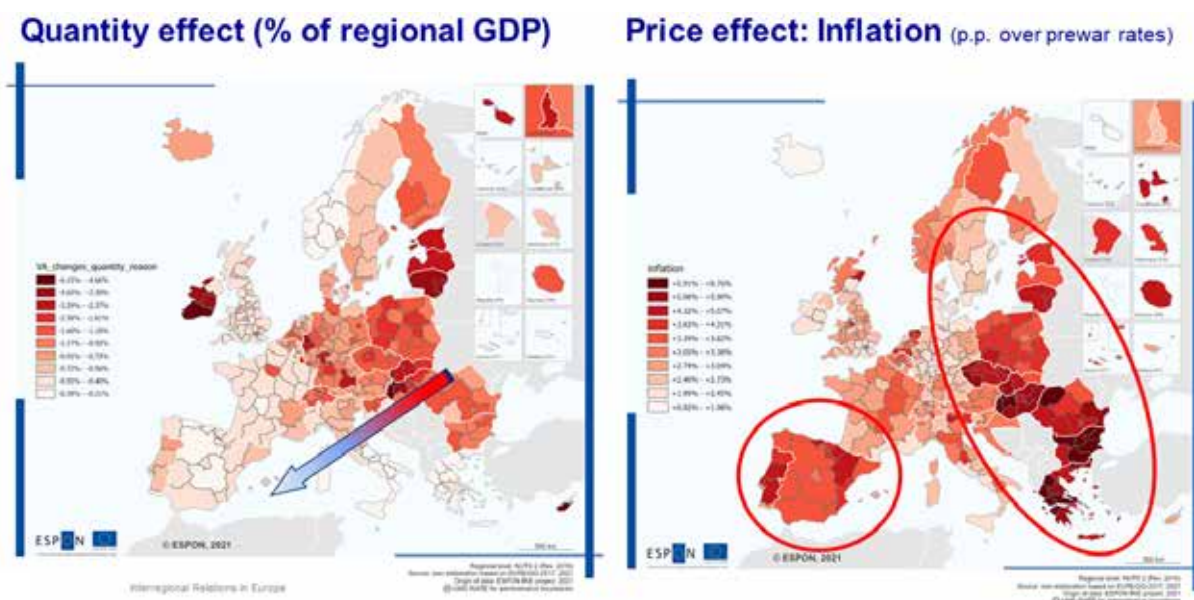
More than ten million people have been registered crossing borders between Ukraine and its neighbouring countries¹.

Inflation in 2022 is anticipated to reach record highs due to the conflict in Ukraine. The forecast for euro-area consumer price inflation in 2022 was revised up 2.9 percentage points, from 3.9% in February to 6.8% in April².

Wheat futures market prices have soared by 70% since the Russian invasion. Food costs in the EU are 5.6% higher than they were last February³.

According to preliminary calculations by the European Spatial Planning Observation Network, the Member States and regions closest to Ukraine will see the greatest Gross Domestic Product (GDP) losses, while Spain and Portugal, including its most remote regions, will be most impacted by inflation⁴ (see Figure I-1).

Ukraine and Russia are crucial energy and agricultural providers. As the war damages manufacturing capacity, the prices of many essential items that are difficult to substitute will rise. Countries in Central and South Eastern Europe will tend to be more affected⁵.



Results of the Ukrainian conflict

Figure I-1 – Llano, C., *European Recovery with our neighbourhoods in arms*, ESPON seminar – Stronger together: recovering through crises, Lille, 1-2 June 2022

1 <https://data.unhcr.org/en/situations/ukraine>.

2 European Investment Bank, *How bad is the Ukraine war for the European recovery?*, 2022.

3 European Parliamentary Research Service, *Russia's war on Ukraine: EU food policy implications*, 2022.

4 Llano, C., *European Recovery with our neighbourhoods in arms*, European Spatial Planning Observation Network seminar – Stronger together: recovering through crises, 1-2 June 2022.

5 European Investment Bank, *How bad is the Ukraine war for the European recovery?*, 2022.

A. Welcoming Ukrainian refugees in EU cities and regions

1. Introduction

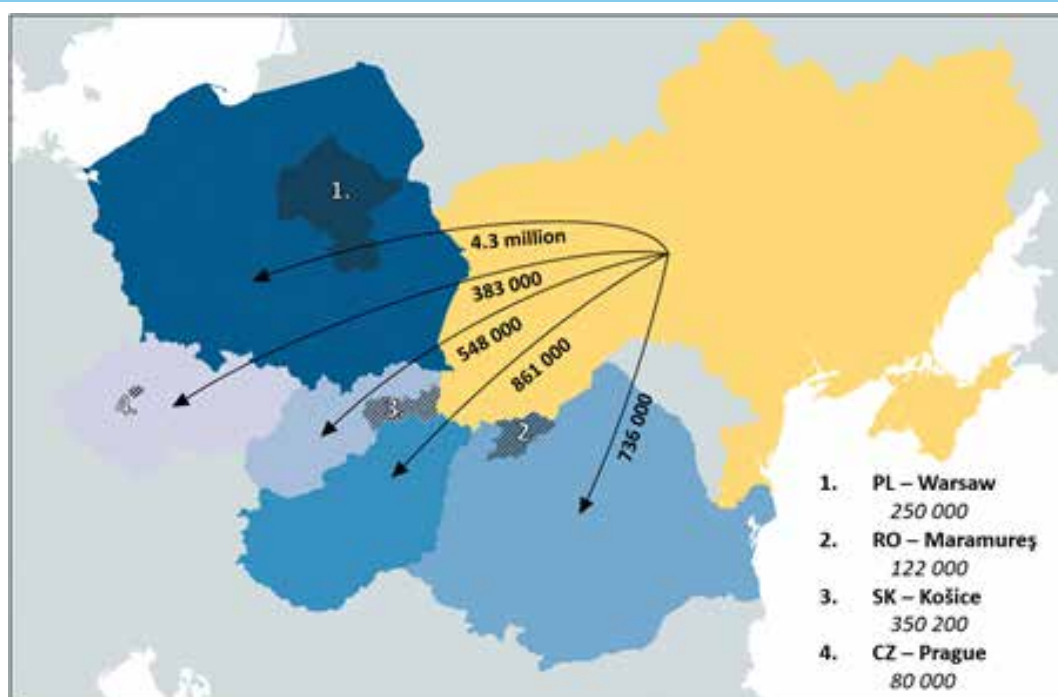
The Russian Federation's full-scale military invasion of Ukraine has resulted in the biggest population displacement in Europe since World War II, uprooting around 15 million people, or one third of the country's population.

While the number of internally displaced persons in Ukraine is thought to be over seven million, there have been more than ten million cross-border movements from Ukraine to its neighbouring countries, with six million of those movements going to one of the four EU members on the eastern external frontier of the Union: Poland, Slovakia, Hungary, and Romania. The Polish border was used by the vast majority of individuals escaping the war to enter the EU (four million). Although flows to the EU increased significantly during the first few weeks of the war and have continued to grow steadily ever since, "pendular" movements have also been seen, with people going back and forth across the border⁶.

Border areas and nations faced an immediate problem as a result of this influx, since the COVID-19 pandemic had already put a strain on public services, notably in the area of healthcare. While securing the safety and security of those

fleeing the conflict in Ukraine is of the utmost importance, the solidarity that underpins the European reaction has also put the local and regional infrastructure of the frontline towns and regions to the test. Volunteers, civil society, and governments at the EU, national, and regional levels have responded in a way that has never been seen before. However, given the uncertainty surrounding the length and effects of the war in Ukraine, there is a need for long-term solutions to the ongoing refugee crisis⁷.

Figure I-A-2-1 below shows how the extraordinary refugee flows' territorial effects have varied in frontline cities and regions. While the majority of individuals who escape Ukraine and enter Hungary, Romania, and Slovakia do so with the intention of passing through temporarily, most persons who enter Poland and Czechia do so with the intention of remaining there until it is safe to return to Ukraine. As a result, this chapter concentrates on the border regions in the transit countries of Hungary, Romania, and Slovakia, as well as the capital regions of the countries of destination, Poland and Czechia, where practically all new immigrants have asked for temporary protection⁸.



Direct cross-border movement of people fleeing Ukraine to the neighbouring EU countries

Figure I-A-2-1 _ Dobias, K., and Homem, F., EU cities and regions welcoming Ukrainian refugees - mapping multilevel coordination, 2022

Data correspond to the cross-border movement of refugees from UA (24 February-28 June 2022). For Czechia, the data indicate the number of refugees recorded.

Local/regional data correspond to the number of people fleeing UA recorded in the given city/region

Furthermore, there is substantial cross-border mobility not just from Ukraine to EU Member States but also within the EU Member States. For example, around 97% of people transit through Hungary, while 587 000 persons who crossed the

Ukraine-Romania border continued their journey to Slovakia. To avoid counting the same persons twice, Figure I-A-2-1 above shows only the population flows directly from Ukraine to the case study nations when referring to "cross-border migrations".

6 These data refer to July 2022. Updated data are available at <https://data.unhcr.org/en/situations/ukraine>.

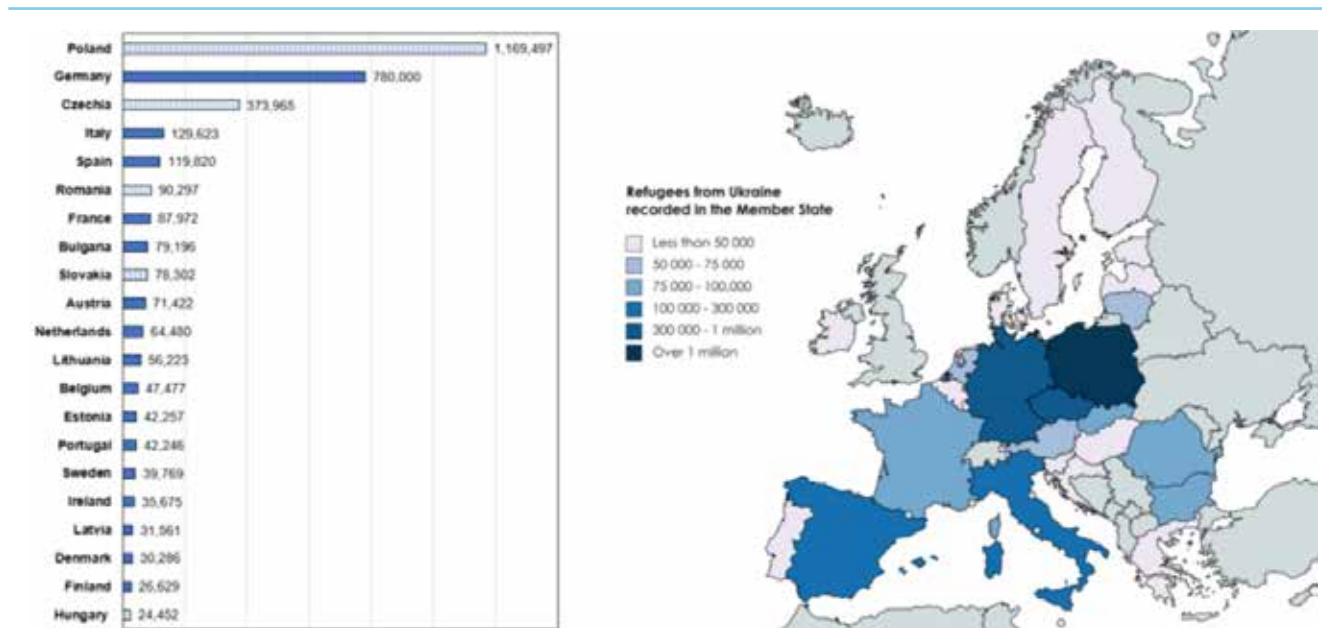
7 Dobias, K., and Homem, F., [EU cities and regions welcoming Ukrainian refugees - mapping multilevel coordination](#), study commissioned by the European Committee of the Regions, 2022.

8 *Ibid.*

Accordingly, Poland had seen 4.3 million people arriving directly from Ukraine, Hungary 861 000, Romania 736 000, Slovakia 548 000 and Czechia 383 000, by late June 2022. Accounting for direct border crossings was not possible for Czechia, since it does not share a border with Ukraine. Here, the statistics correspond to the number of people fleeing Ukraine who were recorded in Czechia. Lastly, significant cross-border movements have been observed from EU Member States back to Ukraine. In the context of the case study countries, between 24 February and 12 July 2022, the highest number of such movements was recorded at the Poland-Ukraine border with nearly 2.6 million, at the Romania-Ukraine border with over 492 000, and at the Slovakia-Ukraine border with over 320 000 reverse cross-border movements⁹.

While Ukrainian people want to return to their home country in high numbers and at the slightest chance they get, and the United Nations High Commissioner for Refugees (UNHCR) has also consistently verified the phenomenon of reverse cross-border movements, related data cannot be attributed to sustainable returns given the significant “pendular” – i.e., back-and-forth – movements, not least due to the continued volatility of the security situation in Ukraine¹⁰.

This chapter retrieves information from the study on *EU cities and regions welcoming Ukrainian refugees – mapping multilevel coordination*, commissioned by the Committee of the Regions (COR), whose data are updated to June 2022¹¹.



Ukrainian refugees registered for a temporary or other form of national protection across the EU

Figure I-A-2-2 _ Dobias, K., and Homem, F., *EU cities and regions welcoming Ukrainian refugees - mapping multilevel coordination*, 2022
Member States with less than 15,000 recorded refugees from UA were omitted from the figure. Those include Greece, Croatia, Cyprus, Slovenia, Luxembourg, and Malta. Member States with a light blue bar indicate the case study countries of RO, HU, SK, PL, and CZ.

2. Examples of regions and cities welcoming Ukrainian refugees

Considering that the great majority of people displaced from Ukraine crossing to Romania, Hungary, and Slovakia are only staying in these countries for a short amount of time, this chapter will focus on the border regions of these transit countries, namely the Košice region in Slovakia, the Maramureş Region in Romania and the Szabolcs-Szatmár Bereg county in Hungary.

In contrast, Ukrainian refugees have arrived in Poland and Czechia with a view to staying there until the situation stabilises. Accordingly, they have applied for temporary protection in high numbers, with a greater incidence rate in the capital regions of Prague and Warsaw. While we recognise the important role played by cities and villages of all sizes, this chapter will focus on the capital cities of these destination countries where the most accurate data is available.

Poland – capital city Warsaw

Poland borders Ukraine to the west, sharing an approximately 530-kilometre-long land border as part of the eastern external border of the EU. Since the Russian invasion on 24 February 2022, four million cross-border movements from Ukraine to Poland have been registered, with close to 1.2 million refugees from Ukraine recorded in Poland by mid-June¹², making it the EU country receiving the most refugees. Some 96% of the close to 1.2 million refugees are women and children¹³.

Against this national backdrop, Warsaw is the city with the largest estimated number of refugees in Poland. In the Masovian Voivodeship, there are more than 240 000 people registered, with almost half of them (over 115 000 people)

⁹ Ibid.

¹⁰ <https://data.unhcr.org/en/situations/ukraine>.

¹¹ Dobias, K., and Homem, F., *EU cities and regions welcoming Ukrainian refugees – mapping multilevel coordination*, study commissioned by the Committee of the Regions, 2022.

¹² United Nations High Commissioner for Refugees, *Ukraine Emergency – UNHCR Poland Factsheet*, 17 June 2022.

¹³ Ibid.

in the city of Warsaw¹⁴. Since the start of the Russian full-scale military invasion of Ukraine, the city's population has increased by 15%¹⁵.

By the end of June 2022, the number of persons displaced from Ukraine living in Warsaw was estimated to be even higher, around 240 000, according to one interviewed city official¹⁶. From mid-March to the end of May, Warsaw absorbed 10% of the refugees registered in Poland and 50% of the Masovian region, with more than 70% being women, mostly of working age.

The response in Poland to the current crisis has been unprecedented, combining the efforts of the authorities with the action of international and civil society organisations, and a very strong solidarity movement from volunteers. Dealing with such a significant influx of people into Warsaw has had a considerable impact in many areas, not only on the services that persons displaced from Ukraine are entitled to access, such as social services, housing, education and healthcare, but also on the infrastructure and services supporting the daily life of a city.

To respond to this challenge, the city focused on ensuring support for the refugees in a number of areas – such as providing accommodation, including housing provided by private individuals, and providing medical care for arrivals,

psychological support, and language and legal assistance – and, on the other hand, on coordinating the activities of over 14 000 volunteers. Warsaw operates a city aid network including aid points and three main reception points; it provides initial assistance to new arrivals and operates hotlines and information points.

The city has ensured centralised access to information by creating a dedicated website available in Ukrainian where all of the information relevant to refugees is available, as part of a project created using EU funds. It is also coordinating and vetting private accommodation through an electronic system. Donations are coordinated via special bank accounts set up by the city for donations to help refugees.

To facilitate access to both healthcare and employment, the City of Warsaw selects medical professionals from among the refugee population who speak Polish or who are learning it and who are seeking to acquire the necessary medical qualifications or recognition, to assist in the provision of healthcare to refugees. Remote access to the Ukrainian education system is available in the Palace of Youth, in the city centre of Warsaw, which hosts the central point for remote education, where Ukrainian children attend classes conducted by Ukrainian teachers. The Mazovian Regional Government will also be running a special project to help refugees from Ukraine, using EU funding.

UKRAINIAN CITIZENS FLEEING UKRAINE

KEY CHALLENGES FOR WARSAW

Accommodation capacity under pressure. With a sudden 15% increase in population, access to accommodation is one of the biggest current and projected future challenges. During the first three months of the war, the City of Warsaw made available a total of 160 000 overnight stays, with 3 200 available daily at the peak of the influx. The city also coordinates the process of matching offers of private accommodation to beneficiaries through an electronic system, with the proposals of accommodation being verified by city services and trained volunteers.

Lack of excess capacity in the education system. With the number of refugee children already in Warsaw, school capacity levels have reached their limits. Given that the actual numbers of children are estimated to be much higher than official statistics, and since incoming flows continue, immediate support for the upscaling of capacities is needed.

Limited access to funding. To meet the integration needs of a population of this scale and composition, comprehensive funding is needed, especially in the field of education.

Language barrier. With adverse impacts especially in education and healthcare.

Healthcare & social services under strain. Considering the number of refugees hosted by Poland, the pressure on the national healthcare system is expected to be significant, even more so considering the particularities of the population seeking refuge, notably the overrepresentation of the elderly and people with disabilities. In Warsaw, besides access to the city's medical infrastructure, the City of Warsaw has organised specific medical points for refugees to receive medical aid.

¹⁴ As reported in the [register of citizens of Ukraine and their family members who have been assigned a PESEL number](#).

¹⁵ According to Warsaw's Mayor Rafał Trzaskowski, as per his statement during the [Committee of the Regions Working Group on Ukraine's second meeting](#), held in Brussels, on 30 March 2022.

¹⁶ The Union of Polish Metropolises' Research and Analysis Centre, using the "geo-trapping" method that relies on the data emitted from mobile phones, currently places the number of Ukrainians in the Metropolitan Area of Warsaw by the beginning of April at 469 628, and the number of Ukrainians living in the city centre at close to 270 000. This amounts to 13% of the city's population. Union of Polish Metropolises' Research and Analysis Centre, [Urban Hospitality: Unprecedented Growth, Challenges and Opportunities – A report on Ukrainian refugees in the largest Polish cities](#), 2022.

Czechia – capital city Prague

Since the start of the war, Czechia has received close to 400 000 refugees¹⁷. With the prolonged war in Ukraine, it is projected that this number could reach 500 000 – rising to about 5% of the total population of the country¹⁸. According to the *Ukraine refugee situation operational update* on Czechia, published by the UNHCR¹⁹, the majority of the refugees enter Czechia through the neighbouring countries of Poland and Slovakia and are women and children, while less than one fifth are men. The refugee population arriving from Ukraine also includes older people and people with disabilities. The region of Prague is hosting the most refugees – over 80 000.

According to the Mayor of Prague Zdeněk Hřib, the number of refugees in Prague is four times greater than in some other regions²⁰. In response to the crisis, Prague has implemented a range of solutions, such as centralised registration, and service hubs whereby the regional assistance centre in the city concentrates relevant services for refugees. It also offers public transport to refugees for free or at a reduced price, facilitates Ukrainian-language education through a national project implemented in Prague, and provides compensation to hosts offering private accommodation: in addition to the compensation provided by the State, the City of Prague has also paid compensation to residents hosting refugees for some time.

The situation regarding accommodation in Prague is particularly challenging. With Prague being the main destination for persons displaced from Ukraine reaching Czechia, the city reached its capacity and this led to the temporary closure of the regional assistance centre amid disagreement between the central and local government on how to deal with over-centralisation of refugees in Prague. As public accommodation options were exhausted, the city was forced to open makeshift camps in mid-May. Several emergency and short-term solutions, such as refugee access to state subsidies as well as to free healthcare were repealed in June²¹. The city is also grappling with the lack of capacity of the education system, advising refugees to enrol children in schools in other regions.

Romania – Maramureş County

In Romania, the top five counties hosting people fleeing Ukraine are Bucharest, Constanța, Brașov, Galați, and Iași. While the majority of those remaining in Romania are hosted in Bucharest, this region contains only a fraction of the flow – with just under 38 000 people (around 3.5% of the total number of arrivals) registering for temporary protection by 15 June 2022²². Therefore, the need for immediate services such as access to shelter, food and non-food items, means of subsistence, medical care, transportation, and temporary educational support for children is concentrated in the border areas.

Maramureş County in the north-west region of the country has a 163-kilometer-long border with Ukraine and hosts one of the six main regional reception centres²³. Since the invasion, over 122 000 people have entered Maramureş from Ukraine, with 93 000 being Ukrainian citizens.

As Ionel Ovidiu Bogdan, the president of Maramureş County Council, reported, managing the reception of the people arriving from Ukraine in large numbers in such a short period of time was very challenging. All of the key players, from the local government and local authorities to public institutions, businesses and civil society were mobilised to provide much-needed support²⁴.

For the coordination of such a concerted response, a Crisis Management Working Group was established at county level and Maramureş County Council allocated 1.5 million Romanian lei (EUR 303 000) to manage the refugee crisis. It provided funding to local non-governmental organisations (NGOs) to increase the operational capacity for providing more suitable, efficient, and unitary humanitarian assistance. Under the coordination of the Working Group, over 30 NGOs are involved in the project, running all of the necessary operations at the logistic centres and at the Children and Family Protection Support Hub (Blue Dot). The latter is operated in partnership with the UNHCR and UNICEF²⁵.

Due to the protracted nature of the conflict, the county has faced the challenge of developing the social, educational, and employment aspects of the reception and integration of refugees coming from Ukraine in the longer term. As Romania is mostly a transit country, a significant proportion of the people fleeing Ukraine in need of immediate assistance are on the move. As they do not hold temporary protection status, they are not entitled to some of the essential services. Furthermore, among the children fleeing Ukraine, Romania has received more than 2 000 children from social services in Ukraine, who are in need of targeted support due to their intersectional vulnerabilities.

Hungary –Szabolcs-Szatmár Bereg county

Since the beginning of the invasion, over 1.3 million people fleeing Ukraine have arrived in Hungary, with 725 600 of them crossing the border directly from Ukraine, with another 586 950 arriving via Romania by 7 June 2022²⁶. Most new arrivals immediately travel onwards to other Member States and more and more people are deciding to return to their homeland. There may be between 50 000 and 100 000 displaced persons from Ukraine in Hungary who do not show up in official statistics²⁷.

Szabolcs-Szatmár Bereg county has six border-crossing points with Ukraine and two with Romania along the eastern border of Hungary. Although the flows transit through Hungary within weeks, new arrivals are continuous, and

17 <https://data.unhcr.org/en/situations/ukraine>.

18 <https://coebank.org/en/news-and-publications/news/czech-republic-and-ceb-sign-a-grant-of-almost-400000-to-facilitate-early-integration-of-refugees-from-ukraine/>.

19 United Nations High Commissioner for Refugees, *Ukraine refugee situation operational update – Czechia*, 7 June 2022.

20 <https://www.intellinews.com/czech-authorities-tighten-rules-for-ukrainian-refugees-246516/?source=ukraine>.

21 *Ibid.*

22 United Nations High Commissioner for Refugees, *Ukraine refugee situation operational update – Ukraine*, 1–15 June 2022.

23 The six main regional centres in Romania are in Timiș, Maramureș, Galați, Suceava, Giurgiu and Bucharest. European Council of Refugees and Exiles, *Information Sheet – Measures in response to the arrival of displaced people fleeing the war in Ukraine*, 2022.

24 Interview with Ionel Ovidiu Bogdan, the president of Maramureş County Council, as part of Dobias, K., and Homem, F., *EU cities and regions welcoming Ukrainian refugees – mapping multilevel coordination*, study commissioned by the Committee of the Regions, 2022.

25 Unicef Romania, *3 things to know about Blue Dots*, March 2022.

26 United Nations High Commissioner for Refugees, *Ukraine refugee situation operational update – Hungary*, 7 June 2022.

27 Dobias, K., and Homem, F., *EU cities and regions welcoming Ukrainian refugees – mapping multilevel coordination*, study commissioned by the Committee of the Regions, 2022.

support for over 1.3 million refugees within four months poses a considerable challenge. In this frontline region, the LRAs are in dire need of support to strengthen capacities to ensure access to health, education, temporary accommodation, and core relief items. Since 21 March 2022, the government has centralised the coordination of reception support in the newly opened Transit Centre at the BOK Stadium in Budapest, where the refugee flows have systematically been channelled regardless of their border-crossing points²⁸.

The reception of refugees would falter without the solidarity and quick self-organisation of volunteers, such as the Help Ukraine/Transcarpathia (*Segítségnyújtás (Ukrajna, Kárpátalja)/Допомога українцям*) Facebook group whose members in the first week of the war alone hosted over 10 000 refugees. Civil society, United Nations agencies (especially the UNHCR and UNICEF) and businesses have made essential services available for all people fleeing the war in Ukraine, regardless of their legal status. Mobile medical units were set up by the Ministry for Human Capacities at border-crossing points with 24/7 medical staff presence. Meals in childcare and education settings and state financial support for educational institutions with Ukrainian pupils are another example of positive measures introduced. In Hungary, Ukrainian citizens can travel with free solidarity ticket on domestic railway lines and all transports of the Budapest Transport Company.

However, many challenges remain, including limited scope for the protection of non-Ukrainian third-country nationals fleeing the war in Ukraine, a lack of preparedness for refugee flows in the border regions with Ukraine and to a lesser extent with Romania, as well as a lack of capacity in the education and healthcare system to absorb the Ukrainian refugees.

The Transcarpathian and Ukrainian Refugee Coordination Centre was established on 25 February 2022 that is managed by TISZA EGTC to this day in Kisvárdá.

Its tasks include receiving and caring for refugees fleeing from Ukraine, coordinating their accommodation needs, providing interpretation, collecting specific and case-by-case needs, delivering them to destinations concerned, as well as documentation and coordination with the border guard and customs organizations. The centre constantly coordinates donations received from abroad and activities of volunteers. Education of Hungarian language as foreign language is also organized for the refugees.

Slovakia – Košice region

Since the beginning of the war, more than 600 000 refugees have crossed the border from Ukraine into Slovakia, of which more than 80 000 have applied for temporary protection²⁹. The main border-crossing points are located in the Prešov and Košice regions in the east of Slovakia bordering Ukraine. Košice is one of the eight self-governing regions of the Slovak Republic with a population of around 782 000 and with border-crossing points in Vyšné Geranové, Veľké Slamence and Čierna nad Tisou. Between 24

February and 15 July 2022, 350 210 people fleeing the war arrived in Slovakia through these border-crossing points.

The proportion of Ukrainian refugees applying for temporary protection is around 15% of the total number of arrivals. On 16 June 2022, this amounted to 76 626 people nationwide and 12 768 people in Košice. Importantly, in response to the risks of human trafficking, only certain NGOs are admitted and only companies that have been approved by the state are allowed to provide transportation at the border-crossing point of Vyšné Nemecké³⁰.

At county level, the Košice Self-Governing Region, as a crisis management entity (KSK), is involved in most of the reception services for refugees in the county, providing comprehensive oversight, demonstrating its interest in the matter, and strengthening public-private collaboration. The region is involved in providing emergency accommodation and transport from the borders, monitoring free accommodation capacity, and coordinating humanitarian aid and volunteers. After crossing the border, new arrivals receive humanitarian aid and are then directed to large “capacity centres”, such as the one in Michalovce-Strážny³¹. Other such centres also operate in Bratislava, Nitra, Žilina and Humenné³².

KSK has opened 24 emergency temporary accommodation facilities, using tourist accommodation, schools and sport halls, for instance, with a total capacity of 1 822 people. An allowance is provided to hosts offering private accommodation, provided a hosting statement is submitted, and the beneficiary also confirms their stay to the LRA. In terms of the region’s response to the medical needs of the refugees, a “Ukraine Care Centre” was set up at the University Hospital in Košice, including both general and specialised outpatient clinics. The hospital has also set up a non-stop psychological counselling service. Various supplementary initiatives by NGOs and the private sector are also in place. The language barrier seems to be the primary obstacle to labour market integration, which to some extent is being tackled by targeted language courses, provided by the IOM, for instance³³.

28 *Ibid.*

29 <https://data.unhcr.org/en/situations/ukraine>, as of 31 July 2022.

30 European Union Agency for Fundamental Rights, *The war in Ukraine - Fundamental rights implications within the EU – Bulletin 1*, May 2022.

31 <https://ua.gov.sk/en.html>.

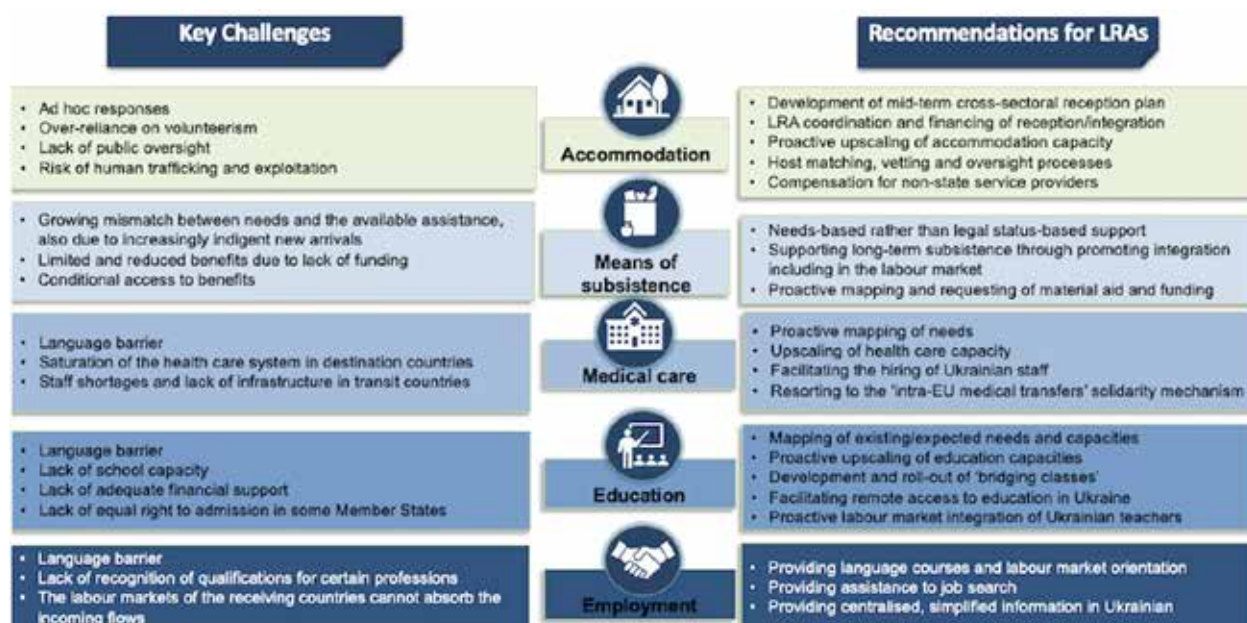
32 <https://www.ukraineslovakia.sk/en/i-am-already-in-slovakia/temporary-refuge/#~:text=As%20of%201%20March%2C%20Slovakia,study%2C%20and%20access%20to%20healthcare>.

33 Dobias, K., and Homem, F., *EU cities and regions welcoming Ukrainian refugees – mapping multilevel coordination*, study commissioned by the Committee of the Regions, 2022.

3. Overview of the main reception challenges and tapping into the EU funds to overcome them

The national legislation implementing the EU-activated Temporary Protection Directive to assist people fleeing Ukraine is in many ways being implemented by LRAs, which face a variety of challenges in providing the relevant services

such as housing, social welfare, medical care, education, and access to employment. Below, a quick review of the most prevalent problems and ideas for how to solve them.



Funding for the reception of UA refugees for LRAs: overview of selected funding sources

Figure I-A-3-1 _ Dobias, K., and Hornem, F., EU cities and regions welcoming Ukrainian refugees - mapping multilevel coordination, 2022

Access to funding for the reception and integration of refugees coming from Ukraine has been a cross-cutting challenge for LRAs. To address this issue, the mayor of Prague, Zdeněk Hřib, has called for the EU to "immediately and directly financially support cities and regions" as they seek to help refugees "not just to feel safe", but also to realise their potential. Per capita, Czechia is one of the countries hosting the highest number of Ukrainian refugees³⁴. The complexity of the process, and, to a larger extent, the management structure of the funds, pose an obstacle for LRAs. However, where these hurdles are removed or overcome, funding can significantly contribute to meeting the above challenges faced by cities and regions.

In Poland, for example, a dedicated website providing information for refugees was set up as part of the "Warsaw 19115 City Contact Centre for refugee assistance"³⁵, a project created with the support of EU funds under the 2007-2013 programming period, while funds from the Fund for European Aid to the Most Deprived (FEAD) are being channelled, at national level, to provide aid in the form of food parcels or meals³⁶.

Within the framework of the Regional Operational Programme for the Mazovian Voivodeship, in Poland, funding is still available as a result of the extension of the programming period of the relevant funds by Cohesion's Action for Refugees in Europe (CARE)³⁷, and the Mazovian Regional Government's project on the support of refugees from Ukraine has received 13.5 million Polish zloty (EUR 2.835 million) in EU funding. Furthermore, in the framework of the next EU budget, the City of Warsaw will be able to apply for funding under the regional programme for 2021-2027 to finance action directed towards the reception and integration of refugees.

Loans and grants from the Council of Europe Development Bank provide another avenue for municipalities for financing the necessary response, as evidenced by its record EUR 450 million loan to Poland to aid displaced people from Ukraine and contribute to the Polish Aid Fund, which will include municipalities among its largest beneficiaries³⁸.

In response to the current crisis, the implementation period of the 2014-2020 Home Affairs funds, including the Asylum, Migration and Integration Fund, has also been extended, enabling the release of an additional EUR 420

34 Statement by Prague's mayor, Zdeněk Hřib, on The Ukrainian war: hosting refugees and cohesion funding implications, during the 150th plenary session of the Committee of the Regions, 29-30 June 2022.

35 <https://warszawa19115.pl/-/help-for-ukrainian-citizens>.

36 <https://www.gov.pl/web/udsc-en/the-law-on-assistance-to-ukrainian-citizens-in-connection-with-the-armed-conflict-on-the-territory-of-the-country-has-entered-into-force>.

37 The "Cohesion's Actions for Refugees in Europe" is an extraordinary response of the EU to support Member States and regions dealing with the exceptional influx of persons displaced from Ukraine in providing emergency assistance, such as temporary accommodation, food and water supplies and medical care. European Commission, *Proposal for a Regulation of the European Parliament and the Council amending Regulation (EU) No 1303/2013 and Regulation (EU) No 223/2014 as regards Cohesion's Action for Refugees in Europe (CARE)*, March 2022.

38 <https://coebank.org/en/news-and-publications/news/ceb-signs-a-record-450-million-loan-with-poland-to-aid-displaced-people-from-ukraine/>.

million³⁹. A variety of other funds may also be used in particular areas relevant to the reception and integration of refugees⁴⁰. For example, the Erasmus+ fund is available to respond to the concrete challenges experienced in the field of education, notably by offering grants to refugee teachers and trainers from Ukraine to help them gain the necessary skills to work within the education systems of the hosting Member States⁴¹.

The increased flexibility provided through CARE⁴² to redirect the resources from the existing cohesion programmes for 2014-2020 towards the essential needs of refugees was welcomed by LRAs⁴³. However, they voiced concerns that CARE was clearly not a sufficient or appropriate instrument to address the crisis in its entirety and called on

the European Commission to take a pragmatic and flexible approach to assessing the eligibility of expenditure in order to make the best use of CARE, and also suggested the creation of a new EU fund to finance new EU capacities in energy security.

The “Flexible Assistance to Territories” (FAST-CARE) package was proposed by the European Commission and provides further flexibility in the use of cohesion policy funds to address the consequences of the war in Ukraine and the needs of refugees⁴⁴. It is significant because it explicitly acknowledges the vital role that LRAs (and civil society organisations) play in this situation and mandates that at least 30% of the support given to Member States go to such authorities and organisations.

4. Outlook for local and regional reception and integration capacities

The role of Member States, LRAs, as well as civil society, business, and civilian players needs to be re-evaluated in order to ensure the sustainability of the necessary reception and integration measures, with cross-sectoral solidarity at the core of the European response to the full-scale invasion of Ukraine. Since residents in the Member States are now suffering the burden of the energy crisis brought about by Russia's conflict in Ukraine, the current substantial reliance on volunteer help, among other things, in supplying private housing, raises concerns about the efficient delivery of public services in the long run.

The medium- to long-term reception and integration requirements of those escaping the fighting in Ukraine are largely dependent on how the conflict develops. The “Interregional Relations in Europe” project of the European Spatial Planning Observation Network (ESPON)⁴⁵ has specifically taken into account a variety of future scenarios, and all of the outlined scenarios have confirmed that the regions bordering Ukraine will be particularly affected due to their geographical proximity and migration networks.

The stage of establishing sustainable national mid- to long-term approaches and the necessary infrastructure for the acceptance of the ongoing refugee flows from Ukraine must be reached in order to transition from the urgent crisis response mode. The role of citizens and other non-state stakeholders must be assessed as part of these efforts in order to capitalise on their assistance for the benefit of the refugee population while proactively addressing related risks. Member States must also assume overall legal and financial responsibility at every stage of refugee reception and integration⁴⁶.

In order for Member States, and in particular LRAs, to meet these challenges, it is essential that sufficient funding avenues are proactively tapped into. Although some LRAs recognise that they have received funds from the central level, they have not been involved in the decision-making processes. As for the national authorities, some confirmed the coordination with the regional and local authorities but recognised some limitations in terms of involvement in the re-programming exercises due to the urgent context⁴⁷. During numerous debates, the Committee of the Regions has stressed the need for more financial assistance to cities and regions welcoming the largest share of refugees.

To provide more sustainable support for cities and regions that go beyond ad hoc measures, a more coordinated approach and active involvement of LRAs is needed.

39 https://ec.europa.eu/commission/presscorner/detail/en/ip_22_1607.

40 For an overview of funds that may finance projects related to the integration of migrants, see https://ec.europa.eu/migrant-integration/funding/how-do-eu-funds-integration-work_en.

41 European Commission, *Factsheet - Refugees from Ukraine: Support to school children and teachers*, April 2022.

42 European Parliament and Council of the European Union, *Regulation (EU) 2022/526*, April 2022.

43 Four regions, two capital cities, and two ministries from three Member States that share a border with Ukraine and one Member State that received more than the equivalent of 1% of its national population within one year were included in targeted interviews conducted by the Committee of the Regions from March to June 2022 to learn what LRAs and some Member States thought about these flexibility measures.

44 European Commission, *Communication on Upgrading Cohesion policy – Flexible Assistance to territories (FAST-CARE) – to address the consequences of Russian aggression*, June 2022.

45 European Spatial Planning Observation Network, *Testing impacts of existing/upcoming policy decisions and external shocks on interregional relations*, 2022.

46 Dobrás, K., and Homem, F., *EU cities and regions welcoming Ukrainian refugees – mapping multilevel coordination*, study commissioned by the Committee of the Regions, 2022.

47 Information related to a series of targeted interviews led by the Committee of the Regions in order to get to know the views of LRAs, mainly members of the Committee of the Regions, as well as some Member States, about these flexibility measures. This exercise took place from March to June 2022.

B. Approaching energy security and transition through decentralisation

1. Impact of the war in Ukraine on the global energy market

Russia is amongst the world's top three crude oil producers, together with the United States and Saudi Arabia. In 2021, Russian crude and condensate output reached 10.5 million barrels per day (bpd), amounting to 14% of the world's total supply. In that same year, Russia exported an estimated 4.7 million bpd of crude to countries around the world, of which 2.4 million bpd to Europe. In addition, Russia is also the world's second largest producer and the world's largest exporter of natural gas, with the world's largest gas reserves. In 2021, Russia produced 762 billion cubic meters (bcm) of natural gas, and exported approximately 210 bcm via pipeline⁴⁸.

Most of the impact of the war in Ukraine on the global energy market relates to measures, positions and actions that other nations have taken in relation to Russia's invasion and Russia's respective responses or proactive actions related to these. The aggregate of all these actions have made a large contribution to the current state of the global energy market. Below, the current situation of the oil and gas market will be looked at specifically.

Russia's invasion of Ukraine took place while global oil markets were already under pressure and while producers had a limited ability to deliver additional supply in the short term. As reported in the July 2022 Oil Market Report of the International Energy Agency, "Global oil inventories remain critically low, with recent builds concentrated in China, where refiners reduced runs due to weaker demand amid COVID-19 lockdowns. OECD industry stocks have recovered somewhat thanks to sizeable government stock releases, but remain nearly 300 mb below their five-year average. As an EU embargo on Russian oil is set to come into full force at the end of the year, the oil market may tighten once again. With readily available spare capacity running low in both the upstream and downstream, it may be up to demand side measures to bring down consump-

tion and fuel costs that pose a threat to stability, most notably in emerging markets. Without strong policy intervention on energy use, risks remain high that the world economy falls off-track for recovery"⁴⁹.

High prices and a tight supply of gas were already building up during the second half of 2021. However, global natural gas markets in 2022 were heading towards a modest growth of demand but this changed rapidly due to the Russian invasion of Ukraine on 24 February. The invasion has led to fuel switching as well as demand destruction, as one can no longer depend fully on natural gas as a reliable and affordable energy source due to record prices and supply disruptions. This is especially notable in developing countries where natural gas could play a pivotal role in meeting energy demand and energy transition goals⁵⁰.

Another side effect to take note of is the EU's commitment to phase out Russian gas imports as soon as possible. As a large importer of Russian gas, this transformation of Europe's gas market could have significant repercussions for the global gas market and has already led to an exceptionally tight global market for liquefied natural gas (LNG). However, it is currently difficult to estimate the full effect.

According to the Q3 2022 Gas Market Report of the International Energy Agency, "Global gas consumption is forecast to contract slightly in 2022, with limited growth over the next three years, resulting in a total increase of about 140 bcm between 2021 and 2025. That is less than half the 370 bcm increase seen in the previous five years and well short of the exceptional jump in demand of close to 175 bcm seen in 2021. The Asia Pacific region and the industrial sector are the main engines of growth, accounting for 50% and 60% of the growth to 2025 respectively, although both are subject to downward risks from high prices and potentially lower economic growth"⁵¹.

48 <https://www.iea.org/articles/energy-fact-sheet-why-does-russian-oil-and-gas-matter>.

49 International Energy Agency, *Oil Market Report*, 2022.

50 International Energy Agency, *Oil Market Report, Q3-2022*, 2022.

51 *Ibid.*

2. Impact across the EU

In 2020, the EU dependency rate was equal to 58%, which means that more than half of the EU's energy needs had to be met by net imports. Across the Member States, the import dependency rate ranges from over 90% in Malta,

Cyprus and Luxembourg, to 10% in Estonia. In 2020, the EU depended mainly on Russia for imports of crude oil, natural gas and solid fossil fuels, followed by Norway for crude oil and natural gas⁵².



Energy dependency rate - Total (% of net imports in gross available energy, based on terajoules)

Figure I-B-2-1 _ Eurostat, accessed in May 2022

The dependency rates for Norway (2000: -723.0 %; 2020: -623.1 %) are significantly negative, so they are not shown to avoid distorting the graph.

Russia's war on Ukraine has increased the already high prices of oil and gas in the EU, placing a question mark over sustainable deliveries of energy to the bloc. Taking into account the radical effect on the European energy market, the need for a clean energy transition has come to the fore. The EU imports 90% of its gas consumption, with Russia providing around 45% of those imports, in varying levels across Member States, with associated vulnerabilities to supply disruption. Russia also accounts for around 25% of oil imports and 45% of coal imports (see Figure I-D-1-1 at page 32)⁵³.

As of July 2022, several EU Member States have had their gas supply from Russia totally or partially cut off. In late April 2022, Poland and Bulgaria became the first EU countries to be cut off from Russian gas. In late May 2022, the gas supply to Finland, Denmark and the Netherlands was also cut off. Other EU Member States affected by re-

ductions of supply in the period leading up to July 2022 were Germany, France, Italy, Austria, Slovakia and Czechia. This growing list of gas suspensions can potentially create difficulties for the EU's recently agreed goal to reach a minimum 80% gas storage level by 1 November 2022. This target was set to avoid scarcity throughout the winter. Storage levels across the EU, in July 2022, stood at 60%, with only three countries – Portugal, Poland and Denmark – above the 80% mark⁵⁴.

EU consumers are already feeling the impact of reducing demand for Russian oil and gas and the policy choices taken. With energy prices at record levels and the acceleration of green policies, local and regional governments will need to act swiftly and with determination to protect their citizens and businesses. Moreover, with the influx of refugees and the unequal impact that a cut-off could have on regions, solidarity should be at the heart of the debates.

⁵² <https://ec.europa.eu/eurostat/cache/infographs/energy/bloc-2c.html>.

⁵³ <https://www.pubaffairsbruxelles.eu/opinion-analysis/could-the-eu-survive-without-russian-energy-imports/>.

⁵⁴ <https://www.euronews.com/my-europe/2022/07/07/which-eu-countries-have-been-totally-or-partially-cut-off-from-russian-gas>.

GAS PRICE EVOLUTION IN BELGIUM⁵⁵

TOWARDS ANOTHER INCREASE

Between May 2021 and May 2022, natural gas prices rose by an average of 98.42% in Belgium. A breakdown by region shows the following:

in Wallonia, the average annual bill leapt by almost 85%, rising from EUR 1 366.28 to EUR 2 524.86;

in Brussels, households saw an increase of 101.4%, with annual bills rising from EUR 1 185.67 to EUR 2 388.13;

in Flanders, a 112% increase brought annual residential bills to EUR 2 321.08, having stood at EUR 1 093.89 in May 2021.

The post-COVID economic recovery and an early cold snap at the beginning of 2022 put gas supplies under significant pressure. Subsequently, the war in Ukraine and the ensuing sanctions against Russia have only deepened the crisis and forced the EU to look for renewable energy sources or other partners for its gas supply.

3. The EU response

While EU leaders have vowed to phase out Russian energy imports as soon as possible, cutting our fossil-fuel dependence on Russia will not be enough on its own; an energy transition to more sustainable and clean sources will also be needed. This would also reduce the political and economic risks resulting from these imports. To this end, the European Commission adopted the REPowerEU communication⁵⁶.

In early March 2022, the European Council adopted the Versailles Declaration⁵⁷ on the Russian aggression against Ukraine, as well as on bolstering defence capabilities, reducing energy dependencies and building a more robust economic base. This declaration called on the European Commission to present a REPowerEU plan by the end of May 2022⁵⁸.

Together with the REPowerEU plan, the European Commission also issued a communication entitled Short-Term Energy Market Interventions and Long Term Improvements to the Electricity Market Design – a course for action⁵⁹ in which it sought to address the problem of excessive electricity prices while maintaining incentives for the green transition and avoiding disproportionate budgetary costs.

A key component in addressing the energy crisis and reducing the EU's dependence on imported energy is the "Fit for 55" package. In September 2020, a comprehensive impact assessment was published, underpinning the European Commission's proposal to increase the EU's 2030 net emissions reduction target to at least 55%, compared to 1990 levels. The "Fit for 55" package, mainly published on 14 July 2021, with additional proposals on 15 December 2021, is the European Commission's response to these heightened climate and environmental ambitions⁶⁰. The package consists of a set of interconnected proposals,

which all drive towards the same goal of ensuring a fair, competitive and green transition by 2030 and beyond.

As also outlined in the communication on REPowerEU, the full implementation of the "Fit for 55" package would lower our gas consumption by 30%, equivalent to 100 bcm, by 2030. Together with additional gas diversification and more renewable gases (including hydrogen and biomethane), frontloaded energy savings and electrification have the potential to jointly deliver at least the equivalent of the 155 bcm imports of Russian gas.

Given the circumstances, the European Commission is also encouraging the co-legislators to consider strengthening the "Fit for 55" proposals with higher or earlier targets for renewable energy and energy efficiency, increasing the EU's 2030 target for renewables from 40% to 45%⁶¹. This would also reduce the political and economic risks resulting from these imports.

⁵⁵ <https://www.energyprice.be/blog/energy-prices-on-the-rise-in-belgium/>

⁵⁶ European Commission, [Communication on REPowerEU: Joint European Action for more affordable, secure and sustainable energy](#), March 2022.

⁵⁷ European Council, [Versailles declaration](#), 10-11 March 2022.

⁵⁸ European Commission, [Communication on The REPowerEU Plan](#), May 2022.

⁵⁹ European Commission, [Communication on Short-Term Energy Market Interventions and Long Term Improvements to the Electricity Market Design – a course for action](#), May 2022.

⁶⁰ European Commission, [Communication on 'Fit for 55': delivering the EU's 2030 Climate Target on the way to climate neutrality](#), July 2021.

⁶¹ European Commission, [Communication on 'Fit for 55': delivering the EU's 2030 Climate Target on the way to climate neutrality](#), July 2021.



REPowerEU in a nutshell

Figure I-B-3-1 _ European Committee of the Regions, on the basis of the European Commission REPowerEU factsheet

4. Local and regional action

More than 2 000 representatives of the EU's regional and local authorities representing over one million mayors, and local and regional elected political leaders, unanimously voiced their support for the people of Ukraine at the Committee of the Regions Summit in Marseille on 3 and 4 March 2022⁶². Secondary effects from the Russian invasion in Ukraine can be felt in varying degrees throughout the entire EU and are forcing LRAs to adapt to these new circumstances.

The REPowerEU action plan and the accompanying EU "Save Energy" communication⁶³ recognise LRAs as being best placed to reach out to EU citizens and business to encourage them to take energy-saving measures or to invest in energy-efficiency measures. As cities and towns represent three quarters of the EU's population, they have enormous potential to support energy-saving measures.

Partnerships such as the Covenant of Mayors⁶⁴ and the 100 Climate-neutral and Smart Cities Mission⁶⁵ can play a key facilitating role. People need to be made aware of or advised on the best practices related to renewable energy and energy efficiency. Becoming part of a renewable energy community can be a great step forward for citizens, as in the case of the Cities Energy Saving Sprint initiative⁶⁶.

Cities are responsible for nearly 75% of global energy consumption and 70% of global CO₂ emissions⁶⁷. At the same time, they are also responsible for the management of high-energy-consuming public buildings (schools, hospitals, sports facilities, municipal offices, etc.) in addition to social housing, hard infrastructure and vehicle fleets. They are in touch with citizens and local businesses. LRAs need to fulfil their role in setting an example. Digital technologies have an important role to play in achieving energy-reduction goals. On the other hand, their widespread use could also increase energy consumption when left unchecked⁶⁸.

⁶² <https://cor.europa.eu/en/engage/Pages/cor-stands-in-solidarity-with-Ukraine.aspx>.

⁶³ European Commission, [Communication on EU "Save Energy"](#), May 2022.

⁶⁴ <https://www.covenantofmayors.eu/>.

⁶⁵ https://research-and-innovation.ec.europa.eu/knowledge-publications-tools-and-data/publications/all-publications/100-climate-neutral-cities-2030-and-citizens_en.

⁶⁶ As an example, on 19 May 2022, the European Commission, the Covenant of Mayors and the Committee of the Regions launched a 4-month [Cities Energy Saving Sprint](#), a joint initiative for cities to immediately reduce energy consumption and be better prepared for the upcoming winter by using a simple energy saving toolkit. The initiative sets out a non-exhaustive list of measures municipalities can take to save energy and reduce the demand for fossil fuels.

⁶⁷ International Energy Agency, [Empowering Cities for a Net Zero Future: Unlocking resilient, smart, sustainable urban energy systems](#), 2021.

⁶⁸ European Commission, [Communication on the 2022 Strategic Foresight Report: twinning the green and digital transitions in the new geopolitical context](#), June 2022.

COVENANT OF MAYORS – EUROPE

GOOD PRACTICES AND CITY REPORT PARIS (FRANCE)⁶⁹

“In solidarity with Ukraine and to tackle energy poverty exacerbated by soaring prices, the City of Paris is currently working on an austerity and energy crisis response plan. It is the duty of every European city to take action to respond to the current climate and social emergency.” Dan Lert, Deputy Mayor of Paris

Temperature – The city is pledging to regulate the temperature of public buildings according to their characteristics and purposes, while keeping open channels of communication with their users.

Campaign – The city is committed to disseminating technology to quickly and easily save energy, to lower energy bills for Parisian households and businesses. Paris will continue to support vulnerable consumers by retrofitting their homes and lowering their energy bills.

Engaging with local stakeholders – The city is fostering discussions with major Parisian companies, such as local utility managers and signatories of the Paris Climate Action Charter, to analyse sectoral energy mixes, curb energy consumption and scale up renewable energy.

Networking – Since the start of the war, the city has been in contact with European Commissioners Kadri Simson (Energy) and Elisa Ferreira (Cohesion and Reform) to encourage grassroots approaches to energy solidarity, starting in cities.

69 EU Covenant of Mayors, [The cities energy saving sprint toolkit](#), 2022.

C. Safeguarding food security by boosting the resilience of local systems

Sixty years ago, the Common Agriculture Policy (CAP) was born. In the early days of 1962, the ministers of the six founding countries of the European Communities concluded an agreement to stabilise markets, ensure the availability of food at reasonable prices and guarantee fair living standards to farmers. For six decades, the CAP delivered on its main promise: keeping hunger at bay. It came at a cost: biodiversity loss, damage to the natural environment, and intensification of agricultural production at the expense of small farm holders.

Next year, the new generation of the CAP is coming into force: while far from being perfect, it is designed to be a fairer, greener and more performance-based agricultural policy.

Yet the Russian war on Ukraine has brought old questions into the limelight: is the European agri-food market resilient and sustainable enough to keep Europeans sated? How can Europe's cities and regions respond to keep a check on food prices and help their farmers and citizens to make ends meet?

This chapter discusses the impact of the Russian aggression on the EU agriculture market and presents strategies adopted by regions to cope with the crisis and to transition to more sustainable and resilient food systems.

1. The ripple effect: European war, global hunger

The war in Ukraine has destabilised already fragile agricultural markets, on top of challenges due to the COVID-19 pandemic and climate change. It has directly affected global supplies of wheat, maize, barley and sunflower oil. It has driven food, animal feed, fertiliser and energy prices to new heights. The United Nations Secretary General declared the Russian invasion a "war on global food security" and warned against "famine, destabilisation and mass migration around the world"⁷⁰.

Should Europeans fear hunger? No, the EU, the world's leading agricultural power, seems to be largely self-sufficient and its single market has the capacity to partially cushion shocks, ensure food security for EU citizens and guarantee income support for European farmers. Nonetheless, the high market prices and inflationary trends resulting from the war in Ukraine are set to adversely affect food affordability for European citizens. In 2020, 8.6% of the EU population – roughly 35 million individuals – were unable to afford a meal with meat, fish or a vegetarian

equivalent every second day⁷¹. Skyrocketing prices of staple foods are likely to make the situation worse.

The full impact of the invasion is yet to be known; however, the sheer dependence on Ukrainian and Russian imports indicates that the risk of a global "tsunami of hunger" is not without cause. According to FAO estimates, in addition to the 720 to 811 million people already facing chronic hunger in 2020, Russia's war in Ukraine will double the number of undernourished people by 2023⁷².

Russia and Ukraine together export nearly 12% of food calories traded globally. They are major providers of wheat, maize and sunflower oil. Over half of cereal imports in North Africa and the Middle East come from Ukraine and Russia, while eastern African countries import 72% of their cereals from Russia and 18% from Ukraine. Bearing in mind that soaring food prices led to the Arab Spring and the mass migration waves in 2011, once again the EU's southern cities and regions may face an unprecedented influx of desperate and hungry people.

2. Impact on farming: disruption and skyrocketing prices

While the EU need not fear famine, its farming community is being greatly impacted by the invasion.

The EU is heavily reliant on Russian fossil fuels. Some 90% of the gas used in the EU is imported, with Russia providing 45% of those imports at various levels to EU Member States in 2021. Likewise, Russia is also Europe's largest supplier of oil at 27%. Sanctions, supply cuts and rising prices are directly affecting agricultural production⁷³.

In addition, Russia is not only a leading exporter of synthetic nitrogen fertilisers and its components, but has also suspended all exports of mineral fertilisers since 4 March 2022. This decision, coupled with the soaring price of gas, has pushed up the price by 151% on an annual basis⁷⁴.

Although the full impact is yet to be evaluated, it is safe to say that EU agricultural production is likely to become more unpredictable and expensive for European farmers.

⁷⁰ <https://www.wfp.org/news/failing-open-ukrainian-ports-means-declaring-war-global-food-security-wfp-chief-warns-un>.

⁷¹ Eurostat, *8.6% of people in the EU unable to afford proper meal*, 2022.

⁷² European Parliamentary Research Service, *Russia's war on Ukraine: Impact on food security and EU response*, 2022.

⁷³ European Commission, *Communication on REPowerEU: Joint European Action for more affordable, secure and sustainable energy*, March 2022.

⁷⁴ European Commission, *Price Dashboard*, April 2022.

3. EU response

In order to safeguard food security and reinforce food system resilience, the EU has adopted a range of decisions.

In March, the European Commission launched an EU plan containing a number of aid measures by triggering a crisis reserve under the CAP that has never been used before. A EUR 500 million support package for EU farmers most affected by the crisis should help to cope with market disturbances, higher inputs costs and trade restrictions caused by the war⁷⁵.

The Member States can also derogate from certain greening obligations in 2022 to bring additional agricultural land into production. In parallel, their new strategic CAP

plans should look into ways to reduce dependency on fossil fuels, pesticides and fertilisers.

Specific measures for certain markets are also in place and direct payments may be brought forward.

In late May, another exceptional measure was adopted to allow Member States to “pay a one-off lump sum to farmers and agri-food businesses affected by significant increases in input costs”. They will be able to receive up to EUR 15 000 (farmers) and EUR 100 000 (small and medium-sized enterprises – SMEs) by 15 October 2023 at the latest⁷⁶.

4. Regional strategies

Alongside the Union’s response, the regions have been adopting coping strategies to increase their food policy resilience. Many of these strategies predate the war and are testament to both regions’ foresight and their commitment to the circular economy and sustainable local production and consumption.

In June 2022, the Spanish government adopted a law⁷⁷ on the prevention of food loss and waste, promoting the prevention of food waste and encouraging a better use of resources. Meanwhile, the Galician province of Pontevedra has been pioneering this approach since 2017, providing decentralised bio-waste collection and treatment options. Its “Revitaliza”⁷⁸ programme promotes individual household and municipal composting, making waste treatment everyone’s business. This approach is very much in line with the Conference on the Future of Europe’s (CoFoE) recommendation to combat food waste⁷⁹ and is a small step towards less dependence on artificial fertilisers⁸⁰.

The Russian invasion brought Polish exports to the East to a grinding halt. Poland, with its 3.8 million tonnes of apples a year, is one of the leading producers in the world and the largest in Europe. Exporting mainly to Belarus, Egypt, Kazakhstan, Ukraine and Russia, in 2022, Polish orchards sold only 30% of pre-war volumes and saw their markets closed off and supply chains broken. While the national government acted via exceptional adjustment aid under Regulation (EU) 2022/467⁸¹, the Masovian County of Grójec (the key apple-producing area) took measures to bring together the producers and the business community to explore how to process apples locally and to convince consumers to consciously opt for Polish apples⁸². This again goes hand in hand with the CoFoE recommendations to encourage

Europeans to make healthy food choices and favour local, seasonal produce⁸³.

Faced with shortages, several regions across the EU are now exploring possibilities to switch their farming profile or re-launch activities deemed previously unattractive for economic reasons. In Spain, the farmers in Castile and Leon have substantially increased the proportion of land used to plant sunflowers (63% change from 2021 to 2022)⁸⁴, in order to fill the gap left by the abrupt drop in imports of the oil from Ukraine. In Thuringia, some exploratory drilling tests in the southern Harz area indicate that the mining of potash could be envisaged should the current Russian ban remain in place⁸⁵. Germany is already the fourth-largest producer of potash in the world.

Many Member States have put forward more systemic proposals, with a particular focus on boosting sustainable production, resilience and food system transformation.

France launched its Territorial Food Projects six years ago, promoting the relocation of agriculture and food across the country by supporting the setting up of farmers, short supply chains and the introduction of local products in public canteens. Territorial Food Projects play a key role in accelerating the agricultural and food transition by connecting producers, processors, distributors, local authorities and consumers⁸⁶.

To address disturbances in supply chains during the COVID-19 pandemic and promote the consumption of local food, the Slovenian Ministry for Agriculture launched a national project *Naša super hrana*⁸⁷ with the introduction of national quality schemes, lists of local producers and farmers, an interactive map of local farms and growers to connect farmers with consumers (searching by region or local

75 https://ec.europa.eu/commission/presscorner/detail/en/ip_22_1963.

76 https://ec.europa.eu/commission/presscorner/detail/en/ip_22_3170.

77 https://www.lamoncloa.gob.es/lang/en/gobierno/councilministers/Paginas/2022/20220607_council.aspx.

78 <https://revitaliza.depo.gal/compostaxe-comunitaria>.

79 Conference on the Future of Europe, [Report on the final outcome](#), 2022, proposal 1.3.

80 *Ibid*, proposal 1.4.

81 European Commission, [Delegated regulation \(EU\) 2022/467](#), March 2022.

82 <https://swiatrolnika.info/uprawy/owoce/sadownicy-musza-miec-plan-b-wojna-na-ukrainie-weryfikuje-ich-plany.html>.

83 Conference on the Future of Europe, [Report on the final outcome](#), 2022, proposal 7.2.

84 Achvlediani, T., Gökten, M., Marcinkowska, I., Klakla, J.B., and Agostinelli, D., [Repercussions of the agri-food crisis at local and regional level in the EU](#), study commissioned by the Committee of the Regions, forthcoming, 2022.

85 *Ibid*.

86 <https://agriculture.gouv.fr/projets-alimentaires-territoriaux-les-initiatives-se-multiplient>.

87 <https://www.nasasuperhrana.si/>.

action group) and good practice examples. The objective of this three-year project is to shorten supply chains and support local farmers while boosting the quantity of quality food produced and processed in Slovenia. Slovenia produces itself 48% of the vegetables and 36% of the fruit consumed in the country⁸⁸, importing mainly from neighbouring Member States and Spain.

Sustainable public procurement of food is a game changer as it contributes to transforming our food systems, yet it remains underexploited. While providing healthy and sustainable meals in public canteens, it also shortens local food supply chains by favouring small-scale and local food producers. Many cities and municipalities in the EU have decided to engage on this path, such as the city of Malmö which has been procuring organic food for its school meals since the late 1990s and the City of Copenhagen which has reached the target of 90% of the food it purchases being organic. In addition, the cities of Munich, Paris, Rome, Zagreb and Ljubljana offer local and seasonal food in their public canteens, to mention just a few examples⁸⁹.

⁸⁸ <https://www.stat.si/StatWeb/en/News/Index/10236>.

⁸⁹ Soldi, R., [Sustainable public procurement of food](#), study commissioned by the Committee of the Regions, 2018.

D. Measuring the economic impact in the EU and supporting the future reconstruction of Ukraine

1. Economic impact in the EU

As long as it is unknown how long the war will last, how it will end and how the geopolitical situation will look after the war is over, there is a considerable uncertainty about its impact in the EU. In addition, hard data on its economic impact, in particular at regional level, will not become available for some time.

Nonetheless, some valuable insights can be gained by attempting to understand and measure a region's sensitivity to the multifaceted consequences of the war in Ukraine⁹⁰. To do so, one must take into account a number of key regional characteristics. As the previous sections make clear, these characteristics include energy dependency, economic structure, and socio-economic profile. These can then be combined in a composite sensitivity index.

Energy dependency must be taken into account, as the war in Ukraine has called into question the security of energy supplies from Russia and sent all energy prices to new heights. Several variables are helpful to understand energy dependency overall.

First, energy intensity, the amount of energy required to produce EUR 1 in added value, varies across industries and regions. Increasing prices and risks of shortages affect highly energy-intensive industries, which are particularly present in Estonia, Poland, Czechia, Hungary, Slovakia, Bulgaria and Malta.

In addition, relative dependency on imports of Russian energy is a risk factor. This is especially the case for gas, which is more difficult to replace than oil or coal imports. While two fifths of the gas that Europeans burned in 2021 came from Russia, this rate differs markedly between Member States⁹¹.

Lastly, oil and coal imports from Russia, while somewhat less impactful overall, should also be taken into account. The most affected countries in the case of oil are Finland, Hungary, Lithuania, Poland and Slovakia. Russia is still the main coal exporter to the EU, and Bulgaria, Cyprus, Denmark, Estonia, Greece, Croatia, Lithuania, Latvia and Poland have higher shares of Russian imports.

The regional economic structure is also likely to play a key role in determining the impact of the war, which is affecting a wide range of economic operators. In particular, regions with stronger trade links with Ukraine, Russia and Belarus are affected since these value chains are highly disrupted, because of the war itself and because of sanctions.

In 2021, the EU exported EUR 28 billion of goods to Ukraine, EUR 89 billion to Russia, and EUR 7 billion to Belarus. Regions with high shares of exports to these coun-

tries in Estonia, Latvia, Lithuania, Finland and Poland are very likely to be more impacted. EU imports from Ukraine, Russia and Belarus stood at EUR 24 billion, EUR 162 billion and EUR 6 billion respectively in 2021⁹².

The war and the related sanctions will strongly impact those with high shares of imports from these countries, which is the case for regions in Bulgaria, Estonia, Finland, Lithuania, Latvia and Poland. Furthermore, the impacts of the war are particularly felt in certain sectors such as agriculture and tourism.

Agriculture is impacted by the increased cost of fertiliser, animal feed and energy, which can also have knock-on effects on the broader economy. Thus, the relative importance of agriculture in a region is likely to play a part in determining the impact. Regions with higher shares of employment in agriculture (in particular in Bulgaria, Greece, Lithuania, Italy, Poland and Romania) are likely to be more affected.

In addition, just as tourism is recovering from the COVID-19 pandemic, the war in Ukraine poses new challenges to many destinations. This concerns in particular those close to Ukraine, as well as destinations with traditionally high proportions of Russian tourists. Changes in bookings as well as the importance of tourism for the regional economy particularly affect destinations in Austria, Bulgaria, Cyprus, Czechia, Estonia, Latvia, Lithuania, Greece, Spain, Finland, France, Hungary, Italy, Portugal and Slovenia.

In parallel, a region's socio-economic profile is also an important characteristic determining impact, as the war is also having considerable human and social impacts in the EU. Several elements can be taken into account, the most obvious being the refugees fleeing from Ukraine, who need considerable support (see Section A of this chapter). Unfortunately, there is no comprehensive data on where Ukrainian refugees go, at national level, let alone at regional level, but Poland, Hungary, Romania and Slovakia are clearly the most affected Member States.

The share of people at risk of poverty is also an important variable, as inflation affects poorer households much more strongly. This includes in particular regions in Belgium, Bulgaria, Greece, Italy, Lithuania, and Romania. In addition, regions with a higher share of Ukrainians in the population (before the war) are also particularly affected and likely to welcome larger numbers of Ukrainian refugees. Such regions are mostly in Czechia, Germany, Estonia, Italy, Latvia and Poland. Lastly, the share of Russians in the population can also be taken into account.

With the increasing sanctions on Russia and Russian citizens in the EU, and growing social tensions concerning

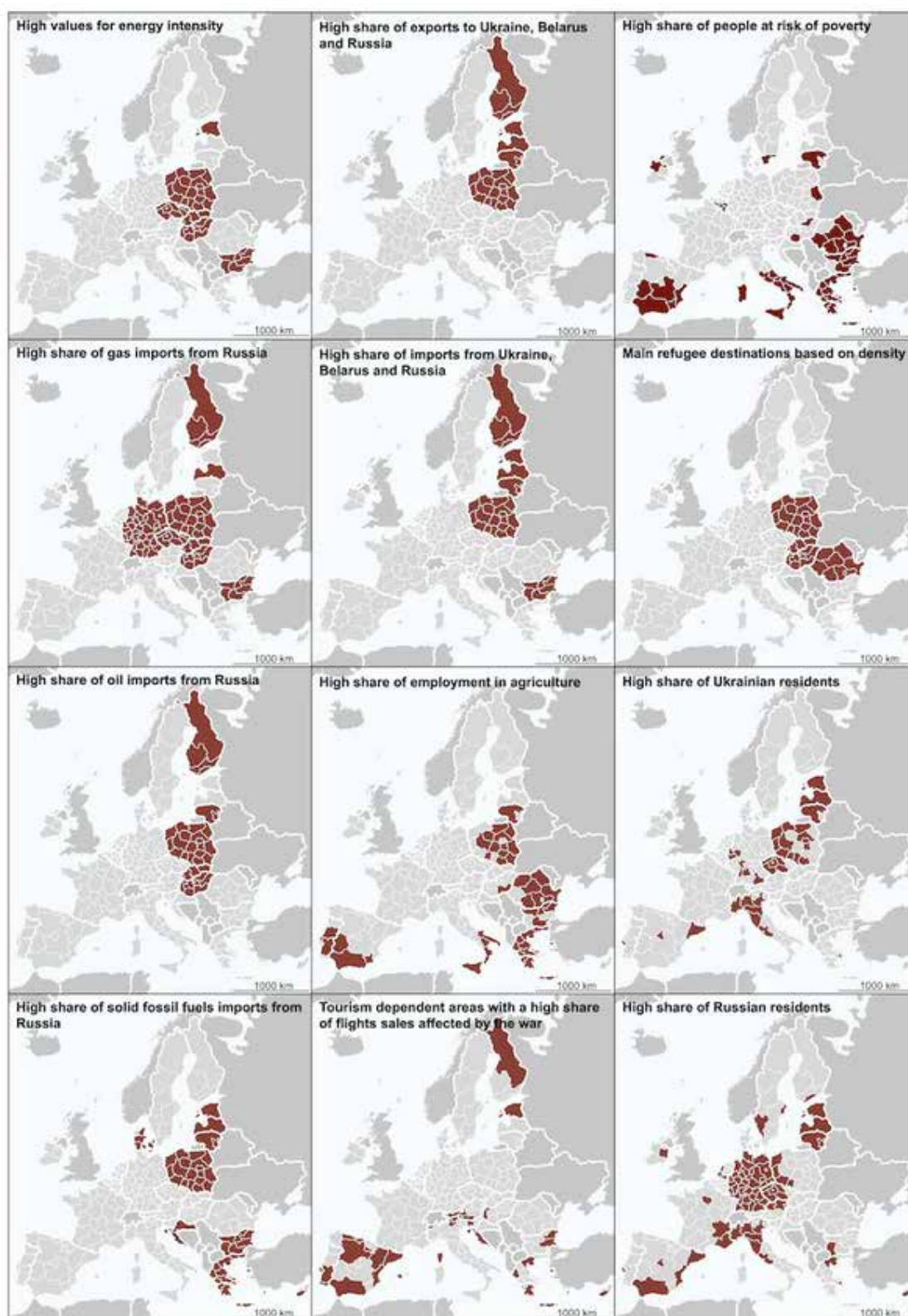
⁹⁰ The discussion on territorial sensitivity to the war in Ukraine is based on Böhme, K., Mäder Furtado, M., Toptsidou, M., Hans, S., Münch, A., Schuh, B., Badouix, M., Amichetti, C., Valenza, A., Iacobucci, E., Iacob, A., *The state of the regions, cities and villages in the areas of socio-economic policies*, study commissioned by the Committee of the Regions, 2022.

⁹¹ <https://www.weforum.org/agenda/2022/03/eu-energy-russia-oil-gas-import/>.

⁹² Eurostat, *Extra-EU trade by partner*, online data code: EXT_LT_MAINEU.

Russians, places with higher shares of Russian people are more affected by the war. Such regions are in Estonia, Latvia, Lithuania, Austria, Czechia, Germany, Finland, Spain, Italy, the Netherlands, Poland and Sweden.

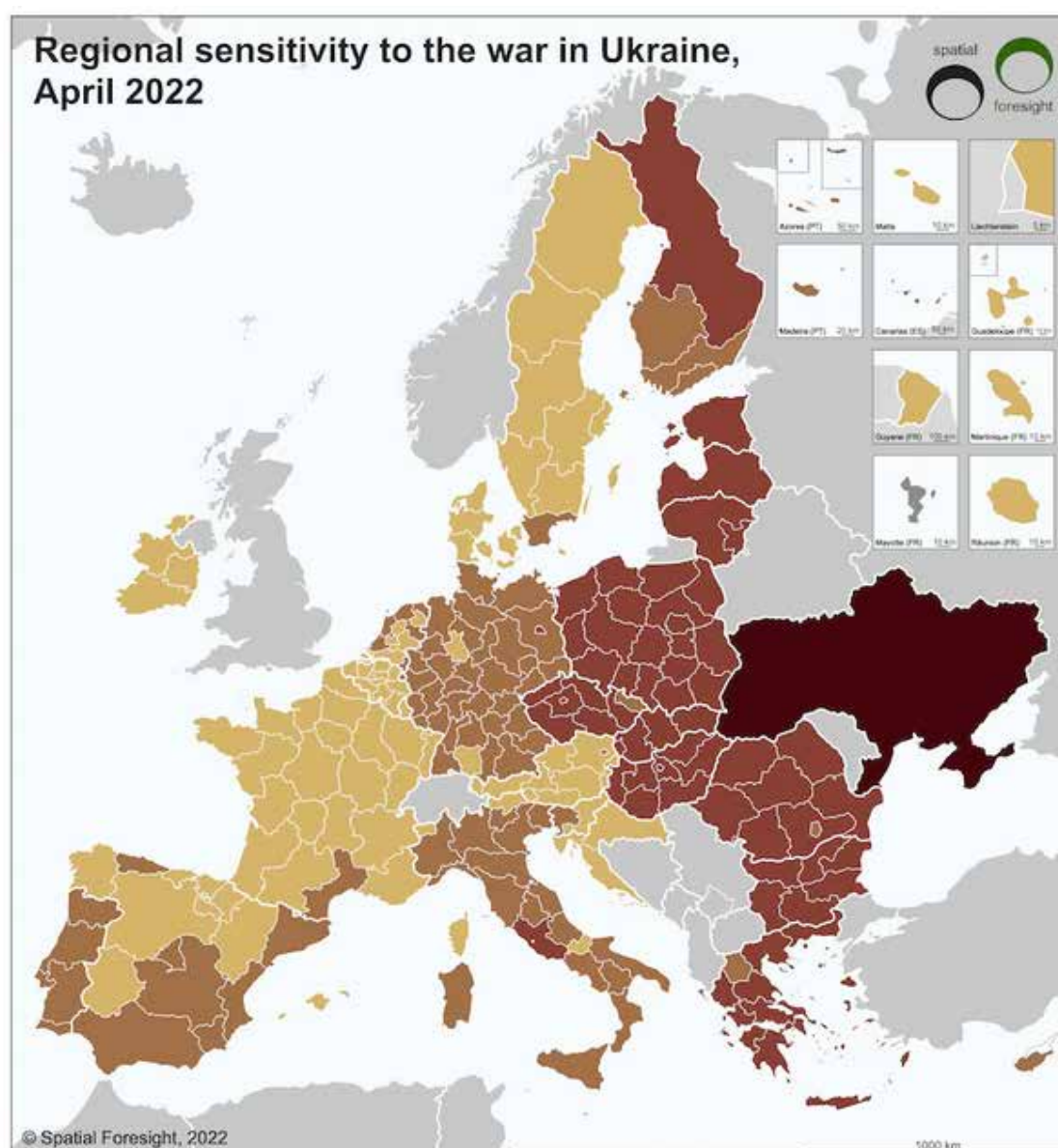
These different indicators can be combined into the map below depicting the EU's overall regional sensitivity (figure I-D-1-1)⁹³.



Regional sensitivity to the war in Ukraine

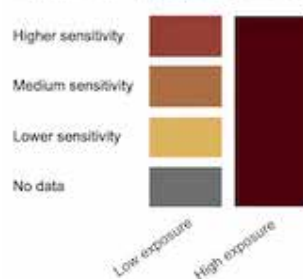
Figure I-D-1-1 _ Böhme, K., Mäder Furtado, M., Toptsidou, M., Hans, S., Münch, A., Schuh, B., Badouix, M., Amichetti, C., Valenza, A., Iacobucci, E., Iacob, A., The state of the regions, cities and villages in the areas of socio-economic policies, June 2022

93 Detailed methodology and indicators available in, Böhme, K., Mäder Furtado, M., Toptsidou, M., Hans, S., Münch, A., Schuh, B., Badouix, M., Amichetti, C., Valenza, A., Iacobucci, E., Iacob, A., [The state of the regions, cities and villages in the areas of socio-economic policies](#), study commissioned by the Committee of the Regions, 2022.



Administrative boundaries: Eurostat GISCO, NUTS 2 (2016)

Impacts in terms of exposure and sensitivity



Source: own elaboration based on the following data inputs

Sensitivity

Number of Ukrainians living in the regions, distributed from national level to NUTS2 based on the number of non-EU residents (Eurostat 2011), trade exports and imports to/from Ukraine, Belarus and Russia (Eurostat 2021), flights sales affected by the war, by country of destination, (Forwardkeys 2022) distributed according to NUTS2 tourism dependence, sum of Ukrainian refugees arrivals by country of destination (UNHCR 2022), density (Eurostat 2019), population at-risk-of-poverty (Eurostat 2019), share of population employed in agriculture (Eurostat 2019), energy dependence (Eurostat 2019), share of Ukrainian and Russian residents (Eurostat 2011), share of people at risk of poverty (Eurostat 2020).

Exposure

Exposure assessment describes countries being directly affected by the war, resulting in high exposure and countries being indirectly affected, described by low exposure.

The picture of regional sensitivities to the consequences of the war in Ukraine shows a clear East-West divide. Running from Finland in the North to Greece in the South, almost all regions in the countries along the eastern border of the EU and in Czechia are highly sensitive. Regions with medium-high sensitivities are mainly along the Mediterranean,

including Cyprus, most of Italy, large parts of Spain and Portugal, but also in Germany. Needless to say, this assessment of sensitivity will need to be checked against actual impact when data becomes available but it provides a useful indication of where to focus assistance and support in dealing with the impact of the war in the EU.

2. Future reconstruction of Ukraine

In Ukraine, the economic losses stemming from the destruction of infrastructure, the loss of territory and the loss of human lives have continued to mount. The precise economic fallout of the war remains unclear given the fast-moving nature of the conflict and its unpredictability. Nevertheless, some figures reflecting massive downgrades to GDP growth have been pencilled in, some projecting an up to 55% contraction⁹⁴. The key variable going forward will be the extent of Russia's plans in the ever-evolving military landscape.

Within days of the invasion, the European Investment Bank created an emergency Solidarity Package for Ukraine in collaboration with the European Commission, which included EUR 668 million in immediate assistance handed to the Ukrainian government to cover the most pressing financial requirements. While the immediate goal is to alleviate the humanitarian catastrophe and halt the assault, the EU has already begun work on a post-war rehabilitation plan⁹⁵.

The European Commission has suggested creating a "Rebuild Ukraine" facility as the primary legal vehicle for the EU's help, using a combination of grants and loans to support the rebuilding plan. The fact that it would be integrated into the EU budget would guarantee the initiative's openness, accountability and sound financial management. The reconstruction plan would also be clearly linked to investments and reforms⁹⁶. EU regions and cities have been providing emergency support to their Ukrainian partners. Several months into the war, the need for immediate recovery support became clear and was officially voiced by Ukrainian authorities. For the EU as a whole, it is also important to carefully plan the future large-scale reconstruction of Ukraine, which will follow in the aftermath of the war.

At the initiative of the Committee of the Regions, EU regions and cities launched the European Alliance of Cities and Regions for the Reconstruction of Ukraine⁹⁷, which brings together LRAs in Europe and their national and European representative associations. The Alliance has a consultative role in the European Commission's Ukraine Reconstruction Platform, and aims to consolidate the political messages, expertise and needs from the local and regional level. It will build on the existing experience in region-to-region and city-to-city partnerships between the EU and third countries, particularly Ukraine.

The joint platform of the European Alliance of Cities and Regions for the Reconstruction of Ukraine will be open to all participants, including municipalities, investors, and donors, and will operate in a transparent and open way to ensure the following: development of a strategic reconstruction plan; coordination of all interested structures; mobilisation of all resources, including their own and those of partners, investors, creditors, and donors; and a fair distribution and efficient use of accumulated resources for all participants⁹⁸.

In reply to the European Commission Communication on Ukraine relief and reconstruction, of 18 May 2022⁹⁹, the Committee of the Regions will roll out its proposals on the reconstruction of Ukrainian cities and regions in the form of an opinion to be presented at the October plenary session. At the six-month point of the invasion of Ukraine, the President of the Committee of the Regions co-signed an op-ed¹⁰⁰ with the Mayor of Kiev Vitaliy Klitschko calling for city-to-city and region-to-region cooperation to rebuild Ukrainian metropolises.

94 <https://www.focus-economics.com/countries/ukraine>

95 European Spatial Planning Observation Network, *TERRITORIAL*, Issue 6, June 2022.

96 European Commission, *Communication on Ukraine relief and reconstruction*, May 2022.

97 <https://core.europa.eu/en/engage/pages/european-alliance-of-cities-and-regions-for-the-reconstruction-of-ukraine.aspx>

98 European Spatial Planning Observation Network, *TERRITORIAL*, Issue 6, June 2022.

99 European Commission, *Communication on Ukraine relief and reconstruction*, May 2022.

100 <https://www.euractiv.com/section/europe-s-east/opinion/rebuilding-ukrainian-cities-hand-in-hand/>

Chapter II – The impact of the COVID-19 pandemic on the EU's local and regional authorities

Key messages:

The COVID-19 pandemic has shown how vulnerable our societies and our way of life are when confronted with such a crisis. It has also shown that only through joint policies and programmes is it possible to address such challenges. That is why the EU has implemented, with Next Generation EU, a massive investment and recovery programme to boost the economy, to invest in our resilience and to support the green and digital transition. The Committee of the Regions has underlined on numerous occasions that such an effort can only be successful if Europe's cities and regions are at the centre of it.

The initial indications are that the Recovery and Resilience Facility (RRF) is lacking with regard to the meaningful engagement of cities and regions in its planning and implementation, and that it has often followed a top-down approach with little oversight from the EU. After more than one year of implementation, it is clear that there are significant shortcomings in the approach taken.

First assessments of spending patterns show that RRF spending may even widen territorial differences in the EU¹⁰¹.

Cohesion policy has played a key role in providing a rapid response to the crisis. While often perceived as too slow and too bureaucratic, it was the only EU instrument that could immediately address the local and regional challenges. It should, however, also be stated that cohesion policy was designed as a long-term investment instrument to support structural change. Being used as an instrument for delivering short-term solutions also showed the lack of local/regional focus in other EU policies and programmes.

The long-term dimension of COVID-19's impact on public health, the long waiting lists and gaps in cancer screening that have ensued, have also highlighted the need for continued investment in our joint health system and particularly in our ambition to eradicate cancer. This report clearly shows that this can only be achieved with the local and regional level fully on board.

Key figures:

- In the first wave, the excess mortality rate was highest in urban regions, where it peaked at 80% in April 2020. In contrast, it was less than 40% in intermediate regions and just 20% in rural regions. Rural regions saw the second wave's largest excess rate, which peaked at 55%, compared to towns and suburbs (48%) and cities (43%)¹⁰².
- On average, EU regions have witnessed an increase in unemployment of 12.13% compared to pre-COVID-19 times. In Italy, 74% of regions (mostly from the south) experienced a decrease in unemployment rates; only one in four regions experienced increased values (mainly those hit by the COVID-19 pandemic)¹⁰³.
- Overall, regional economies with a higher number of people working in travel- and tourism-related industries had a sharper decrease in employment rates, particularly in south-western Europe (Spain and Portugal), which was disproportionately affected by the crisis. Additionally, temporary employees were disproportionately impacted, and across demographic groups, low-paid women and younger workers saw the biggest decreases in employment during the pandemic's early, most severe phase¹⁰⁴.
- Islands appear to be more sensitive to COVID-19 restrictions than other types of regions¹⁰⁵.

101 Llano, C., [European Recovery with our neighbourhoods in arms](#), European Spatial Planning Observation Network seminar – Stronger together: recovering through crises, 1-2 June 2022.

102 <https://cohesiondata.ec.europa.eu/stories/s/The-regional-impact-of-COVID-19/24gi-n8r2/>

103 European Spatial Planning Observation Network, [Territorial impacts of COVID-19 and policy answers in European regions and cities - Interim Report](#), 2022.

104 *Ibid.*

105 Böhme, K., Zillmer, S., Hans, S., Hrelja, D., Valenza A. and Mori, A., [The impacts of the COVID-19 pandemic on EU cohesion and EU cohesion policy](#), study commission by the REGI Committee of the European Parliament, 2022.

A. Assessing territorial COVID-19 pandemic impacts and implementing recovery plans

1. Understanding COVID-19's impact across the EU

The COVID-19 pandemic has affected local and regional development in many different ways. Regions experienced the pandemic differently as the impacts on the population's health and the restrictive measures varied substantially across Europe. Beyond the immediate effects are impacts on socio-economic developments and GDP¹⁰⁶. One important development linked to shifts in demand, travel restrictions and lockdowns was significant supply chain disruptions, which particularly affected industries in more globalised regions deeply embedded into manufacturing chains (such as for instance Bavaria in Germany and Vorarlberg in Austria)¹⁰⁷.

The previous Barometer reports and a study commissioned by the REGI Committee of the European Parliament¹⁰⁸ highlighted sensitivities to expected consequences of the pandemic outlining some typologies and trends of sensitivity at regional level.

Looking at urban-rural differences, it seems that urban areas display much more mixed sensitivities, while rural areas are in the medium range for most sensitivity indicators. However, within these figures there are considerable variations. The extent to which metropolitan areas have been impacted by COVID-19 varies widely. Strongly impacted areas have bounced back quickly due to their economic structures, so harsher impacts on urban areas are followed by a quicker recovery compared to many non-metropolitan areas.

Very sparsely populated areas with under 12.5 inhabitants per km² appear to have low sensitivity to most of the pandemic restrictions. Sparsely populated areas with 12.5 to 50 inhabitants per km² on the other hand show comparably high sensitivity to several factors including reliance on tourism, young people without an occupation, the share of people at risk of poverty and the share of micro-enterprises.

Islands appear to be more sensitive to COVID-19 restrictions than other types of regions. This is largely related to structural characteristics, such as a high reliance on tourism for many islands and coastal areas, which often goes hand in hand with high shares of people working in micro-enterprises and seasonal employment. In particular, the reliance on tourism seems to be crucial to understanding pandemic impacts on islands. At a broader level, coastal regions have also suffered from similar consequences of the COVID-19 pandemic.

Outermost regions are an even more specific case. Their high sensitivity is partly due to the high share of people working in micro-enterprises and high shares of young people without an occupation. In addition, geographical distance, as well as flight connections and supply chain disruptions are important factors. This concerned trade, but also caused significant problems for essential equipment, such as protective medical gear.

Mountain regions are very diverse, and so are the pandemic's impacts on their development. The high levels of sensitivity of mountain regions embrace broad diversity with some of these regions heavily affected by the pandemic and others only mildly affected. Some examples concern the high reliance on tourism in mountain regions which often comes with strong seasonality, but also agriculture and food production has been affected by the pandemic.

Border regions were in many regards at the forefront of areas affected by the political responses to the COVID-19 pandemic. Cross-border integration and cross-border functional areas were called into question during the first wave of infections in spring 2020, when some national borders were suddenly closed. This posed, inter alia, considerable difficulties for employees and employers relying on cross-border commuting. The effects of the pandemic in border regions did not vanish once the borders reopened. Some of the trust in seamless cross-border functional areas has been lost.

While this typology and others¹⁰⁹ are still preliminary and based on various assumptions about possible local and regional impacts, there are also initial statistics that show the change in regional economic development during the pandemic. This includes notably Eurostat regional data on gross value added (GVA) in 2020, which allows a comparative regional analysis of changes in the wake of the pandemic.

The lowest levels of decline in GVA can be found around the Baltic Sea, as well as in the Netherlands, Ireland, Luxembourg, Romania and some regions in Bulgaria¹¹⁰.

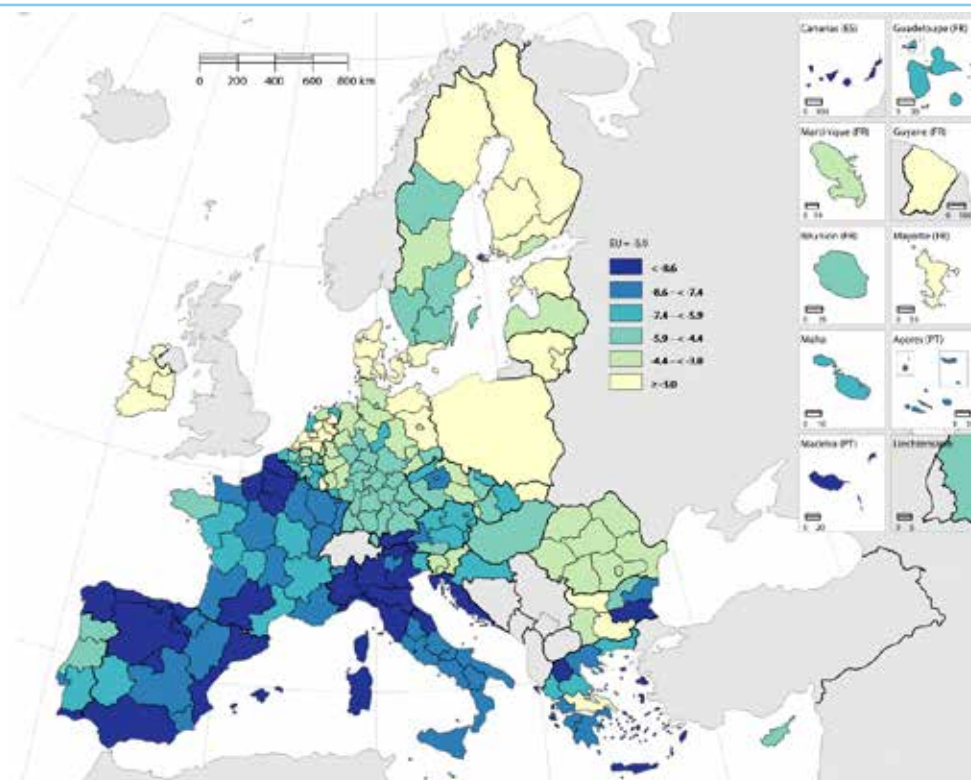
¹⁰⁶ Böhme, K., Mäder Furtado, M., Toptsidou, M., Hans, S., Münch, A., Schuh, B., Badouix, M., Amichetti, C., Valenza, A., Iacobucci, E., Iacob, A., [The state of the regions, cities and villages in the areas of socio-economic policies](#), study commissioned by the Committee of the Regions, 2022.

¹⁰⁷ *Ibid.*

¹⁰⁸ Committee of the Regions, [2020 EU Regional and Local Barometer](#), 2020; Committee of the Regions, [2021 EU Regional and Local Barometer](#), 2021 and Böhme, K., Zillmer, S., Hans, S., Hrelja, D., Valenza A. and Mori, A., [The impacts of the COVID-19 pandemic on EU cohesion and EU cohesion policy](#), study commission by the REGI Committee of the European Parliament, 2022.

¹⁰⁹ European Spatial Planning Observation Network, [Territorial impacts of COVID-19 and policy answers in European regions and cities - Interim Report](#), 2022.

¹¹⁰ This data is for 2020 only. Changes in development during 2021 and early 2022 are not taken into account.



Change in regional Gross Value Added, 2019-2020

Figure II-A-1-1 _ Eurostat, Gross value added decreased in all regions but four, 2022
Estonia, Cyprus, Latvia, Luxembourg and Malta: single regions at this level of detail.
Hungary and Poland: 2020 regional data not available.

Focusing on the economic impacts, the Eurostat data on GVA in 2020 for the first time enables discussions of actual changes instead of sensitivities at NUTS2 level¹¹¹. This is only a rough estimate, as it does not control for changes in GVA caused by non-pandemic factors. Furthermore, it does not take into account impacts not reflected in GVA, such as social aspects and long-term perspectives.

The picture of economic change during 2020 suggests that the impacts of the COVID-19 pandemic have been worst in Southern Europe, while large parts of Northern and Eastern Europe were less affected.

These impacts are similar to the economic impacts of the 2008 financial crisis. This confirms earlier findings that the pandemic risks reinforcing existing North-South imbalances and inequalities in the EU. Existing differences may also widen at lower geographical levels between places,

groups in society and people. Convergence in the EU may be reversed.

Nevertheless, this strong economic focus risks ignoring the social impacts of the COVID-19 pandemic. The pandemic has also impacted people's wellbeing and quality of life while the economic disruption inevitably threatens vulnerable groups in society more. The pandemic has brought underlying social value conflicts to the surface.

Furthermore, it is set to affect local and regional development beyond the more obvious immediate effects. Medium-term impacts will be shaped by more durable effects on some sectors and structural elements that affect how quickly an area can recover. Regions heavily dependent on tourism might need several years to recover from the pandemic, especially many mountainous, coastal and island regions.

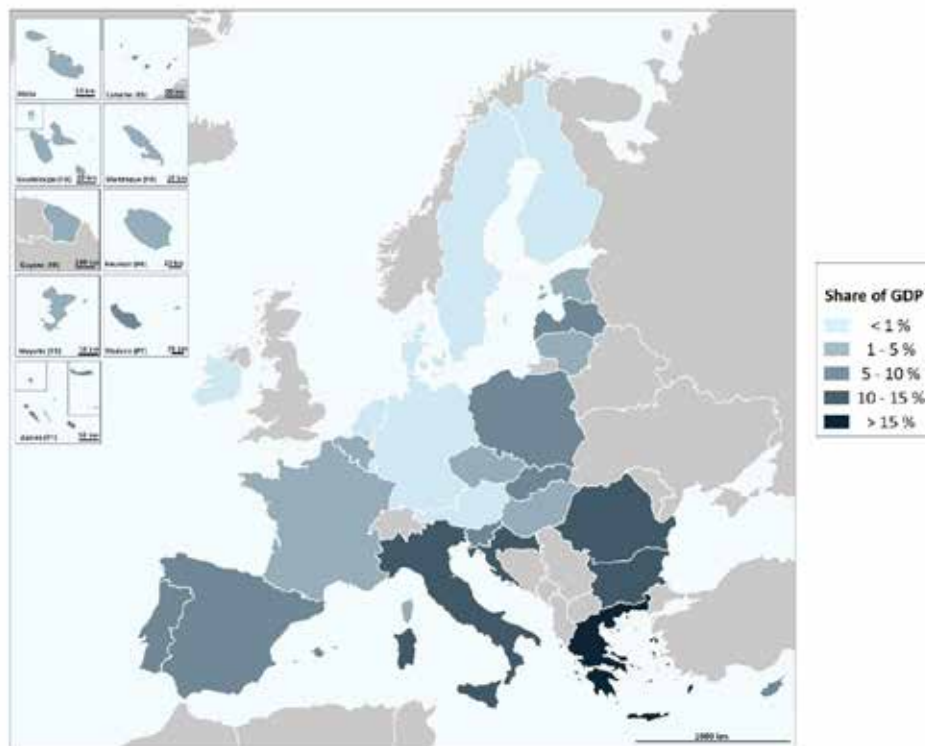
111 NUTS stands for Nomenclature of Territorial Units for Statistics.

2. Recovery: state of play

As outlined in the previous EU annual regional and local Barometer reports¹¹², the most important EU policy response to the COVID-19 pandemic has been the RRF.

As of June 2022, 25 National Recovery and Resilience Plans (NRRPs) submitted under the RRF have been approved by the European Commission and adopted by the Council of the European Union. These account for EUR 291 billion in grants and EUR 154 billion in loans. Only seven Member

States have requested loans in addition to grants: Cyprus, Greece, Italy, Poland, Portugal, Romania and Slovenia. There is also a notable variation in terms of relative size of the plans, with the NRRP allocation as a share of GDP varying from less than 1% in Sweden, Germany, Luxembourg, Ireland, and Denmark, to more than 15% in Greece. Four other Member States: Bulgaria, Croatia, Italy, and Romania, will receive an NRRP allocation of more than 10% of their GDP.



NRRP allocation as a share of GDP

Figure II-A-2-1 _ Böhme, K., Mäder Furtado, M., Toptsidou, M., Hans, S., Münch, A., Schuh, B., Badouix, M., Amichetti, C., Valenza, A., Iacobucci, E., Iacob, A., The state of the regions, cities and villages in the areas of socio-economic policies, June 2022

According to the RRF Regulation, each Member State needs to dedicate at least 37% of expenditure under its plan to measures contributing to climate objectives and at least 20% to digital objectives. These objectives have been surpassed as, on average, NRRPs devote around 40% of funds to the green transition and around 26% to the digital transformation¹¹³. Looking more broadly at the allocations between the six different policy areas specified under the RRF (also known as pillars) reveals a mixed picture¹¹⁴:

- The “green transition” is indeed the most supported policy in all Member States, accounting for no less than 30% in all plans. Belgium, Denmark and

Luxembourg have allocated more than 50% of their RRF to this pillar.

- With the exception of the NRRPs of Croatia, Estonia, Greece, Slovakia and Sweden, the “digital transformation” pillar is the second most supported policy area.
- Estonia and Slovakia are notable for their emphasis on health, to which the former has dedicated more than 30% and the latter around 25%.
- Most plans have allocated less than 10% to the pillars “social and territorial cohesion” and “policies for the next generation”. The exceptions are the Swedish and

¹¹² Committee of the Regions, [2020 EU Regional and Local Barometer](#), 2020; Committee of the Regions, [2021 EU Regional and Local Barometer](#), 2021.

¹¹³ These data do not coincide with the percentages dedicated to “Green Transition” and “Digital Transformation”, as the two are calculated differently. Each measure needed to be justified as contributing to the climate and/or digital objectives fully, in part or not at all. Details on the calculation of the two objectives are laid out in annex VI and VII of the European Parliament and Council of the European Union, [Regulation \(EU\) 2021/241](#), February 2021.

¹¹⁴ Situation as of May 2022. Böhme, K., Mäder Furtado, M., Toptsidou, M., Hans, S., Münch, A., Schuh, B., Badouix, M., Amichetti, C., Valenza, A., Iacobucci, E., Iacob, A., [The state of the regions, cities and villages in the areas of socio-economic policies](#), study commissioned by the Committee of the Regions, 2022.

Portuguese plans, which have both allocated more than 25%.

- As of June 2022, 21 Member States had received a pre-financing disbursement of around 13% of their

total allocation. Five Member States – France, Spain, Greece, Italy and Portugal – have also received the first standard payment, having fulfilled milestones and targets that have been approved by the European Commission.

INTEGRATING THE SUSTAINABLE DEVELOPMENT GOALS INTO THE NATIONAL RECOVERY AND RESILIENCE PLANS

A missed opportunity for sustainability and inclusiveness

The European Semester is the EU's economic coordination mechanism and has been tasked with monitoring the implementation of the recovery plans at European and national level. This represents a unique chance to link the EU recovery to the implementation of the Sustainable Development Goals (SDGs), given the commitment previously made to integrate the SDGs into the European Semester. However, while this is still a work in progress, the integration of the SDGs into the European Semester has lost momentum because of the pandemic and the new focus on the RRF. Likewise, an analysis of the 26 NRRPs¹¹⁵ submitted has highlighted a lack of integration of the SDGs into the NRRPs. The majority of NRRPs only mention the SDGs implicitly. Only Cyprus, Denmark and Estonia mention all 17 SDGs explicitly. Belgium, Croatia and Poland mention most of the SDGs explicitly, but not all.

The overall integration of the SDGs is rather low with the highest score reached in economic SDGs, while the lowest integration value was recorded in the two political SDGs which embody the involvement of LRAs.

This has two consequences: by failing to use the SDGs as a framework for the recovery, the EU is missing an opportunity for a sustainable recovery. Moreover, by not integrating the political SDGs into the NRRPs, the NRRPs risk not being inclusive enough and impeding not only the plans' implementation but also the implementation of the SDGs at local and regional level.

3. The lacking territorial dimension

LRAs have been at the forefront of the pandemic response and their role will be equally crucial in the recovery efforts. However, a 2021 consultation¹¹⁶ led by the Committee of the Regions and the Council of European Municipalities and Regions (CEMR) shed light on the very limited involvement of local and regional governments in the design of the NRRPs.

One year later, the Committee of the Regions and the CEMR launched a second consultation¹¹⁷ with the aim of investigating the role that LRAs are playing in the implementation phase of the plans. Once again, this consultation was targeted towards associations of LRAs across the EU. These organisations, with thousands of LRAs in their memberships, are uniquely placed to provide a bird's eye view of the quickly evolving situation regarding the implementation of the RRF, the developments in the NRRPs, the involvement of LRAs in the process and their concerns and expectations.

The consultation gathered the views and experiences of 26 organisations representative of a variety of subnational government levels across 19 EU Member States: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czechia, Estonia, Fin-

land, France, Germany, Hungary, Ireland, Italy, Latvia, Lithuania, the Netherlands, Portugal, Slovakia, and Slovenia. These Member States represent a variety of size, income, geography, constitutional organisation and administrative culture that is broadly representative of the EU as a whole. The targeted consultation was carried out between mid-January and late March 2022 and its key findings are reported below.

The involvement of LRAs in the preparation of the NRRPs appears low overall, though in a differentiated way depending on the elements. The lowest level of involvement reported by respondents is in the governance of the process (coordination, timelines, etc.) with a plurality of surveyed organisations reporting being "not at all" involved. Unfortunately, this shows a similar outcome to the result of the survey undertaken in 2021. It also matches closely with the conclusions of other analytical work in this field, such as the June 2022 study by the group of Regions for EU Recovery, most of which consider that the multilevel governance and subsidiarity principles have not been respected in the implementation of the RRF¹¹⁸.

¹¹⁵ Alessandrini, M., Pasturel, A., Hat, K., Münch, A., and Marinović, P., *Synergies between the Sustainable Development Goals and the National Recovery and Resilience Plans – Best Practices from Local and Regional Authorities*, study commissioned by the Committee of the Regions, 2022.

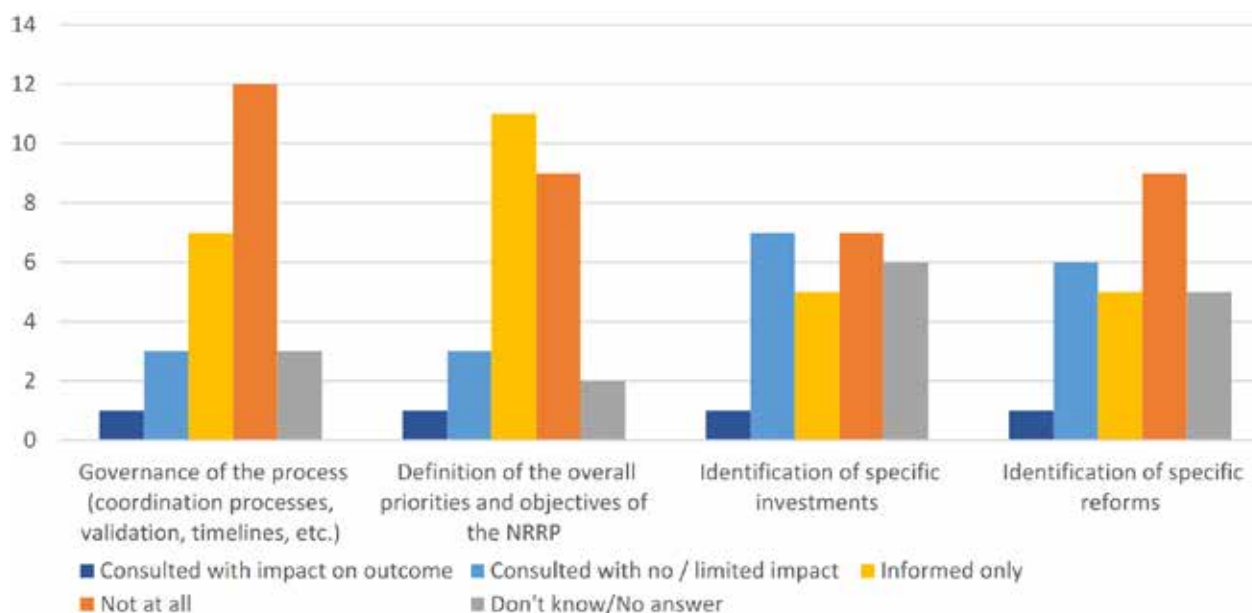
¹¹⁶ Committee of the Regions and Council of European Municipalities and Regions, *The involvement of municipalities, cities and regions in the preparation of the national Recovery and Resilience Plans: Results of the COR-CEMR targeted consultation*, 2021.

¹¹⁷ Committee of the Regions and Council of European Municipalities and Regions, *Implementation of the Recovery and Resilience Facility: The Perspective of Local and Regional Authorities – Results of the COR-CEMR targeted consultation*, 2022.

¹¹⁸ Regions for EU Recovery, *Benchmark study on the implementation of the Recovery and Resilience Facility at the regional level – Main results*, 2022.

As regards establishing the plans' overall objectives, more than one third of respondents report having been informed only. When it came to determining specific reforms and, even more so, specific investments, the consultation produced mixed results, with more respondents reporting be-

ing "consulted" albeit still largely with no or limited impact. Thus, the preparation of the NRRPs, and in particular their governance, remains often a top-down process, which sub-national governments have little opportunity to influence.



To what extent have you or your members been involved by your national government in the preparation of the National Recovery and Resilience Plan (NRRP)?

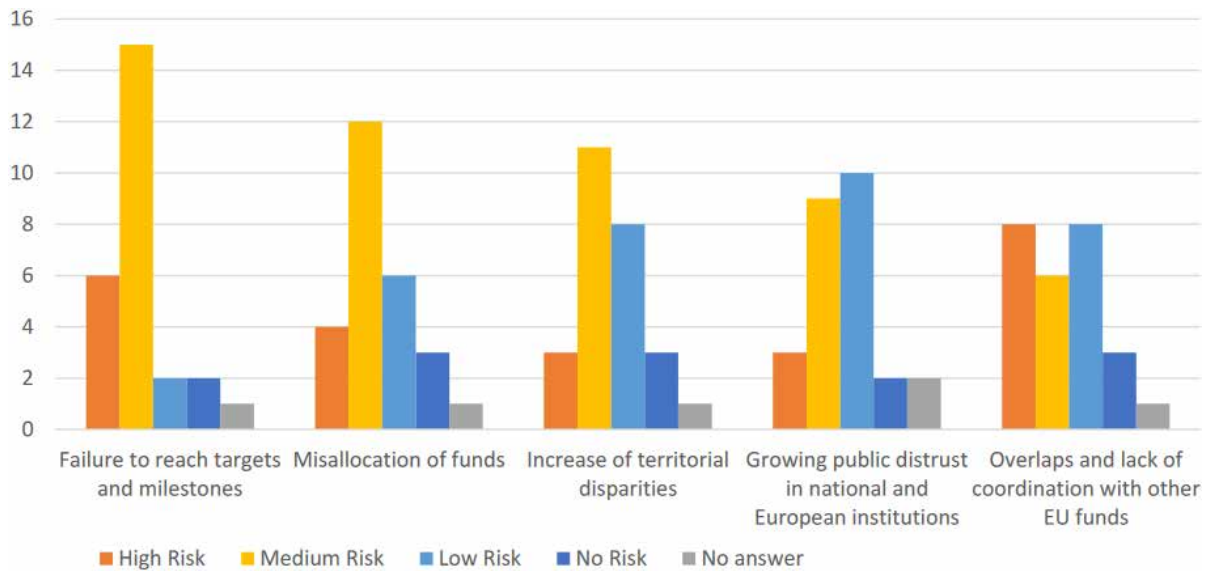
Figure II-A-3-1 _ Committee of the Regions-CEMR, Implementation of the Recovery and Resilience Facility: the Perspective of Local and Regional Authorities - Results of the Committee of the Regions -CEMR targeted consultation, April 2022

Comparison with the results of the 2021 consultation suggests that national governments did use the past months/year for providing information to, and seeking dialogue with, LRAs. However, these exchanges seem to have had little to no impact on the final version of the NRRPs. In terms of content, respondents are broadly positive about the NRRPs' capacity to support the green and digital transition but more ambivalent regarding other policy objectives, such as territorial cohesion.

Regarding the implementation of the NRRPs, only a very small share of LRA respondents declare having an appropriate role in monitoring, or being sufficiently taken into consideration on the basis of their competencies. Ownership of the plans is worryingly low among respondents. Respondents were then asked about the barriers to successful involvement in the implementation of the NRRPs. Tellingly, the principal barriers, identified by more than half of respondents, are a simple lack of willingness on behalf of the national government, which does not seek to involve subnational government, and the lack of a format or timeframe that allows for effective involvement.

These were also the key barriers identified in last year's consultation with regard to involvement in NRRP preparation. This suggests that similar processes – and therefore similar problems – are at play both in preparation and in implementation and that they have not been addressed so far. Only a very small share of participants reports lacking the capacity to play a role or not facing significant barriers.

According to respondents, these barriers to involvement coincide with significant risks in relation to the implementation of the NRRPs.



On the basis of your expected level of involvement, do you foresee any risks for the implementation of the National Recovery and Resilience Plan in your country?

Figure II-A-3-2 _Committee of the Regions-CEMR, Implementation of the Recovery and Resilience Facility: The Perspective of Local and Regional Authorities - Results of the Committee of the Regions-CEMR targeted consultation, April 2022

The main risk identified is related to the objectives of the plans themselves. The number of respondents indicating a high or medium risk of “failure to reach targets and milestones” in the plans is more than five times higher than the number of respondents indicating a low risk or no risk of this happening.

Respondents also foresee significant risks of misallocation of funds with the number indicating a high or medium risk of this being twice as high as the number indicating a low risk or no risk. Moreover, more than half of participants in the consultation identify a high or medium risk of increased territorial disparities and overlaps and a lack of coordination with other EU funds.

These results shed light on the potentially worrying scenarios that may materialise if the lack of involvement of LRAs is not properly addressed moving forward with the ongoing implementation of the plans.

B. Promoting regions in the new EU health architecture

The COVID-19 pandemic has propelled health systems into the limelight to an extent rarely seen before. Revealing stark disparities between the EU's regions but also highlighting their ingenuity in responding to the biggest health crisis since the Spanish Flu in 1918, the COVID-19 pandemic brought cities and regions to the limit – and often beyond – of their healthcare capacity.

As Europe emerges from the current health crisis and faces new threats from the spread of monkey pox, there is an opportunity not only to fix the problems exposed – or exacerbated –

by the pandemic but also to save lives, improve overall quality of life, and build greater resilience against future health crises, all while promoting economic growth and greater prosperity.

This section discusses two areas of public health, adversely affected by the pandemic, where one million local politicians can make a difference through local and regional health promotion and prevention programmes. The final section outlines the new European health architecture and the three priority areas of action to make it happen.

1. The impact of the COVID-19 pandemic on the mental health of Europeans

Two years of uncertainty, restrictions and fear have led to a stark increase in mental health disorders, coupled with limited access to psychiatric services. Already before the pandemic, mental health conditions were the fastest growing health burden: long-term mental health problems accounted for one third of all disabilities, for 15% of in-patient costs and for a quarter of all medicine costs¹¹⁹. Pre-pandemic, one in ten people in the EU had taken time off work due to depression. Since the beginning of the COVID-19 pandemic, the number of people admitting to poor mental health has tripled. The impact is disproportionately borne by young people, those who live alone and people with a lower socio-economic status¹²⁰.

The World Health Organization scientific brief¹²¹, released in March 2022, confirms a 25% increase in the prevalence of anxiety and depression and warns that young people are disproportionately at risk of suicidal and self-harming behaviours.

In the Polish region of Pomerania, the number of suicide attempts by children and young people increased significantly with the pandemic. In pre-pandemic 2019, 66 cases were reported. Two years later, almost 300¹²². The lowest number in Europe of psychiatrists per 100 000 inhabitants coupled with low availability of both out- and in-patient care opinions¹²³ mean that the struggling patients and

families have very few avenues to explore. The arrival of hundreds of thousands of Ukrainians fleeing the war and carrying trauma may further compound the situation in Pomerania and in other Polish regions.

Cities and regions thus need to step up their efforts to destigmatise mental health issues, to strengthen mental health promotion and prevention of mental illness, and finally to embed mental health services into the community and ensure better access to them.

Several subnational governments have carried out assessment of their populations' wellbeing in order to design and deliver mental health projects.

These and thousands of other examples of local mental health actions will need to become part of the future EU Action Plan on Mental Health, as called for in the CoFoE final report¹²⁴. The Plan should become the basis for a long-term Mental Health Strategy, focusing on prevention, treatment, research and care provision. A dedicated European Year of Mental Health should also be established and local and regional good practice examples shared via a special portal¹²⁵. The Committee of the Regions fully supports these proposals and will actively engage in this process¹²⁶.

2. The impact of the COVID-19 pandemic on cancer

The COVID-19 pandemic overshadowed for two years the impact of the second biggest EU killer – cancer. Affecting one in four Europeans throughout their lifetime, cancer claims over 1.2 million lives every year. A new cancer diagnosis is made every nine seconds and 60% of those who hear it will not survive.

The COVID-19 pandemic has further exacerbated this situation. An estimated 100 million cancer screening tests were not performed in Europe as a result of the pandemic. As reported by the World Health Organization in February 2022¹²⁷:

119 As reported by the [MEP Alliance for Mental Health](#).

120 Organisation for Economic Cooperation and Development, [Tackling the mental health impact of the COVID-19 crisis: An integrated, whole-of-society response](#), 2021.

121 https://www.who.int/publications/item/WHO-2019-nCoV-Sci_Brief-Mental_health-2022.1

122 <https://pomorskie.eu/na-pomorz-rośnie-liczba-samobójstw-wśród-dzieci-jest-też-coraz-wiecej-depresji/>

123 Eurostat reports Poland having, in 2017, nine psychiatrists per 100 000 inhabitants. In early 2019, there were 419 child and adolescent psychiatrists in the country, many over 55 years old, which meant a shortage of at least 300. Five Polish regions had no psychiatric day-care centres for children in 2018, <https://www.nik.gov.pl/aktualnosci/lecznictwo-psychiatryczne-dzieci-i-młodzieży.html>.

124 Conference on the Future of Europe, [Report on the final outcome](#), 2022.

125 *Ibid*, proposal 9.1 and 9.4.

126 Ideally here link to resolution with the relevant paragraph

127 <https://www.euro.who.int/en/media-centre/sections/statements/2022/statement-cancer-services-disrupted-by-up-to-50-in-all-countries-reporting-a-deadly-impact-of-covid-19>

- during the early stages of the pandemic, the diagnosis of invasive tumours fell by 44% in Belgium;
- in Italy, colorectal screenings decreased by 46% between 2019 and 2020;
- in Spain, the number of cancers diagnosed in 2020 was 34% lower than expected;
- in Poland, the number of mammograms performed in April and May 2020 fell by 94% as compared to 2019.

Treatment delays due to the COVID-19 pandemic in 2020 affected one in two cancer patients in the EU and continue to affect one in five. To illustrate the impact: a three-month delay in oncological surgery can send an additional 12 000 women fighting breast cancer to an early grave¹²⁸.

In addition, the supply of certain cancer drugs was also impacted. During the peak of the pandemic, half of oncology pharmacists in Europe experienced shortages of essential

anti-cancer medicines¹²⁹ for which few or no proven alternatives exist.

Cities and regions will have to relaunch prevention and screening campaigns, boost their health systems' capacity to detect early and to treat rapidly, and build local and regional coalitions to promote healthier lifestyles and access research funds available through Horizon Mission Cancer.

The Committee of the Regions, in its Europe's Beating Cancer Plan opinion¹³⁰, draws attention to the large differences in cancer incidence and mortality between and within Member States and criticises the lack of regionally disaggregated data needed to identify trends and address inequalities in cancer screening and treatment.

The final report of the CoFoE is also clear: the citizens want a guarantee that everyone can access "existing treatments, wherever first available in the EU"¹³¹ – and to make that happen, they call on cities, regions and the EU to develop dedicated cross-border cooperation projects on cancer.

ADDRESSING MENTAL HEALTH AND CANCER ISSUES

LOCAL AND REGIONAL AUTHORITIES' BEST PRACTICES

In Belgium, the City of Antwerp, in collaboration with the city's university, assessed the mental health of Antwerp's citizens, questioning some 6 000 participants about their wellbeing¹³². Furthermore, the Province of Antwerp is financing a study investigating the extent to which people have been seeking out nature (more) during the COVID-19 pandemic and what effect this has on their general health and well-being¹³³. Meanwhile, the city of Charleroi, labelled "Healthy City" by the WHO, launched its second call for proposals to support the mental health of its citizens. The funds are earmarked for small community players reaching out directly to people at risk of mental health deterioration¹³⁴.

The Italian region of Puglia launched its Cancer Network¹³⁵ in summer 2020. Designed as a hub, the network is both transversal and horizontal in nature, bridging the gap between medical excellence and accessibility to patients. Its multidisciplinary teams have received on average 120 patients a month, despite lockdowns and returning COVID-19 pandemic waves.

In the middle of the second pandemic wave, the Polish region of Lower Silesia launched a colon cancer screening initiative, providing participating municipalities with free tests to distribute among the citizens. The regional government has also launched lung cancer screening programme, co-funded by European funds.

3. Reimagining public health: the new EU health architecture

The COVID-19 pandemic made it clear that the EU needs a different health policy. For two years, cities and regions have experimented and made rules as they went along. Now, with the acute phase of the pandemic over, it is time to mainstream and harmonise protocols and define the outline of the new health architecture to achieve a more

secure, better-prepared and more resilient EU that can truly protect the health of our citizens.

The European Health Union, in the view of citizens, cannot be a mere set of rules on how to declare an emergency. They are calling for a real health pact: a solid yet flexible European framework, able to support cities, regions and

¹²⁸ <https://www.europecancer.org/timetocare/impact/data-intelligence>.

¹²⁹ <https://www.europecancer.org/2-standard/145-3-tackle-medicines-products-and-equipment-shortages>.

¹³⁰ Committee of the Regions opinion, *Europe's Beating Cancer Plan*, NAT-VII/018, 01-03 December 2021, Rapporteur: Birgitta Särdeus (SE/EPP), Member of Dalarna County Council.

¹³¹ Conference on the Future of Europe, *Report on the final outcome*, 2022, proposal 10.4.

¹³² Flemish Government, Department of Economy, Science & Innovation, *Innovation in Flanders to combat the Sars-Cov-2 Virus or its derived effects*, 2021.

¹³³ <https://www.uantwerpen.be/en/chairs/care-and-natural-living-environment/about-us/>.

¹³⁴ <https://www.charleroi.be/vivre/sante/appels-a-projets-egalite-des-chances-et-sante-2022#552286-appel-a-projets-innovant-en-sante-2022>.

¹³⁵ <https://www.sanita.puglia.it/web/aress/rete-oncologica-pugliese>.

states in health promotion, prevention, service provision and research and innovation. This would mean shared responsibilities, as well as shared competences between the EU and the Member States.

The new health architecture must support and further accelerate the transformations initiated during the pandemic.

First, boosting digitalisation. Considerable progress was made in the last two years: from simple online booking for tests and visits to sophisticated artificial intelligence use. Regions across the Union invested in electronic health records, built the infrastructure needed to transfer and process data, and connected hospitals and pharmacies to manage drug shortages. The next step will be the European Health Data Space¹³⁶. It will enable citizens to have their health data both portable and secure, readily available in an EU health passport¹³⁷. Likewise, it will facilitate the use of health data for research, innovation, policy-making and regulatory activities at local, regional and European level.

Second, reducing vulnerabilities. The COVID-19 pandemic exposed Europe's soft underbelly: its lack of industrial capacity, fragile supply chains, lack of strategic stockpiles and missing cross-border links. The Health Emergency preparedness and Response Authority¹³⁸ should address some of these issues; however, the potential of regions and cities to boost Europe's strategic autonomy is yet to be fully tapped into. In particular, the recommendations of the Committee of the Regions' opinion on cross-border healthcare¹³⁹ and the findings of the Fit for Future Platform report¹⁴⁰ (authored by the Committee of the Regions) on the same topic offer a wealth of ideas on how to boost border regions' cooperation in health.

Third, making health systems future-proof. From scaling up vaccination programmes through expanding cross-border healthcare cooperation to prioritising multidisciplinary community-based care, it is vital to redefine priorities and refocus funding. Smart investment in the areas of health promotion, prevention, health literacy, and healthier environments can reduce disparities in health outcomes between different groups, relieve pressure on acute health services, and increase resilience in the face of future health-related challenges and shocks. A recent McKinsey report¹⁴¹ estimates that well delivered preventative programmes could save the lives of an additional 11 million Europeans by 2040 and add up to 10 healthy years to our life expectancy. The CoFoE final report also recommends better mental healthcare, smarter cancer prevention, and health literacy and healthy lifestyle promotion¹⁴².

As Europe emerges from the pandemic, investing in health can not only save lives and build greater resilience but can also underpin economic growth and prosperity.

¹³⁶ https://health.ec.europa.eu/ehealth-digital-health-and-care/european-health-data-space_en.

¹³⁷ Conference on the Future of Europe, *Report on the final outcome*, 2022, proposal 8.1.

¹³⁸ Committee of the Regions opinion, *Health Emergency preparedness and Response Authority*, NAT-VII/023, 27-28 April 2022, Rapporteur: Christophe Clergeau (PES/FR), Member of the Pays de la Loire Regional Council.

¹³⁹ Committee of the Regions opinion, *Implementation and future perspectives for cross-border healthcare*, NAT-VII/001, 12-14 October 2020, Rapporteur: Karsten Uno Petersen (DK/PES), Regional Councillor of Region of Southern Denmark.

¹⁴⁰ Fit for Future Platform, *Opinion on the Directive on the application on patient rights in cross-border healthcare*, 2021.

¹⁴¹ <https://www.mckinsey.com/industries/healthcare-systems-and-services/our-insights/how-keeping-health-a-priority-is-a-prescription-for-european-prosperity>.

¹⁴² Conference on the Future of Europe, *Report on the final outcome*, 2022, proposal 9.

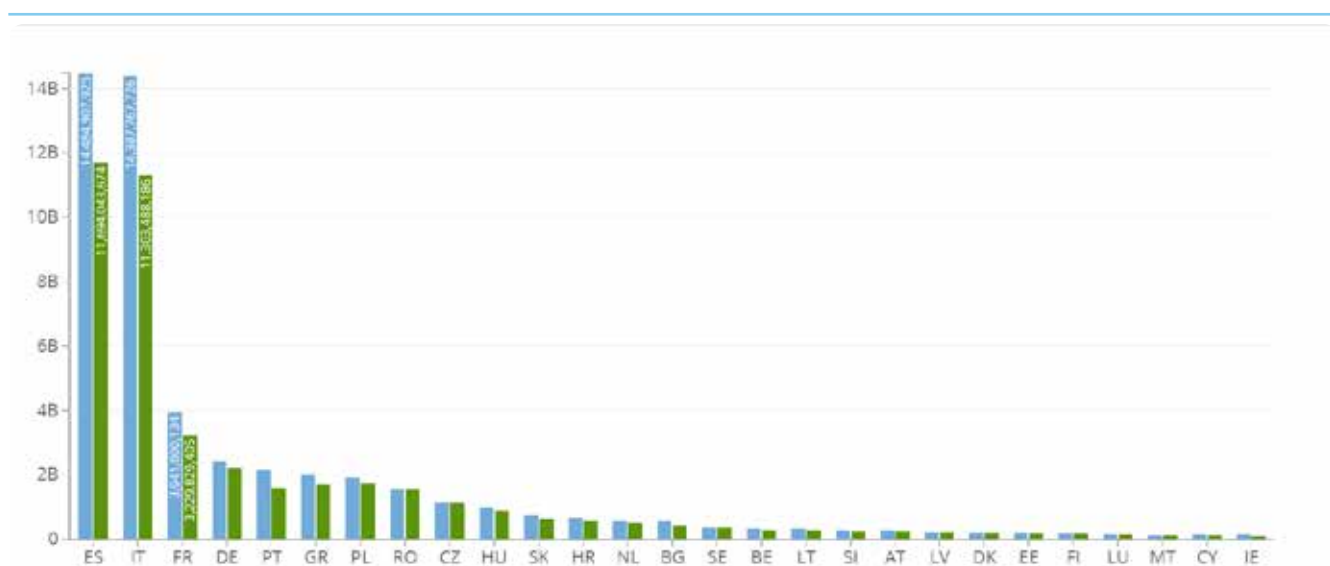
C. Mobilising cohesion policy instruments and public investment to address the consequences of the COVID-19 pandemic

With the aim of helping the Member States to deal with the impact of COVID-19 on their economies, the European Commission launched the Coronavirus Response Investment Initiative (CRII), designed to mobilise funds still available from the 2014-2020 European Structural and Investment Funds (ESIF). CRII provides Member States with immediate liquidity to finance investments related to the COVID-19 pandemic (e.g. investments in the healthcare sector, and support for SMEs and the labour market). It entered into force on 24 March 2020¹⁴³.

That initiative was complemented by a second package known as the Coronavirus Response Investment Initiative Plus (CRII+), which introduced additional and exceptional flexibility measures such as transfers across the three cohe-

sion policy funds (the ERDF, European Social Fund – ESF, and the Cohesion Fund) and between the different categories of regions, more flexibility with regard to thematic concentration and the possibility of a 100% EU co-financing rate. These new provisions entered into force on 1 May 2020¹⁴⁴.

In addition, the European Commission mobilised the Recovery Assistance for Cohesion and the Territories of Europe programme (REACT-EU), which is an emergency legislative initiative designed to release EUR 47.5 billion through Structural Funds, targeted at the hardest hit Member States and regions (see Figure II-C-1), and to be used for projects that foster crisis-repair capacities in the context of the coronavirus crisis, as well as investments in operations contributing to preparing a green, digital and resilient recovery of the economy¹⁴⁵.



REACT-EU available vs decided amount

Figure II-C-1 _ European Commission, Cohesion data portal

1. Involvement of LRAs in the reprogramming exercise

In May 2021, the COTER commission of the Committee of the Regions, which is in charge of consultative work on cohesion policy, launched a survey¹⁴⁶ among Committee of the Regions members to obtain further information on the state of play of the implementation of these emergency measures and their benefits and drawbacks, drawing from the experiences of the regions and managing authorities.

This survey gathered the views and experiences of 67 representatives of LRAs (officials, politicians or other), the managing authorities of Structural Fund operational programmes, and other stakeholders at local and regional level concerned by the CRII, CRII+ and REACT-EU in 20 EU Member States¹⁴⁷.

In order to understand the extent to which the CRII and CRII+ have actually been used, respondents were asked about the situation in their Member States. Some 67% confirmed that their countries and regions had made use of these emergency instruments, particularly in Member States where regional authorities had been delegated as managing authorities, including Germany, Spain, France and Italy.

However, only approximately one third of regional and local authorities replied that they had been genuinely involved in the final decision of re-programming the operational programmes funded by the ERDF, Cohesion Fund or ESF.

¹⁴³ European Parliament and Council of the European Union, *Regulation (EU) 2020/460*, March 2020.

¹⁴⁴ European Parliament and Council of the European Union, *Regulation (EU) 2020/558*, April 2020.

¹⁴⁵ <https://cohesiondata.ec.europa.eu/stories/s/REACT-EU-Fostering-crisis-repair-and-resilience/26d9-dqzy/>

¹⁴⁶ <https://cor.europa.eu/en/news/Pages/SURVEY-ON-CRII.aspx>

¹⁴⁷ Austria, Belgium, Bulgaria, Croatia, Czechia, Denmark, France, Germany, Greece, Hungary, Italy, Latvia, Lithuania, the Netherlands, Poland, Portugal, Romania, Slovakia, Spain, and Sweden.

2. Implementation of CRII and CRII+

With regard to the implementation of CRII and CRII+, in many cases, managing authorities reallocated funds to finance operations related to health systems (e.g. increasing the capacity of hospitals) and to provide working capital to SMEs affected by the COVID-19 pandemic. Among the respondents, 61% confirmed the transfer of funds between EU funds to tackle these new needs. Conversely, only 15% of respondents stated that they had benefited from the transfer of EU funds between categories of regions.

The possibility of not having to comply with the thematic concentration requirements was supported by almost half of the respondents. It is therefore not surprising that approximately 61% of them indicated that their regions had opted for the 100% EU co-financing option for expenditure incurred during the financial year 2020-2021. This option was least likely to be considered in Member States where the budgets of the operational programmes were already almost fully committed, such as in the Netherlands and in

some German and French regions, which were opposed to applying different co-funding rates to the beneficiaries.

While EU rules allow for expenditure related to the health category to be supported under a single axis of a thematic objective, it is interesting to note that 34% of respondents reported issues with doing this within the existing expenditure categories of the operational programmes.

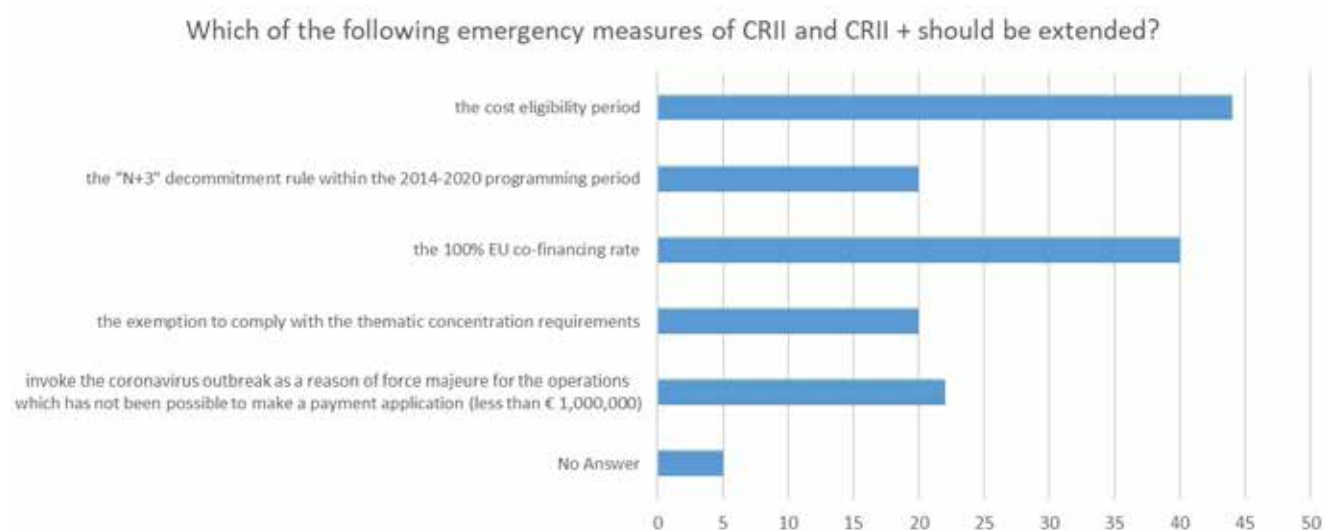
It is a good sign that more than three quarters (76%) of respondents do not expect the reallocation of funding within the framework of CRII and CRII+ to hamper the realisation of essential investments in their region. Nevertheless, two respondents from Spain considered that when redirecting the allocation towards basic needs (the health system), the authorities would have to put aside other possible investments in sectors such as research and development. Apparently, funds from the multiregional operational programme from this Member State in particular were transferred to dealing with the pandemic.

3. Extension of the flexibility measures introduced by CRII & CRII+

European LRAs have been at the forefront of COVID-19 crisis management over the last year. They have predominantly reacted with short-term emergency measures addressing the first-identified effects of the pandemic.

Even if the worst is behind us, the consequences are still being felt and the results of the survey showed a clear request to extend the flexibility measures included under

CRII+ (see Figure II-C-3-1), and in particular, the extension of the period to apply the 100% EU co-financing rate beyond 30 June 2021, the N+3 recommitment rule, the exemption from complying with the thematic concentration requirement and the possibility of invoking *force majeure* for operations for which it has not been possible to make a payment application.



Flexibility measures to be extended

Figure II-C-3-1 _ Committee of the Regions, Memo on the implementation of CRII

As regards the possibility of temporarily increasing the *de minimis* state aid threshold, a large majority of almost 60% is asking for this extension. Some respondents supported

the idea of extending the threshold to EUR 500 000 to be consistent with the rules under the European recovery plan.

In July 2021, the President of the Committee of the Regions shared¹⁴⁸ the results of the survey on the extension of CRII and CRII+ with the President of the European Commission Ursula von der Leyen, who confirmed in her reply that the request of the regions and local authorities was well justified.

However, it was only on 8 March 2022 that the European Commission followed the COR's suggestion under the CARE programme¹⁴⁹ and put forward the possibility of 100% EU co-financing for 2014-2020 cohesion policy funding being extended for the accounting year 2021-2022, in order to ease national budgetary pressures, notably due to the extended impact of the COVID-19 pandemic.

As of 28 February 2022, EUR 8 billion had been re-allocated towards urgent investment in personal protective equip-

ment, ventilators and ambulances. More than EUR 12.3 billion had been targeted at providing emergency grants and low-interest rate loans to small businesses, enabling them to stay afloat, and there had been EUR 5 billion of direct support for people, including workers and vulnerable groups. In total, 179 cohesion policy programmes have so far opted for 100% EU co-financing and EUR 5.7 billion has been transferred between funds and between categories of regions¹⁵⁰.

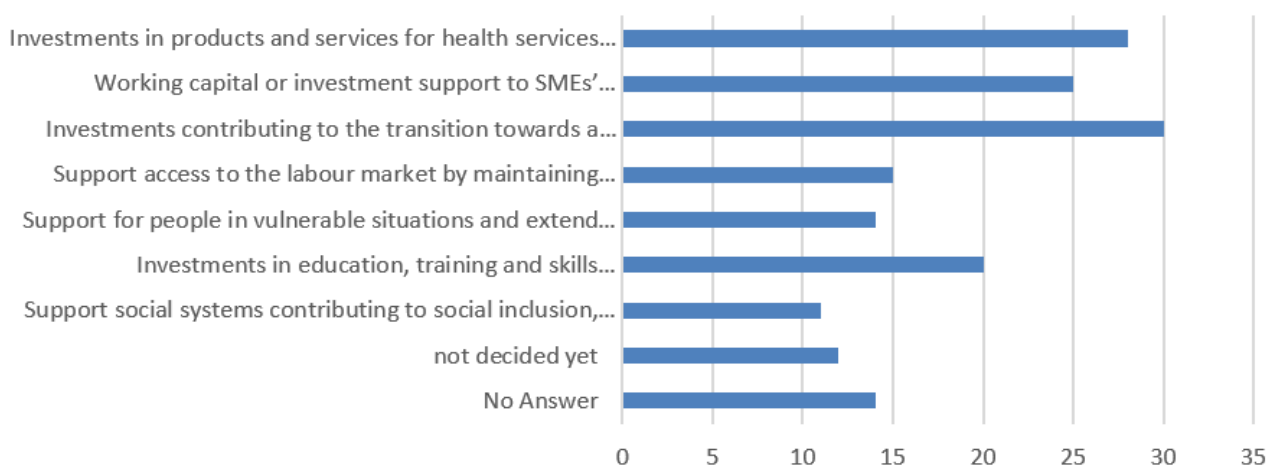
However, COVID-19 specific indicators present only a partial view of the measures approved by Member States in the framework of the CRII and CRII+ packages, and data on their implementation is still limited¹⁵¹. Nonetheless, it is evident that Member States have redistributed a large amount of resources from long-term objectives to more short-term aims to mitigate the pandemic crisis.

4. State of play of REACT-EU

While the REACT-EU programming exercise was one of the main tasks for the managing authorities of Structural Funds across the EU in the first half of 2021, it was disappointing to discover that two thirds of respondents to the Committee of the Regions survey were not aware of the state of play of this programming exercise. Some stakeholders criticised the lack of transparency and involvement of civil society.

In regions where the decision on reprogramming had been taken, investments had been allocated to measures related to health services, supporting SMEs, maintaining the jobs of employees and contributing towards a digital and green economy (See figure II-C-4-1).

In case your region has already decided, could you please indicate into which actions the support has been targeted?



Actions targetted to REACT EU

Figure II-C-4-1 _ Committee of the Regions, Memo on the implementation of CRII

¹⁴⁸ https://cor.europa.eu/en/events/Documents/letter_coter.pdf

¹⁴⁹ European Commission, Proposal for a Regulation of the European Parliament and the Council, amending Regulation (EU) No 1303/2013 and Regulation (EU) No 223/2014 as regards Cohesion's Action for Refugees in Europe (CARE), March 2022,

¹⁵⁰ <https://cohesiondata.ec.europa.eu/stories/s/4e2z-pw8r>

¹⁵¹ https://ec.europa.eu/regional_policy/sources/docoffic/official/reports/annual_2021/implementation_2021_report_en.pdf

Again, it is no surprise to see that 58% of respondents confirmed that their regions would apply 100% co-funding rates. Six out of ten respondents also stated their intention to opt for financial instruments to support SMEs. However, almost one third of respondents opted for the grants option, arguing that REACT-EU must be deployed in the short term and that financial instruments were better used for longer-term investments.

As of 5 April 2022, the headline figures on the volume of REACT-EU resources mobilised are as follows¹⁵²:

- EUR 41.6 billion is the total EU amount allocated through the ERDF and ESF, which includes the thematic investments below:
 - › EUR 6.2 billion from the ERDF allocated in support of the green transition, of which EUR 5.4 billion is specifically earmarked for climate action;
 - › EUR 3 billion from the ERDF allocated for the digital economy;
 - › EUR 7.2 billion from the ERDF allocated in support of enterprises and business development;
 - › EUR 7 billion from the ERDF allocated in support of healthcare systems;
 - › EUR 15.2 billion from the ESF allocated in support of labour market measures, social inclusion and education and training.

The Committee of the Regions welcomed these actions and asked the European Commission to ensure that LRAs benefit from the EU support as they were in the front line of COVID-19. In this regard, on 29 June 2022, the European Commission took another step by adopting FAST-CARE in order to mitigate the combined effect of the COVID-19 pandemic, and the high energy costs and the shortage of raw materials and labour caused by the war in Ukraine¹⁵³.

This was a new package extending the support already provided under CARE by proposing, among other measures, that at least 30% of the funds for refugees should be granted to local authorities, and extending the flexibility to cohesion policy funding, fully in line with the Committee of the Regions' requests¹⁵⁴.

¹⁵² <https://cohesiondata.ec.europa.eu/stories/s/REACT-EU-Fostering-crisis-repair-and-resilience/26d9-dqzy/>

¹⁵³ European Commission, [Communication on Upgrading Cohesion policy – Flexible Assistance to territories \(FAST-CARE\) – to address the consequences of Russian aggression](#), June 2022.

¹⁵⁴ <https://memportal.cor.europa.eu/Handlers/ViewDoc.ashx?pdf=true&doc=COR-2022-02810-00-01-TCD-TRA-EN.docx>

Chapter III – The climate emergency and the energy transition: the impact on the EU's cities and regions and their role in speeding up the Green Deal

Key messages:

In recent years it has become increasingly evident that cities and regions are the drivers of change towards climate neutrality and the green transition. The evidence can be found in the numerous policy measures at all levels where cities are playing a leading role, such as the Covenant of Mayors, the EU Mission for Climate-Neutral and Smart Cities, and the numerous actions linked to the New European Bauhaus.

This comes as no surprise, since local and regional leaders are closest to citizens and have understood that their chances of re-election largely depend on whether or not they can provide just and sustainable living conditions for their voters.

The study also reveals that the effects of climate change and the associated natural catastrophes are not uniformly dispersed across the EU, with different types of impacts in the different areas of the Union¹⁵⁵: this diversity means that the adaptation and response to climate change needs to be designed locally, according to the specific needs and characteristics of the territories.

Governments may evade accountability by transferring responsibilities to one another in the absence of a clear division of tasks. This also occurs when local governments are required to implement adaptation plans without sufficient resources, as in the case of regional construction moratoria that call for landowner compensation.¹⁵⁶

Key figures:

- The specific effects of climate change vary by area. While temperatures are rising right across Europe, since 1960 the rate of increase has been quickest in Central and Eastern Europe and in the extreme south, with warming rates of more than 0.4°C per decade on average. In contrast to the rest of Europe, the south has not experienced a clear rise in severe precipitation and river floods. Instead, like Western Europe, it has experienced more droughts¹⁵⁷.
- Even in a scenario in which global warming stays below 2°C, mountainous regions and the northern and southern edges of Europe will experience the largest temperature increases overall, especially in the summer, with mean temperatures becoming between 2°C and 2.5°C warmer than today by the end of this century. Southern Europe will be particularly heavily impacted by more frequent, dangerous heatwaves, since it already has higher temperatures¹⁵⁸.
- In a 3°C warming scenario, no area would see net benefits, although the net losses for countries north of the Alps (0.2% to 0.6% of GDP) would be far lower than those for southern and south-eastern Member States, which might total up to 2.8% of GDP¹⁵⁹.

¹⁵⁵ https://ec.europa.eu/clima/climate-change/consequences-climate-change_en.

¹⁵⁶ Lenaerts, K., Tagliapietra, S., and Guntram Wolff, G., [How can the European Union adapt to climate change while avoiding a new fault line?](#), Policy Contribution 11/2022, Bruegel, June 2022.

¹⁵⁷ *Ibid.*

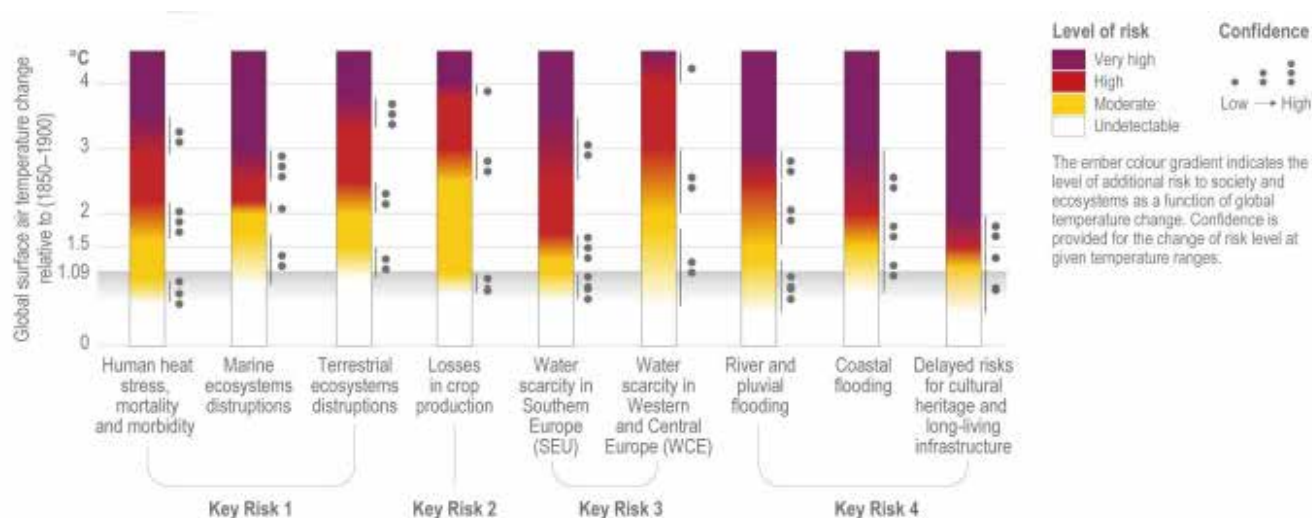
¹⁵⁸ *Ibid.*

¹⁵⁹ *Ibid.*

A. The local impact of climate disasters

We are already feeling the effects of climate change and, if left unchecked, these effects may lead to compound risks that Europe is ill-prepared to cope with. Human-induced climate change, including more frequent and more intense extreme events, has caused widespread adverse impacts and related losses and damage to nature and people, beyond natural climate variability. While development and adaptation efforts have reduced vulnerability to a degree, the impacts of these risks are rising. Heat waves, droughts, forest fires and floods are all part of the reality that we must learn to adapt to and science points to these risks becoming not only more frequent but also increasingly complex and severe in the future.

With worsening conditions, climate change impacts and risks are becoming increasingly complex and more difficult to manage. Multiple climate hazards can occur simultaneously, and multiple climatic and non-climatic risks can interact, resulting in a compounded overall risk and risks cascading across various sectors and territories. Recent findings show that climate change risks to cities, settlements and key infrastructure will rapidly rise in the mid- and long-term with further global warming, especially in places already exposed to high temperatures and those situated along coastlines¹⁶⁰. Across different territories, it is the most vulnerable people and communities that will be disproportionately affected, so addressing climate change and climate risks is integral to preserving territorial cohesion.



Key risks for Europe under low or medium adaptation

Figure III-A-1 _ Intergovernmental Panel on Climate Change, *Climate Change 2022: Impacts, Adaptation and Vulnerability* (chapter 13: Europe)

Between 1980 and 2020, natural disasters affected nearly 50 million people in the EU and caused, on average, an economic loss of €12 billion per year. Over 80% of losses and 95% of fatalities can be attributed to natural disasters caused by weather and climate-related extremes, while the economic damage from climate-related events amounted to at least €419 billion within the same period.

However, as the impacts of floods, wildfires and extreme heat are increasing rapidly, climate damage could reach

€170 billion per year¹⁶¹. There is a need for more focus on disaster prevention, preparedness, response and recovery, combined with climate adaptation efforts. Fighting climate change, protecting nature, reducing disaster risks, strengthening territorial resilience to natural hazards, and ensuring healthy environments are different aspects of a single priority, which is building a resilient and sustainable Europe for its people and its communities.

1. Major vulnerabilities lead to major consequences

In the middle of July 2021, areas of Western Europe that included parts of Germany, Belgium, the Netherlands, France and Luxembourg experienced extreme rainfall that led to severe flooding, causing catastrophic consequences, both in human and in economic terms. Beginning on 13

July, intense storms dropped as much as 15 centimetres of rain in 24 hours and, with 243 deaths and billions of euros' worth in damage, the floods caused unprecedented damage to some of the world's wealthiest and most technologically advanced countries. River and coastal floods are the

¹⁶⁰ Intergovernmental Panel on Climate Change, *Climate Change 2022 – Impacts, Adaptation and Vulnerability*, 2022

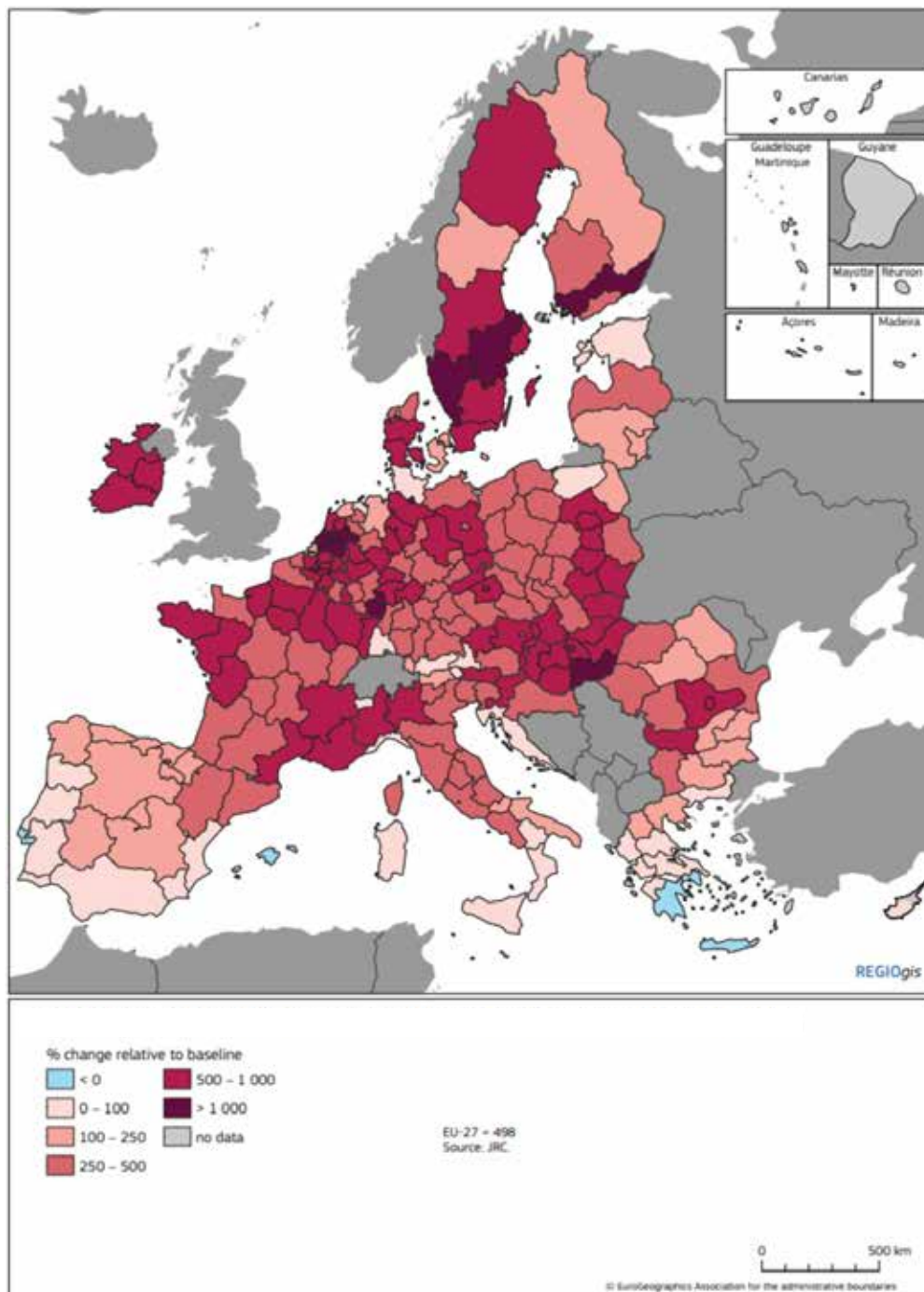
¹⁶¹ Joint Research Centre, *Economic analysis of selected climate impacts*, 2020.

second most significant source of welfare loss in the EU, particularly in northern and central EU regions.

Flooding impacts constitute €8.5 billion of welfare loss at the current rate of global warming, which could increase to €16 billion should global warming take on a steeper trend, with 2oC in global warming, and to €40 billion with 3oC in global warming¹⁶². Floods already rank as the most destructive natural hazard in Northern Europe, but new

research suggests that such risks could grow if climate change slows the jet stream – the high-altitude winds circling the Northern Hemisphere – causing drenching rainstorms to linger longer over flood-prone landscapes.

Storms that stall over Europe were once exceedingly rare, but, according to a recent study, in a worst-case scenario such storms could become as much as 14 times more common in 2100 than they were at the start of this century¹⁶³.



Economic damage due to flooding under the 3°C warming scenario, 2100
Figure III-A-1-1 _ European Commission, Cohesion report towards 2050, 2022

162 Ibid.

163 Kahraman, A., Kendon, E., Chan, S., and Fowler, H., *Quasi-Stationary Intense Rainstorms Spread Across Europe Under Climate Change*, 2021.

In an optimistic Paris Agreement-compliant emissions scenario (global warming stays below 2°C), most European areas will witness an increase in annual average precipitation, primarily in winter (roughly 5 percent to 10% more than today). However, the summer months in the south, notably on the Iberian Peninsula, may become dri-

er. The disparities will be even more pronounced under a high-emission scenario (global warming >4°C). By the middle of the century and by 2100, the whole of the south will see a significant reduction in annual rainfall of up to 20% and 30% respectively¹⁶⁴.



Projected percentage change in annual precipitation by mid-century (2041-2070) by region, in a high global warming scenario (> 4°C)

Figure III-A-1-2 — Lenaerts, K., Tagliapietra, S., and Guntram Wolff, G., *How can the European Union adapt to climate change while avoiding a new fault line?*, Bruegel, June 2022.

To put things into perspective, the case of Belgium and its request for funding to cope with the disaster paints a clear picture. Belgium covers a land area of 30 689 km², which is a mere 0.73% of the total land area of the EU, with a GDP per capita that is above the EU average. Prior to 2017, Belgium did not receive any financial aid from the European Union Solidarity Fund, nor did it apply for such aid.

The early estimates for damage in Belgium, coming from claims received by insurance companies, were around €2.164 billion by 30 September 2021, with Wallonia recording €2.07 billion of insured losses alone¹⁶⁵. The disaster has clearly highlighted the need for solidarity and civil protection against heightened climate-related extreme weather conditions.

In Wallonia, throughout the first six months following the disaster, more than €1 billion was committed to providing food aid, rehousing, cleaning, and securing river banks. Today, efforts to rebuild, adapt and build sustainably continue. Since July 2021, the Government of Wallonia, the Public Service of Wallonia and other regional public services are still mobilised and continue to work alongside local authorities to provide relief to flood victims and transform waterways from vulnerabilities into assets.

In terms of planning and reconstructing infrastructure, an envelope of more than €770 million was released by the

Government of Wallonia in order to rebuild the bridges, banks and roads that were devastated in the 209 municipalities affected by the floods. Following the emergency interventions, the Government has started to analyse the situation in order to improve future interventions and boost preparedness.

In an effort to boost resilience to future shocks, 11 neighbourhoods comprising a population of about 30 000 people have launched a resilient approach towards urban development and reconstruction. Other neighbourhoods have decided to fully adapt to the circumstances, for example Esneux, a space which was previously occupied by a campsite, which is now slated to be fully restored to its natural state¹⁶⁶.

In recent years, large wildfires have also repeatedly impacted Europe. Forest fires are a significant disturbance agent in many forested landscapes. Frequent, large-scale fires have negative impacts on air and water quality, threaten biodiversity, increase the risk of soil erosion, and spoil the aesthetics of a landscape. Forest fires also represent a threat to climate change mitigation, as they release large amounts of greenhouse gases (GHG).

Furthermore, forest fires can cause significant economic damage and loss of human life if they affect populated areas. Mediterranean countries like Portugal, Spain, Italy,

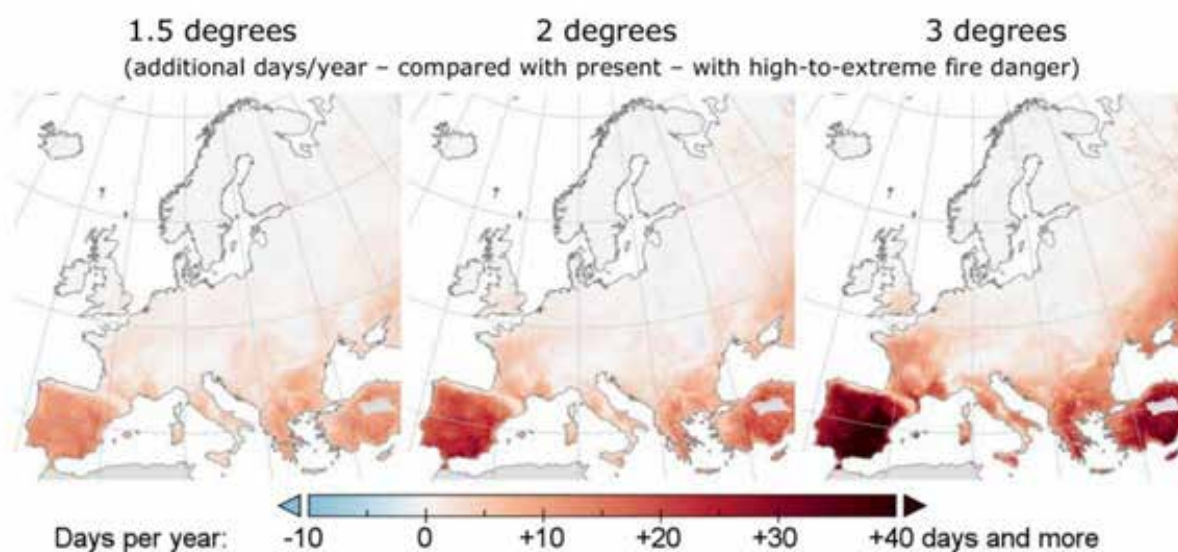
¹⁶⁴ Lenaerts, K., Tagliapietra, S., and Guntram Wolff, G., [How can the European Union adapt to climate change while avoiding a new fault line?](#), Policy Contribution 11/2022, Bruegel, June 2022.
¹⁶⁵ Hochrainer-Stigler, S., Zhu, Q., Ciullo, A., and Reiter, K., [EU tools to respond to natural disasters](#), study commissioned by the REGI Committee of the European Parliament, Brussels, 2022.
¹⁶⁶ https://www.wallonie.be/sites/default/files/2022-02/2200052-vlw-55-v4_web.pdf.

Greece and France are currently most prone to fires, accounting for around 85% of the total burnt area in Europe. In these countries, fires destroyed nearly half a million hectares per year on average between 1999 and 2016. In 2017, the worst year over the last two decades, the total burnt area in Portugal, Spain and Italy alone exceeded 0.8 million hectares. In 2018, vulnerable ecosystems in the Natura 2000 network, home to several endangered plant and animal species, lost 50 000 hectares to fires, accounting for approximately one third of the total burnt area.

The number of days per year with high to extreme wildfire danger is projected to rise nearly everywhere in Europe with global warming, as a result of higher temperatures

and increased spells of dryness. Only in scattered parts of Northern Europe (the area around and south of the Baltic Sea) is the number of high to extreme fire danger days projected to decrease slightly. Fire danger will particularly worsen in southern regions of Europe that already face high fire danger conditions more often.

Although the projected worsening of fire danger is smaller with 1.5°C in global warming relative to 2°C or 3°C in warming, fire danger is still projected to be consistently worse compared to the present. This suggests that mitigation alone will not be sufficient to lessen the possible impacts of climate change¹⁶⁷.



Additional number of days per year with high-to-extreme fire danger for three global warming scenarios

Figure III-A-1-3 _ European Commission, *European wildfire danger and vulnerability in a changing climate: towards integrating risk dimensions*, 2020

2021 was the second worst wildfire season in the EU since 2000, when European Forest Fire Information System records began. Damage in 2021 was only surpassed by that recorded in 2017, when over 1 million hectares burned in the EU. The report finds that large and extreme fires affected many countries, especially in the Mediterranean Basin, and warns about the current dangerous conditions that could fuel wildfires.

Also in 2021, the most affected individual land cover type was agriculture with 25%; however, different categories of forests together accounted for 28% of the total burnt area¹⁶⁸.

Other natural land types accounted for the remaining land cover burnt. As in previous years, fires hit Natura 2000 sites hard. The total burnt surface in these protected areas in 2021 reached 102 598 hectares, less than in the two previous years and slightly below the average of the last 10 years.

In terms of damage to Natura 2000 sites, the most affected country in 2021 was Italy, followed closely by Spain.

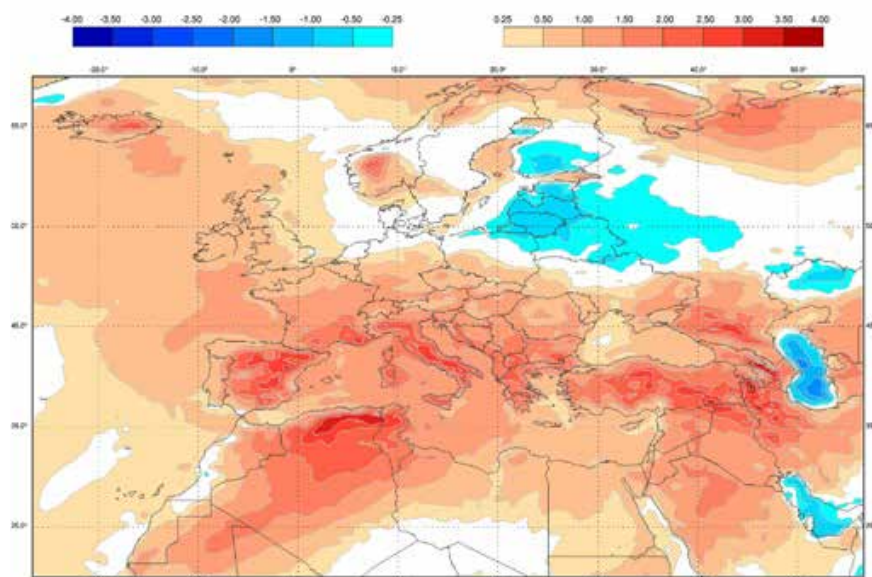
Together, the two countries account for 45% of the total burnt area in Natura 2000 sites. The impact of extreme heat and forest fires is often disproportionate within the affected countries, with severely hit regions accounting for a majority of the damage suffered.

The analysis of the damage caused by fires to these protected areas within the Natura 2000 network is of particular concern, as they include habitats of special interest that are home to endangered plant and animal species. The situation will potentially worsen in the future, with long-term analyses pointing to more frequent and severe temperature anomalies¹⁶⁹.

¹⁶⁷ Joint Research Centre, *Climate change impacts and adaptation in Europe*, 2020.

¹⁶⁸ Joint Research Centre, *Advance Report on Forest Fires in Europe, Middle East and North Africa 2021*, 2022.

¹⁶⁹ https://joint-research-centre.ec.europa.eu/jrc-news/eu-2021-wildfire-season-was-second-worst-record-finds-new-commission-report-2022-03-21_en.



Seasonal temperature anomalies for June 2022

Figure III-A-1-4 _ European Commission, Long-term Seasonal forecast of temperature and rainfall anomalies, 2022

2. Developing resilience from the ground up

The goals of sustainability and resilience can only be reached at EU level if they are reached locally and regionally. Local and regional politicians, who best know the needs of their constituents, are not only in charge of implementing most of the relevant policies and provide the first level of response in the event of an emergency, but are also the closest link to citizens and are best placed to ensure their active engagement. Local and regional data is therefore crucial in bridging the data gap in order to ensure effective climate policies and disaster risk management.

Through initiatives like the Covenant of Mayors for Climate and Energy¹⁷⁰, subnational governments have made it clear that they are at the forefront of this generation-defining struggle. Cities and local and regional governments have developed a wide range of initiatives to integrate climate actions into local and regional planning, incorporating climate change considerations on an ongoing basis. Within the EU, 160 cities across 21 Member States have submitted action plans on adaptation within the framework of the Covenant of Mayors for Climate and Energy¹⁷¹. EU cities and regions willing to speed up the climate transition are now also involved in two of the EU Missions, namely on Climate-Neutral and Smart Cities and on Adaptation to Climate Change.

Europe's cities and regions are trailblazers when it comes to adapting to the adverse and extreme effects of climate change and their commitments and efforts must be recognised in reinforcing adaptation to climate change at a global scale. Moreover, the CoR and the United Nations Office for Disaster Risk Reduction (UNDRR) have committed to coop-

erating on strengthening local resilience, not least through the UNDRR Making Cities Resilient 2030 initiative¹⁷².

At a global level, the latest United Nations Development Programme estimates show that an important share (50% to 80%) of the adaptation and mitigation actions necessary to tackle climate change are or will be implemented at the subnational or local level of governance¹⁷³.

Having an approach that addresses climate change mitigation and adaptation together with disaster risk reduction and management, and that fully utilises the synergies between these areas in order to strengthen local resilience, is necessary. Communities are resilient when they are able to cope with shocks and disasters and minimise their effects, making the recovery and return to normal life as effortless and swift as possible.

Resilience does not only mean surviving, it means prospering. In addition to safeguarding the well-being of the population, resilient communities can improve the stability of the economic system. The European Green Deal is not a crisis management strategy, it is the new growth strategy for a new Europe, one that is prepared to cope with climate risks and natural disasters.

The importance of a systematic and inclusive approach in building resilience was also stressed by the CoR opinion on ecological transition¹⁷⁴, highlighting that effective multi-level governance is a prerequisite to developing resilience.

¹⁷⁰ <https://www.covenantofmayors.eu/en/>

¹⁷¹ <https://www.eumayors.eu/about/covenant-initiative/covenant-in-figures.html>

¹⁷² <https://mcr2030.undrr.org/>

¹⁷³ United Nations Development Programme, *Climate Promise Progress Report*, 2021.

¹⁷⁴ Committee of the Regions opinion, *Ecological transition - What balance between social acceptability and environmental imperatives from the point of view of cities and regions*, ENVE-VII/027, 29-30 June 2022, rapporteur Hanna Zdanowska (PL/EPP), Mayor of Łódź.

SUPPORTING ADAPTATION FROM THE LOCAL LEVEL

BEST PRACTICES OF LOCAL AND REGIONAL AUTHORITIES

In the South-West Utrecht region in the Netherlands, the issue of tackling the topic of climate adaptation in a systematic and inclusive manner has taken on a very tangible form. Through a collaborative network called "Water & Klimaat"¹⁷⁵, 17 public sector organisations have undertaken to exchange knowledge and work together on climate and water-related issues. These organisations work with municipal authorities, housing companies, NGOs, and other stakeholders. Each partner is responsible for its own local policy and uses the network as best suits it. This also includes resident participation in the network, whereby people are encouraged to make their environment green and water resilient.

The initiative has grown significantly and towards the end of 2020 it had developed a regional adaptation strategy. The strategy puts forward actions to mainstream resilience and sustainability in the region until 2050 and has already shown tangible results. As such, projects on greening schoolyards, roofs and public spaces have become operational in 2022 and a dedicated handbook for citizens has been launched in order to ensure a fully inclusive approach.

The role of LRAs as drivers of resilience and adaptation action was also recognised in the new EU strategy for adaptation to climate change¹⁷⁶, adopted in February 2021. The strategy sets out how the EU can adapt to the unavoidable impacts of climate change and become climate resilient by 2050. It is underpinned by four principal objectives: to make adaptation smarter, swifter and more systemic, and to step up international action on adaptation to climate change. In order to support a truly multilevel approach, the strategy also announced the launch of a Policy Support Facility on adaptation aimed specifically at subnational governments¹⁷⁷.

¹⁷⁵ <https://netwerkwaterenklimaat.nl/>

¹⁷⁶ European Commission, *Communication on Forging a climate-resilient Europe – The new EU strategy on adaptation to climate change*, February 2021.

¹⁷⁷ <https://www.eumayors.eu/news-and-events/news/1950-call-for-experts-the-eu-policy-support-facility-is-looking-for-experts-on-climate-adaptation.html>

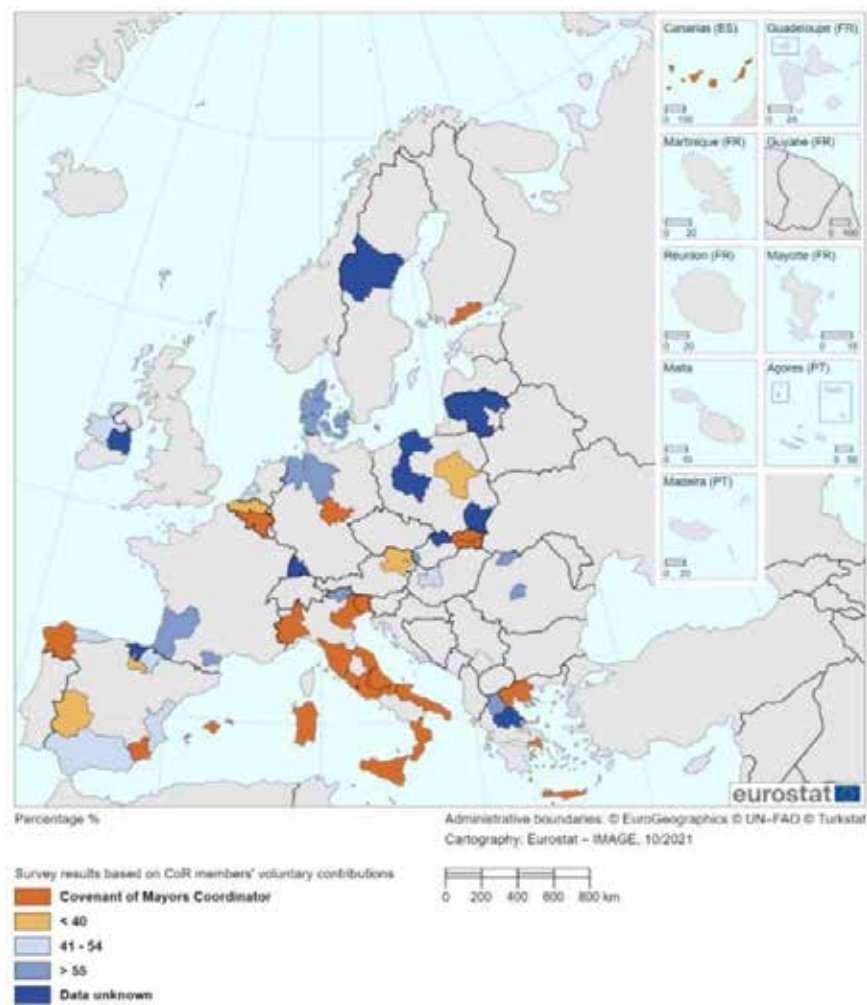
B. European Green Deal: a regional and local implementation review

The European Green Deal¹⁷⁸ is the new growth strategy for the EU, aimed at moving Europe towards a more sustainable and resilient way of life. The European Green Deal is one of the most important policy priorities of the EU and the European Commission under its current president, Ursula von der Leyen and its Executive Vice President, Frans Timmermans. In essence, it is a roadmap launched by the Commission as a response to the EU's obligations to tackle climate change and other environmental issues. Following the goals of the Paris climate agreements, the EU aims to reduce GHG emissions to net-zero by 2050 (with an interim target of a 55% reduction in GHG emissions by 2030) as well as to decouple economic growth from environmental degradation and provide regions with the resources to mitigate the potential negative economic effects of decarbonisation.

However, the EU is already lagging behind in achieving these goals. To get back on track, the Commission proposed the "Fit for 55" package in July 2021¹⁷⁹, which includes further reductions in carbon allowances for EU businesses in the Emissions Trading System, a review of

the Renewables Directive, and increased energy efficiency targets, as well as proposals touching on land use, forestry and sustainable mobility. To ensure a just transition and the social protection of the most vulnerable groups and territories, the package was rounded out with a proposal for a Social Climate Fund. The social aspect of the green transition has become even more prominent given the impacts of Russia's aggression against Ukraine, notably on the energy system.

LRAs are at the forefront of the implementation of a majority of climate mitigation and adaptation policies and they are also instrumental in achieving the objectives of the Green Deal. The importance of LRAs in combating climate change has been recognised since the very beginning of the European Green Deal, in 2019, and culminating with the European Commission launching a number of initiatives in 2021 aimed at supporting bottom-up action on climate and environmental issues. LRAs have also voiced their commitment to the objectives of the Green Deal and to reducing their GHG emissions.



European Committee of the Regions' Members commitment to reduce GHG emissions

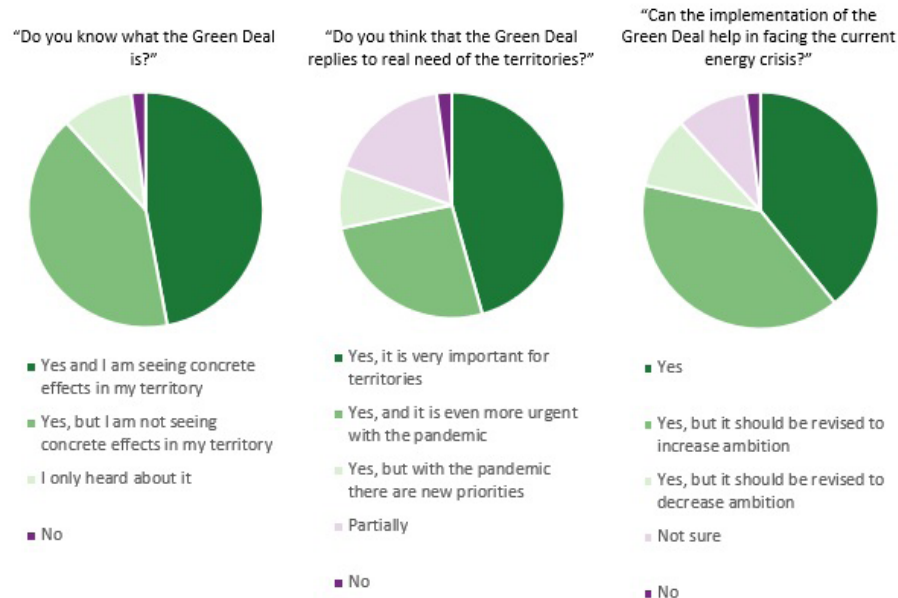
Figure III-B-1 _ European Committee of the Regions survey on Green Deal profiles: screening of CoR members and Young Elected Politicians Commitments to 2030 compared to 1990s levels - Regions

178 https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en

179 European Commission, [Communication on 'Fit for 55': delivering the EU's 2030 Climate Target on the way to climate neutrality](#), July 2021.

These commitments were also clearly present in a recent study launched by the CoR¹⁸⁰ that was accompanied by a survey on the state of the implementation of Green Deal policies, in the framework of the Committee of the Regions Green Deal Going Local initiative. Approximately 90% of the respondents knew what the Green Deal is, while 9% had only heard about it. Out of those who knew what the Green Deal is, more than two out three believed that it is very im-

portant or even more urgent after the pandemic. However, the survey also demonstrated that there are other priorities for LRAs apart from those connected to the green transition. The participants were asked to assess the extent to which 13 different policy areas of the Green Deal are prioritised in their territories. Overall, a significant proportion of respondents indicated that major Green Deal policy fields were not a top priority (i.e. not “very important”).



Knowledge and perception of the European Green Deal

Figure III-B-2 _ European Committee of the Regions, *Implementing the European Green Deal: Handbook for Local and Regional Governments*, Brussels, 2022.

Energy efficiency and renewable energy production stand out as the areas considered to be “very important” policy areas by 57% of respondents. Of course, due to the highly context dependant nature of certain policies and the vast variation in the geographic, economic and social specificities of European regions, some policy areas are less relevant than others for a number of respondents (e.g. sustainable agriculture for urban localities).

The participants also highlighted that, in order to further promote these policies, direct funding, capacity building and technical assistance on Green Deal topics are the types of support their territories require. Some of the EU initiatives considered to better support their territories in implementing the Green Deal include the Horizon Europe Missions and the European Climate Pact¹⁸¹, both supported by the Committee of the Regions by dedicated events, in the case of Missions, and with a dedicated network of Committee of the Regions Climate Pact Ambassadors.

The target to achieve a climate-neutral and circular economy requires the mobilisation of industry and society alike. In that regard, a notable development was the launch of a blueprint for Local Green Deals¹⁸² that not only showcased the various best practices from cities and regions across a variety of Green Deal-related policies, but also provided

guidance on implementing policies and projects in a coherent and inclusive manner.

A large number of cities and regions opted for this kind of approach in order to reap the benefits of the synergies between the various areas of the green transition. A good example is Flanders, which has launched a Green Deal on circular construction and a long-term building renovation strategy. Against a backdrop of rapid urbanisation, Flanders has made smart city development its spearhead in order to develop new, innovative and sustainable solutions to tackle urban challenges. The Flemish Government is engaging businesses as well as encouraging and supporting cities in harnessing new digital technologies and data to improve energy efficiency, mobility and water quality, thus tackling climate and environment-related challenges while improving the quality of the lives of citizens and of public services¹⁸³.

In a similar fashion, the city of Nice has committed to the green and digital transition in order to assert itself as the green capital of the Mediterranean, foster growth, stimulate the job market, and strengthen local industrial sectors, as well as SMEs and start-ups. The main challenge of the Nice Côte d’Azur metropolitan area has been to have a development model that reconciles innovative green

¹⁸⁰ Committee of the Regions, *Implementing the European Green Deal: Handbook for Local and Regional Governments*, Brussels, 2022.

¹⁸¹ https://ec.europa.eu/clima/eu-action/european-green-deal/european-climate-pact_en

¹⁸² European Commission, *Local green deals. A Blueprint for action*, 2021.

¹⁸³ <https://bouwenvlaanderen-circulair.be/en/green-deal-on-circular-construction>.

solutions with the traditional economy in order to achieve territorial carbon neutrality by 2050.

To do so, the Nice Côte d'Azur metropolitan area signed a protocol agreement with the French Government for public investment amounting to a total of €2.5 billion, generating €12.5 billion in private investments to support a wide range of green projects. Effective multilevel governance is key for the success of this story, as the French State is providing more than €1.14 billion under the National Recovery Plan, which is 40% co-financed by the EU. Resilience is also a key aspect of the recovery programme of the Nice Côte d'Azur metropolitan area, as the territory is highly vulnerable to natural disasters¹⁸⁴.

Furthermore, the crucial role of LRAs in combating climate change and its effects was recognised in the European Commission's research and innovation agenda. Specifically, within the Horizon Europe¹⁸⁵ framework, two missions that aim to identify pathways for climate neutrality and climate adaptation are targeting cities and regions as the main players. The Mission on Climate-Neutral and Smart Cities¹⁸⁶ aims to support 100 EU cities on the path to climate neutrality by 2030, while the Mission on Adaptation to Climate Change¹⁸⁷ seeks to support at least 150 European regions and communities in achieving climate resilience by 2030.

Both missions aim to encourage cities and regions to employ a systematic and inclusive approach in achieving their targets, highlighting the importance of LRAs as the link between citizens, businesses and policy-makers at national and European level: the Committee of the Regions is cooperating with the European Commission to make EU missions more accessible to cities and regions and ensure the largest engagement possible.

This viewpoint is also reflected in key scientific findings, such as in the recent Intergovernmental Panel on Climate Change (IPCC) report on climate change, which stressed that climate resilience can be facilitated by international cooperation but has to be supported by governments at all levels in order to effectively involve communities, civil society, educational bodies, scientific and other institutions, the media, investors and businesses. Multilevel and multisectoral approaches have shown to be more effective as the inclusion of local actors leads to more legitimate, relevant and effective action¹⁸⁸.

Biodiversity is one of the cross-cutting focus areas of the Green Deal given its contribution to, among other things, climate neutrality: this is why the Committee of the Regions has called for a stronger integration of the climate and biodiversity framework at the UN level¹⁸⁹. The importance of biodiversity is highlighted by the ambition for all EU policies to contribute to the preservation and restoration of Europe's natural capital¹⁹⁰. It is also prominent within the framework of the COVID-19 response, as part of the Recovery Plan's general principle of "building back better". LRAs are well-positioned to play a key role in biodiversity conservation through the planning system and the wide range of services they provide.

At the local and regional levels, a range of policies for the preservation and enhancement of biodiversity has been developed in both urban and rural areas. The concept of nature-based solutions provides a framework for these efforts. These are solutions that are inspired and supported by nature, are cost-effective, simultaneously provide environmental, social and economic benefits, and help achieve climate goals. A key objective in enabling these solutions is to engage stakeholders whose activities have a significant impact on ecosystems, and LRAs are often the main actors in this regard.

184 <https://nicepresse.com/plan-relance-metropole-nice/>

185 https://ec.europa.eu/info/research-and-innovation/funding/funding-opportunities/funding-programmes-and-open-calls/horizon-europe_en

186 https://ec.europa.eu/info/research-and-innovation/funding/funding-opportunities/funding-programmes-and-open-calls/horizon-europe/eu-missions-horizon-europe/climate-neutral-and-smart-cities_en

187 https://ec.europa.eu/info/research-and-innovation/funding/funding-opportunities/funding-programmes-and-open-calls/horizon-europe/eu-missions-horizon-europe/adaptation-climate-change-including-societal-transformation_en

188 Intergovernmental Panel on Climate Change, *Climate Change 2022 – Impacts, Adaptation and Vulnerability*, 2022.

189 Committee of the Regions, *Declaration on EU Green Deal: from local to global*, 2021.

190 https://environment.ec.europa.eu/strategy/biodiversity-strategy-2030_en

ENGAGING THE COMMUNITY TO PROTECT BIODIVERSITY

BEST PRACTICES OF LOCAL AND REGIONAL AUTHORITIES

On the shores of Pien-Saimaa Lake in Finland, seven stormwater wetlands have been constructed in the urban area of Lappeenranta. The constructed wetlands act as natural filters, collecting solid material as well as nutrients and pollutants transmitted by run-off water before it reaches the lake. In the summer, a well-functioning wetland may also be an important filter for nitrogen emissions.

The network of wetlands supports biodiversity and provides a habitat for many birds and insects. The wetlands enhance the scenery and atmosphere of the area, as well as fulfilling their traditional role in agricultural water pollution control. In Lappeenranta, the purpose of these wetlands is to stop nutrients and solid materials brought by stormwater, instead of nutrients from agriculture.

The project is just one small part of the Lappeenranta 2037 strategy, which aims to bring the city towards climate neutrality by 2030 and go above and beyond that goal by 2037¹⁹¹. The strategy encompasses a wide variety of projects that are supported by a network of key stakeholders¹⁹². The network engages businesses, society, citizens and even international associations in order to ensure an inclusive approach when moving towards the city's green goals.

Another key aspect of the European Green Deal is ensuring that air, water and soil pollution are reduced to levels no longer considered harmful to health and natural ecosystems and that respect the boundaries with which our planet can cope, thereby creating a toxic-free environment. These goals are enshrined in the Zero Pollution Action Plan¹⁹³.

Such a vision requires cross-sectoral action and systemic changes. Multilevel governance arrangements must be set up to address forms of pollution and their consequences

at global, EU, national, regional and local levels. To mainstream the zero-pollution agenda, the European Commission and the CoR launched the Zero Pollution Stakeholder Platform¹⁹⁴ in December 2021.

The aim of this platform is to bring together stakeholders and experts from different policy areas, such as health, agriculture, research and innovation, transport, digitalisation and the environment, in order to foster collaboration and exchanges of solutions and to maximise synergies.

¹⁹¹ https://www.greenreality.fi/sites/default/files/lappeenranta_2037.pdf

¹⁹² <https://www.greenreality.fi/en/network/greenreality-network>

¹⁹³ https://environment.ec.europa.eu/strategy/zero-pollution-action-plan_en

¹⁹⁴ https://environment.ec.europa.eu/zero-pollution-stakeholder-platform_en

CLEAN AIR IN POLAND'S CAPITAL

BEST PRACTICES OF LOCAL AND REGIONAL AUTHORITIES

There are over 15 solid-fuel boilers around the city of Warsaw, polluting its air, particularly in winter. In 2018, following a proposal from the mayor of Warsaw, Rafał Trzaskowski, the City Council of Warsaw approved a three-year budget of €68 million for subsidies to citizens willing to exchange their obsolete sources of heating for ecological ones. The plan also provides for the subsidies to be combined with co-financing for renewable energy sources, such as photovoltaic installations, solar thermal collectors and wind turbines, with the city financing up to 100% of the investment costs.

In addition to the subsidies to help move towards cleaner heating, the city of Warsaw implemented a complex air quality monitoring system. The system, co-financed by the EU Regional Funds and supported by the global Clean Air Fund¹⁹⁵, became operational in 2021, making Warsaw's network of air quality sensors across 165 locations the largest in Europe.

The system will also be used to develop a comprehensive air quality database, allowing officials to better understand the sources of pollution. Citizens will have access to up-to-date online information about the levels of pollution, based on the Air Quality Index, and the city authorities will gain an innovative air quality management tool, with the possibility to determine the exact sources of pollution.

¹⁹⁵ <https://www.cleanairfund.org/about-us/>.

C. Repowering Europe at local and regional level: energy security, energy efficiency and tackling poverty

In 2020, about 36 million Europeans were unable to keep their homes adequately warm¹⁹⁶. However, energy poverty is a concept that goes beyond housing-related issues such as heating and cooling, lighting and having a healthy living environment. Energy poverty can, for example, also affect the use of appliances and people's right to mobility, as flagged throughout the "Fit for 55" package.

Typically, energy poverty is considered to be caused by a combination of low income, high energy expenses, and poor energy efficiency in buildings and means of transport. The EU is increasingly targeting energy poverty in its policy action, with the aim of boosting efforts towards the effective reduction of this issue within a framework of energy efficiency, decarbonisation of the economy, and a clean and just energy transition.

An important element in the fight against energy poverty are the Member States' National Energy and Climate Plans. As stated in the Governance of the Energy Union and Climate Action Regulation¹⁹⁷, the Member States should assess the number of households experiencing energy poverty. If a significant number of households experiencing energy poverty is identified, the Member State should include, in its plan, a national indicative objective to reduce it and outline, in their national energy and climate plans, the policies and measures that address energy poverty. The fight against energy poverty has been included in the Covenant of Mayors framework and is also tackled by a dedicated initiative of the European Commission called the Energy Poverty Advisory Hub (EPAH).

Another prominent mention of energy poverty can be found in the July 2021 Commission proposal for a recast Energy Efficiency Directive¹⁹⁸ (legislative procedure ongoing). This proposal contains a new provision (Article 2(49)) defining energy poverty as "a household's lack of access to essential energy services that underpin a decent standard of living and health, including adequate warmth, cooling, lighting, and energy to power appliances, in the relevant national context, existing social policy and other relevant policies"¹⁹⁹.

This definition would work in tandem with the Renovation Wave initiative²⁰⁰ under the European Green Deal, which aims to boost structural renovation in private and public buildings, while the Social Climate Fund²⁰¹ includes households in energy poverty among its main beneficiaries. The examples above are only a limited, illustrative sample of instances of energy poverty being addressed in EU legislation.

Several Member States have developed national strategies to tackle energy poverty, advancing their own definition, methods for measurement and monitoring, and solutions to tackle it from a national point of view. However, its caus-

al multidimensionality, the variability of its expression over space and time, its often highly localised occurrence, and its private nature make measuring energy poverty a challenging procedure, with experts divided over the best indicators and metrics to use.

Energy poverty requires holistic efforts at all levels of governance, from European to local level: a comprehensive EU framework in the field is still missing. Early identification of households at risk of energy poverty can be done more accurately and is more practical at the level of towns, cities, and regions.

To monitor the progress in energy poverty alleviation, there is a need to connect and align the commitments made at national level with the energy poverty configurations and population needs at the regional and local levels²⁰².

The REPowerEU Plan gives cities and regions a leading role in developing energy-saving measures tailored to their local context. LRAs should launch awareness-raising, information and support schemes, energy audits, and energy management plans pledging savings targets, and ensure citizen engagement, such as through the European Mission on Climate-Neutral and Smart Cities and the European Urban Initiative under EU cohesion policy.²⁰³

In addition to having a crucial role in the diagnostics phase, LRAs can play an important part in the massive efforts required in order to speed up and scale up renewable energy in power generation, industry, buildings and transport, as well as in strengthening energy efficiency. A 2019 study estimated the potential for energy independence at the municipal level through the construction of new wind and solar farms and energy infrastructure in order to store and distribute electricity locally. The authors found that only 5% of the area, containing 25% of Europe's population, lacks the potential to be energy independent²⁰⁴.

There is a clear divide between densely populated urban areas that do not have the potential for energy independence but provide energy services, and less densely populated, mostly rural areas, where there is large potential for energy independence through renewables, and where energy services are often less developed. While not all regions must be in and of themselves energy independent, still there is often a good potential for a positive synergy between rural and urban areas in this field.

LRAs must cooperate with each other, as well as with businesses, national governments and the EU, in order for the energy transition to be successful. A good example of multilevel cooperation is the HEAVENN hydrogen project in the Northern Netherlands. Europe's first hydrogen

196 European Parliamentary Research Service, *Energy poverty in the EU*, July 2022.

197 European Parliament and Council of the European Union, *Regulation (EU) 2018/1999*, December 2018.

198 European Commission, *Proposal for a Directive of the European Parliament and of the Council on energy efficiency (recast)*, July 2021.

199 European Parliamentary Research Service, *Energy poverty in the EU*, July 2022.

200 European Commission, *Communication on A Renovation Wave for Europe - greening our buildings, creating jobs, improving lives*, October 2020.

201 European Commission, *Proposal for Regulation of the European Parliament and of the Council establishing a Social Climate Fund*, July 2021.

202 European Commission, *Bringing Energy Poverty Research into Local Practice: Exploring Subnational Scale Analyses*, 2022.

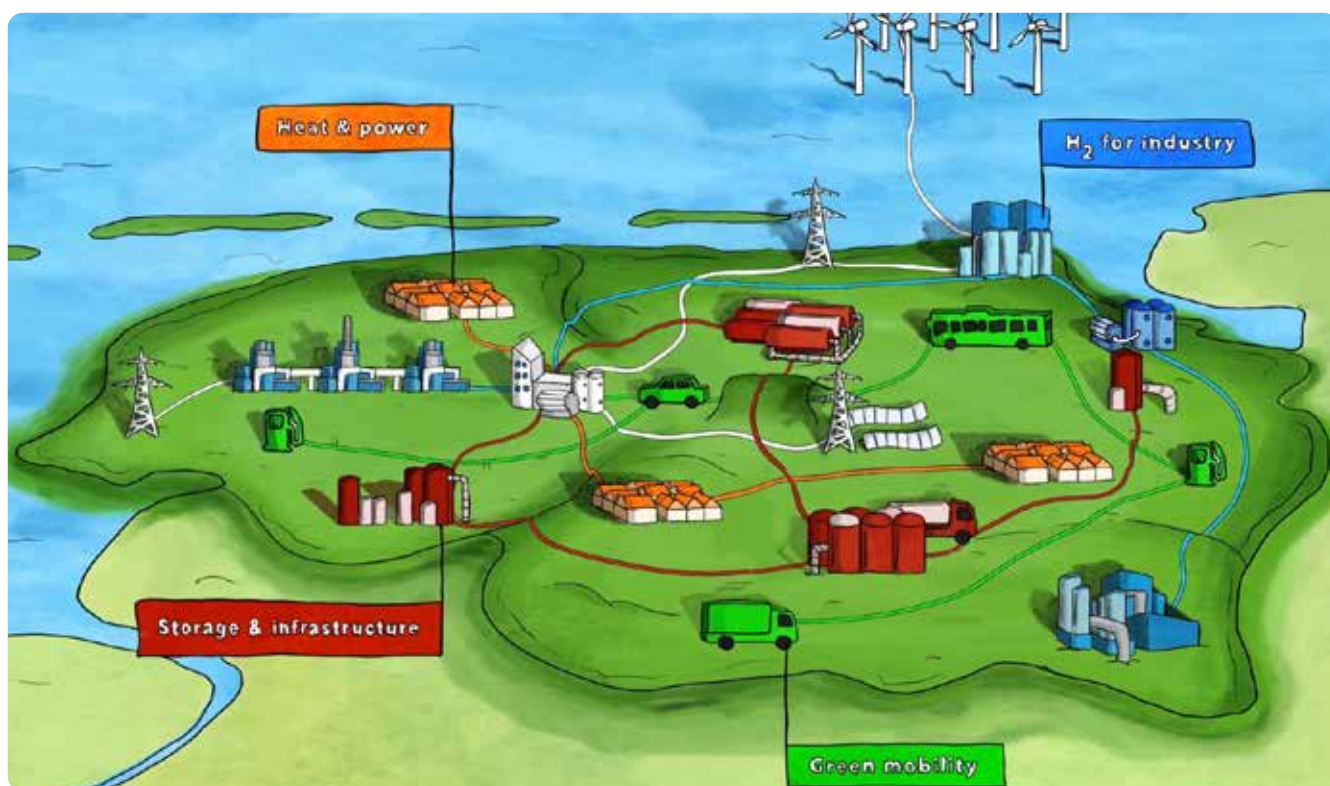
203 European Commission, *Communication on The REPowerEU Plan*, May 2022.

204 Tröndle, T., Pfenninger, S. and Lilliestam, J., *Home-made or imported: On the possibility for renewable electricity autarky on all scales in Europe*, 2019.

valley is being built in the Drenthe district and is being funded by a combination of public and private investors, including the EU²⁰⁵.

The project encompasses 31 partners (public and private) and covers electrolysis for green hydrogen production, hydrogen powered buses, passenger cars and trucks,

hydrogen refuelling stations, heat applications, and underground hydrogen storage (Hystock). The goal of the project is that, by 2026, the district can host the entire hydrogen value chain from production to distribution, storage and local end-use, which will power industry, mobility and buildings.



HEAVENN hydrogen project in the Northern Netherlands
Figure III-C-1-1 _ HEAVENN programme

If this is successful, projects like this one can be replicated by other regions in the future, making the ambitious goals of the REPowerEU Plan a reality.

205 <https://heavenn.org/>

A POSITIVE ENERGY REGION IN 2050 – REPOS INITIATIVE

The Occitania Region aims to be the first positive energy region in Europe by 2050. To achieve this goal, the region supports its territories and citizens throughout their energy transition in order to make them actors of change. In addition to reducing energy consumption and improving energy efficiency, the region will develop renewable energy production to cover 100% of its own energy needs by 2050.

The Occitania Region will increase its renewables production by:

- *proposing, realising and collectively managing collectively a 250kW photovoltaic park on the site of a former municipal landfill;*
- *relying on and further developing renewable hydropower;*
- *utilising its 200 days of wind per year and its wide access to the Mediterranean, which make the Occitania region the French region with the best floating wind development potential at sea;*
- *installing 700 photovoltaic panels on public buildings in several municipalities;*
- *harnessing the biomass potential from its more than 2.6 million hectares of forests (i.e. 36% of its surface, Occitania being the second most forested region of France);*
- *ensuring biogas production in 2050 using installations for on-farm methanisation by 2050, allowing for the recovery of agricultural waste and providing additional income for farmers;*
- *utilising heat pumps enabling, on average, a threefold reduction in energy consumption for heating.*

Each region or city has specific opportunities it can to use to the fullest when adopting a “positive energy region” trajectory.

206 <https://www.laregion.fr/-REPOS->

D. Local and regional authorities as key actors of international climate cooperation

Climate challenges have already impacted every corner of the Earth. Some trends are now irreversible, and all regions around the world are developing adaptation and resilience measures. Subnational governments are at the forefront in dealing with the consequences, achieving climate ambitions with a focus on the future implementation of the SDGs, and fulfilling the provisions of the Paris Agreement in order to achieve the goal of limiting global warming to 1.5°C. Estimates²⁰⁷ show that 65% of the 169 targets underpinning the SDGs cannot be reached without the engagement of local and regional governments.

Subnational climate diplomacy and local-regional level climate action contribute substantially to the implementation of the Paris Agreement, the SDGs and the Glasgow COP 26 targets, and their actions will be key to the success of the upcoming COP 27 in Sharm el-Sheikh and COP 28 in the United Arab Emirates. Within the pre-COP 27 context, the CoR commissioned a study on “Boosting subnational climate diplomacy ahead of COP 27 and COP 28”²⁰⁸, aimed at building on its long-established cooperation with non-EU peers with a view to further promoting the recognition of LRAs in the United Nations Framework Convention on Climate Change (UNFCCC) framework.

According to this study, the successful climate actions carried out by cities and regions can be more ambitious than national targets without impairing growth and territorial cohesion. This shows a strong demonstration effect and provides leverage to national and local political groups that aim at adopting more progressive climate policies.

The climate agenda was also, understandably, one of the main topics discussed by citizens at the Conference on the Future of Europe (CoFoE), which resulted in 6 proposals and 57 measures on this topic. EU citizens call for an accelerated green transition and for a focus on education, better communication, and efforts to address social justice.

Notably, proposal 3.11 calls for increased EU leadership and for the EU to play a stronger role and take greater responsibility in promoting ambitious climate action and a just transition and to provide support to address loss and damage in the international framework. With the EU playing the role of global leader on the global climate goals, the current geopolitical situation and ongoing discussions on new sources of energy offer a great opportunity to step up EU leadership at international level, with subnational climate diplomacy at the centre.

Besides flouting international rules through its act of aggression against Ukraine, Russia has upended energy and food markets, triggering heightened price volatility and energy insecurity, thereby impacting not only its immediate neighbourhood, but the entire world. This means the EU and the rest of the world must lay the foundations of

a new global energy system that is structurally different to the current one, being built on established international climate cooperation, including by creating innovative partnerships based on trust and shared long-term goals.

The insecure geopolitical context and burgeoning energy crisis represent an opportunity for the EU and its partners to build a new global energy policy, one that is socially more just, cleaner and greener, and that has the goal of leaving no-one behind.

For the EU to fully realise its positive potential on the international stage, it will first have to reduce its exposure to external energy suppliers. Energy security, energy efficiency and energy poverty are closely intertwined issues that form a key part of any new energy system. In practice, this means that energy efficiency actions will have to be ramped up. In combination with increased renewables production, this will dramatically improve the EU's energy security.

Energy efficiency measures, at least those in the housing sector, have another added benefit. These measures, when targeted correctly, can alleviate a significant portion of energy poverty concerns for vulnerable citizens. Cooperation at local and regional level makes it possible to better identify where energy actions are most needed and beneficial.

The Committee of the Regions' external relations bodies and platforms (ARLEM²⁰⁹, CORLEAP²¹⁰, working groups/joint consultative committees, peer-to-peer cooperation and the Cities and Regions for International Partnerships forum²¹¹) offer significant opportunities to develop systematic climate action.

Already existing Committee of the Regions Covenant of Mayors ambassadors and Climate Pact ambassadors could create synergies and provide input to the Committee of the Regions' official delegation to the COPs. As a first example of such coordination, it is possible to provide joint statements ahead of UNFCCC COP events. Hence, the Committee of the Regions stands ready to serve as the main coordinating institution for subnational climate diplomacy in the EU and its neighbouring countries.

The Committee of the Regions will promote international subnational climate cooperation and value cooperation between European LRAs and their peers in neighbouring and partner countries on an ongoing basis, i.e. by building alliances, engaging in actions, and expanding existing and new initiatives that support exchanges of knowledge and best practices among EU and non-EU regional and local peers. The recognition of LRAs as key players in climate and environmental action is growing. According to a recent Eurobarometer on climate change, the share of respondents

207 Sustainable Development Solutions Network, [Getting Started with the SDGs in Cities](#), 2016.

208 Augustyn, A. M., Sarno, M. E., Ciparisse, M. E., [Boosting international subnational climate diplomacy ahead of COP27 and COP28](#), study commissioned by the Committee of the Regions, 2022.

209 [Euro-Mediterranean Regional and Local Assembly \(ARLEM\)](#).

210 [Conference of Regional and Local Authorities for the Eastern Partnership \(CORLEAP\)](#).

211 <https://cor.europa.eu/en/events/Pages/Cities-and-Regions-for-International-Partnerships-2021.aspx>.

mentioning LRAs as being responsible for climate action has increased by 10pp since 2019, reaching 43%²¹².

The establishment of a well-designed and multilevel governance framework should be in line with the rules of European, national and subnational cooperation on climate diplomacy within the EU and with the potential for implementation in the partnering countries.

212 European Commission, [Flash Eurobarometer 513 Climate change](#), 2021.

E. Delivering climate objectives in cities and regions with a view to COP 27

Thinking globally and acting locally is increasingly becoming the desired approach when it comes to pursuing the goals of the Paris Agreement. Climate change is highly context related and its effects can vary greatly depending on the geographic, economic and social specificities of a territory. More than one billion people in low-lying settlements face hazards such as rising sea-levels, subsiding coasts, and flooding at high tides, while 350 million urban residents globally live with the threat of water scarcity²¹³.

As such, their voices are becoming louder on the global climate diplomacy stage. Three out of four of the over 11 000 Global Covenant of Mayors²¹⁴ signatories have set more ambitious GHG reduction targets than their respective national governments, and more than 50% are accelerating the rate at which they aim to reduce their emissions, building up critical political resilience against national level backsliding.

Cities consume 78% of the world's energy and produce more than 60% of GHG emissions. The success of the European Green Deal and the Paris Agreement is therefore dependent on effectively engaging with all levels of governance, as formally recognised in the Glasgow Climate Pact²¹⁵. Regions and cities not only know best the challenges that they are facing, but they are also often the trailblazers and torchbearers when it comes to finding innovative solutions.

This is not true only for EU regions and cities, but on a worldwide scale. Out of the 96 regional governments that reported to the Carbon Disclosure Project's "States and Regions 2021 summary report"²¹⁶, 47% have developed adaptation plans, and 94% collaborate with national governments or intend to do so in the next 2 years. This is crucial information, as EU subnational governments must work hand in hand with their international partners in order to fully represent regions and cities on the global stage.

There have been good cases of European cities facilitating global exchanges in the past. For example, the metropolitan area of Milan has a long history of environmental policies, with a focus on the circular economy, biodiversity and climate protection. In 2021, Milan linked its local policies and global ambitions by hosting a "pre-COP 26" event to involve citizens of all ages in a bid to revitalise the social aspects of climate action²¹⁷.

As part of the EU delegation to COP 26 and the Local Governments and Municipal Authorities (LGMA) constituency²¹⁸, the Committee of the Regions was vocal in actively advocating for a stronger role for subnational governments in international climate governance. In close partnership with international networks, the Committee of the Regions

has demonstrated that cities and regions' climate commitments and achievements are crucial in order to succeed in reversing the effects global warming.

The key proposals made included the call for the formal inclusion of Locally and Regionally Determined Contributions (LRDCs) as a complement to the Nationally Determined Contributions (NDCs), and a call for the national inventory reports of the Paris Agreement Transparency Framework to include a section on climate commitments, actions and achievements undertaken by subnational governments in order to keep track of the progress towards achieving both the NDCs and the LRDCs.

These efforts will surely serve as a good foundation on which to further grow the role of LRAs in COP 27. With the 2022 IPCC report on "Impacts, Adaptation and Vulnerability"²¹⁹, as well as the UNFCCC "Work Programme on the Global Goal on Adaptation"²²⁰, the priorities for local and regional governments have expanded to include climate adaptation alongside mitigation.

This development was also fully recognised by the current Czech Presidency of the Council, which highlighted adaptation during an informal meeting of ministers for the environment²²¹. The Committee of the Regions has anticipated and acknowledged the importance of this shift, engaging in a technical dialogue on the Global Stocktake²²² on adaptation and submitting an official contribution to the UNFCCC on behalf of the LGMA constituency, together with its global partner Regions4²²³.

The contribution emphasises the key role that local and regional governments play in planning and implementing climate action, stressing that they must be involved in designing, coordinating and implementing National Adaptation Plans (NAPs). This should start with the formal inclusion of regional and local adaptation contributions to complement the NAPs and with increased reporting on the NAPs and NDCs with respect to adaptation.

The Committee of the Regions will continue to represent the viewpoints of LRAs on the global stage during the UNFCCC COP 27 in Sharm el-Sheikh, in line with the COP 26 decision to strengthen the Marrakech Partnership for Global Climate Action²²⁴ as a space for encouraging non-state actors to take immediate climate action.

The G7 Development Ministers' Meeting Communiqué²²⁵ has also recognised the role of cities and local governments in championing a just climate and energy transition, signalling an openness to supporting the work of the Urban7 Group in order to strengthen multilevel cooperation

²¹³ <https://www.globalcovenantofmayors.org/wp-content/uploads/2021/11/21-1109-GCoM-2021-Annual-Report-optimized.pdf>

²¹⁴ <https://www.globalcovenantofmayors.org/>

²¹⁵ <https://www.un.org/en/climatechange/climate-solutions/cities-pollution>

²¹⁶ <https://guidance.cdp.net/en/guidance/cid=22&ctype=theme&idtype=ThemedID&incchild=1µsite=0&otype=Guidance>

²¹⁷ <https://unfccc.int/news/ministers-meet-in-milan-for-pre-cop-26-discussions>

²¹⁸ <https://www.cities-and-regions.org/about-the-lgma/>

²¹⁹ Intergovernmental Panel on Climate Change, *Climate Change 2022, Impacts, Adaptation and Vulnerability*, 2022.

²²⁰ United Nations Framework Convention on Climate Change, *Work Programme on the Global Goal on Adaptation*, 2021.

²²¹ <https://czech-presidency.consilium.europa.eu/en/news/informal-meeting-of-ministers-of-the-environment-envi/>

²²² <https://www.unbonn.org/news/bonn-climate-change-conference-makes-progress-several-technical-areas-much-work-remains>

²²³ <https://www.regions4.org/about-us/regions4/>

²²⁴ <https://unfccc.int/climate-action/marrakech-partnership-for-global-climate-action>

²²⁵ <https://reliefweb.int/report/world/achieving-sustainable-development-goals-times-multiple-crises-g7-development-ministers-meeting-communicue-19-may-2022>

as an underpinning principle of sustainable, effective climate action ahead of COP 27.

Another crucial goal of the Committee of the Regions delegation includes further supporting the Race to Zero²²⁶ and the Race to Resilience²²⁷ as key initiatives to support and showcase ambitious bottom-up climate action, whilst also facilitating the reporting and stocktaking of commitments by non-party stakeholders.

²²⁶ <https://unfccc.int/climate-action/race-to-zero-campaign>.

²²⁷ <https://climatechampions.unfccc.int/race-to-resilience-launches/>.

Chapter IV– Cohesion as an overall value of the EU: state of play of economic, social, territorial and digital cohesion

Key messages:

Cohesion is the glue that holds the EU together. It is part of the EU's DNA and our joint understanding of fairness, solidarity and prosperity. It is an overall value of the EU. The COVID-19 pandemic and the war in Ukraine have highlighted why cohesion is so important in order to ensure that no one and no place is left behind.

- And yet, both cohesion as an overall value of the EU and cohesion policy are confronted with big challenges: the 8th Cohesion Report has implicitly shown that many EU policies pay little or no attention to their responsibility to promote cohesion. Carrying out territorial impact assessments to identify impact and regional sensitivities remains the exception.
- Cities and regions are facing many changes that affect territorial cohesion in particular: climate and digital transition, demographic change, the innovation divide, lack of capacity, and lack of meaningful engagement to name just a few.
- Cohesion policy is confronted with many threats ranging from the renationalisation of the policy, for example if the RRF delivery model is chosen, the complexity of the policy, and problems associated with absorbing funds.

However, cohesion policy is about more than just money. With its shared management systems based on partnership and multi-level governance, it gives cities and regions a strong role in the development of place-based strategies based on local ownership. This shared management is also a living example of active subsidiarity and the Code of Conduct for Partnership is still a big achievement when it comes to effective participation in EU policy-making.

A recent study²²⁸ also shows that “the economic returns of decentralisation are greater in places with more efficient local governments and that being surrounded by other regions with high levels of decentralisation and with high government quality stimulates the positive effects of transferring powers and resources to subnational tiers of government”.

This is why it will be crucial to clearly define what the “do no harm to cohesion” principle that Commissioner Ferreira proposed in the 8th Cohesion Report actually entails, and what it means for the other EU policies.

Cohesion is not a static definition. It must relate and adapt to new challenges. That is why it is important to address the role of digitalisation as a cross-cutting element for

overcoming the divide in Europe. With the new “mission approach” of policy-making, whereby a long-term goal such as the Green Deal or the digital and green transition is set, cohesion policy needs to continue to support long-term goals (EU objectives) in the future. The pilot action on Partnerships of Regional Innovation²²⁹ aims to provide cities and regions with tools to develop their own territorial missions to master this transformation.

Key figures:

- The latest Eurostat figures show that after the southern region of Ireland, the leading regions in terms of regional GDP per capita in 2020 were the Grand Duchy of Luxembourg (263% of the EU average), Eastern and Midland Ireland (215%), and Brussels, Belgium (205%). In contrast, the regions with the lowest rankings after Mayotte, France, were all in Bulgaria: North-West (36% of the EU norm), North-Central (37%), South-East (39%), and South-Central (39%)²³⁰.
- The 10 countries that joined the EU in 2004 had, in that year, an average GDP per capita of just 59% of the EU average. By 2019, that average had risen to 77%. In other words, the gap between those countries' averages and the EU average almost halved²³¹.
- Calculations made by the Committee of the Regions of the GDP per capita of the EU region over the 12-year period 2009-2020 show that 109 regions increased their GDP per capita compared to the EU average, while 129 regions lost GDP per capita. Nine regions lost more than a third of their GDP, while 10 gained more than a third of their GDP per capita compared to the EU average.
- A big innovation divide is persisting. Of the 20 regions with the highest level of R&D spending, 19 are more developed (with GDP per capita higher than the EU average), while two-thirds of the 50 regions with the lowest spending are less developed (with GDP per capita below 75% of the average)²³². At present, the highest performing regions are up to nine times more innovative than the lowest performing ones²³³.
- The proportion of people living in shrinking rural areas is predicted to fall from 36.1% in 1993 to 29.2% in 2033²³⁴. Over the last 10 years, several regions' overall population has increased or decreased by more than 10%. In 2020, one in every three persons in the EU lived in an area that had lost population

228 Rodríguez-Pose, A., and Muštra, V., *The economic returns of decentralisation: Government quality and the role of space*, 2022.

229 https://ec.europa.eu/commission/presscorner/detail/en/IP_22_3008.

230 Eurostat, *Gross value added decreased in all regions but four*, 2022.

231 Background note of the CZ Presidency for the informal meeting of ministers responsible for cohesion policy, 1-2 September 2022, Prague.

232 European Commission, *Cohesion in Europe towards 2050. Eight report on economic social and territorial cohesion*, 2022.

233 European Commission, *Communication on A new European Innovation Agenda*, July 2022.

234 European Spatial Planning Observation Network, *TERRITORIAL*, Issue 3, June 2021.

during the previous decade, and this figure is expected to rise to 50% by 2040²³⁵.

- Almost 70% of employment in the automotive supply chain in Italy is located in the Piedmont and Lombardy regions. Around 45% of those jobs are in the manufacturing of parts for powertrains and transmissions, which indicates that electrification will have a significant impact on them²³⁶.

²³⁵ European Commission, [Employment and Social Developments in Europe 2022](#), 2022.

²³⁶ Brown, D., Flickenschild, M., Mazzi C., Gasparotti, A., Panagiotidou, Z., Dingemanse, J., and Bratzel, S., [The Future of the EU Automotive Sector](#), study commissioned by the ITRE Committee of the European Parliament, 2021.

A. Key messages for the future of cohesion in the EU towards 2050

On 9 February 2022, the European Commission presented its eighth report on economic, social and territorial cohesion, entitled "Cohesion in Europe towards 2050"²³⁷.

The 8th Cohesion Report describes in detail the situation of economic, social and territorial cohesion in the EU. It also highlights the role of cohesion policy in promoting the green and digital transitions, and quantifies the impact of the policy.

1. Main messages of the 8th Cohesion Report

The report states that cohesion policy is generally working well. Less-developed regions in Eastern Europe have been catching up, but several middle-income and less-developed regions in the south of the EU, caught in a form of development trap, have suffered stagnation or decline. The number of people at risk of poverty and social exclusion fell by 17 million between 2012 and 2019. Health disparities are shrinking. Economic modelling indicates that, in 2023, GDP per capita will be 2.6% higher in less-developed regions thanks to support from cohesion policy in 2014-2020.

Cohesion policy has been effective in addressing the financial and COVID-19 crises. Following the contraction of national public investment due to the economic and financial crisis, cohesion policy became a more important source of investment. It responded quickly to the COVID-19 crisis by mobilising additional funding, making spending on the crisis response eligible, and allowing higher co-financing rates.

Cohesion policy has been instrumental in ensuring greater territorial cohesion by closing the road transport performance gap in the eastern regions of the EU and improving rail performance in the southern regions.

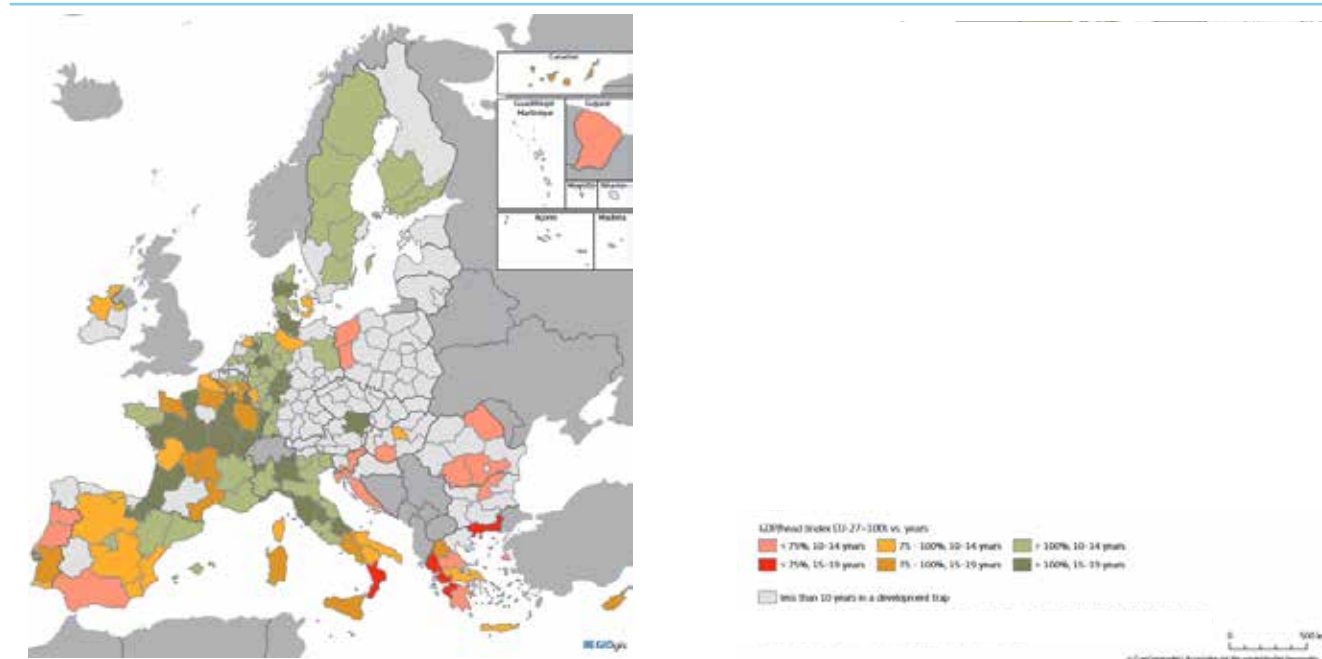
Regional disparities remain high and some are growing. In particular, employment and employment rates in less-developed

regions remain far below those in more developed regions. The regional innovation divide in Europe has grown. The gender gap in employment is twice as big in less-developed regions than in developed regions and there is a large urban-rural divide with respect to education attainment and skills levels.

Cohesion policy plays a crucial role in supporting the digital and green transitions at local and regional level. Transport and IT infrastructure alone do not automatically lead to higher growth rates. Cohesion policy, with its integrated approach, is instrumental, for instance in helping SMEs and training/retraining workers.

Local and regional capacity in economic development remains uneven. Effective place-based policies are particularly important in countries with significant internal economic disparities.

Transition regions, whose GDP per capita ranges between 75% and 100% of the EU average, appear to be caught in a development trap. Between 2001 and 2019, their GDP per capita growth was much lower than the EU average, and their productivity growth and job creation were lower than in other regions. Their manufacturing sectors are smaller than those in places with lower and higher GDP per capita, and their innovation, education, and institutional quality are insufficient to compete on a global scale²³⁸.



In the EU, innovation remains heavily concentrated in capital cities and other metropolitan regions. Good regional connectivity, strong digital readiness, a competent labour force, and an appealing business climate in north-western Member States have enabled neighbouring areas to profit from their proximity to highly creative ones. The most inventive regions in southern and eastern EU Member States are weaker, and as a result, neighbouring regions benefit less. These trends have the potential to increase the research and innovation divide between EU regions²³⁹.

Key challenges remain when it comes to leaving no one and no region behind. Over the next decade, the population aged 65 and above is projected to grow by more than 25% in one out of five regions. Overall, the share of the population living in a shrinking region is projected to increase from 34% to 51% between 2020 and 2040. Rural regions are especially affected as they are already shrinking. This long-term economic decline has fed a growing sense of discontent among citizens. Eurobarometer sur-

veys show that rural residents are more likely to think that their voices do not count and to distrust the EU.

Small urban areas are identified as regional centres, defined as the largest settlement within a 45-minute car drive, which provide an important contribution to the economic, social and territorial cohesion of the EU. Small urban areas are very important in this regard, given that they are home to 43% of the EU population and that about 66% of Europe's urban dwellers reside in areas with fewer than 500 000 inhabitants. There are about 14 000 small urban areas with a population of between 5000 and 50 000 in the EU²⁴⁰. They could become focal points for future investments and economic development as well as helping reduce the distances rural residents need to travel to access services of general economic interest.

The report makes direct reference to the "scissors effect" of subnational finance by directly referring to the 2021 EU annual regional and local Barometer report of the Committee of the Regions²⁴¹.

2. Main ideas for the future of cohesion policy put forward in the 8th Cohesion Report

Given its scope and detail, the 8th Cohesion Report is a key factual report that will have a strong influence on further discourse about the state and future of cohesion policy. In its previous editions the Cohesion Report put forward new terms such as "transition regions", which were later picked up in the further development of the related policy instruments.

According to the findings of the 8th Cohesion Report, cohesion policy has achieved its goals over the past two decades and is a very useful policy for reducing the disparities that might otherwise arise from the main global challenges (environment, digital, demographics, technological transformation, pressure on democracy, etc.).

To this end, the European Commission puts forward its ideas on how future cohesion policy, together with other EU policies, should address the new challenges. The future post-2027 cohesion policy should:

a) address the main drivers of disparities by:

- ensuring a fair transition: the European Commission suggests extending the scope of the Just Transition Fund (JTF) in order to address the social costs of climate change mitigation and adaptation. This JTF should be mainstreamed inside the main cohesion programme in order to reduce the identified difficulty in implementing this fund;
- strengthening resilience and responsiveness to asymmetric shocks: cohesion policy should further focus on supporting regions in diversifying their economies, following the place-based approach, such

as the Smart Specialisation Strategies, in order to make them less vulnerable to shocks;

- helping regions respond to demographic change: the European Commission identifies the ageing phenomenon and the shrinking labour force as the main drivers suggesting that cohesion policy should be able to further support long-life training, as well as greater investment in innovation, labour savings and augmenting technologies.
- addressing pressure on democracy and its values: the European Commission highlights the importance of working in partnership with local actors on the ground in order to increase ownership over EU policies, as well as the added value of "territorial cooperation" in creating new communities of common interest.

b) strengthen the role of regions in building Europe's future by:

- creating new economic prospects for less-developed and peripheral regions, which may need a new development paradigm;
- embedding innovation in all regions in order to ensure that all regions can reap the benefits of an increasingly knowledge-intensive economy;
- strengthening cross-border and interregional cooperation by improving the governance of functional border areas;
- strengthening urban-rural links and the role of smaller cities and towns in supporting rural areas. The

²³⁹ Ibid.

²⁴⁰ A detailed definition of small urban areas is based on the "Recommendation on the method to delineate cities, urban and rural areas for international statistical comparisons", endorsed by the UN Statistical Commission on 5 March 2020 and prepared by the European Commission – Eurostat and DG for Regional and Urban Policy – International Labour Organisation, Food and Agriculture Organisation, Organisation for Economic Cooperation and Development, UN-Habitat and World Bank, European Union, Food and Agriculture Organization, UN-Habitat, Organisation for Economic Cooperation and Development and the World Bank, *Applying the Degree of Urbanisation – A methodological manual to define cities, towns and rural areas for international comparisons*, 2021.

²⁴¹ Committee of the Regions, *2021 EU Regional and Local Barometer*, 2021.

European Commission suggests that the long-term vision for rural areas should provide a framework for addressing the challenges facing rural areas;

- addressing the needs of left-behind places. Such areas often need targeted policies in order to move out of the “middle-income trap”.

c) develop the tools to deliver cohesion towards 2050 by:

- increasing the effectiveness of place-based policies and integrated territorial tools (ITI, CLLD): in particular, the European Commission suggests extending the model of the locally targeted Territorial Just Transition Plans to other key policy objectives under cohesion policy, notably for the green and digital transitions;
- reinforcing multi-level governance and the partnership principle, as well as exploring additional beneficiary-friendly improvements;
- strengthening the leverage effect of cohesion policy in unlocking public and private investment in the green, digital and demographic transitions. The European Commission offers its support in order to strengthen the framework conditions for sustainable finance;
- increasing investments in social cohesion, inclusive developments, and life-long learning in order to ensure no one is left behind;
- enhancing complementarities within other EU policies.

With these proposals, the European Commission has opened the debate on the long-term vision of cohesion policy.

Cohesion is more than just a policy for overcoming development gaps; cohesion is an overall value of the EU, for all EU policies. The “do no harm to cohesion principle” Commissioner Ferreira put forward in the Cohesion Report is another way of describing this objective. This principle must be applied through systematic territorial impact assessments and a more widespread application of the partnership principle in other EU policies, which is so far largely missing.

Leaving no one and no region behind is becoming more important than ever. After largely establishing the legal framework for the digital and green transition with the Green Deal in recent years, to be continued over the coming months, it is now important to implement the changes on the ground. This is no easy process, given that it entails substantial changes to the economy, for example the recent decisions in the automotive industry regarding plant closures²⁴²) and in society.

Evidence is emerging that “widespread decentralisation processes can trigger growth-enhancing competition effects in terms of public policy and service delivery and innovation”²⁴³ which should be used to trigger a debate about the need for effective decentralisation within the EU as a necessary or enabling condition for future cohesion policy.

A just and fair transition, with the support of all EU policies, will also be essential so that citizens and regions are not left behind, with the risk that they might end up turning against the EU. The current focus of the JTF on coal regions will not be sufficient in order to address the transition challenge.

With the Recovery and Resilience Facility, which provides direct budgetary support to the Member States (with 100% co-financing and no complicated programming needed), there is for the first time an alternative investment tool at EU level at hand that could replace the existing way cohesion policy is delivered. There is a danger that cohesion policy will be centralised and re-nationalised if the RRF approach is used in the future. This debate could also be fuelled by the fact that most of the RRF resources have to be spent in the coming two years, while the start of the new European structural and investment fund programmes is proving to be very slow.

New policy areas where cohesion policy could be particularly relevant, such as strategic interdependencies, social climate policy and the European industrial alliances, need to be given a regional focus.

Together with its partners from the Cohesion Alliance, the Committee of the Regions has proven that it can make an important contribution to the debate on the future of cohesion, since its members stem from all territories of the EU and represent LRAs.

It is therefore envisaged to step up the collaboration with the Committee of the Regions’ partners in order to make proposals for shaping the policy in such a way that it can address the new and persisting challenges to cohesion.

²⁴² <https://www.reuters.com/business/autos-transportation/ford-sees-significant-job-cuts-it-picks-spain-ev-production-2022-06-22/>
²⁴³ Rodríguez-Pose, A., and Muštra, V., *The economic returns of decentralisation: Government quality and the role of space*, 2022.

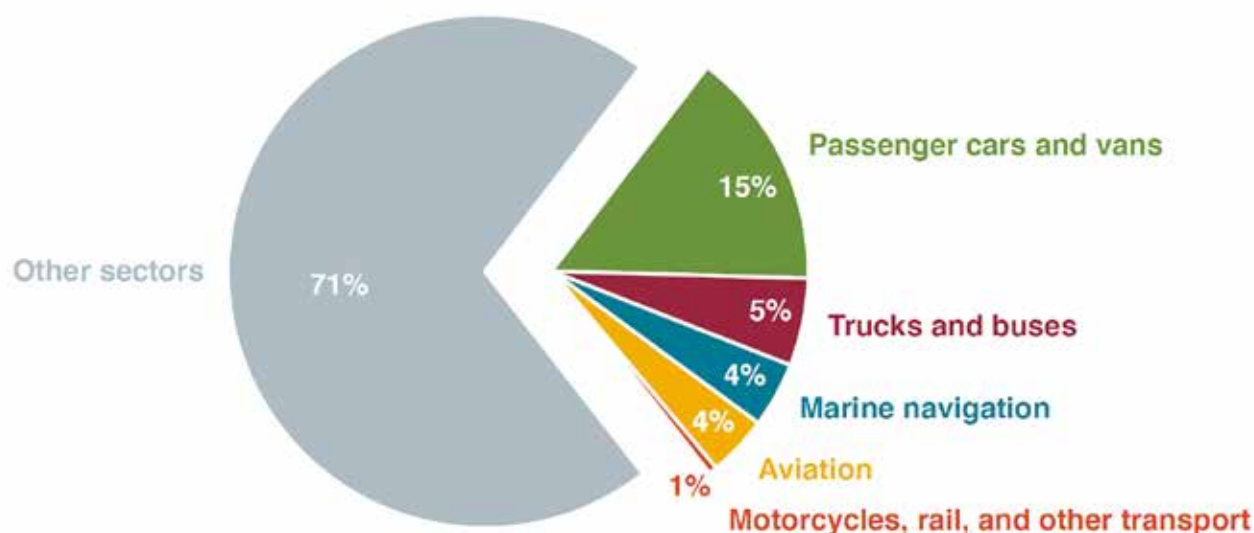
B. Automotive regions as an example for a just and fair transition

1. Introduction

As part of the “Fit for 55” package and in order to reach the EU’s 2030 climate targets, the European Commission has proposed a revision of the Regulation setting CO₂ emission performance standards for cars and light commercial vehicles, setting out more ambitious targets for reducing their CO₂ emissions. By 2035, all new cars and vans in the EU would have to be zero-emission vehicles, meaning the phasing out of internal combustion engines for cars and light vehicles²⁴⁴.

It is obvious that it will be necessary to drastically reduce GHG emissions. The plans provide for a reduction by at least 55% by 2030 and the achievement of full climate neutrality by 2050. Transport is responsible for almost 30% of total GHG emission in Europe. It is the only sector where the level of GHGs has not decreased compared to 1990 levels²⁴⁵. This has a regional and a local impact e.g. through congestion and bad air quality in urban areas.

There is an urgent need for action to decarbonise transport, including by reducing the number of vehicles and increasing the efficiency of collective public transport. Light road vehicles represent the biggest share of GHG emissions in the transport sector and average emissions from cars with internal combustion engine are rising again²⁴⁶ after years of increased efficiency and reduced emissions. Emissions from passenger cars and vans alone represent 15% of the total GHG emissions in Europe²⁴⁷.



Greenhouse Gas Emissions in the EU

Figure IV-B-1-1 _ International Council on Clean Transportation, *Transport could burn up the EU's entire carbon budget, 2021*
2018 total: 3.8 Gt CO₂e

While it is clear that urgent action is needed to decarbonise road transport as the single most important contributor to climate change, and that those actions are inevitable and urgently needed, the transition will have huge impacts.

Structure of the automotive and supply industry

Europe’s automotive sector remains a powerhouse of industrial employment. It accounts for more than 6% of Eu-

ropean employment overall and 8.5% of European manufacturing jobs, 16 million workers in the EU’s mobility eco-system and 5.7 million employees in the core automotive and adjacent industries. An estimated 3000 companies, of which 2500 are SMEs, are independent suppliers to car manufacturers. They provide about 75% of vehicles’ original equipment components and technology. The sector plays a key role in trade, with Europe responsible for more than 50% of the world’s exports of auto products²⁴⁸.

²⁴⁴ https://ec.europa.eu/commission/presscorner/detail/en/IP_21_3541.

²⁴⁵ International Council on Clean Transportation, *Transport could burn up the EU's entire carbon budget*, 2021.

²⁴⁶ European Environment Agency, *Average car emissions kept increasing in 2019, final data show*, 2021.

²⁴⁷ International Council on Clean Transportation, *Transport could burn up the EU's entire carbon budget*, 2021.

²⁴⁸ <https://www.acea.auto/figure/direct-automotive-manufacturing-jobs-in-the-eu-by-country/>.

The automotive value chain comprises not only the well-known car manufacturers (original equipment manufacturers (OEMs)), but also the car part supply industry. Not only are the global champion car manufacturers located in Europe (e.g., Volkswagen (1st) and Daimler (3rd)), Europe also boasts some of the biggest suppliers when assessed by revenue: Bosch was the biggest player globally, followed by Continental, with ZF Friedrichshafen fifth, Michelin ninth and Valeo tenth respectively²⁴⁹).

However, the majority of supply companies across Europe are SMEs. These suppliers either provide parts directly to OEMs (tier 1 suppliers) or are situated hierarchically below tier 1 suppliers. Most of these suppliers are active in the production of traditional transmission and internal combustion engine (ICE) components and they face major risks if the manufacturing of these car components disappears.

There are only around 20 moving parts in an electric motor compared to over 2000 in an ICE, which also leads to reduced need for servicing, which will negatively impact the SMEs in the aftersales market. Similarly, with an electric

vehicle costing at least 30% less than a traditional vehicle to maintain, SMEs active in repairs and servicing in the aftermarket sector will encounter additional pressure²⁵⁰.

The transformation towards electric vehicle propulsion has *de facto* already been made by OEMs. Some car manufacturers' plans go even further than what has been suggested by the European Commission and fully electric production is expected before 2035²⁵¹.

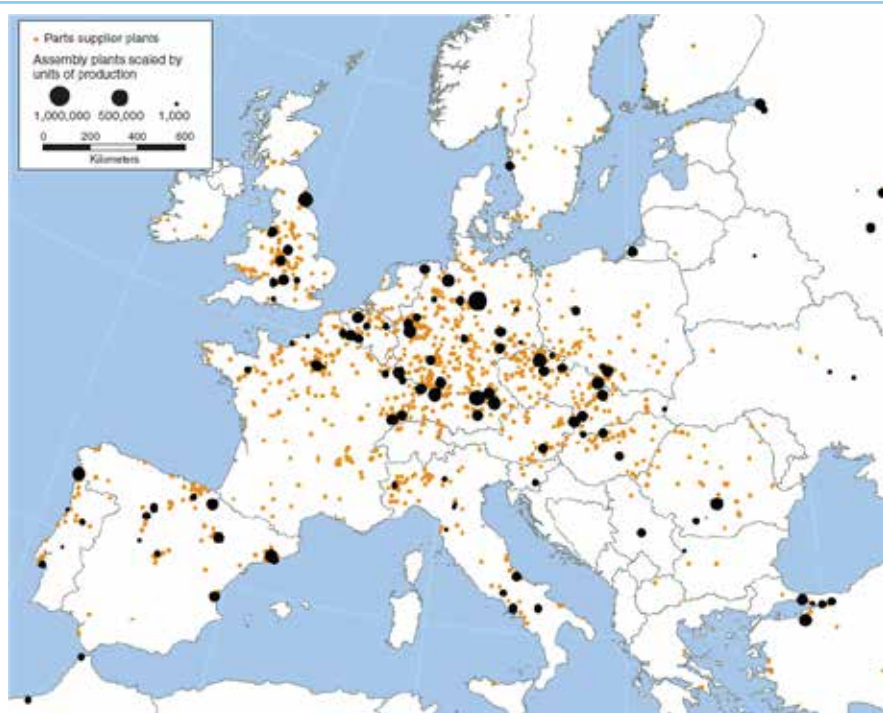
This structural transformation of the automotive industry and its supply chain will therefore have a major impact on OEMs, especially on the various "tiers" of the automotive supply chain. It is therefore important to emphasise that zero-emission road transport cannot be achieved without a transition plan and a socially acceptable way of managing the workforce and the (regional) economies.

Such a just transition plan is missing in the legislative proposal, and measures for the automotive industry and regions need to be urgently addressed, based on territorial impact assessment and social and multi-level dialogue.

2. Regional dimension

The automotive and supply industry sector is deeply intertwined with regional economies, made up of global leaders as well as many innovative SMEs. It is therefore critical that the social and economic impact of the transformation be well managed. The more abruptly the end of the ICE comes, the greater the pressure on regional economies

will be and the more limited the time to re-skill and upskill workers will be. A badly managed transition could severely undermine the ability of the European Green Deal to succeed and could cause long-term damage to our (regional) economies and societies²⁵².



Car assembly and parts supplier plants in Europe

Figure IV-B-2-1 _ Klein, T. H. and Rubenstein, J. M., *Auto production footprints: Comparing Europe and North America*, 2016

249 Berylls Strategy Advisors, [The World's 100 biggest automotive suppliers in 2019](#), 2020.

250 Brown, D., Flickenschild, M., Mazzi C., Gasparotti, A., Panagiotidou, Z., Dingemans, J., and Bratzel, S., [The Future of the EU Automotive Sector](#), study commissioned by the ITRE Committee of the European Parliament, 2021.

251 <https://www.forbes.com/wheels/news/automaker-ev-plans/>.

252 European Association of Automotive Suppliers, [Electric Vehicle Impact Assessment. Report 2020-2040: A quantitative forecast of employment trends](#), 2021.

The above-mentioned hierarchical structure of OEMs and tier-suppliers leads to integrated value chains, where smaller supply businesses depend on the economic relationship with larger companies. Any strategic decision on a hierarchically higher level inevitably has impacts on lower tiers in the local and regional value chain and is therefore embedded in the global organisational structure of the larger firms²⁵³.

In addition to the strategic decisions taken by LRAs to limit the number of individual cars and foster public transport, and by OEMs to shift towards electric vehicle propulsion, other technical developments such as autonomous driving, digitalisation and additional safety functions in cars, will require a change in the nature of the supply chain, impacting heavily on the current structure of companies active in the subsectors of parts and accessories supplies, batteries, metalwork, dealerships, parts retail and repairs, logistics and mobility services that make up the automotive value chain²⁵⁴.

Local automotive clusters

The regional clusters in automotive production will feel the impact of the electrification of the powertrain, and, to a lesser extent, of digitalisation, including autonomous driving. The most labour-intensive step of car manufacturing will be replaced by a less labour intensive one. Electronic and digital components will become more important, with mechanical components becoming less important. This will affect the jobs and skills needed in the automotive industry.

However, jobs lost in one category will not necessarily lead to new jobs in another category. New jobs will depend on the new production value chains that emerge, which often depend on the ability of regions to provide the right environment with the provision of relevant R&D, IT and electronic components, and software development.

Data collected by the European Association of Automotive Suppliers (CLEPA) demonstrates the regional dimension and socio-economic impacts in seven Member States²⁵⁵. In Germany, the data shows that, in the regions with the most jobs linked to the automotive and supply industry (Baden-Württemberg 25%, Bavaria 28%), the risk of job losses is highest and the prospect of new jobs is not necessarily linked to those regions (e.g. potential creation of 11 000 new jobs in Saxony vs. only 200 in Baden-Württemberg²⁵⁶).

253 Brown, D., Flickenschild, M., Mazzi C., Gasparotti, A., Panagiotidou, Z., Dingemanse, J., and Bratzel, S., [The Future of the EU Automotive Sector](#), study commissioned by the ITRE Committee of the European Parliament, 2021.

254 European Commission, [Staff Working Document on Identifying Europe's recovery needs](#), May 2020.

255 <https://clepa.eu/who-and-what-we-represent/suppliers-eu-employment-footprint/regional-dimension/>.

256 Leaving aside the potential 22 000 new jobs in Berlin-Brandenburg, which are primarily due to a single company building a new electric vehicle factory.

REGIONAL IMPORTANCE OF AUTOMOTIVE CLUSTERS

THE EXAMPLE OF GERMANY AND HOW TO ADDRESS THE DIGITAL AND GREEN TRANSFORMATION OF THE AUTOMOTIVE INDUSTRY²⁵⁷

More than one quarter of Germany's 401 districts have close ties to the automotive industry and almost three quarters of the whole German automotive industry is clustered in these 118 districts, spread over twelve of Germany's federal states. They are characterised by higher productivity and lower unemployment than the national average.

The analysis has shown that 40 of the 118 districts primarily depend on the ICE. Their economic and social structure makes it easier for some to address the challenges. The most striking difference is the existence of clusters and networks that would allow for good preparation for the future transformation. A total of 224 clusters and networks as well as 130 transfer and research units can be identified in these 40 districts, allowing them to adapt to the transformation. However, the distribution, topics and reach of the networks and clusters vary considerably. Regions like Stuttgart have strong networks with a wide reach in which future topics are worked on, while companies in some parts of Lower Saxony for example have limited involvement in transition networks.

The study identifies several key success factors for a successful transformation in these regions, mainly building upon existing and planned measures at the national and regional level:

- *Identifying and actively developing opportunities. Electrification will open up market potential where regions with innovation networks and start-up initiatives will play an important role. Funding programmes, especially those that target knowledge transfer between business and science, need to support their emergence.*
- *Promoting education and training. New skills will be needed for electrification of the powertrain, as well as for other challenges in the automotive industry (e.g. lightweight construction, battery capacity). Educational institutions and universities, new training, and further education could be developed in close regional cooperation with companies.*
- *Strengthening networking and cooperation in order to learn from and with one another. After matching regions and companies with similar challenges, experience and best practice examples should be shared and networks developed in order to prepare for the transformation.*
- *Developing specific measures in the regions. Regions are at different stages in the process of automotive transformation. Depending on the structure of the industry (big enterprises or SMEs, OEMs or tier 1 or 2, etc.) the potential and different strengths of the various regions could be identified and addressed.*
- *Improving location factors. Important factors here are the available space, the supply of skilled workers, universities, an efficient digital infrastructure, adequate transport connections and the connection to innovation networks. These location factors are comparatively unfavourable, especially in rural regions.*

In Poland, every third job in the automotive industry is directly linked to the internal combustion engine and will disappear, especially in the Śląskie region, with currently little prospect of new jobs in the automotive and supply industry being created. In Italy, automotive production is concentrated in the Piedmont and Lombardy regions and almost half of these jobs are related to the powertrain and transmission parts of ICEs, while only 5% are linked to electronics production. According to CLEPA, this will not be enough to compensate for the projected job losses.

In Spain the automotive supply industry is particularly important and regional clusters are spread all around the country,

with Catalonia, the Basque Country and Castile and Leon the main regional hubs for the automotive industry, and Navarre and Aragon the main hubs for the automotive supply industry (24.6% and 22.2% of regional manufacturing employment is linked to the automotive component industry respectively), according to CLEPA's data collection.

Finally, the situation in Czechia highlights another important aspect of the regional automotive industry: the cross-border dimension. The regions with the highest automotive value creation are located at the German and Polish border and are deeply integrated with the regional automotive industries of Saxony and Śląskie.

3. Concluding remarks and future recommendations

What is needed for a successful regional transition? The just transition can only be successful if it reflects regional differences and specific circumstances, and builds on territorial just transition plans, based on a granular mapping exercise and

a social and multi-level dialogue with all stakeholders, both public and private, right along the automotive value chain.

This cannot be managed by regional or national governments alone. Nor can it be achieved via a top-down approach from

²⁵⁷ Ardillo, A., Kempermann, H., Ewald, J., Fritsch, M., Koppel, O., Müller, B., Potinecke, T., and Zink, B., [Wirtschaftliche Bedeutung regionaler Automobilnetzwerke in Deutschland](#), 2021

the European level. In July 2021, a broad coalition of trade unions, employer organisations, car manufacturer associations and other stakeholders addressed the European Commission in an open letter, emphasising the need for a just transition framework for the automotive and supply industry²⁵⁸.

In its opinion on the legislative proposal on strengthened CO2 emission standards, the Committee of the Regions called for a just transition mechanism with relevant policy and budgetary initiatives to address the regional transformation process²⁵⁹. In June 2022, the Automotive Regions Alliance was created, emphasising that this transformation in road transport and the automotive sector will be fair and successfully implemented for our regions and the public, as well as for the companies along the entire value chain, guaranteeing that no region is left behind. This Alliance is a joint effort of the Committee of the Regions (including the Committee of the Regions' Automotive Intergroup) and the regions supporting the goals of the Alliance²⁶⁰.

Finally, the EU-wide framework of the Pact for Skills, and especially the Automotive Skills Alliance, which has important regional stakeholders among its partners, also stress the need to address the re-skilling and upskilling of workers in the sector²⁶¹.

All stakeholders emphasise that there needs to be a combined effort. A European framework should be the basis on which to prepare legal certainty for the transition and it should provide not only policy guidance but also budgetary support. The transition needs to be managed on a na-

tional and regional level, with just transition plans to guarantee cohesion and ensure that no region is left behind.

The plans need to be developed at a regional level. The transformation will affect regions differently, accordingly to the size, volume and structure of their automotive value chains. Regions will therefore face different challenges and need different adaptation strategies.

This transition will need to be accompanied by appropriate assessment and effective policy planning and budgetary action. The starting point for it needs to be a detailed impact assessment at the regional level. National and regional authorities must assess the regional needs and develop the specific strategies, especially aimed at re-skilling and upskilling. In particular, the preparation for the transition needs to target small and medium-sized companies in the regions, especially in preparing their employees for the transition to a green and digital economy and in undertaking retraining and further training.

And finally, the European framework and the regional strategies need to be implemented and supported with dedicated budget lines for the automotive transition. The ESF+ and the European Globalisation Adjustment Fund could be key instruments in this respect. They need to focus on those regions that are particularly affected by industrial change in the automotive and supplier industries.

Best practice example for a regional transformation strategy:

THE TRAUTOM PROJECT

TRANSFORMATION OF THE MORAVIA-SILESIA REGION: NEW SKILLS FOR A JUST TRANSITION

The TRAUTOM project is a best-practice example of a regional multi-level dialogue strategy for a regional transformation using the Just Transition Fund mechanism (€20 million budget from 2023-2027). It aims at establishing and maintaining a regional up-/re-skilling system. The project includes 88 partners from the Moravia-Silesia region, which is a key automotive cluster in Czechia (30 000 employees out of a total of 140 000). The project will bring together key national stakeholders involved in the automotive Ecosystem partners, including OEMs and tier 1 suppliers.

Its objectives are to:

- *build a sustainable multi-level collaboration framework (industry, education and training providers, regional authorities, social partners) for continuous education and training at a regional level;*
- *provide a one-stop-shop service for companies, as well as careers guidance and training plan support through continuous skills intelligence gathering and mapping;*
- *cross-regional collaboration with similar European projects/initiatives and other relevant stakeholders and regions to share best practices and pool resources;*
- *up- and re-skill 5000 people in an initial pilot phase.*

The project is committed to the "Pact for Skills" and especially the large-scale partnership in the automotive-mobility ecosystem, the Automotive Skills Alliance. It will directly support the industry and the workforce in the region in three main industrial areas: automotive, steel and energy. It represents a multi-level governance approach to managing the transformation

258 <https://www.ituc-csi.org/letter-to-eu-commission-urgent>.

259 <https://cor.europa.eu/en/our-work/Pages/OpinionTimeline.aspx?opId=CDR-4913-2021>.

260 <https://cor.europa.eu/en/et/engage/Pages/Automotive-Regions-Alliance.aspx>.

261 <https://automotive-skills-alliance.eu/>.

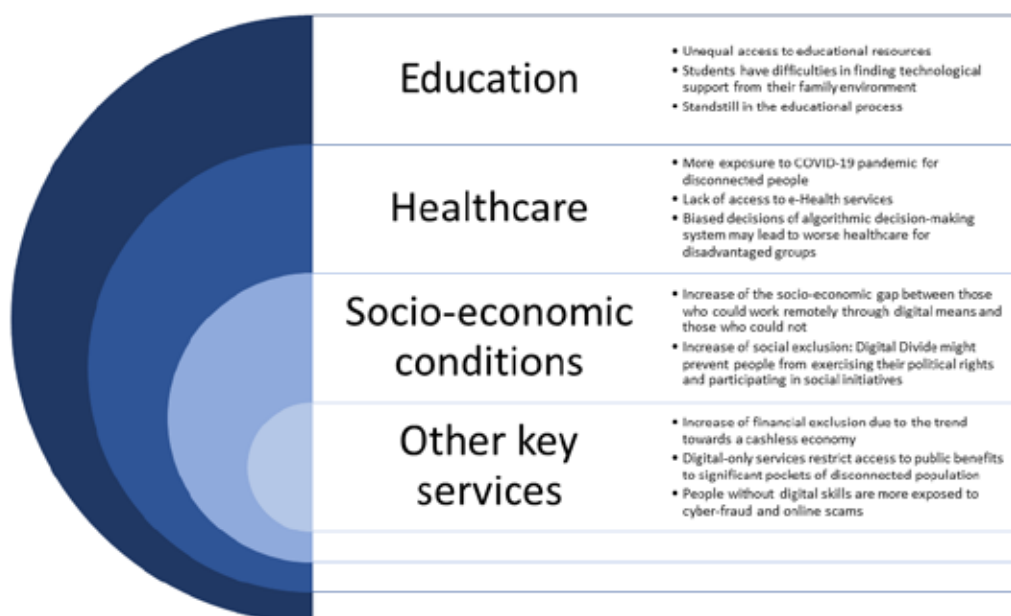
C. Growing digital divides in the EU and how to bridge them

“Digital inequalities are intrinsically associated with social and economic inequalities, feeding back into each other”²⁶². The lack of access to technology and the ability to benefit from the opportunities that are offered by digital technology have come to bear crucial importance for the short, medium and long-term future of the EU.

While previous editions of the EU annual regional and local Barometer ²⁶³ focused on the acceleration of the digital transformation as a result of the COVID-19 pandemic, and on the subsequent need to keep this momentum going and inclusive, recent data have shown that digital divides

that existed before the pandemic have been further accentuated in recent years.

Most studies agree that “the pandemic has not led to the emergence of new causes but has aggravated, in some cases significantly, the existing ones”²⁶⁴. These digital divides may not only jeopardise the achievement of the targets of the EU’s Digital Decade, which have been set for 2030. They are also likely to have an impact on a range of public services that are provided at local level and may result in negative trends in the socio-economic situation of EU citizens.



Examples for local public services that are impacted by Digital Divides

Figure IV-C-1 _ IClaves and Esade, *Study on post Covid measures to close the digital divide Final Report*, 2021

The expectations of EU citizens with respect to digitalisation are important to note here: only almost half of EU citizens expect that use of the internet and digital skills will bring them more advantages than disadvantages in 2030, which clearly demonstrates citizens’ concerns regarding their digitalised future. The pattern of responses broken down by Member States also points to differences be-

tween southern/eastern and northern/western countries. In ten countries, more than half of the respondents expect the use of digital tools and the internet to bring them more advantages than disadvantages, most notably in Finland (67%), Denmark (63%), and Sweden (62%). Respondents are least likely to think this way in Romania (25%), Greece (28%), and France (29%)²⁶⁵.

1. Definitions of digital divide(s) and digital cohesion

In 2001, the OECD defined the digital divide as “the gap between individuals, households, businesses and geographic areas at different socio-economic levels with regard both to their opportunities to access information and communication technologies (ICT) and to their use of the internet for a wide variety of activities”²⁶⁶. While technology has evolved since then, this definition is still valid and digital divides, used in the plural form, can be linked to variables

such as geography/territory (rural and urban areas), gender, age, skill level, firm size, vulnerability of social groups, and quality of technology and equipment.

²⁶² IClaves and Esade, *Study on post Covid measures to close the digital divide. Final Report*, 2021, p. 16.

²⁶³ Committee of the Regions, *2020 EU Regional and Local Barometer*, 2020 and Committee of the Regions, *2021 EU Regional and Local Barometer*, 2021.

²⁶⁴ IClaves and Esade, *Study on post Covid measures to close the digital divide. Final Report*, 2021, p. 15.

²⁶⁵ European Commission, *Special Eurobarometer 518. Report on Digital Rights and Principles*, 2021.

²⁶⁶ Organisation for Economic Cooperation and Development, *Understanding the digital divide*, 2001, p. 5.



Overview of digital divides in the EU

Figure IV-C-1-1 _ European Committee of the Regions considerations and Fontana, S., Bisogni, F., Cavallini, S. and Soldi, R., Territorial foresight study in addressing the digital divide and promoting digital cohesion. Final Report, 2022

In 2022, the Committee of the Regions has continued to analyse the evidence for digital divides and for an uneven digital transformation across the EU. This complements data from the

previous EU annual regional and local Barometer reports and follows the four cardinal points of the EU's Digital Compass²⁶⁷:



2030 EU Digital Compass

Figure IV-C-1-2 _ European Commission, 2030 EU Digital Compass

2. Digital divide in skills

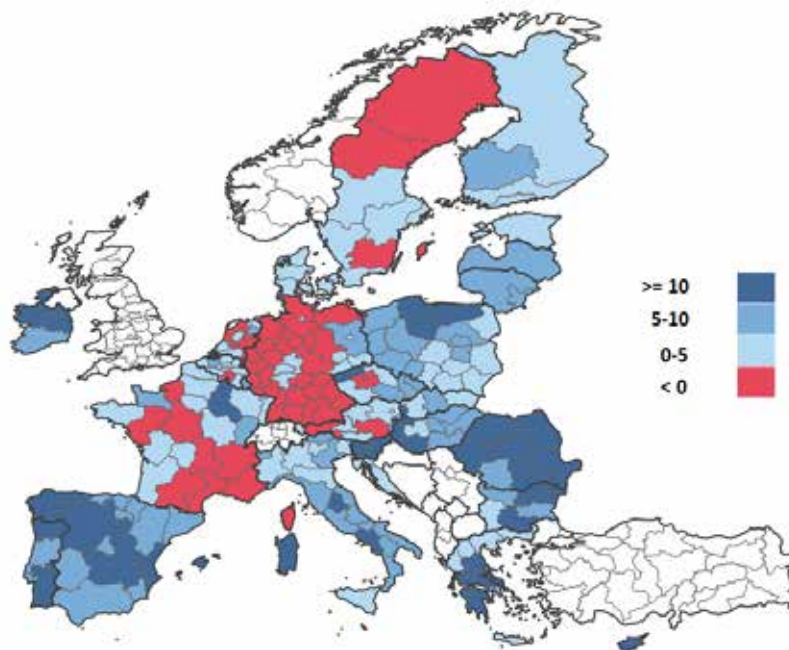
The proxy used for measuring digital skills at subnational level is individuals' ability to use the internet daily. Cavallini and Soldi already provided evidence for the digital divide across regions against this indicator²⁶⁸. While this divide continued to exist in 2021, several regions have improved their situation when compared with the respective pre-COVID-19 level. The 2021-2019 change is represented in Figure IV-C-2-1.

It can be seen that, in some countries, the pandemic boosted the daily use of the internet, with positive changes of over 10pp (e.g. Romania, Slovenia and several regions of Greece, Portugal and Spain). In other countries, such as Germany, France and Sweden, a reduction in daily internet use in 2021 compared to 2019 is evident (red colour). In 2019, the highest gap across European regions was of 47pp; in 2021, it reduced to 36pp²⁶⁹.

²⁶⁷ <https://futurium.ec.europa.eu/en/digital-compass/pages/about>.

²⁶⁸ Cavallini, S. and Soldi, R., *The state of digital transformation at regional level and COVID-19 induced changes to economy and business models, and their consequences for regions*, study commissioned by the Committee of the Regions, 2021.

²⁶⁹ Fontana, S., Bisogni, F., Cavallini, S. and Soldi, R., *Territorial foresight study in addressing the digital divide and promoting digital cohesion. Final Report*, study commissioned by the Committee of the Regions,



2021-2019 change of individuals using the internet daily (percentage points)

Figure IV-C-2-1 _ Map created by Progress Consulting S.r.l. on the basis of Eurostat data accessed in May 2022

No data for Åland, Kontinentalna Hrvatska and Mayotte. Data for Greece, Poland and Germany are at NUTS1 level

When considering Eurostat’s “Frequency of internet access: once a week (including every day)” indicator, the digital divide between rural and urban areas, in 2021, has almost been closed in Belgium, Ireland, Luxembourg and Denmark

(Figure IV-C-2-2). Peaks of the divide, however, can be found in Bulgaria, Greece, Portugal, Malta and Croatia, countries where the percentage of individuals accessing the internet at least once a week is at the lowest levels across the EU.

	2021		
	urban areas	towns and suburbs	rural areas
Ireland	99	96	98
Denmark	98	97	96
Luxembourg	97	98	96
Netherlands	93	94	96
Sweden	96	95	93
Finland	97	95	92
Belgium	91	92	90
Spain	93	91	89
Estonia	93	87	88
Latvia	92	90	87
Austria	92	90	87
Cyprus	91	95	86
Germany	91	88	87
France	91	88	87
Slovenia	90	88	86
Slovakia	92	88	84
Czechia	92	88	83
Hungary	92	87	82
Lithuania	89	87	82
Poland	89	84	79
Romania	87	84	76
Italy	83	80	76
Croatia	88	82	75
Malta	88	86	73
Portugal	85	80	70
Greece	83	81	64
Bulgaria	82	73	64

Percentage of individuals accessing internet at least once a week (including daily access)

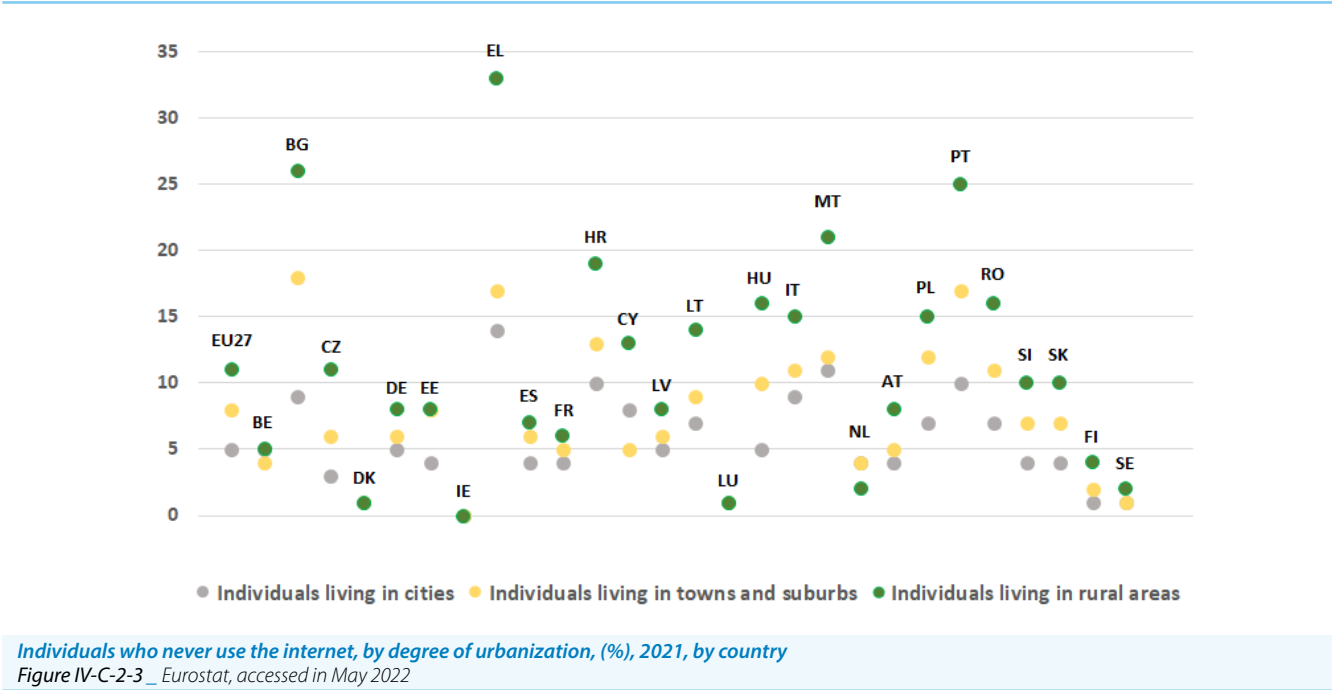
Figure IV-C-2-2 _ Eurostat, accessed in May 2022

In 2021, break in time series for Ireland and Germany

In terms of progress, data show that, since 2019, in the post-COVID-19 era the situation has slightly worsened in Germany, the Netherlands and Sweden, while it improved substantially in several other countries.

Notably, improvement is observed in many rural areas and in some of these areas the increase reached 10pp or more (e.g., Ireland, Romania, Bulgaria and Slovenia).

The majority of EU countries also demonstrate a significant rural-urban divide when it comes to the share of individuals who never use the internet (Figure IV-C-2-3). As broadband connectivity is guaranteed across the EU, there is thus a high amount of the population that could be reached by tailored digital inclusion policies. The highest divide is to be found in Bulgaria, Greece and Portugal. Denmark, Ireland and Luxembourg show no rural-urban divide and also have a negligible share of individuals never using the internet.



Examples of countries increasing the digital divide (2019-2021)

		urban areas	towns and suburbs	rural areas
Germany	2019	93	91	90
	2021	91	88	87
Netherlands	2019	96	95	96
	2021	93	94	96
Sweden	2019	95	96	94
	2021	96	95	93

Examples of countries reducing the digital divide (2019-2021)

		urban areas	towns and suburbs	rural areas
Ireland	2019	91	88	85
	2021	99	96	98
Slovenia	2019	86	84	76
	2021	90	88	86
Romania	2019	80	72	64
	2021	87	84	76
Bulgaria	2019	75	68	54
	2021	82	73	64

Percentage of individuals accessing internet at least once a week (including daily access) in 2019 and 2021
Figure IV-C-2-4 _ Eurostat, accessed in May 2022
In 2021, break in time series for Ireland and Germany

The European Parliamentary Research Service (EPRS) Demography Outlook 2022²⁷⁰ has also summarised evidence on a clear divide in the digital skills between southern/eastern and northern/western regions of the EU and be-

tween urban and rural areas: the three regions with the largest share of adults using the internet on a daily basis are capital regions from Scandinavia, with other largely ur-

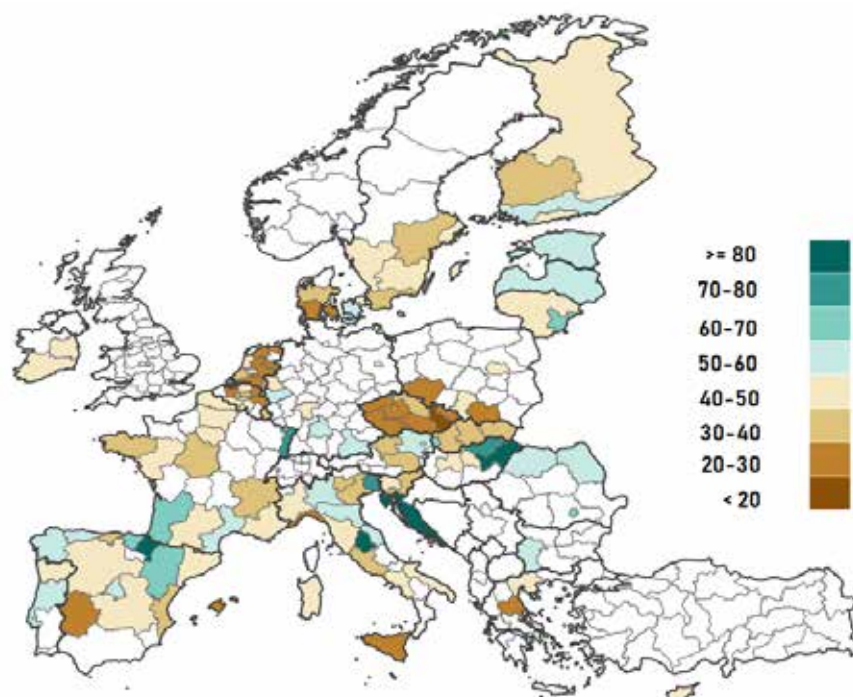
ban regions in many Member States witnessing particularly high levels of daily internet use among adults²⁷¹.

Additionally, the relatively low rates of daily internet use across many regions of France, with many of the regions in question predominantly rural areas, are in the Eurostat's year-book specifically explained by the urban/rural digital divide.

The “employment in the information and communication sector” can be used as a proxy of gender convergence in the digital skills domain, and shows the divide in the ratio of female employment versus male employment (Figure

IV-C-2-5). The indicator has very diverse values across regions and lacks a clear country-based pattern.

According to latest data (2021), the only region where the number of employed females aged 15-64 years is higher than the number of males is Észak-Alföld, in Hungary. Észak-Magyarország has also a high ratio (78%). Other regions where the ratio of employed females versus males is over 70% are the Chartered Community of Navarre in Spain (86%), Alsace in France (77%), and Friuli-Venezia Giulia in Italy (72%). In Italy, the divide has almost been closed in Umbria (94%).



Ratio of female vs. male employed in the I&C sector, %, 2021

Figure IV-C-2-5 _ Map created by Progress Consulting S.r.l. on the basis of Eurostat data, accessed in May 2022
Several data gaps (white colour)

Evidence relating to digital skills therefore shows that there are digital divides across regions according to different variables, such as geography and gender. It further demonstrates

that the COVID-19 pandemic has had a different impact across Europe, accelerating processes in some cases and stopping or reversing trends in other cases.

271 Eurostat, 2021 Regional Yearbook, 2021.

3. Digital divide in infrastructure

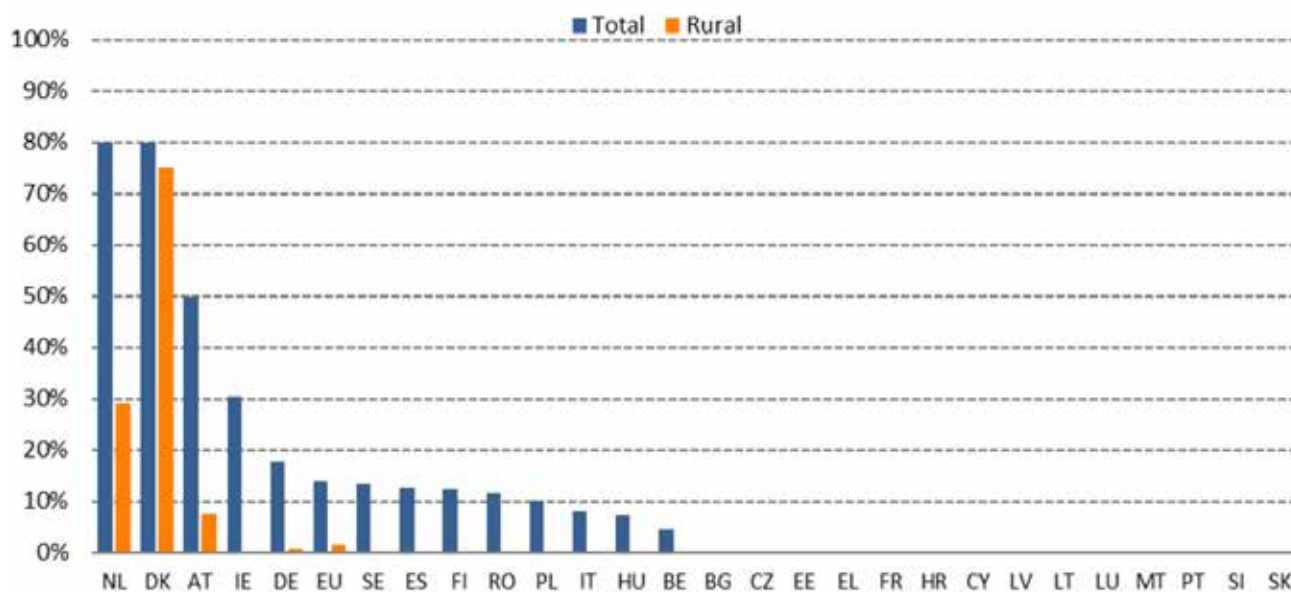
For a long time, the key focus on digital divides has been on connectivity. Here it is interesting to discover that the rural-urban digital gap has almost been closed for 4G mobile, but the deployment of all other digital infrastructure lags behind in rural areas. Since 2018, in rural areas, the growth rate of Next Generation Access coverage has increased more than in urban areas (Figure IV-C-3-1). In terms of Very High Connection Network coverage, the opposite has occurred (Figure IV-C-3-2).

5G connectivity, however, is a matter of concern. According to data from the 5G Observatory Quarterly Report 14²⁷², although commercial 5G is available in all 27 EU Member States, all current deployments in the Member States mainly cover major cities and urban areas, so rural areas are at risk of experiencing a digital divide²⁷³. In addition, only 17 of the 27 Member States are involved in the existing 12 5G cross-border corridors²⁷⁴.

	Fixed broadband	NGA ¹ broadband	VHCN ²	4G (LTE) mobile
Total	97.4%	87%	59%	99.7%
Rural	89.7%	60%	28%	98.6%

Overview of digital infrastructures coverage, total and rural, 2020, % of households

Figure IV-C-3-1 _ European Commission, DG CONNECT, 2021 (For 5G mobile, see Figure IV-C-3-2.)



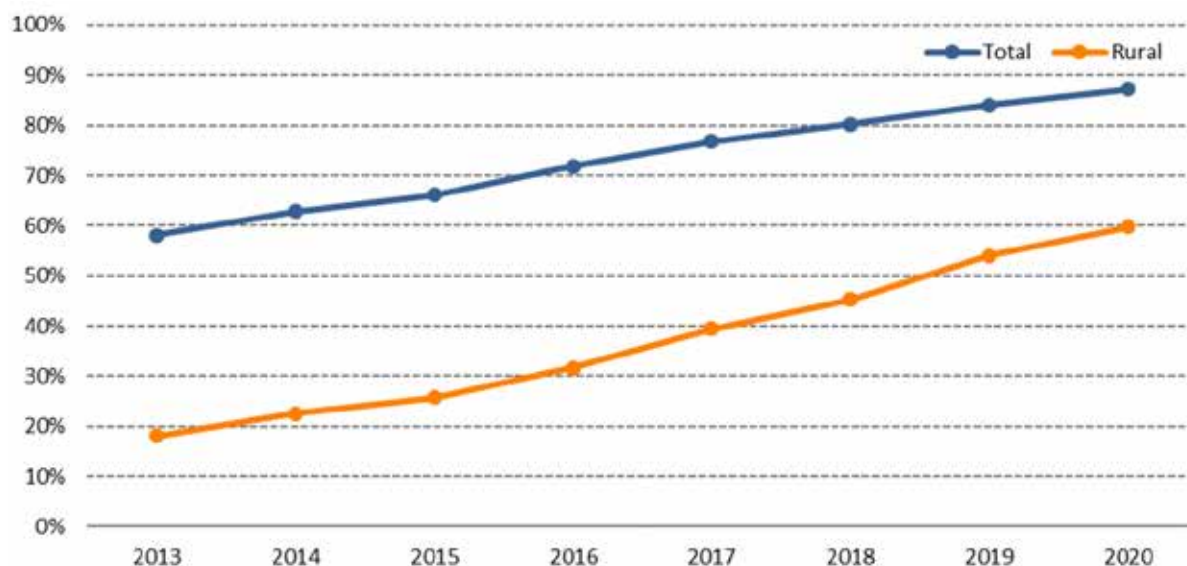
5G mobile coverage, % of populated areas, 2020

Figure IV-C-3-2 _ European Commission, DG CONNECT, 2021

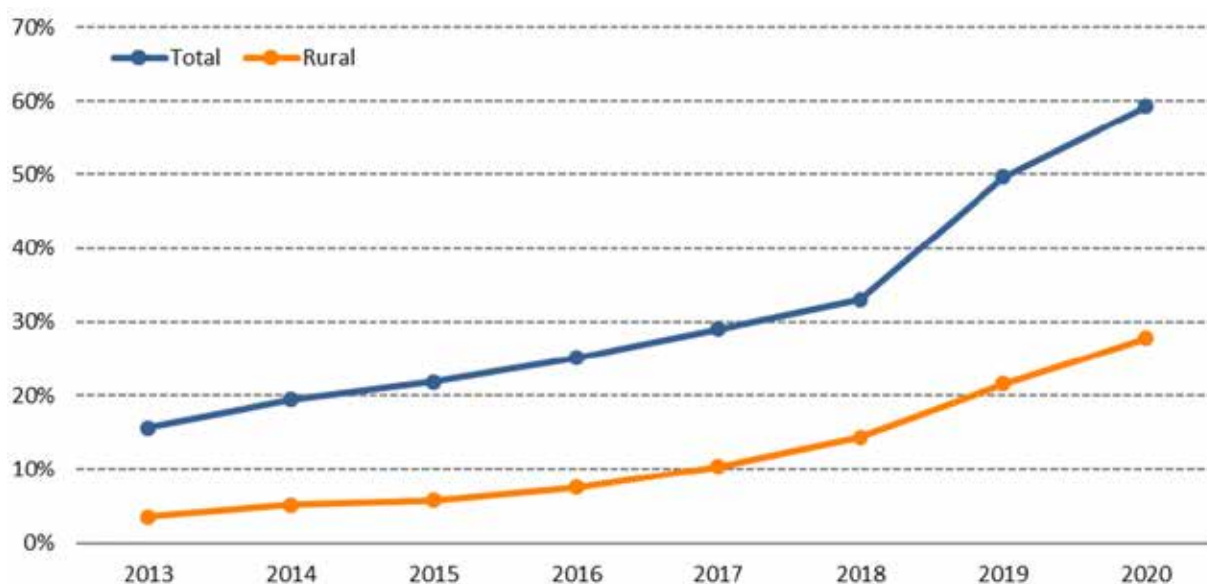
272 European Commission, *Quarterly Report of the European 5G Observatory*, 2022.

273 European Parliamentary Research Service, *Demographic Outlook for the European Union*, 2022.

274 *Ibid.*



NGA broadband coverage, % of households, 2013-2020, EU27
Figure IV-C-3-3 _ European Commission, DG CONNECT, 2021



Fixed VHCN coverage, % of households, 2013-2020, EU27
Figure IV-C-3-4 _ European Commission, DG CONNECT, 2021

4. Digital divide in the digital transformation of businesses

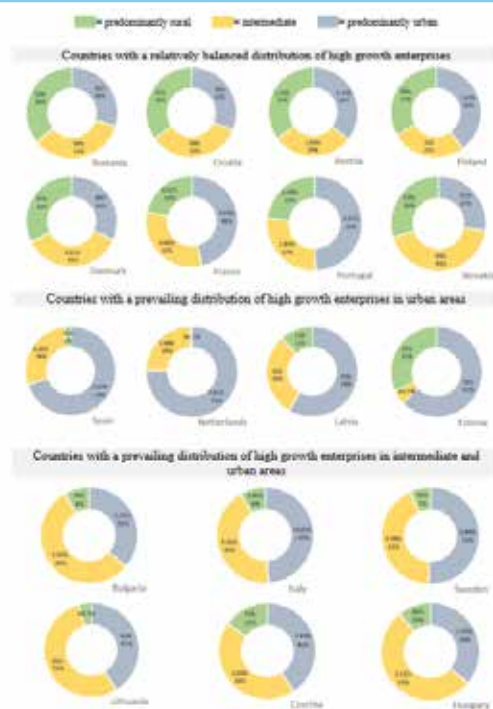
When trying to find information on the take-up of digital tools and services by businesses, we find that there is no equivalent to the digital intensity index²⁷⁵ at the regional level. The proxy proposed is therefore related to start-ups and concerns the share of high-growth enterprises by urbanisation level²⁷⁶. This proxy provides an indication of the geographical distribution, within a country, of high-growth enterprises where the growth is measured in employment terms²⁷⁷.

The proxy serves to identify a comparable number of high-growth businesses across rural, intermediate and urban areas in Romania, Croatia, Austria, Finland, Denmark, France, Portugal and Slovakia (Figure IV-C-4-1). A marked rural-urban divide in terms of distribution of high-growth enterprises can be detected in Bulgaria, Italy, Sweden, Lithuania, Czechia and Hungary. In Spain, the Netherlands, Latvia and Estonia, high-growth businesses are concentrated in urban areas. Estonia has a third of its high-growth enterprises located in rural areas.

²⁷⁵ Eurostat, [How digitalised are EU's enterprises?](#), 2021.

²⁷⁶ The limitation of this proxy indicator being that it is not possible to link the high growth of a business to its digital transformation, but whatever the reasons of high growth, this growth implies higher employment levels and benefits for the community.

²⁷⁷ Eurostat [defines](#) a high-growth enterprise as an enterprise with average annualised growth in number of employees greater than 10% per year over a three-year period ($t-3$ to t) and having at least 10 employees in the beginning of the growth ($t-3$).



High-growth enterprises, by urbanisation level, by country, 2018

Figure IV-C-4-1 _ Eurostat, accessed in May 2022

No data for BE, CY, DE, EL, IE, LU, PL, SI. Malta has only enterprises in predominantly urban areas

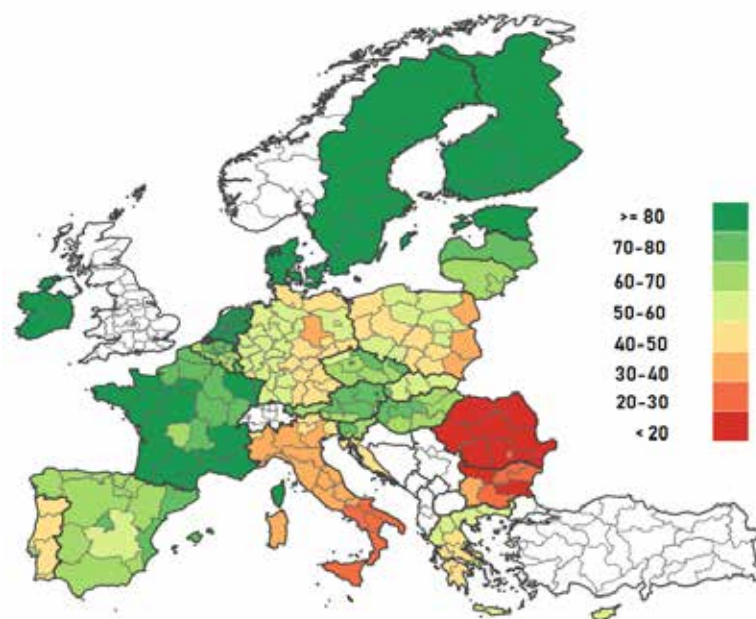
The digital divide in the digital transformation of business is exacerbated by the lack of ICT specialists in the EU: in

2020, 55% of enterprises reported difficulties in recruiting ICT specialists²⁷⁸.

5. Digital divide in the digitalisation of public services

For the “share of individuals who use the internet for interaction with public authorities” indicator, the maps below show the state of play of the indicator in 2021, the other

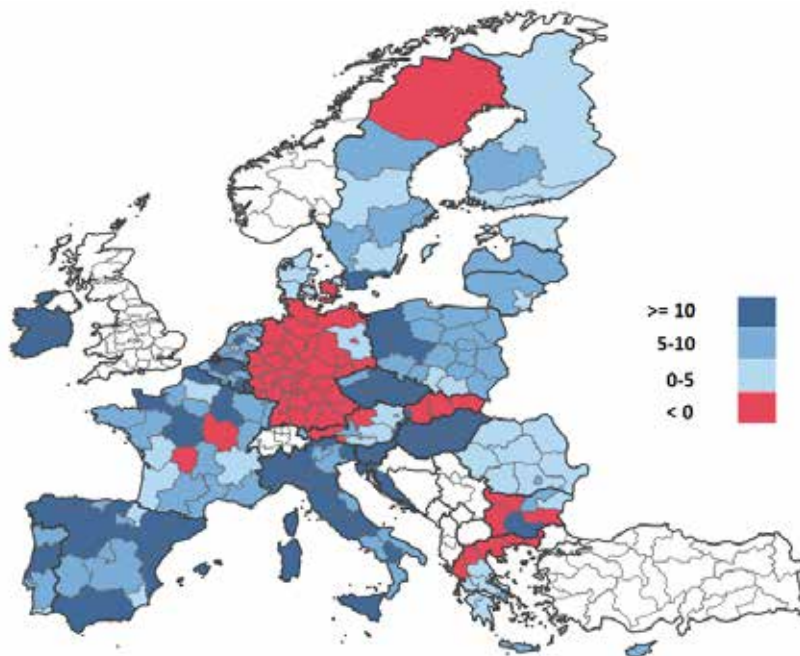
one comparing the pre-COVID-19 situation (2019) with the post-COVID-19 situation (2021)



Interacting with public authorities through the internet, % of individuals, 2021

Figure IV-C-5-1 _ Map created by Progress Consulting S.r.l. on the basis of Eurostat data, accessed in May 2022

No data for Åland, Mayotte and Kontinentalna Hrvatska; data for DE, EL and PL are at NUTS 1 level



2021-2019 change, individuals interacting with public authorities through the internet, p.p.

Figure IV-C-5-2 _ Map created by Progress Consulting S.r.l. on the basis of Eurostat data, accessed in May 2022
No data for Åland, Mayotte and Kontinentalna Hrvatska; data for DE, EL and PL are at NUTS 1 level

Figure IV-C-5-1 not only highlights how the divide is evident across countries, but also shows the divide across regions of the same country, such as in Italy, Germany and Poland. Figure IV-C-5-2 confirms the information reported in Figure IV-C-2-2 on the daily use of the internet by

individuals, showing that in some EU countries the share of people interacting with public authorities through the internet decreased in 2021 compared to pre-COVID-19 levels. Examples include almost all regions of Germany and Slovakia as well as several regions of Bulgaria.

6. Ways to bridge digital divides

The evidence above has provided information on the existing and developing digital divides across Europe and has clarified that achievements in one part of the Digital Compass must take into account its other parts. As an example, providing the best possible connectivity for a region may not help if the take-up side is not accounted for and businesses or individuals are not able to use the relevant technologies. These intervention interlinkages expand across policy fields – the impact of the digital divide on different sectors of public service provision has been shown above.

As digitalisation progresses further, there is a need to mainstream digital cohesion concerns across various policy fields and to employ digital readiness as a key baseline for the majority of policy areas. Further investigation is needed in order to analyse if and how progress in the achievement of territorial, social and economic cohesion has had positive side effects on cohesion in the digital domain, and vice versa.

A public debate on how to close the innovation and digital gap is necessary in order to take into account the digital rights in the overall cohesion objectives set out in the EU's Treaties, principles and policies. Achieving digital cohesion will mean overcoming the digital divides and guaranteeing the right of everyone to participate in the opportunities offered by the digital economy.

In order to enable a move from the assessment of progress in terms of digitalisation and digital transformation in Europe towards the development of digital cohesion across territories, a robust and comprehensive system of local digital indicators measuring digital maturity needs to be developed in order to serve as a background for decision-making. As the key actor in representing the needs of LRAs in terms of data and information, the Committee of the Regions is cooperating with the European Commission in this endeavour.

The rapidly worsening geopolitical context following the Russian invasion of Ukraine further strengthens the argument in favour of achieving digital cohesion within the EU. Only a society without gaps in access to and use of the latest technology can provide its citizens with the latest information as well as key support tools for those in need, such as those provided through digital platforms. Solid digital infrastructure will serve to reinforce cybersecurity and make digital societies resilient against outside attacks.

Digitalisation will play a key role in Europe's progress towards the long-term objective of a fair green and digital transition. Indeed, "if properly governed, digital technologies can help create a climate neutral, resource-efficient economy and society"²⁷⁹.

279 European Commission, [Communication on The 2022 Strategic Foresight Report. Twinning the green and digital transitions in the new geopolitical context](#), June 2022.

D. Partnerships for Regional Innovation

Nowadays, it is essential to ensure that the massive European investment, especially the short-term measures, is linked to long-term research and innovation (R&I) investment strategies, in order to reach the strategic objectives of the EU towards mastering the transformation agenda for a carbon-neutral economy and digital society.

More than two hundred regional strategies have been developed across Europe through public-private partnerships and these generally play a key role in providing the link between EU programmes and policy-making with a view to simultaneously promoting both territorial cohesion and competitiveness, thereby addressing both the challenge of promoting R&I excellence and avoiding an innovation divide by improving R&I policy governance throughout the EU.

The Partnerships for Regional Innovation aspire to become a strategic framework for innovation-driven territorial transformation, linking EU priorities with national

plans and place-based opportunities and challenges. The partnerships will be designed from a multi-level perspective, paying attention to the needs of local, regional and national policy makers and opening pathways for their closer alignment and cooperation. In particular, they aim to address two types of fragmentation that affect the EU innovation ecosystem: the fragmentation of funding instruments and policies in territories, and misalignments between regional/national and EU initiatives.

The main reference document underpinning the Partnerships for Regional Innovation (PRI) pilot action is the Partnerships for Regional Innovation Playbook²⁸⁰. This has been developed by the Joint Research Centre of the European Commission, with the support of a scientific committee of recognised experts and centred on a selection of practical policy tools. This initial edition showcases proven tools, inspired by leading innovation policy practice across Europe and the rest of the world.

1. The definition and rationale of the Partnerships for Regional Innovation

PRIs are a strategic framework for innovation-driven territorial transformation, linking EU priorities to place-based opportunities and challenges. The partnerships involve a complementary approach that builds on positive experience with Smart Specialisation Strategies. Smart specialisation is a place-based approach emerging from the EU's cohesion policy, aimed at identifying strategic areas for intervention, based both on the analysis of the strengths and potential of the economy and on EDP with wide stakeholder involvement. Smart specialisation is focused on innovation and has a major role to play in supporting research and innovation in order to ensure the sustainable and resilient development of all regions in Europe²⁸¹.

According to a recent Joint Research Centre report, a strength of the current generation of smart specialisation and regional innovation strategies is its "systemic approach to innovation process and good understanding of unique regional assets and capabilities". However, it suffers from weakness regarding the "consideration of a wider socio-economic and socio-ecological system and limited focus on analysing regional impacts of global challenges"²⁸².

Moreover, there is a "lack of coordination mechanisms between regions and other governance levels to address sustainability challenges in a collaborative way"²⁸³.

The main aim of PRIs is to test tools to enhance the coordination and directionality of regional, national and EU innovation policies in order to implement Europe's green and digital transitions and tackle the innovation divide in the EU. According to the playbook developed by the Joint Research Centre, PRIs are fully aligned with the socio-economic transformation logic underpinning the Green Deal, and can effectively support its objectives in every territory.

PRIs can support the implementation of the RRF at territorial level.

The New European Innovation Agenda, adopted on 5 July 2022, aims to position Europe at the forefront of the new wave of deep tech innovation and start-ups. Moreover, fostering connected regional deep-tech innovation valleys across the EU. In this context, promoting innovation ecosystems and tackling the innovation divide across the EU is a priority and the current Partnerships for Regional Innovation prefigure a broader flagship aiming to enhance the coordination and directionality of their R&I investment and policies, at regional level.

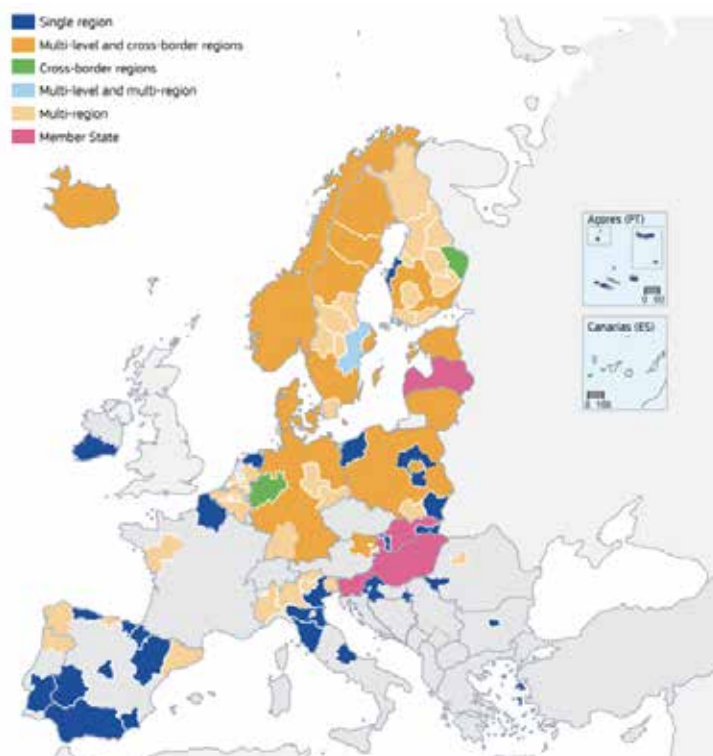
Moreover, the new EU missions offer a tangible opportunity for multi-level governance whereby the new PRIs can play a catalyst and coordinating role at territorial level. Indeed, four of the five EU missions (Climate adaptation, Oceans and waters, Soil and food, and Climate-neutral cities) are place-based. This will open up new opportunities for regions and countries participating in the missions to strengthen place-based innovation clusters, up-scale local innovation, and access innovation funding, international networking and inter-regional collaboration in line with the PRIs.

²⁸⁰ <https://s3platform.jrc.ec.europa.eu/pri-playbook#fragment-89005-agna>.

²⁸¹ <https://www.interregeurope.eu/news-and-events/news/smart-specialisation-strategies-past-and-future-perspectives>.

²⁸² Joint Research Centre, Addressing sustainability challenges and Sustainable Development Goals via Smart Specialisation, 2021, pp. 13-14.

²⁸³ Ibid, p. 18.



2021-2019 change, individuals interacting with public authorities through the internet, p.p.
Figure IV-D-1-1 – Participation in the Pilot Action on Partnerships for Regional Innovation²⁸⁴

2. The role of the Committee of the Regions

The Joint Action Plan between the Committee of the Regions and the European Commission²⁸⁵ covers four priority areas of collaboration, and smart specialisation, focused on the Joint Research Centre's platform for smart specialisation, belongs to Priority A, "No one left behind, evidence-based policy-making in the Regions".

In short, the Joint Action Plan, established in 2020, aims to provide regions and cities with the latest data and knowledge and to help them tackle innovation divide and brain drain, address educational inequalities and deliver on the EU's political priorities, such as the Green Deal.

On 15 April 2021, a joint online workshop was held. The participants highlighted the role of regional Smart Specialisation Strategies as a cornerstone of EU policies, from the post-pandemic recovery plans to the delivery of the European Green Deal, the digital transition, and the SDGs²⁸⁶.

During the visit of the president of the Committee of the Regions to the Joint Research Centre on 22 June 2021, the EU's "Smart Specialisation Strategies for Sustainability" pilot initiative was launched. The initiative represents an update to the regional Smart Specialisation Strategies (S3), with a stronger focus on sustainability. On this occasion, the president of the Committee of the Regions stressed that improved synergies between EU policies and pro-

grammes were needed in order to strengthen the recovery, sustainable growth, digitalisation and job creation in regions and cities²⁸⁷.

Reciprocal commitment to the PRI pilot initiative was subsequently reaffirmed in official correspondence between the president of the Committee of the Regions and Commissioners Ferreira and Gabriel during the second half of 2021. It was agreed to undertake a joint pilot action involving the Committee of Regions and the Joint Research Centre with a limited number of regions, in order to test the PRI concept and further develop this methodology based on practical experimentation on the ground and co-creation with the regions that volunteered.

The 2021 monitoring report on the Joint Action Plan stressed that, further to the joint Committee of the Regions – Joint Research Centre webinar on 15 April 2021, the idea of a joint pilot initiative on S4 (including the sustainability dimension in Smart Specialisation) had been proposed²⁸⁸.

In March 2022, the Committee of the Regions launched a call for regions or networks of regions, including other territorial levels, to express their interest in participating in the pilot action on Partnerships for Regional Innovation. By the end of April 2022, 39 applications had been approved for participation in the pilot action.

²⁸⁴ JRC 2022, *Partnerships for Regional Innovation PLAYBOOK - EXECUTIVE BRIEF*.

²⁸⁵ This Joint Action Plan was signed in November 2020 by Commissioner Gabriel, the president of the Committee of the Regions Mr Titzikostas, and the SEDEC chair Mr Karjalainen. On the European Commission side, the Director-General for Research and Innovation, as well as the Joint Research Centre were involved.

²⁸⁶ <https://cor.europa.eu/en/news/Pages/Smart-specialisation-strategies-as-a-cornerstone-of-EU-policies.aspx>.

²⁸⁷ <https://cor.europa.eu/en/news/Pages/Smart-Specialisation-Strategies-for-Sustainability-in-EU-regions.aspx>.

²⁸⁸ Committee of the Regions and European Commission, *First yearly monitoring of the Joint Action Plan*, 2021.

The pilot action will involve 63 regions in total, some participating individually, others as members of networks, plus seven cities and four EU Member States. Over the course of a year, they will test the tools in the playbook and “co-create” the methodology for eventual deployment across the EU. They get no additional funding for doing this, but can call on the European Commission and the Joint Research Centre for advice and support²⁸⁹.

On 17 May 2022, the European Commission and the Committee of the Regions held the launch event of the pilot action on Partnerships for Regional Innovation. During this

event, the participants in the pilot action expressed their intention of sharing good practices and co-developing and testing tools to mobilise multiple sources of funding and policies, as well as connecting regional and national programmes to EU initiatives for the green and digital transformations. This work will feed into the new Innovation Agenda for Europe, where innovation drives the transformation towards sustainability, connecting local strategies with EU-level initiatives²⁹⁰.

289 <https://3platform.jrc.ec.europa.eu/prl-map>.

290 <https://cor.europa.eu/en/news/Pages/Partnerships-for-Regional-Innovation.aspx>.

Chapter V – Social Dimension of the EU in a post-COVID-19 pandemic era

Key Messages:

Rising inequalities, rampant inflation, dramatic changes in work due to the digital and green transition, persisting underperformance in many countries when it comes to employment rates, skills development and high youth unemployment, are just a few of the challenges for the EU.

With its European Pillar of Social Rights, the EU has set a clear benchmark for achieving a Social Union. On the initiative of the Committee of the Regions, the European Commission has also started to monitor the social situation at regional level²⁹¹. This is now more important than ever given the big social divide in a single Member State; national averages do not capture the real situation on the ground.

While it is obvious that data provision on the social situation in Europe was never as good as it is today, the same cannot be said for the rate of implementation of the policies needed to achieve a social Europe.

The COVID-19 pandemic and the war in Ukraine have only worsened the situation with rising energy and food prices, limited housing and lack of access to education.

The fight against child poverty also deserves specific attention, as recent data show.

Key figures:

- Around 9% of people aged 25-64 were engaged in lifelong learning in 2020. In the years 2018-2020, the proportion was highest in more developed and transition regions, at 13%, compared to just 5% in less developed regions. This represents only a portion of national trends. In less developed regions, the number remained unchanged from 2011 to 2013, indicating no rise throughout the seven-year period²⁹².
- In 2020, men (aged 20-64) had a somewhat higher employment rate than women (78% compared to 67%), and the disparity has remained stable in recent years (at least since the recovery started in 2013). Gender disparity was especially significant in less developed countries (17 pp in 2020) and in southern and eastern EU nations (15 pp in both)²⁹³.
- In 2019, approximately 91 million people (20% of the EU population) were at risk of poverty or social exclusion. Rural regions had a slightly higher percentage (22%) than cities (21%) and towns and suburbs (19%), although this fell in all three scenarios between 2012 and 2019²⁹⁴.
- While many cities in the north-western EU have a high GDP per capita, many of them also have significant levels of inequality, as seen by greater poverty rates, higher concentrations of deprivation, and more households with low work intensity than in other areas²⁹⁵.

²⁹¹ <https://ec.europa.eu/eurostat/web/european-pillar-of-social-rights/indicators/data-by-region>.

²⁹² European Commission, *Cohesion in Europe towards 2050, Eighth report on economic social and territorial cohesion*, 2022.

²⁹³ *Ibid.*

²⁹⁴ *Ibid.*

²⁹⁵ *Ibid.*

A. Implementing the European Pillar of Social Rights

The EU set three headline targets for 2030 on employment, skills and poverty reduction, as presented in the European Pillar of Social Rights Action Plan²⁹⁶. The three targets will help steer action towards a job-rich recovery and development model, with lifelong learning supporting workers in making the most of economic and societal transformations, while fighting poverty and social exclusion in the EU and contributing to achieving the SDGs. They are set at ambitious, yet realistic levels, taking into account the socio-economic context, wider trends and the planned reforms and investments, including under the RRF.

Based on the agreed targets, by 2030 in the EU:

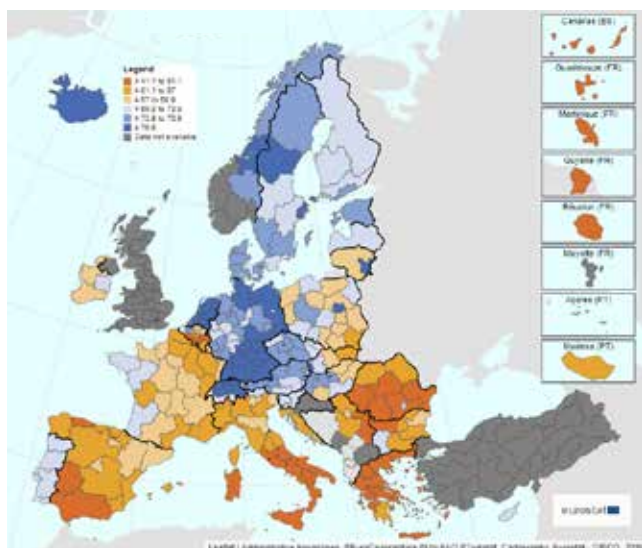
- at least 78% of the population aged 20 to 64 should be in employment;
- at least 60% of adults (25-64) should participate in training every year;
- the number of people at risk of poverty or social exclusion should be reduced by at least 15 million.

In 2021, the employment rate in the EU rose to 73.1% from 71.7% in 2020; the EU economy created more than 5.2 million

jobs and attracted nearly 3.5 million more people into the labour market. For the year 2021 as a whole, total employment increased by 1.2% in the EU and 1.1% in the euro area. This follows a decline of 1.4% and 1.5%, respectively, in 2020.

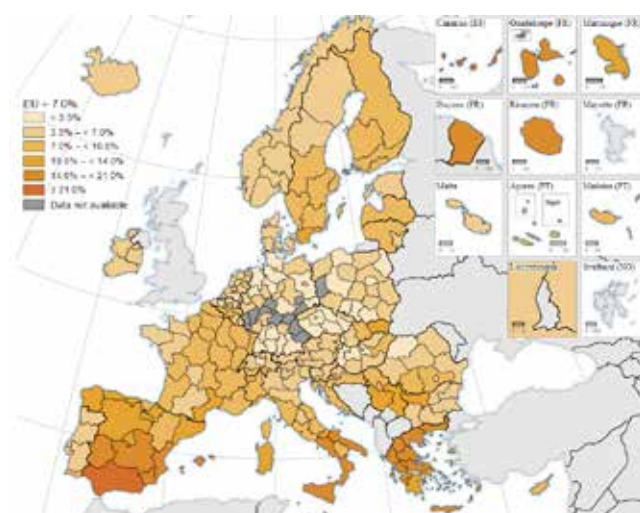
It is worth noting though that in 2021, recovery in hours worked lagged behind headcount employment, suggesting remaining underutilisation of labour²⁹⁷. Labour market conditions are expected to improve further over the forecast horizon, with the gradual lifting of pandemic restrictions and the recovery of sectors that were disproportionately hit during the pandemic (e.g. construction).

At the same time, the unemployment rate decreased slightly, from 7.2% in 2020 to 7% in 2021. In January 2022, it stood at 6.2% in the EU and 6.8% in the euro area, 0.3 pp and 0.4 pp, respectively, lower than the previous record level in March 2020. There were 13.3 million unemployed people in the EU and 11.2 million in the euro area in October 2021, respectively 2.5 million and 2.1 million less than in January 2021²⁹⁸. Unemployment rates in the EU are forecast to decline further, to 6.7% this year and 6.5% in 2023. People fleeing the war in Ukraine to the EU are expected to enter labour markets gradually, with tangible effects only from next year²⁹⁹.



Employment rates, 2021

Figure V-A-1 _ Eurostat, accessed in May 2022
Data not available due to very low reliability



Unemployment rate (Share of labour force aged 15-74 by NUTS2 regions), 2021

Figure V-A-2 Eurostat, accessed in May 2022

296 https://ec.europa.eu/info/strategy/priorities-2019-2024/economy-works-people/jobs-growth-and-investment/european-pillar-social-rights/european-pillar-social-rights-action-plan_en.

European Commission, [Spring 2022 Economic Forecast](https://ec.europa.eu/info/strategy/priorities-2019-2024/economic-growth-and-employment), 2022.

European Commission, [Employment and Social Developments in Europe, Quarterly Review](#), 2022.

European Commission. [Spring 2022 Economic Forecast](#). 2022.

In the EU, compensation of employees per head is forecast to increase by 3.9% this year and by 3.6% the next. As in 2021, these growth rates are well above those recorded in previous years but fall short of the surge in inflation. Consequently, this year real wages are expected to decline, before increasing moderately next year.

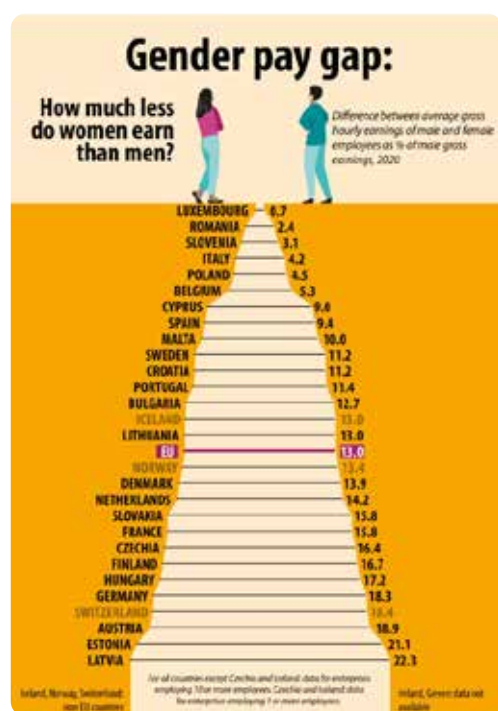
Against the background of soaring production costs and increased economic uncertainty, concerns about job security rather than pay increases are likely to continue to have the upper hand in wage deals. Real household disposable income is set to decrease by 2.8% in 2022, despite increased social spending to support people fleeing the war and transfers to offset high energy prices. In 2023, it is set to recover by around 1%³⁰⁰.

Headline inflation in the euro area surged to 7.5% (year-on-year) in April, the highest rate in the history of the monetary union and almost double its previous peak in mid-2008. Inflation in the euro area is projected at 6.1% in 2022, before falling to 2.7% in 2023³⁰¹. Energy and food prices have

increased substantially, while inflationary pressures are also picking up in non-energy industrial goods and services.

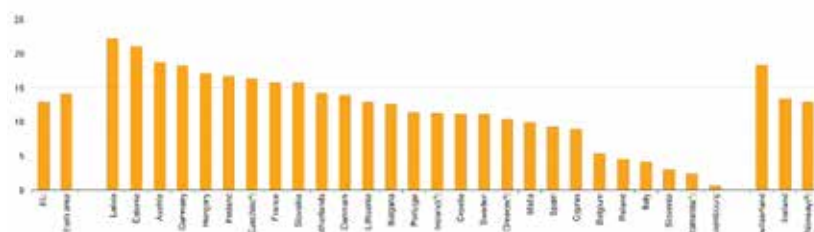
The war in Ukraine is exacerbating this situation. Prices surged as Russia stopped supplying some Member States with gas, leading Europe to search for supplies elsewhere and forcing Europeans to pay more for their petrol and household heating. Higher energy prices are also a challenge for industry, which consumes large quantities of Russian gas. Furthermore, the combination of declining food exports and higher food prices poses a major risk for food security in some of the most vulnerable societies and countries in the world, further aggravating a situation that had already deteriorated due to pandemic-related food supply issues³⁰².

The gender pay gap remains a concern for the EU labour market. For the economy as a whole, in 2020, women's gross hourly earnings were on average 13% below those of men in the EU, and 14.1% in the euro area. Across Member States, the gender pay gap varied by 21.6 pp, ranging from 0.7% in Luxembourg to 22.3% in Latvia³⁰³.



Gender pay gap, 2020

Figure V-A-3 _ Eurostat, accessed in May 2022



Unadjusted pay gap, 2020

Figure V-A-4 _ Eurostat, accessed in May 2022

The gender pay gap is generally much lower for new labour market entrants and tends to widen with age. However, such differences between age groups can have different patterns across the countries. The gender pay gap might increase with age as a result of career interruptions women may experience during their working life. Furthermore, only 67% of women in the EU are employed (compared to 78% of men) and their pensions are 30.1% lower than those of men. Moreover, 75% of unpaid care and domestic work in the EU is done by women³⁰⁴.

The COVID-19 pandemic has put Member States' health and long-term care systems under unprecedented stress. Our healthcare systems' crisis response capabilities have often been put under strain, and existing structural challenges related to the effectiveness, accessibility and resilience of healthcare have been exacerbated.

Furthermore, long-term care systems have also been strongly affected by the pandemic, due to users' and staff

300 Ibid.

301 Ibid.

302 The World Food Programme estimates that acute hunger could rise to affect an additional 47 million people in the 81 countries it monitors, as a result of Russia's war on Ukraine.

303 Eurostat, [Gender pay gap in unadjusted form](#). Online data code: SDG_05_20.

304 European Commission, [Striving for a Union of Equality: The Gender Equality Strategy 2020-2025](#), 2020.

members' high vulnerability to COVID-19. Health and care are becoming the focus of EU policies through ongoing programmes (EU Strategic Framework on Health and Safety at Work 2021) or programmes that are about to be launched (New European Care Strategy, improving health & safety at work – protecting workers from asbestos exposure etc.).

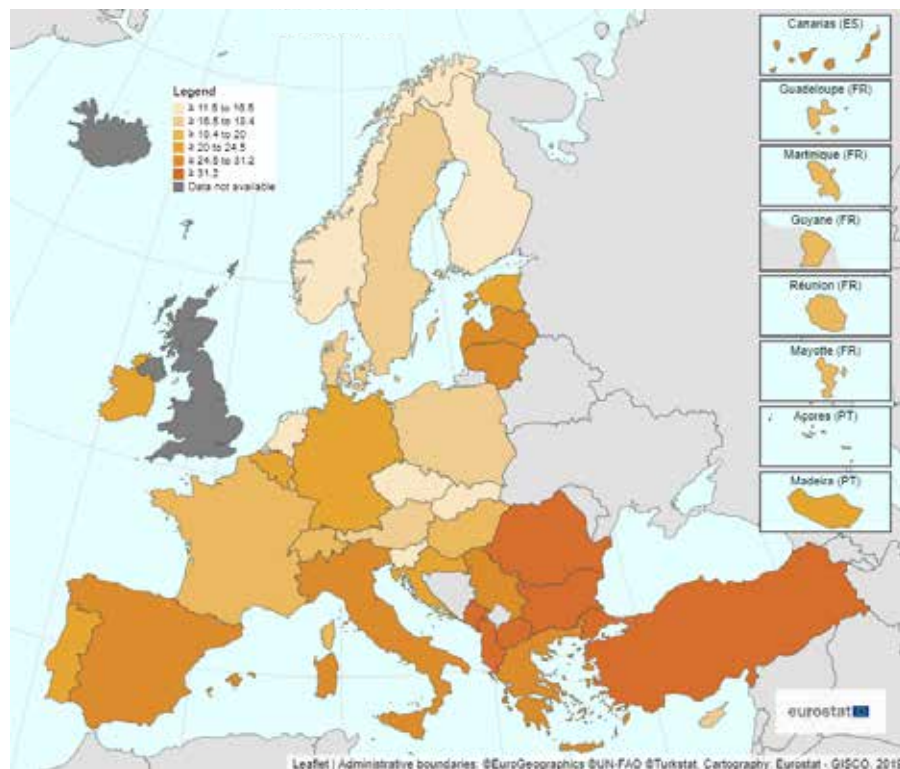
In addition, challenges concerning mental health, stress and the right to disconnect are now part of the discussion. The EU's renewed focus in the field of healthcare will culminate in the relevant Swedish Presidency's Summit in 2023.

Despite a decline over the past decade, around 91 million people were at risk of poverty or social exclusion in 2019 in the EU. To address this problem, the EU set a target of reducing this number by at least 15 million by 2030. The

COVID-19 pandemic has put additional pressure on social systems and worsened citizens' social wellbeing.

The loss varies across the EU Member States, heavily impacting the most vulnerable groups. Young workers (16-34 years old) face the highest risk of poverty. Among Member States, a significant increase in the at-risk-of poverty rate is noted in Portugal, Greece, Spain, Italy, Ireland, Slovenia, Bulgaria, Austria and Sweden³⁰⁵.

The Eurostat data also show that median disposable income and the risk-of-poverty rate remain stable overall in the EU, as social benefits and short-time work schemes could alleviate the pandemic's effects (employment income decreases were partly compensated by social policy interventions). Short-time work schemes have played a key role in preserving employment and alleviating the pandemic's negative impact³⁰⁶.



At risk of poverty and social exclusion, 2020
Figure V-A-5 _ Eurostat, accessed in May 2022

To reverse the situation and reach the headline target of reducing this number by at least 15 million by 2030, the EU has implemented a mix of policies and actions that are either ongoing (the European Platform on Combating Homelessness³⁰⁷ and the Directive on adequate minimum wages³⁰⁸) or that will be launched in the near future (Recommendation on minimum income³⁰⁹).

305 Organised in order of magnitude.

306 European Parliamentary Research Service, *Improving the quality of public spending in Europe: social policy*, April 2022.

307 <https://ec.europa.eu/social/main.jsp?catId=1550&langId=en>.

308 European Commission, *Proposal for a Directive of the European Parliament and of the Council on adequate minimum wages in the European Union*, 2020.

309 https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13294-Recommendation-on-minimum-income_en.

B. Combatting child poverty

1. Child poverty in the EU

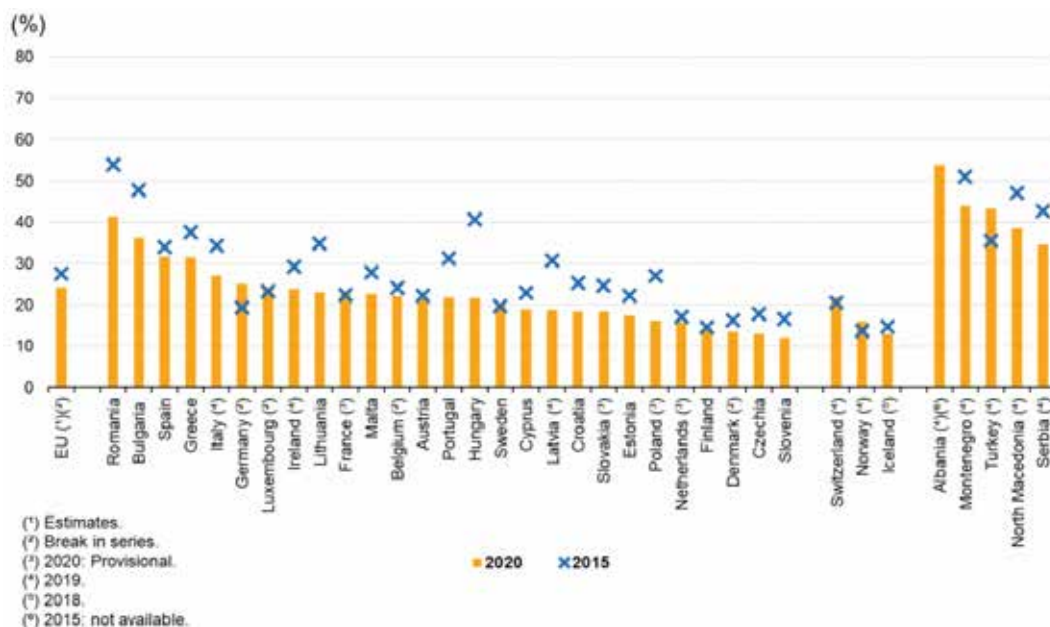
In 2020, nearly 18 million children were at risk of falling into poverty or social exclusion in the EU, constituting the most vulnerable age group in the European population, with a greater risk of poverty or social exclusion than other age groups, including the elderly³¹⁰.

Child poverty represents a challenge across many Member States and can have a big impact on opportunities later in life, for example by increasing the risk of unemployment and poverty as an adult³¹¹. Therefore, tackling disadvantages from early years is a cost-effective investment, including from a long-term perspective, as it contributes to the economy and society through better future integration into the labour market and social life, and improvement in the school-to-work transition.

Between 2008 and 2012, before the European Child Guarantee policy was designed, the percentage of children at

risk of poverty and social exclusion rose from 26.5% to 28% in the EU. It therefore became urgent to tackle this issue at EU level, with the hope of breaking the intergenerational cycle of poverty and reducing social inequality through measures aimed at ensuring access to basic services for every child, including free healthcare, education, early childhood education and care, decent housing and adequate nutrition³¹².

Since the implementation of the European Child Guarantee, the percentage of children at risk of poverty and social exclusion slightly declined, reaching 24.2% in 2020³¹³, equating approximately to 1 in 4 children in the EU, although it is not possible to attribute this decrease to the recommendation, as the progression of its implementation and impact on national policies is difficult to assess.



Share of children aged less than 18 years at risk of poverty and social exclusion, 2015 and 2020

Figure V-B-1-1 _ Eurostat, Children at risk of poverty or social exclusion, 2021

The feasibility study carried out in the first phase of the Preparatory Action for a Child Guarantee found that, while there were significant variations between and within the Member States, the ratio of child poverty was the highest in Romania, Bulgaria, Greece, Spain and Lithuania, and that there were common policy issues to be tackled in all Member States³¹⁴.

However, national ratios tend to mask large regional discrepancies. In Belgium, for instance, the rate of children in

a state of deprivation is 15%, but 29% in Brussels, 22% in Wallonia and 8% in Flanders. Within the European ranking, Flanders is among the top group of countries, while the Brussels Region is at the bottom, with a very high level of severe forms of child deprivation³¹⁵.

Despite these differences, there are, in general, common causes explaining the gaps in access to services for children. These include the lack of an efficient strategy, the fragmentation of responsibilities at national, regional and

310 European Court of Auditors, *Special Report No 20/2020: Combating child poverty – Better targeting of Commission support required*, 2020.

311 Shafiq, M., *What we owe each other, a new social contract*, Princeton University Press, 2021.

312 https://89initiative.com/the-european-child-guarantee/?utm_source=rss&utm_medium=rss&utm_campaign=the-european-child-guarantee.

313 Eurostat, *Children at risk of poverty or social exclusion*, 2021.

314 *Ibid.*

315 Fondation Roi Baudouin, *Poverty and child deprivation in Belgium: a comparison of risk factors in the three Regions and neighbouring countries*, 2018.

local level, the lack of data regarding the children concerned, and insufficient monitoring of policy measures.

There are many factors at play in influencing the risk of poverty or social exclusion in children. Amongst them, household composition is one of the biggest. Single parents with dependent children and couples with more than three children are most at risk of poverty or social exclusion.

2. The European Child Guarantee

Taking appropriate measures to reduce child poverty is primarily the responsibility of Member States and national governments. However, the EU has an important role to play, by supporting and complementing the activities of Member States in combating social exclusion and tackling child poverty, with both legal and financial instruments at its disposal that are aimed at providing capacity, coordination, training, peer review, mentoring and sharing best practices.

sion. Work intensity also plays a crucial role as low work intensity households with dependent children are almost 80% at risk of poverty and social exclusion.

Other factors concern education level and migrant background, as children with at least one parent with a migrant background are at a greater risk of poverty than children whose parents are both native born³¹⁶.

In 2015, the European Parliament introduced the concept of the European Child Guarantee. On 26 March 2021, the European Commission published the Proposal for a Council Recommendation³¹⁷ (adopted in June 2021) with the aim of triggering policy action and investments by the Member States to close the gaps in terms of access to quality services for children in need of extra support, and to promote equality of opportunity by ensuring that children in need have access to services and support that are essential for their development and well-being³¹⁸.

Member States should guarantee

Free and effective access for children in need to:



Effective access for children in need to:



19.9% of learners with disabilities leave early from education and training, compared to **9%** of pupils without disabilities



European Child Guarantee in a nutshell

Figure V-B-1-2 _ European Commission, Factsheet: the European Child Guarantee, 2021

In particular, the initiative is supported by the ESF+, with all Member States required to earmark an appropriate amount to tackle child poverty or social exclusion. Moreover, for Member States where the rate of children at risk of poverty or social exclusion is above the Union average, such an amount should be at least 5% of their national ESF+ allocation.

In accordance with the principles of subsidiarity and proportionality, the European Regional Development Fund (ERDF) and InvestEU should also support investment in enabling infrastructure, such as social housing and early childhood education and care facilities, as well as equipment and access to quality and mainstream services³¹⁹.

3. Regional and local dimension of child poverty

Most cities in Europe have a higher child poverty rate than the national average in their countries. Nearly nine out of

ten cities surveyed have a higher share of children living in poverty than the average in their country. This is because

³¹⁶ Kraatz, S., *Shaping a European Child Guarantee, study commissioned by the EMPL Committee of the European Parliament*, 2020.

³¹⁷ European Commission, *Proposal for a Recommendation of the Council, establishing a European Child Guarantee*, March 2021.

³¹⁸ European Commission, *Feasibility study for a child guarantee - Final report*, 2020.

³¹⁹ Council of the European Union, *Regulation (EU) 2021/1004*, 2021.

poverty tends to be concentrated in densely populated and metropolitan areas.

For instance, in the Region of Auvergne-Rhône-Alpes, poverty affected 18.4% of children in 2018, but the rate was 28.8% in the Metropolitan area of Saint-Étienne, 24.6% in Clermont-Ferrand, 24.5% in Lyon and 21.1% in Grenoble.

These four cities are home to more than 42% of poor children in the whole region. In some cities, the rate of child poverty is twice as high as the national average³²⁰. This is also the case in Brussels (40% vs. 20% average for Belgium) and Rotterdam (19.7% vs. 8.1% average in the Netherlands)³²¹.

This trend highlights that families who live in cities face specific urban challenges that increase their risk of poverty such as higher living costs, lack of affordable housing and a shortage of places in childcare, among other factors. This

is, in part, the result of the dynamic growth of cities, which are now home to 75% of Europe's population.

The level of child poverty varies widely across cities in Europe, from 7.8% in Stockholm to 40% in Brussels. However, in the absence of a common methodology, rates are difficult to compare, given that cities use different definitions and indicators to measure child poverty³²².

According to the study commissioned by the Committee of the Regions on the "Challenges of the European Child Guarantee at Regional and Local level", regional and local disparities in child poverty are also a translation of disparities in terms of infrastructural endowment, private and public service providers and socio-economic conditions. This then leads to diversified outcomes in terms of policy actions aimed at combatting child poverty across territories³²³.

4. Challenges of the European Child Guarantee at local level.

Cities and regions have a primary role to play in identifying and assisting children in need in order to favour their social inclusion. Responsibilities vary across countries, but in almost all EU Member States, LRAs are key in providing education, health, housing and social services to homeless children; children with a migrant background, or minority ethnic origin; children experiencing severe deprivation, social exclusion, disabilities or mental health issues; children in alternative care; and children in precarious family situations that may endanger their safety.

In addition, many cities and regions make provisions for their children in need to have access to leisure, sports and cultural activities. In some EU countries, LRAs are not only involved in the delivery of these services but also in their planning and financing with their own or other public/private resources. Thus, the role of LRAs is not a secondary one when it comes to the implementation of the European Child Guarantee.

An example of this is the regional government of Carinthia, which put in place support measures for child education and childcare by providing regional support to cover the costs of children attending pre-school education, with the goal of making it 100% free-of-charge from autumn 2022.

According to Cavallini, Soldi and Errico, LRAs face limited information and knowledge on the extent of child vulnerability and poverty phenomena in their territories of competence. They also often lack the means and resources to reach out to every child in need and to provide integrated services and care to all children³²⁴. Moreover, in many Member States, the lack of stable cooperation between the national government, regions, local authorities and the third sector is also an obstacle to achieving a positive impact on the lives of all children in need³²⁵.

In order to tackle these issues, Member States should better involve LRAs in the definition of national frameworks for data collection monitoring and progress evaluation. They should also provide more communication and visibility campaigns on the interventions carried out at sub-national level, encourage the preparation of territorial strategies for tackling child poverty and exclusion that are aligned to the national Child Guarantee action plans, and provide adequate financial resources to territories to support long-term and sustainable interventions.

320 Institut National de la Statistique et des Études Économiques, [Près d'un enfant sur cinq est touché par la pauvreté](#), 2021.

321 Eurocities, [Fighting child poverty in European cities](#), 2020.

322 *Ibid.*

323 Cavallini S., Soldi, R. and Errico, B., [The challenges of the European child guarantee at regional and local level](#), study commissioned by the Committee of the Regions, 2021.

324 *Ibid.*

325 Eurochild, [Ensuring the European Child Guarantee helps end child poverty: Eurochild Taskforce Recommendations](#), 2022.

C. Promoting European values through education

At times when the resilience of our common European project is put to the test by several crises, the need to act to defend and promote our European values is now more pressing than ever. The promotion of European democratic values should form a crucial element in the education of all EU citizens.

As early as 2017 at the Social Summit in Gothenburg (Sweden), it was underlined that “education, culture and sport have a pivotal role in promoting active citizenship and common values amongst the youngest generations”³²⁶.

Democratic and citizenship education featured prominently in the discussions within the CoFoE³²⁷. The Committee of the Regions has also called for the introduction of a curriculum for civic education, the promotion of European values, critical thinking, digital skills and media literacy.

Efforts to promote democratic and citizenship education are of particular importance in the European Year of Youth 2022. Promoting European democratic values is key to building the resilience of European societies. It should form a crucial part of education, starting at a very early age, and be supported in a lifelong process of learning in both formal and non-formal environments. In this way, citizens can be empowered to practice those values, apply them through democratic engagement, and thereby shape the future they wish to live in.

A Council Recommendation on common values, inclusive education, and the European dimension of teaching was proposed by the European Commission and adopted by the Council of the European Union on 22 May 2018³²⁸. EU tools and funding mechanisms – in particular, the Erasmus+ programme and the ESIF – are instrumental in implementing this Recommendation. Another programme, “Europe for Citizens” (2014–2020)³²⁹, financed projects that helped the public understand the history of the EU, its values and diversity, and it encouraged citizens to participate and engage in democracy at EU level.

In practical terms, European Schoolnet, Europeana, and eTwinning have developed dedicated kits and projects, such as “Make me a European”³³⁰, “FOCUS ON EUROPE – generations@school”³³¹ and “Let’s share our European identity”, which focus on European values and the development of a European identity. The Learning Corner website³³² provides hundreds of interactive educational teaching materials about the EU for all age groups, helping primary and secondary school pupils discover the EU in a fun way, in the classroom or at home.

While the European Commission, through its Erasmus+ programme, has invested heavily in promoting mobility among students, apprentices and teachers and in supporting youth organisations, more can be done to implement specific measures to promote European values as part of formal and informal education, and educational campaigns.

An imperative call to action became evident during the Committee of the Regions plenary debates with European Commission Vice-President for Promoting our European Way of Life, Margaritis Schinas, (in June 2021³³³) and French President Emmanuel Macron (in December 2021³³⁴) on European values and the renewal of democracy.

On these occasions, Vice-President Schinas welcomed the fact that “the [European] Commission, together with the Committee of the Regions, would be joining forces and called on regions and cities across the Union to make pledges for the development of European classrooms”, while President Macron underlined that regional elected representatives are the heart of European democracy and spoke about the need to build a “European demos” with LRAs.

Indeed, local and regional leaders are responsible for empowering young people to understand the importance of these values and of the EU, which promotes and secures peace and prosperity.

Considering the particularly favourable context offered by the CoFoE, encouraged by the support of Committee of the Regions members, and building on existing examples from many regions, the Committee of the Regions has started a project for a community of best practices³³⁵ in “promoting European values through education and culture”, to facilitate dialogue and the exchange of information.

With more than 100 examples and contributions provided by the Committee of the Region’s elected local and regional representatives and partners, its aim is to serve as an inspiration for further valuable ideas and projects, while also providing opportunities to share experiences, exchange knowledge and start cooperating.

The project is also part of the Joint Action Plan³³⁶ between the Committee of the Regions and the European Commission. The community of best practices that promotes “bringing Europe to classrooms” will be consolidated and widened by encouraging discussion and debate and the sharing of knowledge on the EU, its citizenship and values, not only in educational institutions but also in public spaces such as cultural venues and libraries and at cultural events.

Based on identified needs for teaching tools and materials, a “community of needs” would be developed with partners to fill existing gaps in supporting learning/teaching resources. The aim in the medium term is to develop a “community of tools” of scalable good practices, successful initiatives and inspiring materials to be shared within this community and beyond.

326 European Commission, *Strengthening European Identity through Education and Culture*, 2017, p. 9.

327 Conference on the future of Europe, *Report on the final outcome*, 2022.

328 Council of the European Union, *Recommendation on Promoting common values, inclusive education, and the European dimension of teaching*, May 2018.

329 https://ec.europa.eu/info/departments/justice-and-consumers/justice-and-consumers-funding-tenders/funding-programmes/previous-programmes-2014-2020/europe-citizens-efc_en.

330 <https://www.etwinning.net/en/pub/get-inspired/kits/kit.cfm?id=1323>.

331 <https://www.etwinning.net/en/pub/get-inspired/kits/kit.cfm?id=881>.

332 https://learning-corner.learning.europa.eu/index_en.

333 <https://cor.europa.eu/en/news/Pages/promotion-eu-values-in-schools.aspx>.

334 <https://cor.europa.eu/en/news/Pages/emmanuel-macron-147-plenary.aspx>.

335 <https://cor.europa.eu/en/regions/Pages/EIR-map.aspx?view=stories&type=sedec>.

336 Committee of the Regions and European Commission, *Joint Action Plan*, 2020.

D. Tackling youth unemployment

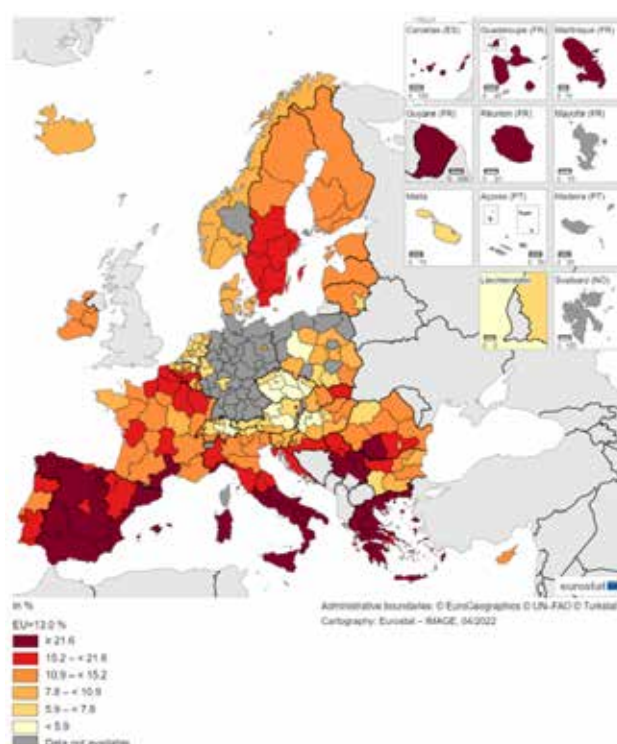
1. Regional variations in youth unemployment

Youth unemployment remains an important social challenge. It is a crisis that affects the entire EU and all its regions, and challenges the future. In order to deal with this problem, in 2020 the EU presented the "Youth Employment Support package"³³⁷ and a new reinforced version of the Youth Guarantee³³⁸ that promises to be more inclusive, involving additional support for the young people belonging to the not in employment, education or training (NEET) group.

LRAs play a very important role in employment, training, education and youth policies. They also play an important role in raising awareness of the Youth Guarantee among young people, and in engaging in outreach, for example by ensuring visibility of the scheme in public employment services and implementing a partnership approach with

all relevant stakeholders that work with young people³³⁹. LRAs could be a bridge between different stakeholders such as social partners, educational institutions, youth organisations and local and regional business sectors.

During the COVID-19 pandemic, unemployment among young people aged 15-29 rose drastically and required support services. In 2021, the average unemployment rate³⁴⁰ for young people aged 15-29 in the EU was 13%, a 0.9 pp decrease over 2020. It is important to mention that there are significant regional differences in the unemployment rates for young people (Figure V-D-1-1), ranging from 3.7% to 56% in 2021³⁴¹, with youth unemployment rates higher in Spanish, Greek and Italian regions.



Unemployment rate (% of the labour force, people aged 15-29 by NUTS2 regions), 2021
Figure V-D-1-1 _ Eurostat, accessed in May 2022

The lowest youth unemployment rates were recorded in the South-West region of Czechia (3.7%), the Polish region of Wielkopolskie (4%) and the Czech region of Central Moravia (4.4%). There were also low rates in Czechia's South-East region and in West Transdanubia in Hungary (both 4.5%).

By contrast, the highest youth unemployment rate was recorded in the Spanish region of Ceuta (56%), followed by

the two Greek regions East Macedonia, Thrace (45.1%) and West Macedonia (42.3%), and the Spanish region of Melilla (41.9%) (Figure V-D-1-2). The Italian regions of Sicily (40.1%), Campania (37.7%) and Calabria (37.2%), as well as the Greek regions of Central Greece, Sterea Ellada and Thessaly – respectively 38.9% and 36.7% – and Canary Islands in Spain (39.5%) are also in the top 10 regions with the highest unemployment rates for young people aged 15-29³⁴².

337 https://ec.europa.eu/commission/presscorner/detail/en/ip_20_1193.

338 <https://ec.europa.eu/social/main.jsp?langId=en&catId=1079&moreDocuments=yes>.

339 Committee of the Regions opinion, *Youth Employment Support: a Bridge to Jobs for the Next Generation Reinforcing the Youth Guarantee*, SEDEC-VII/007, 03-05 February 2021, Rapporteur Romy Karler (LU/EPP), Member of Clervaux Municipal Council.

340 The youth unemployment rate is defined as the number of people aged 15 to 29 unemployed as a percentage of the labour force of the same age. Being expressed as a percentage of the labour force (and not of the total population) of the same age, the youth unemployment rate should not be interpreted as the share of jobless people in the overall youth population.

341 Eurostat, *Unemployment statistics at regional level*, 2022.

342 *Ibid.*



Top 10 regions with the highest youth unemployment rates, age 15-29, 2021 (in % of the labour force)

Figure V-D-1-2 _ Eurostat, accessed in May 2022

Ceuta, Melilla: low reliable data

Compared to 2020, unemployment for people aged 15-29 in 2021 decreased the most in the Greek regions of the Ionian Islands (-14.1 pp), Epirus (-13.9 pp), and North Aegean (-11.4pp). Greek regions are very well placed in this special ranking. In addition to the above-mentioned regions, Central Greece (Stereia Ellada) and Western Greece (respectively

-9.2pp and -8.5pp) are among the top-ten European regions with the highest rates of decline in youth unemployment. Figure V-D-1-3 reports the other five European regions with the highest decreases, as well as the bottom ten European regions, namely those that registered the highest increase in youth unemployment between 2022 and 2021³⁴³.

Total (15-29 years old)					
Highest decrease (in pp.)			Highest increase (in pp.)		
1	Ionia Nisia (EL62)	-14.1	1	Molise (ITF2)	7.7
2	Ipeiros (EL54)	-13.9	2	Ciudad de Ceuta (ES63)	6.7
3	Vorelo Algaio (EL41)	-11.4	3	Nord-Est (RO21)	5.8
4	Ciudad de Melilla (ES64)	-11.2	4	Norra Mellansverige (SE31)	5.6
5	Champagne-Ardenne (FRF2)	-9.6	5	Prov. Hainaut (BE32)	4.9
6	Stereia Ellada (EL64)	-9.2	6=	Auvergne (FRK1)	4.7
7	Severozapaden (BG31)	-8.6		La Rioja (ES23)	4.7
8	Dytiki Ellada (EL63)	-8.5	8	Jadranska Hrvatska (HR03)	4.3
9	Centru (RO12)	-8.4	9	Puglia (ITF4)	3.6
10	Cantabria (ES13)	-8.3	10=	Łódzkie (PL71)	3.5
				Canarias (ES70)	3.5

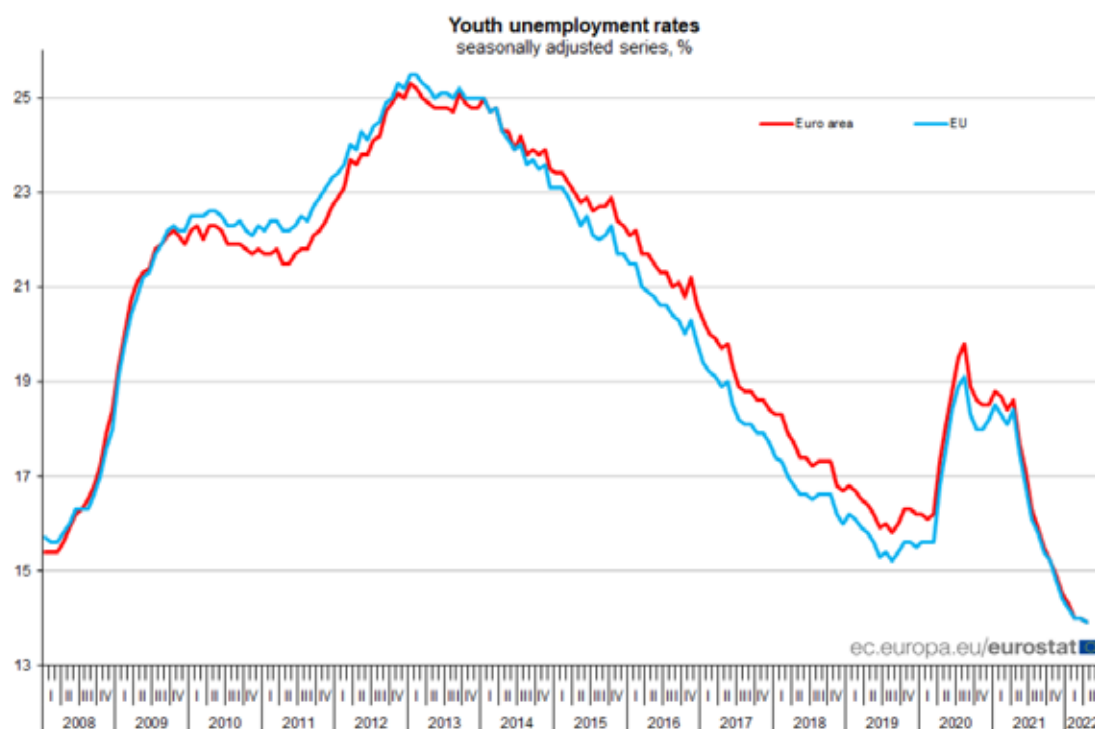
Regions with highest decreases and increases in the unemployment rate for people aged 15-29 between 2020 (break-corrected data) and 2021 (in percentage points)

Figure V-D-1-3 _ Eurostat, accessed in May 2022

Data with low reliability: Severozapaden (BG31), Ionia Nisia (EL62), Ceuta (ES63), Melilla (ES64) and Łódzkie (PL71)

In April 2022, there were 2 600 million jobless young people (under 25) in the EU, with 2 122 million in the euro area. In April 2022, the youth unemployment rate in the EU and the euro area was 13.9%, down from 14.0% in both areas the

previous month. In comparison to March 2022, youth unemployment in the EU fell by 6 000, and by 1 000 in the euro area. Youth unemployment in the EU fell by 685 000 in April 2021, and by 555 000 in the euro area (Figure V-D-1-4)³⁴⁴.



Youth unemployment rates, EU and EA, seasonally adjusted, January 2008 - April 2022 (%)
Figure V-D-1-4 _ Eurostat, accessed in May 2022

Rates in Europe have undoubtedly decreased dramatically in recent years; even after the onset of the COVID-19 crisis. The numbers are still lower than they were in the post global financial crisis period. However, we cannot neglect the fact that youth unemployment is still soaring in some EU regions such as the southern ones, at 30.6% in Spain, and 24.5% in Greece.

These regional disparities have to be taken into consideration in all EU key actions, and are of the utmost importance, as the aftereffects of the COVID-19 pandemic will continue to unravel in the years to come. Youth unemployment needs to be a central element of social and employment policies in all Member States, and its implementation should be monitored in a more collective manner. This means that more power should be transferred to the local and regional level.

2. Tackling youth unemployment with skills

The performance of youth labour markets is closely linked to education and training systems, and reflects, at least to some degree, a mismatch between the skills obtained by young people and the skills that are required by employers³⁴⁵.

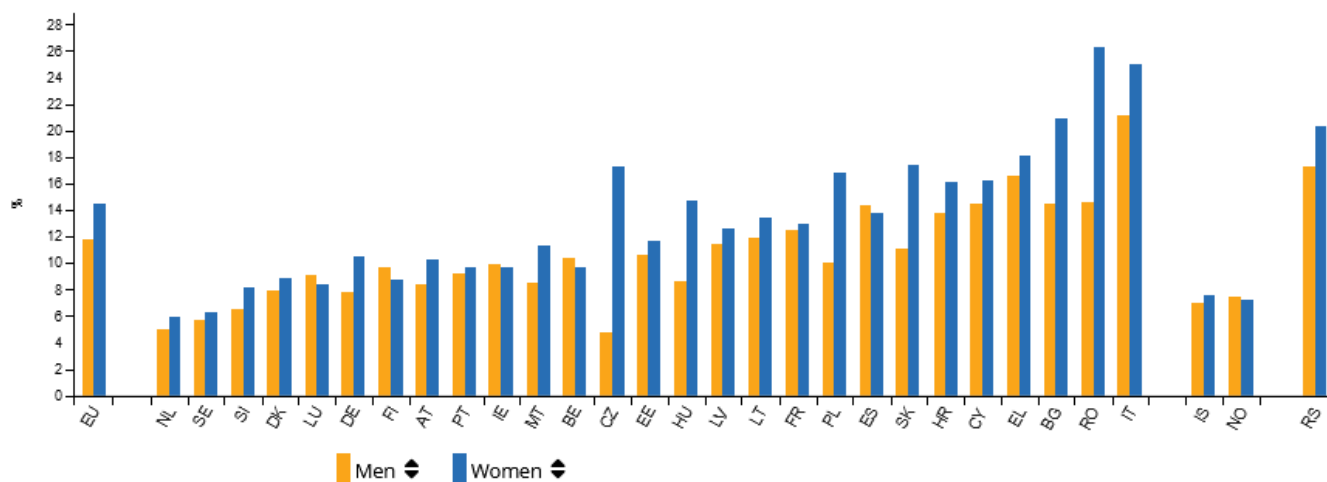
To address youth unemployment, a multifaceted approach is required, taking into account changes in the economic sphere surrounding the labour market, skills attainment and employer demand, as well as understanding how social determinants such as family affect the trajectories of today's young people. Individuals of different ages, genders, ethnicities, and social backgrounds, for example, have substantially diverse prospects for overcoming unemployment.

Despite significant progress, today's continuously changing labour market has created a gap between the skills that employees have and the competencies that employers need. The skills gap is a serious concern confronting the EU, which is why the European Commission developed the European Skills Agenda³⁴⁶. In 2021, 13.1% of the 15–29-year-olds in the EU were in the NEET group, ranging from 5.5% in the Netherlands to 23.1% in Italy³⁴⁷.

³⁴⁴ Eurostat, [Euro area unemployment at 6.8%, 2022](#).

³⁴⁵ European Commission, [Study on the Youth Guarantee in light of changes in the world of work](#), 2018.
<https://ec.europa.eu/social/main.jsp?catId=1223>.

³⁴⁷ Eurostat, [Statistics on young people neither in employment nor in education or training](#), 2022.



Young people (aged 15-29) neither in employment nor in education and training, by sex, 2021

Figure V-D-2-1 _ Eurostat, accessed in May 2022

Ranked on the average share of men and women (aged 15-29)

To improve young people's prospects of integrating into the labour market, essential job market skills, particularly management skills, entrepreneurship and autonomy, as well as skills related to the green and digital transition, must be fostered. Regional labour market specificities, as well as the challenges experienced by young people living in rural, remote, outermost or disadvantaged urban areas, less developed regions, and linguistic minority populations, should be given special consideration³⁴⁸.

Traineeships and apprenticeships should primarily provide young people with a learning experience that will assist them in deciding on their future career and developing their abilities in order to gain permanent employment. LRAs should be the driving force promoting apprenticeships in the local business sector, recognising the critical role they play in encouraging economic development through partnerships and acknowledging the Committee of the Regions' prior stance on this topic³⁴⁹.

Apprenticeships should be encouraged as an important instrument in the fight against youth unemployment by combining intellectual and technical skills with professional experience. It is therefore important to boost the supply and quality of this type of training, with a particular focus on digital training³⁵⁰.

In this respect, Vocational Education and Training is an excellent opportunity for work-based learning experiences, especially in countries where it has not yet been well established. Vocational Education and Training offers a dual objective: contributing to employability and economic growth, while responding to broader societal challenges such as promoting social cohesion³⁵¹.

The effective implementation of the reinforced Youth Guarantee should lead to stable and sustainable jobs. This can also be achieved through strong partnerships, solidarity and coordination between public employment services and all other stakeholders, including LRAs, which play a key role. Therefore, a strong commitment is needed from national governments to involve the local and regional level in the implementation of policy measures.

³⁴⁸ Committee of the Regions opinion, *Youth Employment Support: a Bridge to Jobs for the Next Generation Reinforcing the Youth Guarantee*, SEDEC-VII/007, 03-05 February 2021, Rapporteur Romy Karier (LU/EPP), Member of Clervaux Municipal Council.

³⁴⁹ Committee of the Regions opinion, *The role of local and regional authorities in promoting growth and boosting job creation*, ECOS-V/033, 01 February 2013, Rapporteur Marialuisa Coppola (IT/EPP), Regional Councillor of Veneto Region and Committee of the Regions opinion, *Youth Employment Package*, ECOS-V/032, 30 May 2013, Rapporteur Enrico Rossi (IT/PES), President of the Tuscany Region.

³⁵⁰ <https://ec.europa.eu/social/main.jsp?catId=1554&langId=en>.

³⁵¹ <https://www.cedefop.europa.eu/en/news/bruges-communique-enhanced-european-cooperation-vocational-education-and-training>.

Chapter VI – A Europe closer to the citizens – The contribution of local and regional authorities

Key messages:

The CoFoE was an unprecedented experiment in European-scale participatory democracy. On this occasion, local and regional governments emphasised the territorial perspective in numerous proposals and policies, contributing to the development of a more efficient and democratic Europe.

As part of its conclusions, the CoFoE highlights the objective of increasing citizens' participation and youth involvement in democracy at EU level and ensuring that their voices are also heard in between elections.

The local and regional level play a pivotal role in motivating young people to participate in democratic processes, but more work is needed in this domain to improve youth participation in democratic life. The Committee of the Regions is involving hundreds of youth organisations throughout Europe to build concrete recommendations aimed at enhancing the participation of young people in social and civic life at three levels of governance.

Female participation in regional and local political life has improved in the last decade. However, women are still underrepresented and face social and political barriers that hinder their political participation. In its opinion on the Gender Equality Strategy, the Committee of the Regions asked that local and regional governments are recognised as strategic partners in the design, implementation and monitoring of the strategy because of their responsibilities and the work they do in carrying out those responsibilities.

Key figures:

- The outcome of the CoFoE, resulted in a total of 328 measures to achieve 49 proposals identified across 9 themes³⁵².
- In a 2019 Flash Eurobarometer, 33% of respondents considered that one of the most important things schools should offer is to 'prepare young people to be active citizens in democratic societies'³⁵³.
- Women represent one third of elected members in national parliaments, and only one third of EU countries have parliaments led by a woman. The same applies to regional and local assemblies, where women represent 34.6% and 34.4%, respectively, of the elected members³⁵⁴. Only 16 out of 285 regional assemblies in the EU achieved parity in the candidates elected³⁵⁵.
- From 201 to -2022, the proportion of female councillors has increased by just 4 pp, from 30.5% to 34.5%, while the proportion of female mayors has gone up by 4.6 pp from 13.1% to 17.7%³⁵⁶.

352 Conference on the future of Europe, [Report on the final outcome](#), 2022.

353 European Commission, [Flash Eurobarometer 478. How do we build a stronger, more united Europe? The views of young people](#), 2019.

354 European Institute for Gender Equality, [Statistical brief: gender balance in politics 2021](#), 2021.

355 European Commission, [Cohesion in Europe towards 2050. Eight report on economic social and territorial cohesion](#), 2022.

356 European Institute for Gender Equality, Gender Statistic Database, [Women elected in Local and Municipal councils](#), 2021.

A. The Conference on the Future of Europe: results and prospects for EU regions and cities

1. *The proposals of the Conference on the Future of Europe to strengthen European democracy: an assessment from a territorial perspective*

On 30 April 2022, after one year of discussions and deliberations which involved citizens and institutions at European, national, regional and local level, as well as civil society and social partners, the CoFoE plenary agreed on its final 49 proposals. These are based on the citizens' recommendations adopted in the European and national citizens' panels, on the ideas posted in the CoFoE multilingual digital platform, and on the debates between all CoFoE plenary components as part of the nine thematic Working Groups, as well as the plenary.

All 49 proposals are structured around a single objective and several detailed measures (328 in total), thus building a huge corpus of ideas that could lead to important reforms designed to make the EU more democratic, transparent, fairer and closer to the citizens³⁵⁷. Out of the 328 measures, 45 are of direct relevance to the local and regional level. This chapter will refer to the proposals concerning European democracy.

It should be noted that European democracy is the topic that received the highest number of contributions in the CoFoE multilingual digital platform. Following the structure of a recent study commissioned by the Committee of the Regions on 'the territorial dimension of the Conference on the Future of Europe and its follow-ups'³⁵⁸, the CoFoE proposals on European democracy can be grouped into four topics:

a) Citizens' information and participation

The CoFoE has been a complex and wide example of multilingual participatory democracy that, based on the best practices already in place at several levels – mainly regional and local – engaged citizens in a structured dialogue with EU, national, regional and local institutions, as well as social partners and civil society. Therefore, it is not unexpected that a good number of proposals and measures call for strengthening participatory democracy; among them, measures 36.1 and 36.7 are particularly relevant.

Such recommendations were strongly backed by the CoFoE's multilingual digital platform users, as well as by the participants of the national and European Citizens' Panels. Moreover, as observed by the above-mentioned Committee of the Regions commissioned study, some of the approved measures on citizens' participation can be implemented without Treaty changes or new legislative initiatives³⁵⁹.

A direct reference to the local and regional level, and to the Committee of the Regions, can be found in two measures

(36.4 and 36.5), thus in line with the Committee of the Regions proposal to develop "a permanent and place-based dialogue with citizens as a participatory mechanism that would better link the EU with the realities at local, county, regional and national levels"³⁶⁰.

Aside from the above, several proposals and measures concerning different policy areas refer to the local and regional dimension. Moreover, several proposals calling for a stronger involvement of young people in policy and decision-making can be found as a horizontal element crossing all topics.

b) European Democracy and elections

With the general objective of strengthening European democracy, proposal 38 (on democracy and elections) suggests, among others, "bolstering its foundations, boosting participation in the European Parliament elections, fostering transnational debate on European issues and ensuring a strong link between citizens and their elected representatives". Measures to achieve such an objective do not directly mention the Committee of the Regions or LRAs; however, given their invaluable role in the promotion and organisation of elections, they could be important for the implementation of the proposal.

In this context, measure 38.4 aimed at "strengthening links between citizens and their elected representatives, taking into account national specificities and citizens' desires to be closer to them (...)" is particularly relevant, including the call to include EU topics in public debates via political parties, organised civil society and social partners, not only during European elections but also ahead of national, regional, and local elections, a sub-measure for which the Committee of the Regions strongly advocated³⁶¹.

c) EU decision-making process

Decision-making processes relevant from a Committee of the Regions and LRA perspective, have attracted significant attention from citizens engaged in the formulation of ideas turned into concrete proposals and measures. The overall objective of proposal 39 is to "improve the EU's decision-making process and ensure the EU's capability to act, while taking into account the interests of all Member States and guaranteeing a transparent and understandable process for the citizens"³⁶². In this context, measure 39.2 is relevant, as it advocates for a stronger involvement of national, regional, and local representatives, social partners and organised civil society in the EU decision-making process.

357 The proposals can be read in the Conference on the Future of Europe, [Report on the final outcome](#), 2022.

358 Klakla, J.B., Kulesa, A., Zubel, K., and Zamparutti, T., [The territorial dimension of the Conference on the Future of Europe and its follow ups](#), study commissioned by the Committee of the Regions, 2022.

359 *Ibid*, p. 9.

360 Committee of the Regions, [Resolution on the contribution of the local and regional authorities to the Conference on the Future of Europe](#), January 2022.

361 Klakla, J.B., Kulesa, A., Zubel, K., and Zamparutti, T., [The territorial dimension of the Conference on the Future of Europe and its follow ups](#), study commissioned by the Committee of the Regions, 2022, p. 15.

362 *Ibid*, p. 18.

It also states that “a better involvement of the subnational level and of the Committee of the Regions helps to take into better account the experiences gained with the implementation of EU law”. This idea is enhanced by measure 40.3, in the context of several other measures aimed at strengthening the principle of subsidiarity as described below.

d) Subsidiarity and multilevel governance

While it was not discussed directly during the European or national citizens’ panels, the principle of subsidiarity proved to be important for platform users (both individuals and organisations) and the Committee of the Regions itself made significant efforts in the Working Group on European Democracy, and in the Plenary debates, to ensure that due consideration was given to it in the final proposal voted on during the Conference Plenary³⁶³.

Indeed, proposal 40 acknowledges a fundamental principle for the Committee of the Regions. It states that “active subsidiarity and multilevel governance are key principles and fundamental features for EU functioning and democratic accountability”. The related measures 40.1, 40.2, 40.3 and 40.4 take up most of the Committee of the Regions’ proposals, as they were put forward by our delegates in the WG European Democracy and in the Plenary.

Measure 40.3 is of utmost importance, as it concerns the reform of the Committee of the Regions “to encompass adequate channels of dialogue for regions as well as cities and municipalities, giving it an enhanced role in the institutional architecture, if matters with a territorial impact are concerned”. This is the core of our institution’s positioning, and it was also clearly stated in the resolution adopted at the Committee of the Regions’ June Plenary session, including a reference to the necessary Treaty revisions³⁶⁴.

Interestingly, references to the principle of subsidiarity were also made in proposals on specific policy areas, such as health (measure 10.2) and labour markets (proposals 13 and 14).

Beyond the specific references to subsidiarity, it is also worth pointing out that many CoFoE proposals highlight the territorial dimension and the key role of LRAs in several policy areas. To mention a few of them: green transition (3.1), urban planning and construction towards ‘greener cities’ (2.3 and 4.6), involvement of young people in democratic processes (36.8), reception and integration of migrants and refugees (43.3 and 45.1), educational exchanges and training professional mobility (48.1), protection and promotion of European cultural heritage (48.4).

The Committee of the Regions’ contribution to the CoFoE was supported by the High-Level Group on European Democracy (HLG) set up in early 2021 and chaired by the President Emeritus of the European Council, Herman Van Rompuy. In January 2022, the HLG presented a report with ideas on how to improve European democracy, both in terms of input (how decisions are taken) and output (how democracy can deliver).

According to the HLG³⁶⁵:

- a dynamic interpretation of the current Treaties could first and foremost contribute to strengthening European democracy (for example by making better use of qualified majorities in topics such as health, digitisation, climate, security);
- citizens must be given more opportunities to get involved in determining the direction in which the EU wants to move, through new forms of responsible participation and constructive involvement. In this regard, the CoFoE and the multiple forms of participation that it tested, should pave the way to a structured and regular way of reaching out to citizens;
- stronger involvement of citizens in European democracy can also be achieved by empowering LRAs, who can act as a bridge between the EU institutions and citizens at a distance in an organic way, and improve the ‘proximity’ dimension of European democracy;
- the EU must finally move towards real ‘multilevel governance’ in which all levels of government cooperate with each other and with the European level. Moreover, in the name of the principle of (active) subsidiarity, LRAs could be consulted more often and more effectively, especially at the beginning of legislative processes. They could also be more involved in the implementation phase;
- the Committee of the Regions can act as a coordinator and facilitator in all of the above. The Committee of the Regions itself must play an ambitious role within the current Treaties, and possibly enhanced via an interinstitutional agreement with the European Parliament, Council of the European Union and European Commission in the preparation, decision-making, implementation, and feedback phases of European legislation.

The study on ‘the territorial dimension of the Conference on the Future of Europe and its follow ups’ develops a wide legal and political assessment of the CoFoE proposals on European democracy from a territorial perspective. It is worth quoting some of its conclusions and recommendations³⁶⁶:

- some proposals can be implemented without Treaty revisions. Others – such as the idea of creating local EU points (e.g., Houses of Europe, EU Councillors, Youth Councils, or others) – while essentially requiring only non-Treaty measures, may benefit from being anchored in the Treaties, thus raising their profile and visibility;
- from a legal perspective, the EU Treaties can play a dual role in implementing citizens’ proposals. On the one hand, in their current wording they can be seen as a kind of obstacle, something that needs to be changed in order for these ideas to come to fruition.

³⁶³ *Ibid.*, p. 20.

³⁶⁴ Committee of the Regions, [Resolution on the contribution of the local and regional authorities to the Conference on the Future of Europe](#), January 2022.

³⁶⁵ Committee of the Regions, [Report of the High Level Group on European Democracy](#), 2022. It is worth highlighting that the High-Level Group report was released well before the proposals were discussed in the CoFoE Working Groups and endorsed by the Plenary; moreover, the whole reasoning is mainly based on the scenario which is more likely to happen according to the High-Level Group, i.e., within current Treaties.

³⁶⁶ Klakla, J.B., Kulesa, A., Zubeł, K., and Zamparutti, T., [The territorial dimension of the Conference on the Future of Europe and its follow ups](#), study commissioned by the Committee of the Regions, 2022. The perspective of the analysis is slightly different from the one of the High-Level Group report, as the study was published after the publication of the CoFoE proposals and takes into account both scenarios – Treaty change and no Treaty change.

On the other hand, the existing provisions of the Treaties can be the basis for such changes, providing their legal basis and justification. In this context, Article 10 of the TEU concerning representative democracy as a cornerstone of the EU, together with Article 11 (TEU) should be mentioned, as well as Article 15 of the TFEU concerning transparency and access to information;

- many proposals do not call for legislative change as such, but rather for changes in the practice of applying the law;
- the CoFoE was an important inclusive process for citizens. Regarding its outcomes, the Committee of the Regions should take steps to strengthen the role of LRAs as intermediaries between citizens' voices at local and regional levels on the one hand, and national and European levels on the other. Moreover, LRAs can engage more strongly in communicating about the EU at regional and local levels. Such

activities will potentially contribute to building a so-called European civil society or European demos;

- however, it is important to note that many proposals focus on a grassroots level closer to the citizens themselves as opposed to their LRAs, for example civic participation institutions. Ideas that might involve shifting the focus of these initiatives to LRAs should be approached with caution, as they could be interpreted by citizens as a misappropriation of their original intent;
- the Committee of the Regions should play a (continuously) active part in defining and operationalising the idea of (active) subsidiarity. The differences between the EU Member States in terms of their political system and related internal division of powers should be adequately taken into account in this process if it is to lead to a tangible result;
- in view of the very uncertain prospects of amending the Treaties, the Committee of the Regions should continue its attempts to strengthen its consultative role in the EU decision-making process.

2. The COR's contribution and follow up.

The local and regional level was represented in the CoFoE by two components: the Committee of the Regions and the elected representatives of LRAs, reaching a total number of 30 delegates. Both components were allocated speaking slots in the seven meetings of the CoFoE Plenary; these included both normal and blue card speeches. The overall participation of the delegates in each plenary session was between 60 and 80% of the full delegations, depending on whether the plenary was taking place in a hybrid or in-person only format. The Committee of the Regions submitted 44 ideas to the CoFoE multilingual digital platform, some of which were mentioned in the final report of the CoFoE multilingual digital platform³⁶⁷.

The CoR's President's report on subsidiarity was pivotal in replacing the perspective of multilevel governance in the debate, taking into consideration the lessons learned from the COVID-19 crisis and the role of LRAs on the front line in supporting the delivery of the policies and assisting citizens in their daily lives.

Alongside the CoFoE process, the Committee of the Regions organised thematic debates in its commissions and plenaries, as well as 140 local, cross-border and inter-regional events involving 10 000 citizens and 200 local politicians. The first-ever survey, representative of the views of 1.2 million local politicians in the EU27 about Europe's future was published, together with the 2021 EU annual regional and local Barometer³⁶⁸.

The Committee of the Regions has been swift in its follow-up to the final outcome of the CoFoE. During its plenary session on 29-30 June 2022, it adopted a resolution on 'the outcome and follow up of the Conference on the Future of

Europe', that welcomes the CoFoE conclusions, highlighting that they require prompt and effective follow-up, including through more active inter-institutional cooperation and Treaty revision. The resolution also addresses all nine policy areas concerned by the CoFoE proposals and indicates how to enhance their territorial dimension.

Moreover, all six Commissions of the Committee of the Regions have completed a first round of feedback debates on the proposal of the CoFoE final report that refer to their respective remits, and will keep up their legislative and political work in the coming months to contribute to the implementation of the CoFoE's proposals.

It is worth considering that several CoFoE proposals refer to initiatives that are already being carried out by the EU institutions or are in preparation. The same is true if one looks at policy priorities of the Committee of the Regions and current and planned initiatives. Many of the latter are already putting some CoFoE proposals into practice, as is the case for: the co-drafting process of the European Charter of Youth and Democracy³⁶⁹ with the European Youth Forum; the flagship initiatives on Green Deal Going Local³⁷⁰ or the CoR cities and regions for integration of migrants network³⁷¹; the organisation of local dialogues with citizens in the framework of the Committee of the Regions' political priority 'Future of Europe. Bringing Europe closer to its people'³⁷², to name a few.

Therefore, alongside supporting the call for a Convention for the revision of the Treaties, the Committee of the Regions is already well placed to contribute to the implementation of many CoFoE proposals.

367 Conference on the Future of Europe, [Multilingual Digital Platform of the Conference on the Future of Europe. Final report](#), 2022.

368 Institut Publique de Sondage d'Opinion Secteur, [Flash Barometer. Local politicians on the Future of Europe](#), survey commissioned by the Committee of the Regions, 2021.

369 <https://cor.europa.eu/en/our-work/Pages/charter-youth-democracy.aspx>.

370 https://cor.europa.eu/en/engage/Pages/green-deal.aspx?utm_source=SharedLink&utm_medium=ShortURL&utm_campaign=Green%20Deal%20Going%20Local.

371 <https://cor.europa.eu/en/our-work/Pages/cities-and-regions-for-integration.aspx>.

372 <https://cor.europa.eu/en/engage/Pages/Future-of-Europe.aspx#2>.

The strategy of the COR's delivery on the CoFoE proposals will have to be developed around 3 pillars:

- securing the outcome of the CoFoE (1) by implementing the recommendations that can be implemented within the current Treaties, (2) by identifying the Treaty changes necessary and investing, to this end, in a political and institutional approach in support of a Convention;
- developing interinstitutional cooperation, bearing in mind that the success of the CoFoE will depend primarily on the capacity of each of the European institutions individually and collectively to ensure operational follow-up, in order also to strengthen citizens' trust before the 2024 European elections. This should lead to a change in practice in the Community decision-making process in accordance with the principle of sincere cooperation, and to new interinstitutional agreements such as the Interinstitutional Agreement on Better Law - making;
- reinforcing the alliance and partnerships, as well as outreach activities by connecting cities and regions on innovative mechanisms of citizens participation on EU matters.

Communication and outreach to the over 1.2 million LRAs and citizens, especially following on from their involvement in the CoFoE and in the context of the 2024 European elections, will also be key.

B. Regional and Local Barometer









Between 25 July and 11 September 2022, the Committee of the Regions commissioned Ipsos European Public Affairs to carry out the second annual Flash Eurobarometer survey 'Local politicians of the EU and the future of Europe'. For this online survey, Ipsos reached out to a broadly representative sample of locally elected politicians (hereafter referred to as 'local politicians') in all 27 EU Member States and focused on questions related to:

- the responses of regions, cities and politicians elected at subnational level to the emergency created by the war in Ukraine;
- the contribution of regions, cities and politicians elected at subnational level to the future of Europe;

- the awareness of regions, cities and politicians elected at subnational level of key EU funding and receiving EU cohesion policy funding.

The survey was conducted via computer-assisted web interviewing and was sent to approximately 35,000 local and regional politicians in the EU.

In total, 2,698 interviews were completed during the period. Figure VI-B-1 below shows the number of completed interviews per country. In order to take into account differences in the number of responses, the latter were weighted by the number of municipalities in the respective EU Member State.

		Completed interviews			Completed interviews			Completed interviews
BE		101	HR		51	PL		136
BG		34*	IT		209	PT		108
CZ		105	CY		27*	RO		61
DK		61	LV		46*	SI		59
DE		356	LT		59	SK		63
EE		65	LU		98	FI		59
IE		64	HU		78	SE		117
EL		48*	MT		20*			
ES		178	NL		196			
FR		189	AT		110	EU27		2 698

Sample distribution per country.

Figure VI-B-1 _ IPSOS Flash Eurobarometer "Local politicians of the EU and the future of Europe"

*Small sample size; caution should be exercised when interpreting the results

The contact details of the 35,000 local politicians were collected by Ipsos with the aim, in so far as this was possible, of achieving a sample representative of locally elected politicians in all of the countries covered. In each of the countries, the sampling took into account:

- level of government (regional, provincial, local, municipal or other);
- political party affiliation;
- geography.

Results can be summarised as follows:

- When asked about the type of action taken by their local or regional authority in response to the war against Ukraine, 76% of local politicians said that their regional or local authority had taken in refugees from Ukraine while at least half of respondents said that their regional or local authority had sent material aid to Ukraine (50%), was supporting citizens and local civil society organisations in their solidarity action (53%) or had shown political solidarity with Ukraine (57%);
- the most relevant actions taken by local and regional authorities in response to the emergency created by the war against Ukraine were creating reception centres

and housing for refugees (54%) and providing access to social welfare and medical care for refugees (45%);

- half of the respondents considered that regions and cities can most effectively help in the reconstruction of Ukraine by involving EU regions and cities in a wider European reconstruction plan (50%), ranging from 67% in Spain to 33% in Cyprus and Luxembourg. Fewer than four in ten respondents considered the most effective response to be the provision of financial and material support (38%) with the number ranging from 63% in Lithuania to 15% in Slovenia;
- regarding the awareness of any EU funding (under cohesion policy or via NextGenerationEU) received by their city or region in the past two years, 35% of local politicians said that they were aware of EU funding, a number that ranges from 5% in Denmark to 88% in Spain. 43% said they were not aware of any EU funding, with the highest percentage in the Netherlands (80%) and in Germany and Hungary (65%);
- concerning the recovery from the COVID-19 pandemic, 58% of respondents said that their constituency was using EU funds to focus on long-term regional development contributing to a green, digital and resilient recovery while 39% said that their constituency was using EU funds to mitigate the immediate impact of the pandemic;
- when asked about the added value of cohesion policy, compared to other funding streams (national or regional), over six in ten respondents said that cohesion funds were used to support specific types of projects (62%). Close to one in three local politicians said that cohesion funding was used to integrate EU policy into strategies developed at the regional level (31%) while around one in five respondents said that it supports partnership among actors at all institutional levels (20%) and the stability of financing over the long term (16%);
- close to a third of local politicians said that the cohesion policy funding was being used to support projects to help refugees fleeing the war in Ukraine in their region (in addition to other sources of funding). For 8% of the respondents, cohesion policy funding was the only source of funding providing emergency support to refugees in their region;
- 77% of the respondents thought that the social and economic impact of the war against Ukraine required adapting currently defined EU policies and funding from 2021-2027, with the highest percentage in Spain (94%) and the lowest in Slovenia (59%);
- when asked about which measures would be most appropriate to tackle the consequences of the war against Ukraine in their city or region (when it comes to EU funds), 54% said less red tape and bureaucracy in approval of EU funded projects, 47% said an increase in EU funding to tackle higher energy costs and 41% said greater flexibility in the use of EU funding;
- just 1% of the respondents said they were fully involved in drafting the national recovery and resilience plan for their country and only 9% had

been partially involved, while 41% were not involved but informed by the national government. 45% were neither involved nor informed about the national plan. Italy (79%) and Denmark (77%) show the highest percentage of total lack of involvement, while the highest level of full involvement was in Spain (5%);

- with regards to key objectives of EU funding for the future development of their region or city, close to one in two local politicians pointed to supporting the green transition of the economy (51%), mitigating the surge in energy prices (48%) and mitigating the impact of climate crisis (42%);
- 88% of local politicians interviewed totally agreed or tended to agree that “cohesion” should be among the key values of the European Union; this number ranged from 68% in Finland to 100% in Portugal;
- when asked about the CoFoE, the majority of local politicians (53%) said that they were aware of it but only 2% among them said that they had been actively involved. 1% defined the results of the CoFoE as excellent, 22% as good, 31% as fair, 12% as poor, 6% as very poor;
- 89% of the respondents totally agreed or tended to agree that regions and cities should have more influence on the future of the EU, ranging from 100% in Croatia to 72% in the Netherlands;
- more than six in ten respondents (65%) said that regions and cities can be most effectively involved in the debate on the Future of Europe by ensuring a continuous debate on the topic at the regional and local level, 27% by supporting the creation of permanent citizens’ assemblies to inform the debate, and 26% by engaging in the constitutional debate or in a Convention to revise the EU Treaties;
- when asked in which topics regions and cities should become more influential in EU policy making, 56% of respondents said the climate crisis and the environment, followed by a stronger economy, social justice and jobs (55%) and education, culture, youth and sport (49%);
- a large majority of respondents said that it was very important or fairly important to improve regions and local authorities’ access to EU funding (93%), to increase the influence of regions and local authorities on national policy-making (90%) and on EU policy-making (84%). They also replied that it was important and to have more cooperation with regions and local authorities in other European countries (83%).

C. Youth and Democracy

The existing data on youth engagement in democratic processes, including on motivations and obstacles to doing so, can sometimes paint a contradictory picture; on the one hand one can observe a dwindling engagement by young people, including lower participation in elections, while on the other hand new and diverse forms of citizens' participation can lead to a growing engagement with the democratic and political processes. While a comprehensive picture of both the degree and the modes of youth political participation can remain elusive, there are certainly a multitude of circumstances affecting young people's decisions on whether or not to participate in democratic processes.

Various studies have shown that young people engage primarily based on the policy issues they are interested in, and in terms of elections, are much less inclined to vote consistently based on party loyalty. For this reason, it is necessary to consider a wider spectrum of avenues for democratic participation, much broader than only voting and support for traditional political parties.

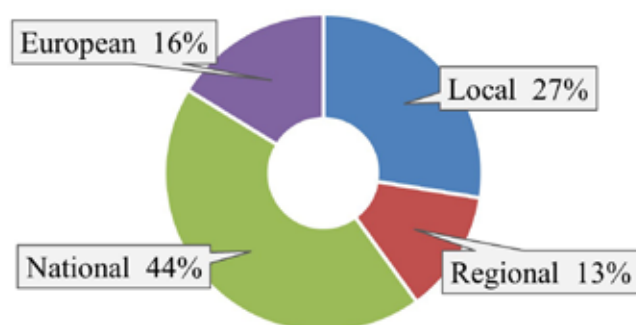
Ensuring engagement beyond electoral cycles is crucial in order to tap into the potential of young people as drivers of positive democratic change and to bolster political awareness and democratic participation, starting with civic education at an early age. In a 2019 Flash Eurobarometer – in which interviews were conducted with 10 786 respondents aged 15 to 30 from different social and demographic groups in the then 28 EU Member States – one in three of respondents considered that one of the most important things schools should offer is to 'prepare young people to be active citizens in democratic societies'³⁷³.

In this context, it is worth noting that as a contribution to supporting active citizenship and common EU values, the Committee of the Regions carried out a mapping of good practices at local and regional level for 'promoting European values through education and culture'³⁷⁴.

The local and regional level play a pivotal role in motivating young people to participate in democratic processes. A survey conducted for a study on the youth perspective on the state of local and regional democracy³⁷⁵ confirmed, however, the lack of information/awareness as a key challenge hindering participation. This also relates to communication at the local and regional level; while 51% of respondents view such communication as very good to satisfactory, 31% view it as less than satisfactory, and 18% as insufficient or absent. Similarly, the survey showed that a significant number of respondents, almost 40%, were not aware of whether a youth council is in place in their local or regional government.

A Eurobarometer survey³⁷⁶ dedicated to Youth and Democracy in the European Year of Youth explored who young people would like to most interact with in this year. While most of them (34%) would want to interact with peers from other EU countries, 16% note that in the context of the European Year of Youth they would like to interact with regional and local politicians³⁷⁷. Additionally, when asked in what types of activities they would like to participate in, more young people would appreciate opportunities to engage directly with national, regional or local politicians (21%), than with representatives of European institutions (19%)³⁷⁸.

Level of governance that best meets motivations for democratic engagement



Level of governance that best meets motivations for democratic engagement

Figure VI-C-1 _ Gauci, J.-P., Beqiraj, J., Wenton, A., and Anastasiadou, I., *The State of Local and Regional Democracy – A Youth Perspective*, study commissioned by the European Committee of the Regions, 2022.

³⁷³ European Commission, *Flash Eurobarometer 478. How do we build a stronger, more united Europe? The views of young people*, 2019.

³⁷⁴ Please refer to page 94 of this report for further information about this project, section C – Promoting European values through education – chapter V.

³⁷⁵ Gauci, J.-P., Beqiraj, J., Wenton, A., and Anastasiadou, I., *The State of Local and Regional Democracy – A Youth Perspective*, study commissioned by the Committee of the Regions, 2022.

³⁷⁶ European Commission, *Flash Eurobarometer 502. Report on Youth and Democracy in the European Year of Youth*, 2022.

³⁷⁷ *Ibid*, Q15.

³⁷⁸ *Ibid*, Q13.

The CoFoE, which also incorporated a youth perspective, for instance through the organisation of the European Youth Event in October 2021, also features prominently in its conclusions, the objective to increase citizens' participation and youth involvement in democracy at EU level and to ensure that their voices are also heard in between elections³⁷⁹.

As a contribution of the Committee of the Regions to the European Year of Youth 2022, and as a follow-up to the conclusions of the Conference on the Future of Europe, the Committee of the Regions launched a consultative project towards elaborating the 'European Charter on Youth and Democracy'³⁸⁰ at the Marseille Summit. In collaboration with the European Youth Forum³⁸¹, the Committee of the Regions is involving hundreds of youth organisations throughout Europe, to build concrete recommendations aimed at enhancing the participation of young people in social and civic life at three levels of governance: local and regional level; national level; and European level.

379 Conference on the future of Europe, [Report on the final outcome](#), 2022, proposal 36.

380 <https://core.europa.eu/en/our-work/Pages/charter-youth-democracy.aspx>.

381 <https://www.youthforum.org/>.

D. Women in local politics

1. The status quo in the EU

Although there is a strong political commitment at EU level to achieve gender equality in all domains of life, there are still large differences between women and men in many areas, such as access to the labour market, pay and working conditions, as well as leadership in decision-making. The Council of Europe recommended, back in 2003, the balanced participation of women and men in all decision-making bodies in political and public life with the proportion of women not falling below 40%³⁸².

Throughout the EU, women account for more than half of the population, as well as of the electorate. However, there is still a lack of representation in politics and decision-making at all levels³⁸³.

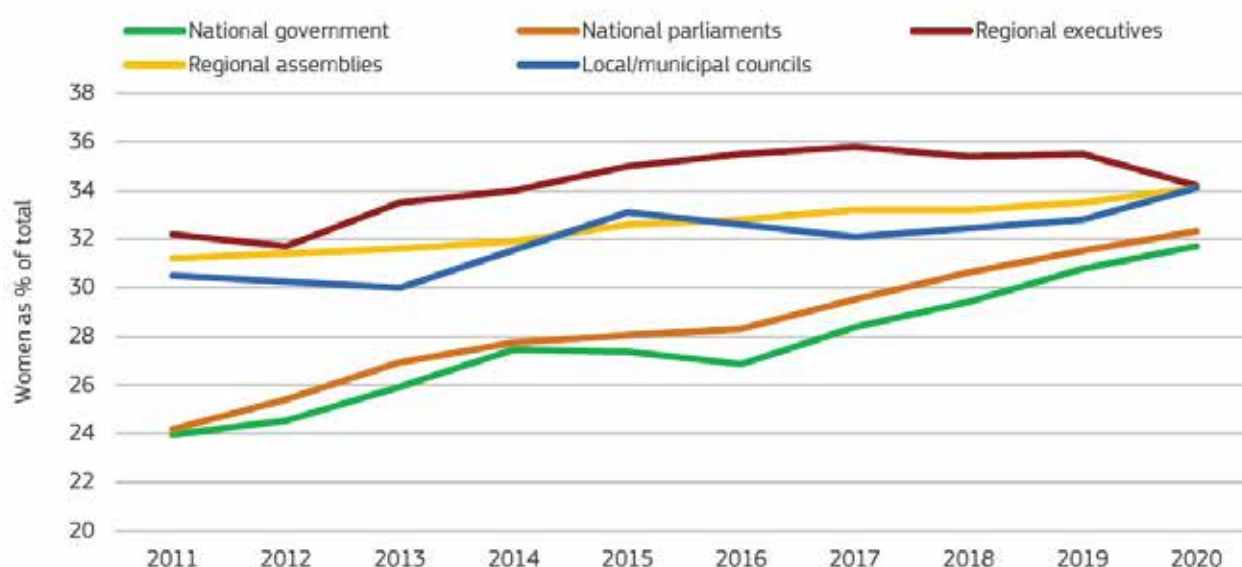
In this respect, the Committee of the Regions has recognised that fewer women hold decision-making positions and pointed out, in its opinion, that women only account for 15% of mayors, 21% of regional presidents, 35% of members of regional parliaments and 23%³⁸⁴ of members of the Committee of the Regions³⁸⁵.

Figures do not improve when we analyse the number of women elected as leaders of major political groups³⁸⁶. In 2022, in the EU women account for only one in four (26%) leaders of major

political parties, with nine EU Member States not having any women leading any major political parties³⁸⁷, and less than two in five (37.1%) are deputy leaders³⁸⁸.

As a matter of fact, in the EU, the representation of women in the composition of political assemblies and executives is far from balanced. Based on the 2019 report 'Women in Politics – Local and European trends'³⁸⁹, produced by the CEMR, women elected at local level represented only 29% of the total; this average is higher than the proportion of women elected in European national parliaments (27%) but quite a bit lower compared to that of women elected in the European Parliament (40%).

In the 10 year period 2011-2020, the percentage of women elected at national, regional and local level has improved but, in 2020, only one in three members of national governments and parliaments, regional assemblies and executives, as well as local councils, were women. The highest increase registered regards the share of women elected in national governments and parliaments (+8 pp) while the increase in regional executives and assemblies, as well as in local councils, has been substantially slower (respectively +2 pp, +3 pp and +4 pp)³⁹⁰.



Women and political power in EU, 2011-2020

Figure VI-D-1-1 _ European Commission, Cohesion report towards 2050, data from European Institute for Gender Equality, 2021

382 Council of Europe, [Balanced participation of women and men in political and public decision-making. Recommendation Rec \(2003\) 3 of the Committee of ministers and explanatory memorandum](#), 2003.

383 Council of the European Union, [Conclusions on Equality between women and men in the field of decision making](#), December 2015.

384 As of 5 June 2020.

385 Committee of the Regions opinion, [A Union of Equality: Gender Equality Strategy 2020-2025](#), SEDEC-VII/005, 12-14 October 2020, Rapporteur Concepción Andreu Rodríguez (ES/PES), President of the Regional Government of La Rioja.

386 European Institute for Gender Equality, Gender Statistic Database, [Women in major political parties as leader or deputy leader](#), 2022.

387 France, Croatia, Cyprus, Latvia, Hungary, Malta, Poland, Portugal and Slovakia.

388 The European Institute for Gender Equality considers major political parties, those with at least 5% of seats in national parliaments.

389 Council of European Municipalities and Regions, [Women in Politics](#), 2019.

390 European Commission, [Cohesion in Europe towards 2050. Eight report on economic social and territorial cohesion](#), 2022.

In 2021, such numbers have been confirmed. As reported in 'Gender balance in politics 2021'³⁹¹ published by the European Institute for Gender Equality (EIGE), women represent one third of elected members in national parliaments, and only one third of EU countries have parliaments led by a woman. The same applies to regional and local assemblies where women represent respectively 34.6% and 34.4% of the elected members.

During the same year, only 16 out of 285 regional assemblies in the EU achieved parity in the candidates elected. In Hungary, two regional assemblies do not have any women elected at all, while several regional assemblies elected less than 10% of female representatives (the same applies to Romania). On the other hand, Spain, France, Sweden and Finland are the Member States with the highest share of women elected in regional assemblies (40% or more)³⁹².

Moreover, as reported in the Gender Statistics database³⁹³ produced by the EIGE, Sweden, Spain and France are the

only EU Member States with gender-balanced representation (at least 40% of each gender) in the national parliament, regional and local assemblies. In contrast, Romania, Greece and Cyprus³⁹⁴ have less than 25% female representatives at all levels³⁹⁵. The EIGE confirms the ten-year trend reported above regarding the increase in the number of women in power at local level, highlighting that the share of women amongst members and mayors, or leaders of local assemblies, has changed little over the decade since data were first collected in 2011. In the period 2011-2022, the proportion of female councillors has increased by just 4pp from 30.5% to 34.5%, while the proportion of female mayors has gone up by 4.6 pp from 13.1% to 17.7%.

The analysis of the European Commission, in the 8th Cohesion report concludes that at the current rate of progress, the share of women in national governments and parliaments would reach 50% by 2040, in local councils only by 2060, in regional assemblies 2070 and in regional executives by 2090³⁹⁶.

2. The main barriers women encounter

There are still too many constraints on women's active participation in political life and their access to leading positions once elected. As expressed in the 'Welcome manual for women elected officials'³⁹⁷, being elected does not represent the end of the obstacles female politicians face. The division of tasks in politics does not represent an equal distribution among men and women; the latter are frequently in charge of social affairs, culture and equality, while they are less involved in decision-making related to more pivotal and visible areas like economy and finance or defence.

Some barriers have a social dimension such as: unequal access to key resources such as time, money, and political networks; unequal take up of family responsibilities as well as restrictive gender roles and stereotypes in wider society³⁹⁸.

In many cities, it has been recognised that the most pressing obstacle in addressing gender equality, (also in politics) resides in the difficulty in reconciling work and family life. Cities such as Barcelona, Berlin, Ghent, Leipzig, Lille, Lyon and Stockholm confirmed that limited access to quality and affordable childcare facilities hinders the careers of many women³⁹⁹.

A big barrier to achieving gender equality, in all domains, remains the common stereotypes related to the role of women as being family and home focused; this implies an uneven distribution of domestic activities to be carried out between women and men. In fact, in Europe, only one third of men take care of cooking and other household tasks, compared to eight out of ten women. Besides, political meetings are

often scheduled during the evening while many women are taking care of domestic errands, so women are under pressure to keep an active public life, and many give up in case they cannot count on a support system that would enable them to be present at political meetings⁴⁰⁰.

Other obstacles that hinder women's political careers – and indeed, the civil dialogue that underpins our democratic institutions – include violence and harassment. Whether in parliamentary hemicycles, on the streets or on social media, physical and verbal violence can deter women from standing as candidates or pursuing multiple mandates⁴⁰¹. As reported in 'Sexism, harassment and violence against women in parliaments in Europe'⁴⁰², published by the Inter-Parliamentary Union and the Parliamentary Assembly of the Council of Europe, women suffer different kinds of violence in the political realm.

According to this report, almost 60% of female members of the parliaments surveyed had experienced or reported an incident related to online violence, and 15% of them experienced or reported a case of physical violence. Furthermore, it has been reported that, on social media, they have seen images or comments about them which had a sexual connotation. In many cases, they had been the target of repeated misogynous online insults, in which they were violently attacked as individuals and as women, particularly because of their political views, receiving messages of death threats, threats of rape and beatings, against them, their children and their families.

391 European Institute for Gender Equality, [Statistical brief: gender balance in politics 2021](#), 2021.

392 European Commission, [Cohesion in Europe towards 2050. Fight report on economic social and territorial cohesion](#), 2022.

393 European Institute for Gender Equality, Gender Statistic Database, [Women elected in National parliaments](#), 2022-Q2; [Women elected in Regional assemblies](#), 2022; [Women elected in Local and Municipal councils](#), 2021.

394 Cyprus does not have regional assemblies.

395 European Commission, [2021 Report on gender equality in the EU](#), 2021.

396 European Commission, [Cohesion in Europe towards 2050. Fight report on economic social and territorial cohesion](#), 2022.

397 Association of Basque municipalities (EUIDEL) and Basque Institute for Women (Emakunde), [Thinking about politics. Welcome manual for women elected officials](#), 2015.

398 European Parliamentary Research Service, [Women in politics in the EU](#), March 2021.

399 Eurocities, [European Pillar of Social Rights – Cities delivering social rights](#), 2018.

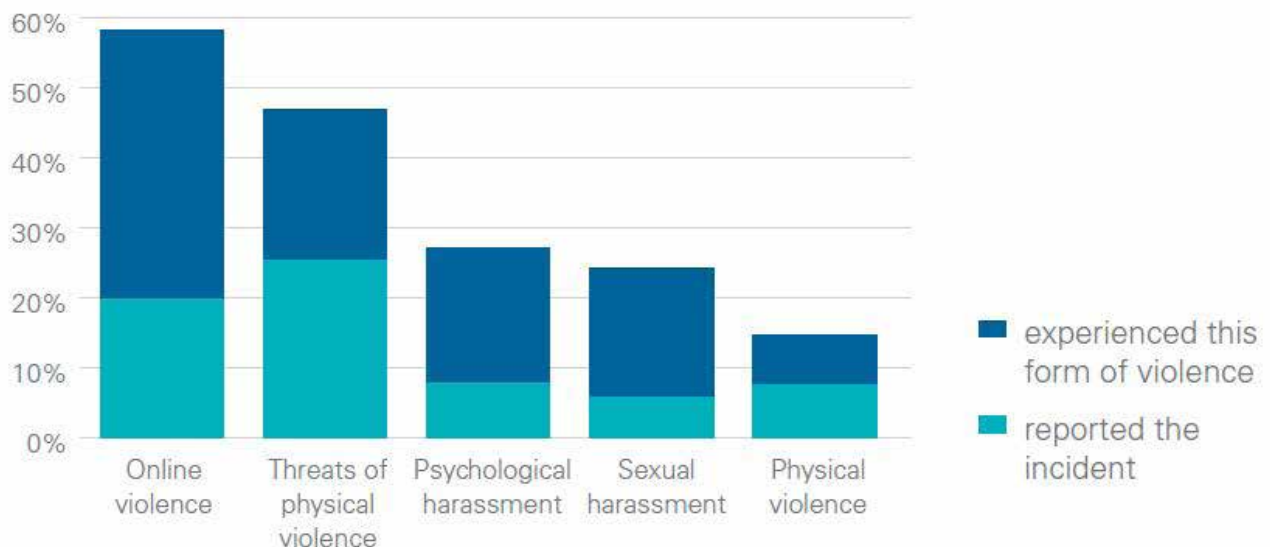
400 Council of European Municipalities and Regions, [Women in Politics](#), 2019.

401 <https://socialeurope.eu/enhancing-the-political-participation-of-women-from-under-represented-groups>.

402 Inter-Parliamentary Union and the Parliamentary Assembly of the Council of Europe, [Sexism, harassment and violence against women in parliaments in Europe](#), 2018. Please note this report is based on voluntary one-to-one conversations with 123 women from 45 European countries, between January and June 2018; 81 of these women were members of parliament.

The report continues stating that women aged under 40 reported more frequently to have been subject to psychological and sexual harassment, and the survey highlights that members taking a strong stance on women's rights and gender equality were singled out. The report also points out that one third of the surveyed women affirmed that experiencing violence affected their freedom of expression during the mandate.

Specific measures are needed to address violence against women in politics, such as reinforcing legal provisions or working with civil society and developing educational programmes (for more recommendations on this matter, see the 2022 Policy Study "Political participation and violence against women in politics in South-eastern Europe"⁴⁰³ published by the Foundation for European Progressive Studies).



Prevalence of acts of violence and rates of reporting

Figure VI-D-2-1 _ Inter-Parliamentary Union and the Parliamentary Assembly of the Council of Europe, Sexism, harassment and violence against women in parliaments in Europe, 2018

Other barriers are more structural, such as the fact that women persistently have lower incomes as they cover the most precarious and lowest paid jobs, but also because of the gender pay and pension gap, and disproportionate unpaid family care.

Moreover, fewer women run for elections as fewer women have access to party resources (finance, networks, etc.). However, these limits come from the restricted number of opportunities women have, in a men-led environment, to enhance their skills and make the necessary political connections and alliances that pave the way to electoral success. Some opportunities, such as trainings and mentoring, are controlled by political parties; increasing these kinds of initiatives would be beneficial for women's empowerment in politics⁴⁰⁴. Furthermore, political parties play an important role in the way candidates are recruited and selected; in 'closed' systems, where the voters cannot decide for a specific person to give their preference to, political parties have the greatest influence over the candidates to elect⁴⁰⁵.

Likewise, women also encounter difficulties when it comes to financing and accessing media. In the first case, financing an electoral campaign might become quite hard for women who often have to use personal savings to finance their political campaign. When it comes to access to media, female candidates have reported unequal treatment compared to men both in the allocation of time reserved to them and in the misogynistic treatment they have received while on the air⁴⁰⁶.

As an example, the French audio-visual council (*Conseil Supérieur de l'Audiovisuel*) observed that in 2018, there was a relevant decrease in the number of women invited as guests in the media. Accordingly, it noticed that women invited on the radio accounted for 37% of the total (-1% less than the year before) while on TV, female politicians accounted for 42% (stable compared to the year before). In total, notwithstanding the fact that women in France represented more than 50% of the population, only 39% of them were guests on radio or TV as political experts⁴⁰⁷.

403 Foundation for European Progressive Studies, [Political participation and violence against women in politics in Southeastern Europe, 2022](#).

404 McCracken, K., Fitzsimons, A., Marquez, S., and Druclarek, M., [Women in political decision-making in view of the next European elections](#), study commissioned by the FEMM Committee of the European Parliament, 2019.

405 European Parliamentary Research Service, [Women in politics in the EU](#), March 2021.

406 Council of European Municipalities and Regions, [Women in Politics](#), 2019.

407 https://www.lexpress.fr/actualite/medias/le-csa-deploire-une-baisse-des-femmes-politiques-invitees-dans-les-medias_2065993.html.

3. The effects of the COVID-19 pandemic on women's political engagement

The COVID-19 pandemic has exacerbated existing inequalities between women and men in almost all areas of life, and further curbed the rise of women in politics. Many national parliaments reconfigured their activities by introducing remote and hybrid methods, entrenching political power imbalances, favouring those physically present (mainly men) and reducing the visibility of those connected online (mainly women).

Simultaneously, the use of the internet brought increased exposure to online abuse and violence against women in politics, discouraging them from engaging in public political debates⁴⁰⁸. Since the beginning of the pandemic a stunning increase in gender-based violence has been reported⁴⁰⁹.

Moreover, the switch to online platforms benefits candidates with more established networks. As an example, obtaining airtime on television requires contacts and resources that female political newcomers might not have. Consequently,

the pandemic has made women less publicly visible as it reinforced the stereotype that associates men with political power and relegates women to the domestic sphere⁴¹⁰.

Likewise, although female Heads of State and Government were praised for the way they handled the emergency, for their rapidity in taking action to flatten the curve of positive cases, as well as for their compassionate communication of public health information based on facts⁴¹¹, the way the world reacted to the crisis did not adequately take into consideration the role of women.

As highlighted by the '2021 report on gender equality in the EU', only 3.5% of all national dedicated COVID-19 task forces had gender parity; the vast majority of those were composed mainly of men (85.2%), and 11.4% included women. In general, the report continues, 81.2% of task forces were led by men⁴¹².

4. The main tools to implement to overcome the gender imbalance in politics

There are a number of good practices that legislators, civil societies and political parties can take inspiration from to boost female representation in politics. Most importantly, political parties, as well as NGOs and feminist organisations, have launched programs for skills and competence development to empower women and prepare their electoral campaigns. Such activities may include mentoring, training courses and seminars as well as public campaigns and relations with the media⁴¹³.

Raising awareness on the value of women's knowledge, expertise and abilities and providing information on women candidates to convince the public opinion to vote for them, is a central tool to fight gender stereotypes in politics. As the EIGE study reports, awareness-raising campaigns are considered the most efficient and effective vehicles of information to the general public⁴¹⁴.

The introduction of quotas represents the most used tools to tackle the structural obstacles that women face to participate equally in politics⁴¹⁵. They are in fact in place in 11 Member States in the EU. Analysing data from 2004, Member States with legislative quotas witnessed a doubling of the proportion of women elected in the national parliaments: the average proportion passed from 17.3% to 34.9%. On the other hand, Member States with no quotas in place experienced a slower increase in the presence of women in parliament, from 23.2% to 31.6%. If those Member States follow the same path for the coming years, countries with legislative quotas can achieve gender balance by 2026. The others might need up to 2039 to achieve the same results⁴¹⁶.

In some EU Member States, the introduction of quotas boosted women's representation in national parliaments (by more than 10%) while in other countries results have been slower. This confirms that the use of quotas alone may not be enough to achieve gender-balanced leadership. Quotas need to fit the political system in which they are applied, including sanctions for non-compliance⁴¹⁷, adding rules to grant women visibility within the electoral system, by alternating female and male candidates in the party list (the so-called zipper system)⁴¹⁸.

Gender parity should not be included only in terms of electoral lists, but also in the formation of governments. This principle should also be reflected in the administration of public institutions, by making gender mainstreaming a key principle of all policies. For example, La Rioja created a Directorate-General for Equality, an inter-department which is responsible for integrating gender equality in all regional policies.

Public institutions also have a responsibility when it comes to making sure more women are present in the public debate, for example with gender-equal panels for events.

Last but not least, as explained during the webinar on sexism in politics⁴¹⁹, organised by *Élues locales* (a French NGO), there are three main axes to work on to stop sexism and gender imbalances in politics. Prevention is the first action: it is important to raise awareness among men and women regarding what sexism is and understanding it. Secondly, concrete actions to fight sexism are necessary and need to be developed. Finally, sexism in politics need to be sanctioned and punished by making men condemned for violent acts ineligible for public office.

408 <https://www.idea.int/news-media/events/impact-covid-19-pandemic-women-politics>.

409 <https://www.unwomen.org/en/news/in-focus/gender-equality-in-covid-19-response/violence-against-women-during-covid-19>.

410 <https://carnegieendowment.org/2020/11/17/how-coronavirus-risks-exacerbating-women-s-political-exclusion-pub-83213>.

411 <https://www.unwomen.org/sites/default/files/Headquarters/Attachments/Sections/Library/Publications/2020/Policy-brief-COVID-19-and-womens-leadership-en.pdf>.

412 European Commission, *2021 Report on gender equality in the EU*, 2021.

413 European Institute for Gender Equality, *Empowering women in politics. Study on good practices*, 2015.

414 *Ibid.*

415 <https://www.idea.int/data-tools/data/gender-quotas/country-overview>.

416 European Commission, *2022 report on gender equality in the EU*, March 2022.

417 European Parliamentary Research Service, *Women in politics in the EU*, March 2021.

418 European Institute for Gender Equality, *Empowering women in politics. Study on good practices*, 2015.

419 <https://blog.elueslocales.fr/webinaires/webinaire-7-sexisme-en-politique-concretement-queles-actions-pour-y-mettre-fin/>.

5. The EU institutions perspective

Looking at this data and their foresight is worrying. It is important to achieve gender equality in decision-making at all levels, to better represent the composition of society and also to benefit the economic growth and competitiveness it brings⁴²⁰. Based on the European Quality of Government Index⁴²¹, developed by the Quality of Government Institute of Gothenburg University in collaboration with DG REGIO, the European Commission highlighted how important it is to increase women's voices and participation in politics, as it has positive impacts on the quality of governance, transparency and accountability⁴²². Furthermore, gender-balanced participation in politics and leadership functions contributes to citizens' trust in democratic institutions, as well as to the general prosperity of the EU⁴²³.

Gender equality is one of the fundamental values of the EU. This value is set out in different documents and actions which highlight the importance of granting equal opportunities for women and men to participate and lead in society. As reported in the 2015 Council conclusion, it is important to "promote family-friendly policies, to support a more equal distribution of caring and domestic responsibilities between women and men, to improve the reconciliation of work, family and private life and to overcome gender stereotypes and challenge stereotypical assumptions about the roles of women and men"⁴²⁴.

In this regard, the EU Gender Equality Strategy 2020-2025⁴²⁵ and European Pillar of Social Rights⁴²⁶ set the goals and actions to achieve gender equality in the Union and equality of treatment and opportunity between women and men in all aspects related to the labour market.

Likewise, the EU made a positive and constructive contribution to the development of the 2030 Agenda and its SDGs⁴²⁷ aimed at eliminating all forms of gender-based discrimination and violence everywhere in the world by 2030, and guaranteeing all women and girls equal opportunities and rights to empower them to be full members of society⁴²⁸.

The Committee of the Regions, in its opinion on the Gender Equality Strategy, has requested that local and regional governments are recognised as strategic partners in the design, implementation and monitoring of the strategy because of their responsibilities and the work they do in carrying out those responsibilities. It also asked the European Commission to ask Member States to organise initiatives aimed at empowering women in local and regional elections to overcome discrimination in the political world, and fighting the obstacles women encounter on their path, including stereotypes and social norms.

At the same time, the Committee of the Regions requests that LRAs take part in the Mutual Learning Programme in Gender Equality to promote exchanges of best practices, calling for specific gender training to be promoted at all levels⁴²⁹.

420 Council of the European Union, [Conclusions on Equality between women and men in the field of decision making](#), December 2015.

421 University of Gothenburg, [European Quality of Government Index](#), 2010, 2013, 2017 and 2021.

422 Joint research Centre [The Regional Gender Equality Monitor](#), 2019.

423 European Commission, [2021 Report on gender equality in the EU](#), 2021.

424 Council of the European Union, [Conclusions on Equality between women and men in the field of decision making](#), December 2015.

425 European Commission, [Striving for a Union of Equality – The Gender Equality Strategy 2020-2025](#), 2020.

426 The second principle of the European Pillar of Social Rights reads as follows: "Equality of treatment and opportunities between women and men must be ensured and fostered in all areas, including regarding participation in the labour market, terms and conditions of employment and career progression. Women and men have the right to equal pay for work of equal value".

427 <https://sdgs.un.org/goals/goals5>.

428 https://ec.europa.eu/international-partnerships/sdg/gender-equality_en.

429 Committee of the Regions opinion, [A Union of Equality: Gender Equality Strategy 2020-2025](#), SEDEC-VII/005, 12-14 October 2020, Rapporteur Concepción Andreu Rodríguez (ES/PES), President of the Regional Government of La Rioja.

E. Countering disinformation at local and regional level

Disinformation is a phenomenon that affects all levels of government. Given their proximity to the day-to-day lives of EU citizens, LRAs have a crucial role to play in countering online disinformation. LRAs are able to adapt wider policy objectives to a specific context, making them more relevant to the local population and more effective.

In a context of suspicion and mistrust exacerbated by disinformation, this is a valuable attribute that could help to increase the legitimacy of actions to counter disinformation in the eyes of the local population.

However, both the policy framework at EU level and research in general seems to be limited in addressing the local dimension of online disinformation⁴³⁰. At regional and local level, the possibility to, for example, effectively regulate social networks is likely to be non-existent. Therefore, any legal action to counter disinformation would depend on European and national frameworks.

It may be possible for some of the larger regional authorities to maintain a relationship with representatives of social media companies in order to counter disinformation events, but this is unlikely to be feasible for smaller authorities.

A similar phenomenon, fake news⁴³¹, was addressed through a study supported by the Congress of Local and Regional Authorities of the Council of Europe⁴³². A survey conducted for this purpose also investigated personal experiences of Congress members, partner organisation delegates and youth delegates. Among the respondents, 52% of them reported having at times experienced fake news to influence decision making in their municipality/region, and almost 14% frequently. More than one-fifth of respondents indicated that they frequently experience fake news as part of an electoral campaign, showing that such interference is not an exception to the rule, but rather a commonplace occurrence⁴³³.

No.	Text (English)	Hardly ever, in %	At times, in %	Frequently, in %
6.1	As part of hate speech	41.2	38.5	17.1
6.2	To influence decision making in our municipality / region	30.5	52.4	13.9
6.3	To influence elections for our city council / regional government	34.2	40.6	22.5

Which form of fake news have the respondents experienced?

Figure VI-E-1 Brüggemann, S., Kutlu, N., Müller-Török, R., Prosser, A., Ručinská, S., Szádeczky, T. and Vrabie, C., Counterfake. A scientific basis for a policy fighting fake news and hate speech, 2022

While there may be limits to LRAs’ capacity to act directly to remove disinformation, they are well-placed to contribute to the construction of a bottom-up societal resilience to disinformation. Strengthening media ecosystems, by promoting media literacy, supporting local media and communicating transparently with the public, will help to make local communities less susceptible to the threat of disinformation.

While acknowledging that size, economic and social context, competencies and other factors affect the ability of LRAs to effectively address disinformation, some of the main preconditions for amplifying the response of LRAs to disinformation include increasing resources for LRAs’ capacity building, fostering relations with journalists and fact-checkers, developing strategic communication, improving media literacy, implementing open government

principles, and supporting local media while respecting their independence and media pluralism more broadly⁴³⁴.

Especially taking into account the limited resources, collaboration becomes the key concept. This could entail, for instance, cooperation among LRAs as part of a network-based approach, which could be valuable due to their often relatively small governmental structure. It could entail targeted actions in the area of education, both in terms of providing training for teachers and incorporating media literacy training and digital education into the curriculum from an early age, creating partnerships between local media, cultural actors and educational institutions. And it should certainly involve greater engagement with citizens, as by giving citizens the opportunity to directly communicate with local representatives, the space for disinformation narratives is reduced.

430 Zamparutti, T., Jones, M., Tugran, T., Vona, L., Navas, L., Sidlo, K.W., Kulesa, A., Chmiel, O., [Developing a handbook on good practice in countering disinformation at local and regional level](#), study commissioned by the Committee of the Regions 2022.

431 While there is no universally agreed definitions of disinformation and fake news, the European Commission defined disinformation as being: “false, inaccurate, or misleading information designed, presented and promoted to intentionally cause public harm or for profit”. Fake news is a similar phenomenon, but which can also be spread without harmful intent.

432 Brüggemann, S., Kutlu, N., Müller-Török, R., Prosser, A., Ručinská, S., Szádeczky, T. and Vrabie, C., [Counterfake. A scientific basis for a policy fighting fake news and hate speech](#), 2022.

433 *Ibid.*

434 Zamparutti, T., Jones, M., Tugran, T., Vona, L., Navas, L., Sidlo, K.W., Kulesa, A., Chmiel, O., [Developing a handbook on good practice in countering disinformation at local and regional level](#), study commissioned by the Committee of the Regions, 2022.

Chapter VII – Main conclusions and policy recommendations

➔ Further support cities and regions in the EU and in Ukraine to address the consequences of the war and to strengthen local resilience and democracy

The data presented in this EU Annual Report on the State of Regions and Cities report show that the Member States and regions closest to Ukraine have suffered the greatest losses in GDP. At the same time, they have often taken in the largest share of displaced people from Ukraine. These cities and regions need the full solidarity and support of the EU in coping with these challenges and in providing decent living conditions for all.

In addition, cities and regions throughout the EU also play a crucial role in ending our dependency on Russian gas and oil by investing in energy efficiency and promoting the roll-out of renewable energy sources.

While current EU measures such as REPowerEU and the special measures to support Ukrainian refugees in the EU (the CARE & FAST-CARE packages) have shown the flexibility of cohesion policy in addressing global challenges, we should not lose sight of the long-term objective that cohesion policy provides to the EU.

Furthermore, cohesion policy should not be seen as a variable budget line, and support for the reconstruction of Ukraine should divert funding already channelled via programmes such as cohesion policy and the common agricultural policy.

Rebuilding Ukraine needs to go hand in hand with promoting local democracy based on strong partnerships with cities and regions in the EU. The European Alliance of Cities and Regions for the Reconstruction of Ukraine launched at the initiative of the Committee of the Regions will play a central role.

➔ Support local and regional governments to keep our communities resilient through coming winter in face of the energy crunch and rising inflation.

- The energy crunch has further exacerbated the soaring inflation affecting local enterprises, main street outlets and households, already since the global recovery from COVID in 2021.
- Inflation is beating unequally different territories. Highest energy and transport costs are more severely impacting citizens from peripheral and rural regions. People in lower income regions suffer

disproportionally from the increase in price-level of basic goods, with risk-of-poverty looming.

- Local government is also highly hit by skyrocketing energy bills for essential services (hospitals, schools, care-taking homes, sport and cultural venues, public lighting) and overall inflation on public procurement and salaries. As an example, in Belgium, the “Mayor inflation basket” is 7% higher than the “average inflation basket”. Tariffs and tax revenues cannot be raised at the same inflation pace, and this causes a scissor effect in the local budgets. Investments and resources available to shelter vulnerable citizens might come under strain.

It is recommended to deploy extraordinary support measures to local authorities, including allocating them a share of the tax revenues applied over energy companies’ wind-fall profits. Energy saving campaigns, as well energy disruption contingency plans, shall be concerted with local authorities to consider local circumstances. REPowerEU investments in renewable and energy efficiency should build on local projects. EU funding schemes, public procurement and state aid rules shall be adapted to keep local investment plans operational also in high inflation time.

➔ Further address the asymmetric territorial impact of the COVID-19 pandemic

It is becoming more and more apparent that the overall impact of the COVID-19 pandemic is similar to the economic impact of the 2008 financial crisis. The pandemic risks reinforcing existing North-South imbalances and inequalities in the EU. Existing differences may also widen at lower geographical levels between places, societal groups, and people. Convergence in the EU may be reversed.

At the same time, the CoR’s analysis reveals that the role of cities and regions has not significantly improved in terms of them being fully involved in the recovery measures under Next Generation EU. There are therefore major concerns that the crisis measures will deepen the territorial divide in Europe even further.

Cities and regions must be given the opportunity to make the most of Next Generation EU and focus on long-term investments enabling them to improve these structural characteristics. To do so, the timeframe for the recovery measures should be extended until EU regions return to their pre-COVID-19 macroeconomic situation. The increased co-financing rate for short-term recovery measures should be continued and consistency between the various funding programmes (RRF and cohesion policy) and regulatory measures should be sought.

➤ Ensure a central role for cities and regions in tackling the climate crisis

The 2022 EU Annual Report on the State of Regions and Cities shows that all regions in Europe are facing increasing impacts from climate change. While these impacts vary from area to area, it is becoming increasingly evident that the climate crisis is becoming tangible all over the EU, affecting human wellbeing, causing economic losses, endangering ecosystems, and threatening human health. At the same time, the energy crisis is widening the social and gender divide, exacerbating energy poverty, and increasing vulnerability to climate change.

Common efforts to fight climate change need to be reinforced at EU and national level, while, on the other hand, the tangible implementation of mitigation and adaptation measures needs to be designed locally, in order to respond to the specific needs of each territory. At the same time, it is becoming more and more important to couple climate, environmental and social policies, in order to ensure that, while speeding up the necessary green transition, no one is left behind.

That is why local leaders in the EU and beyond feel the urgency of addressing the climate emergency and need to be seen as the protagonists of the green transition. COP 27 in Sharm el-Sheik will be a crucial opportunity to take stock of the goals already achieved, push for increased ambition at all levels, and reiterate the call for a greater role for LRAs.

It will be essential for the CoR to be fully engaged in the EU delegation to COP 27, starting with cooperation on setting the EU mandate and stressing the role of cities and regions in the climate crisis at both global and EU level, in terms not only of implementation, but also of decision making, policy making and funding.

At EU level, a thorough revision of the Governance of the Energy Union Regulation is needed to set the basis for a systematic engagement of cities and regions in the planning and management of the green transition. This revision should also be the opportunity to set up a comprehensive EU framework to fight against energy and mobility poverty.

➤ Build the future of cohesion now

Cohesion is more than just a policy to overcome development gaps; cohesion is a comprehensive and overall value of the EU. It is also much more than an emergency instrument to help cities and regions dealing with the COVID-19 pandemic or the war on Ukraine. Leaving no one and no region left behind has become more important than ever. The European Green Deal establishes the framework for Europe's digital and green transition. Achieving both transitions in all corners of Europe is no easy process in the troubled and uncertain times we live in. Embedding "cohesion" in all relevant EU policies is more critical now than ever. This is no easy process, involving substantial changes to the economy and society.

These changes require more investment in territorial cohesion, new ideas for place-based innovation and trans-

formation strategies (territorial missions), and more digital cohesion, as well as social innovation and a reinforced partnership between all levels of government.

Apply the "do not harm cohesion" principle to all EU policies by implementing systematic territorial impact assessment.

Immediately initiate the conversation on the future of cohesion policy, as an inclusive approach involving all stakeholders and citizens. The Cohesion Alliance will act as the joint platform for discussion and exchange, involving the EU institutions in a constructive dialogue with cities and regions.

➤ Make the social dimension the heart of every policy

Rising inequalities, rampant inflation, changes in work patterns and places due to the digital and green transition, persistent challenges in many countries when it comes to employment rates, skills development and high youth unemployment: these are just a few of the challenges facing the EU. In 2020, the employment rate in the EU was around 11 percentage points higher for men (aged 20-64) than for women (78% as against 67%), and the gap has remained unchanged over recent years (at least since the recovery started in 2013). The gender gap was particularly wide in less-developed regions (17 pp in 2020) and in regions in the southern and eastern EU (15 pp in both).

With its European Pillar of Social Rights, the EU has set clear benchmarks for achieving a social Union. At the Committee of the Regions' initiative, the European Commission has also started to monitor the social situation at regional level. This is more crucial than ever as, given the wide socioeconomic differences within Member States, national averages do not accurately reflect the reality on the ground.

Regional and local actors must play a central role with regard to information in order to include a better account of the social situation on the ground when implementing the Action Plan on the European Pillar of Social Rights. The European semester must be reformed in order to add a strong territorial dimension.

➤ Engage with local and regional governments to implement effective follow up to the proposals of the Conference on the Future of Europe in order to bring the EU democracy and projects closer to the citizens.

The CoFoE held firm against an ever-challenging environment, delivering on its initial promises to adopt concrete proposals on the medium- to long-term future of the EU and what reforms are needed. To achieve its 49 proposals across 9 themes, 328 measures were identified.

Their success or failure will depend on how and when they will be translated into actionable proposals by the local, regional, national, and EU authorities.

45 of the proposals are of direct relevance to the LRAs, which are key in delivering solutions to the citizens' concerns nota-

bly in these areas: a) citizens' information and participation; b) European democracy and elections; c) EU decision making process; d) subsidiarity and multi-level governance.

It is essential to fully engage with local governments to implement the CoFoE proposals. The Committee of the Regions will facilitate this process and will propose concrete measures to strengthen the territorial and cohesion dimension of all European policies.

In view of the potential prospects of amending the treaties, the Committee of the Regions will continue to strengthen its consultative role in the EU decision-making process.

The Committee of the Regions will continue playing an active part in defining and operationalising the idea of active subsidiarity.

The Committee of the Regions will continue playing a leading role in engaging with young people and youth organisations to shape the future of Europe and promoting gender equality.

Annexes

List of abbreviations

BCM	Billion Cubic Metres	JTF	Just Transition Fund
BPD	Barrels Per Day	LGMA	Local Governments and Municipal Authorities
CARE	Cohesion's Action for Refugees in Europe	LNG	Liquefied Natural Gas
CEMR	Council of European Municipalities and Regions	LRA	Local and Regional Authority
CAP	Common Agricultural Policy	LRDC	Locally and Regionally Determined Contribution
CLEPA	European Association of Automotive Suppliers	NAP	National Adaptation Plan
CoFoE	Conference on the Future of Europe	NDC	National Determined Contribution
CRII	Coronavirus Response Investment Initiative	NEET	Not in Employment, Education or Training
CRII+	Coronavirus Response Investment Initiative Plus	NGO	Non-Governmental Organisation
EIGE	European Institute for Gender Equality	NRRP	National Recovery and Resilience Plan
EDP	Entrepreneurial Discovery Process	NUTS	Nomenclature of Territorial Units for Statistics
ESF	European Social Fund	OEM	Original Equipment Manufacturer
ESF+	European Social Fund plus	PRI	Partnerships for Regional Innovation
ESIF	European Structural and Investment Fund	REACT-EU	Recovery Assistance for Cohesion and the Territories of Europe
EPRS	European Parliamentary Research Service	RRF	Recovery and Resilience Facility
ERDF	European Regional Development Fund	R&D	Research and Development
ESPON	European Spatial Planning Observation Network	R&I	Research and Innovation
EU	European Union	S3	Smart Specialisation Strategies
EUSF	European Union Solidarity Fund	S4	Sustainable Smart Specialisation Strategies
FAST-CARE	Flexible Assistance to Territories	SDG	Sustainable Development Goal
GHG	Greenhouse Gas	SME	Small and Medium-sized Enterprise
GDP	Gross Domestic Product	UNDRR	United Nations Office for Disaster Risk Reduction
GVA	Gross Value Added	UNFCCC	United Nations Framework Convention on Climate Change
HLG	High-Level Group on European Democracy	UNHCR	United Nations High Commissioner for Refugees
ICE	Internal Combustion Engine		
ICT	Information and Communications Technology		
IPCC	Intergovernmental Panel on Climate Change		

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European Committee of the Regions

The European Committee of the Regions (CoR) is the EU's political assembly of 329 regional and local representatives from all 27 Member States. Our members are elected presidents of regions, regional councillors, mayors and local councillors - democratically accountable to more than 446 million European citizens. The CoR's main objectives are to involve regional and local authorities and the communities they represent in the EU's decision-making process and to inform them about EU policies. The European Commission, the European Parliament and the Council have to consult the Committee in policy areas affecting regions and cities. It can appeal to the Court of Justice of the European Union as a means of upholding EU law where there are breaches to the subsidiarity principle or failures to respect regional or local authorities.





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