



European Committee
of the Regions



EU Annual Report on the State of Regions and Cities

Factsheet 2023



#SOTEULocal

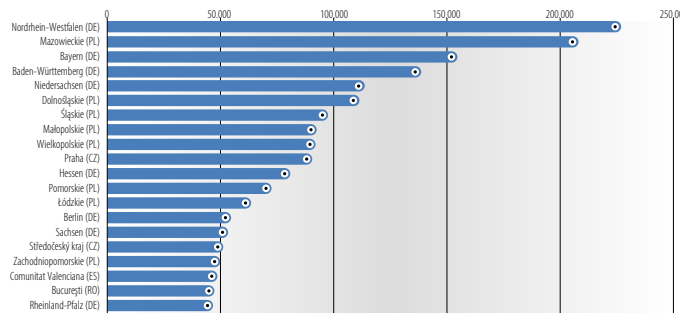
Chapter 1

Regions and cities managing crises

EU regions and cities key to successful reception and integration of Ukrainian displaced people.

Regions with the highest number of Ukrainians actively registered for temporary protection

European Committee of the Regions own compilation.



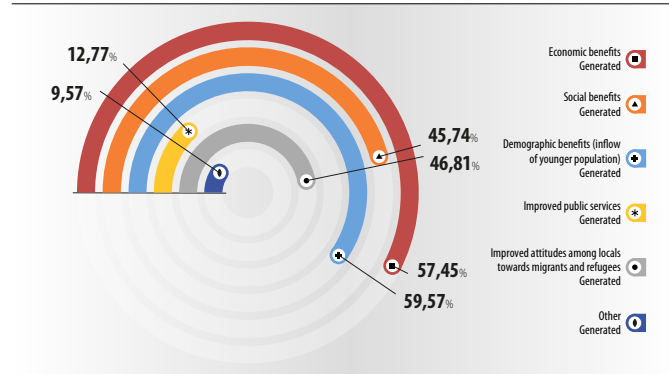
The influx of displaced people caused by Russia's all-out war of aggression on Ukraine in February 2022 is the largest that the European Union has faced. Ukrainian displaced people are mainly women and children. Thanks to the EU's first use of the temporary protection directive, they have been guaranteed the right

to reside, to access housing, health care and education and to search for work. The displaced Ukrainians have settled across the EU – roughly half of the EU's regions and cities report hosting refugees from Ukraine – but they have opted primarily for large urban centres. More than 3.5 million Ukrainians are in Germany, Czechia and Poland; some countries – notably Estonia

– have received a particularly large number relative to the host population. The 10 EU regions hosting the highest number of refugees are in Poland (5), Germany (4) and Czechia (Praha region). With over 220,000 North Rhine-Westphalia (DE) is the EU region hosting most Ukrainian refugees, followed by Mazowieckie (PL) with just over 200,000. Regions and cities have provided tailored support in terms of education

What do you think are some of the benefits of refugees coming to and staying in small and medium-sized cities? Select all that apply.

Source: survey conducted by the CoR in partnership with OECD, Eurochambres. The findings were presented at the Civex Commission meeting on 18.04.2023 and at the EU Regions Week workshop.



and other integration services, especially to women. The majority of regions and cities (60%) see clear benefits – in terms of demography, attitudes and economy, among others – in welcoming refugees in their communities. The solidarity shown towards Ukrainian displaced people contributed to this positive attitude.



Success story | A break from war - summer holidays for Ukrainian children.

Summer holidays for Ukrainian children gave many Ukrainian children the opportunity to enjoy summer holiday youth programmes in diverse cities and regions, such as Nîmes (France), Athens (Greece), Rome (Italy), Tampere (Finland), Gdansk (Poland), Portimao (Portugal), Preiļi (Latvia), Wielkopolska (Poland), Lubelskie (Poland), Maramures (Romania), Podkarpackie (Poland), Pomorskie (Poland), Bavaria (Germany), Łódzkie (Poland) as well as Miskolc and Sátoraljaújhely (Hungary).

Ukraine: with plans and principles in place, it is time to start reconstruction. 83% local authorities ready to contribute. CoR action helps fill the gap in sub-national cooperation.

Four in five EU cities and regions (83%) believe that they can contribute to Ukraine's reconstruction in some way, via the wider European plan to help Ukraine's recovery, through material and financial help, twinning programmes or through the exchange of best practices. Many are taking action already: the number of bilateral partnerships between EU and Ukrainian regions and cities has risen. However, more than a half of Ukraine's smaller cities are still without formal EU partners. The Alliance of Cities and Regions for the Reconstruction of Ukraine set up by the CoR and many partners in June 2022 is helping to fill in the gap in sub-national cooperation. Ukraine's dual need – to re-build and to prepare for EU membership – means demand for material, financial, technical and political expertise will grow. The EU-funded project Covenant of Mayors – East, intended to support the green transition in Eastern Partnership countries, shows the potential of sub-national action: 198 municipalities in Ukraine have signed up, with 158 developing local action plans.



In your view, how can your region or city contribute to the reconstruction of Ukraine? [multiple answers allowed] (% mentioned, EU27)

Source: Regional and local barometer 2023



Success story | A European Alliance of cities and regions for reconstruction: a CoR initiative to coordinate aid and support Ukrainian regions and cities.

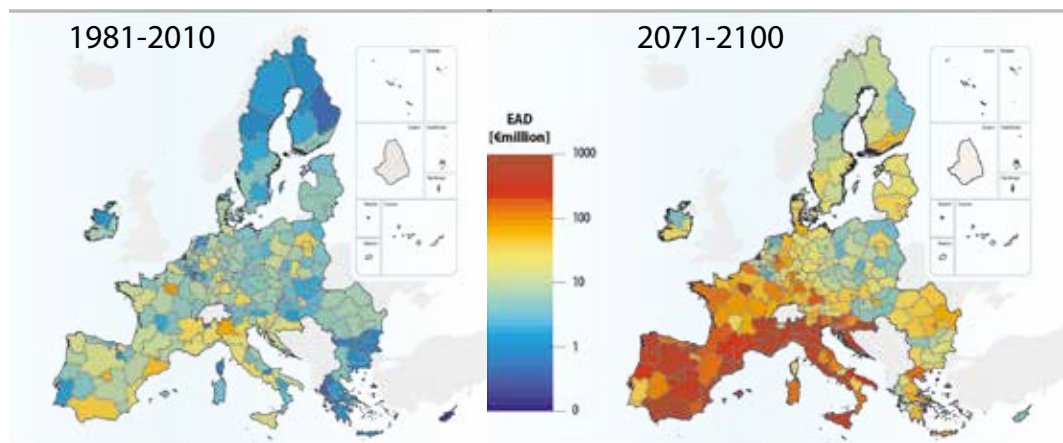
The European Alliance of Cities and Regions for the Reconstruction of Ukraine provided a platform for coordinating aid efforts and expressing a strong political and symbolic support by the EU regions and cities to their Ukrainian counterparts.

Climate disasters impact more and more unevenly across European regions, but vast majority of local leaders bemoan lack of dedicated funding mechanisms to tackle climate adaptation challenges.

Heatwaves, droughts, flash floods and wildfires have devastated many regions across Europe this summer. They are taking an increasing toll on local populations and economies. An estimated €40 billion per year in climate adaptation investments is needed to adapt to the 1.5° global temperature rise. With increasing climate-related disasters the productivity and viability of local and regional economic activities are at risk. Regions and cities play a fundamental role in adapting measures against climate change but there is a real adaptation finance gap, with 75% of regional and local politicians claiming to suffer from a lack of dedicated funding mechanisms to tackle climate adaptation challenges. Regions with a high level of employment in agriculture or the building sectors are particularly affected, especially by longer and more intense heatwaves. For example, the summer heatwaves of 2023 cost Spanish territories the equivalent of 1% of GDP after agriculture suffered as a result of prolonged droughts. The rising global temperature is also significantly disrupting the local tourism industry.

Expected annual damage to critical infrastructure in European regions, due to climate change, by the end of the century (million EUR)

Report from the European Commission to the European Parliament and the Council on the implementation of the EU Strategy on adaptation to climate change

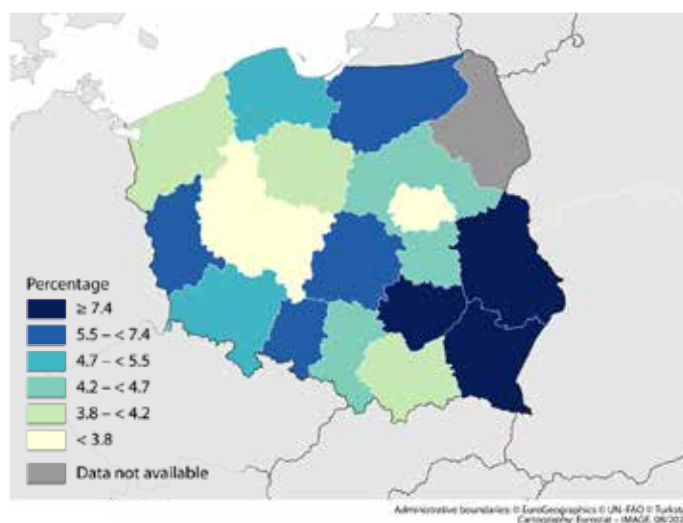


Success story | Resilient reconstruction and social support in Wallonia.

In response to the catastrophic floods in 2021, Wallonia's regional government is developing its Master Plan de la Vallée de la Vesdre and sustainable neighbourhood programmes, aimed at rebuilding the area responsibly and sustainably. 40 million euros will be invested in new public housing for the most affected municipalities. Moreover, the Walloon government has pledged 1.03 billion euros to fully cover citizens affected by the floods.

Drought, floods and Ukraine invasion are deepening food crisis.

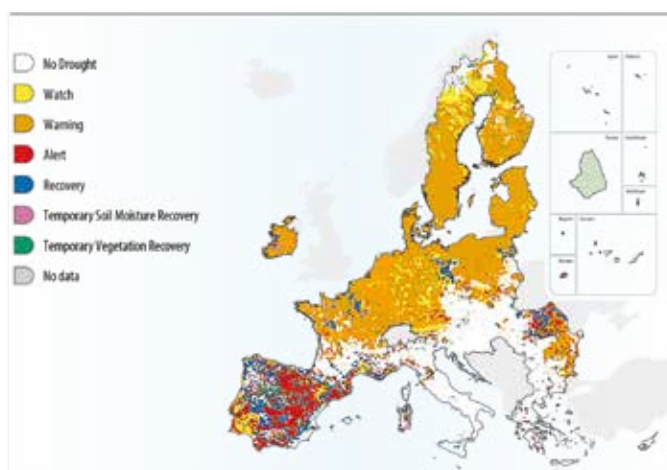
Food system resilience came fully into the spotlight last year, following the Russian war against Ukraine. Today, over 32.5 million Europeans cannot afford a proper meal every other day. The scale goes from 0.4% of the population in Cyprus to a whopping 22.4% in Bulgaria. In half of Polish regions at least 4.7% citizens cannot afford meat, chicken or fish every second day. Moreover, parched soils, heavy rains and droughts are afflicting a broad range of crops and threatening to drive food prices higher in many EU countries. For instance, Spain (-16%) and Italy (-20%) report significantly lower orange harvest. Yet EU cities and regions have braced to cope with the shocks the food crisis brings, to minimise its impact with innovative solutions and to recover better prepared for the next round.



Inability to afford a meal with meat, chicken or fish at least every second day in Poland

Data retrieved from <https://stat.gov.pl/obszary-tematyczne/warunki-zycia/dochody-wydatki-i-warunki-zycia-ludnosci/dochody-i-warunki-zycia-ludnosci-p/ski-raport-z-badania-eu-silc-2021,6,15.htm>

Data not available from PL84 - Podlaskie region



The Combined Drought Indicator (CDI), based on a combination of indicators of precipitation, soil moisture, and vegetation conditions, for mid-June 2023

Joint Research Centre, Drought in Europe, June 2023.

Map visualization recreated by the European Committee of the Regions



Success story | Preparing for droughts, Catalan water management plan 2022-2027.

Aware of the devastating impact of droughts on regional agriculture, the government of Catalonia (Spain) approved in May 2023 its 2022-2027 Water Management Plan laying out investments to a value of 2.4 billion euros to “prepare the region for droughts that will become increasingly frequent and more severe” (the rainfall pattern is likely to diminish by 18% in the next couple of decades).

Chapter 2

Cities and regions actors for a sustainable development

The visibility of cohesion policy should be increased, as 33% regional and local authorities are not aware or benefitting from its funding opportunities.

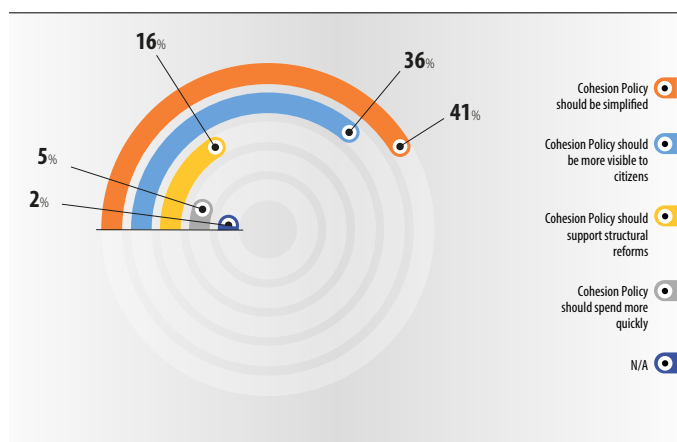
Despite the positive impact of cohesion policy on EU economies in the last 25 years (each euro spent is expected to generate 2.8 euros of additional GDP) regional disparities remain high and are in some cases even growing.

This poses a serious threat to our societies, as places that feel left behind are faced with more discontent in the long term. A CoR Survey highlights that for EU regions and cities simplification (41%) and increased visibility (36%) are the main improvements for the future of cohesion policy. The Regional and Local Barometer confirms the current lack of visibility and involvement in EU fundings of local leaders; with 33% of local and regional EU representatives saying they

are not aware of or not involved in EU cohesion policy funding. Regions and cities confirm that cohesion policy brings added value to their city or region, supporting specific type of projects (53%) and cross-border cooperation (25%) but also to ensure partnerships among actors at all institutional levels (18%). The CoR, via notably its Cohesion Alliance, leads the way to propose a reform of cohesion policy than can help all places and all people in the EU.

What would be the most important reform to include in the future of cohesion policy?

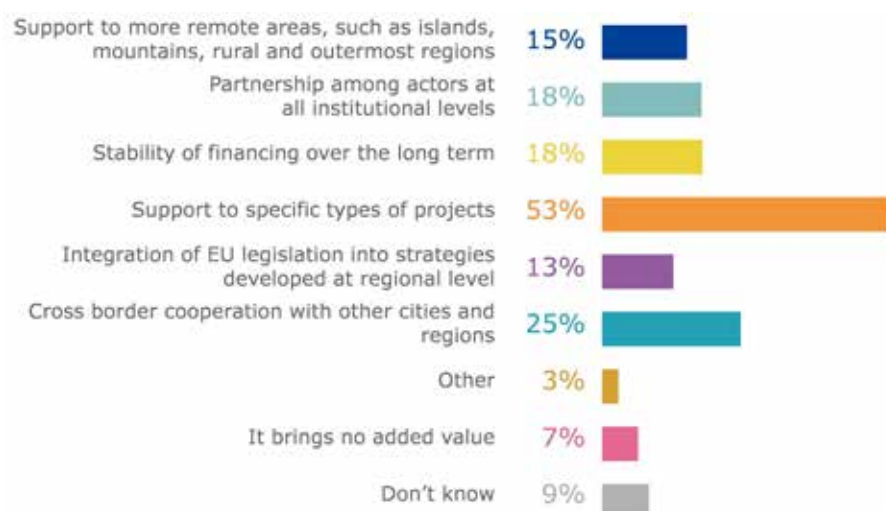
Source: Committee of the Regions survey on The future of cohesion policy



Does the Cohesion Policy funding bring added value to your city or region, compared to other funding streams (national or regional)? If yes, in what form? [multiple answers allowed] (% mentioned, EU27)

Source: Regional and local barometer 2023

Base: respondents who are aware of Cohesion Policy funding (n=1 631)



It brings no added value

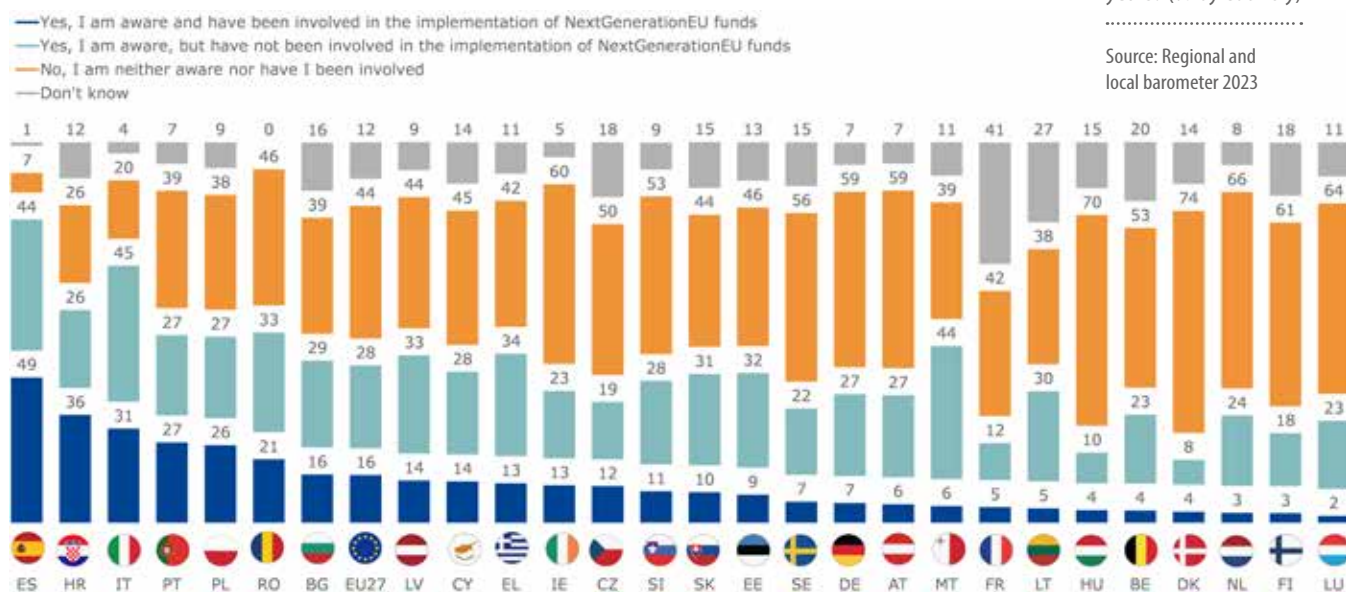
Don't know

NextGenerationEU remains territorially 'blind': over 70% of local leaders have not been involved in its implementation.

Despite the considerable effort often required by public administrations to ensure that EU funds are spent effectively and where they are needed most, the role of regions and cities was not appropriately recognised in the design of the Recovery and Resilience Facility (RRF), the corner stone of the recovery plan NextGenerationEU. Data collected in 2021 and 2022 by the CoR is confirmed by the new Regional and Local Barometer: more than 70% of respondents stated that they have not been involved in the implementation of the RRF. This tool seems therefore to be territorially 'blind'. Letting local and regional authorities propose the most appropriate areas for funding support is the most effective way to ensure the money is put to the best use. Allowing Member States to decide whether or not to involve sub-national authorities in the design of programmes undermines their potential success. The implementation of the RRF also had a direct impact on the start of the current 2021-27 cohesion policy programming period, causing significant delays. Member States and the European Commission must take the necessary measures to change the current centralised narrative into a multi-level implementation approach of the RRF by setting-up on a structural basis and together with cities and regions, multi-level platforms, information sessions and events.

Are you aware of, and have you been involved in, any EU funding coming from NextGenerationEU received by your city or region in the past two years? (% by country)

Source: Regional and local barometer 2023



Success story | Italian municipalities have already committed 90% of the €40 billion assigned to them to implement the RRF.

According to the President of the Associazione Nazionale Comuni Italiani (ANCI), Antonio Decaro, Italian municipalities are highly active in the implementation of the National Recovery and Resilience Plans. Municipalities were assigned €40 billion out of total €191.5 billion, and have already committed 90% of those funds, twice the average commitment rate for funds allocated to other entities.

Digital and green transition remain key challenges for EU's regions and cities, vulnerabilities and risk of cyberattacks call for more investment and preparedness.

The digital and green transition increases both costs and risk and put existential challenges to many European regions and cities. Their relative lack of expertise and infrastructure puts them particularly at risk of cyber-attacks.

This risk brings with it even more challenges, with cyber-attacks most likely to target key services such as mobility or health. Some 97% of regions and cities still wish to invest in digital infrastructure, and increasing political awareness of the available funding support, as well as easier access to the funds, will be essential to make this happen.

In relation to green transition, the CoR Survey shows that regions and cities have taken actions in particular to reduce energy consumption (62%), to promote nature conservation and greening of cities (40%) and to reduce waste and its environmental impact (37%). The ongoing greening of European industry continues to have a significant impact on the local and regional level. While

some regions successfully manage the advantage and the economic transitions, some are more vulnerable and struggle to absorb the consequences - for example, the loss of jobs entailed by closing down carbon-intensive industries such as coal mines or oil refineries. Regions in Czechia, Germany, Hungary and Poland are among those who witness the loss of jobs because of closing-down of carbon-intensive industries. Hence, accompanying those regions with investment and upskilling is of the upmost importance to avoid creating a "green divide" in Europe.

41 most vulnerable regions to industrial green transition

Organisation for Economic Co-operation and Development, Regional Industrial Transitions to Climate Neutrality, 2023

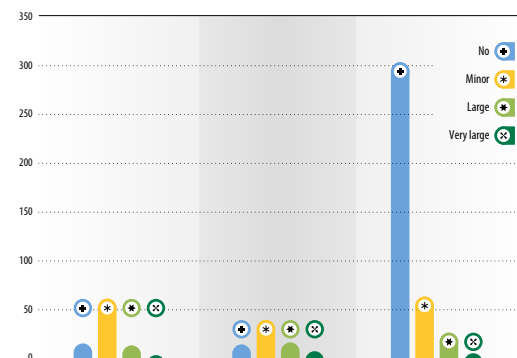
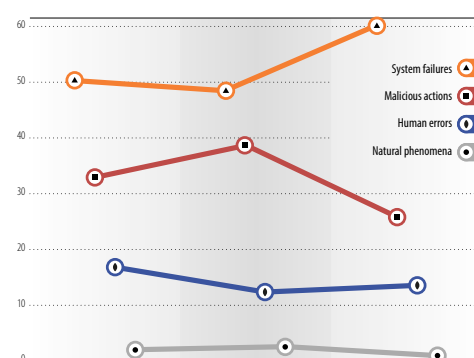
No data available for outermost regions. For the sake of the 2023 EU Annual Report, the map does not show data for two NUTS2 regions in the United Kingdom however please note the OECD report provides them



Root causes of accidents and severity of impact per year

<https://ciras.enisa.europa.eu/>

Graph visualization recreated by the European Committee of the Regions

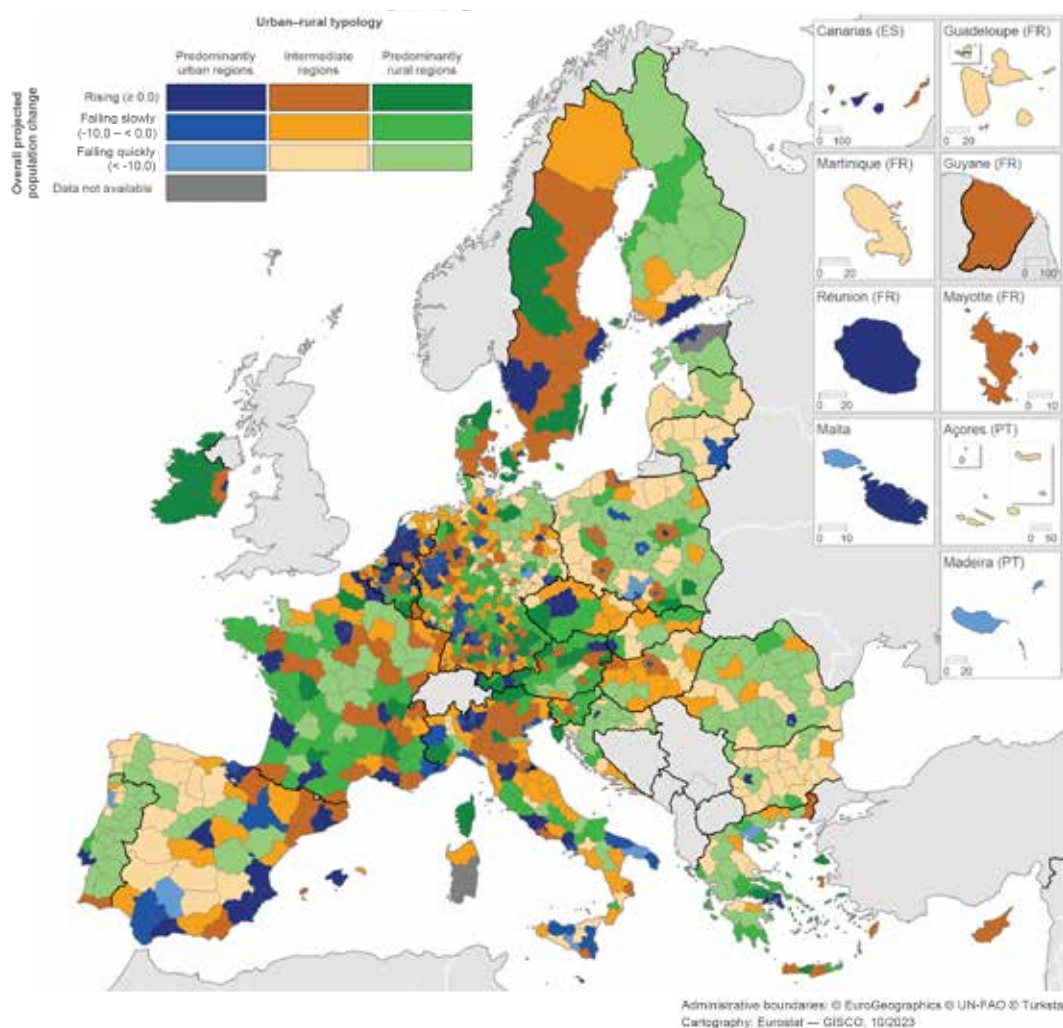


Success story | Vilnius city counters cyber-attacks with help from ethical hackers.

Following a series of impactful cyberattacks on the digital infrastructure of Vilnius (Lithuania) the city put in place an effective strategy to counter cyberattacks. In 2021, the city adopted a ten-year Strategic Development Plan and developed a 'Responsible Vulnerability Detection Policy', i.e., a set of rules encouraging ethical hackers to identify and submit information on security vulnerabilities to the responsible authority without being prosecuted.

Rural Agenda: 30 million people expected to 'disappear' from Europe's rural areas between 1993 and 2033.

The contribution of rural areas to the EU's ambitious and vital goals is at risk for two main reasons: climate change and depopulation. Between 1993 and 2033, 30 million people are expected to have disappeared from Europe's rural areas. This is the size of the population of Romania, Bulgaria and Lithuania combined. Moreover, between 2015 and 2021, the share of people aged 65+ increased by 5% in rural areas, twice as much as in urban areas. Depopulation and an ageing rural population lead to a vicious circle of fewer investments in public services (e.g., childcare, health and long-term care, education, public transport) and economic stagnation or decline. This worrying situation represents a threat to European democracy, because those people remaining in rural areas easily feel left behind by local, national and European institutions.



Success story | Energy villages Cochem-Zell, Germany.

The State of Rhineland-Palatinate is supporting the Cochem-Zeller Energiedorf (Energy Village) project. The project is a perfect example of a change coming from civil society impetus. It develops sustainable heating supply networks in several villages. The heat is obtained from wood that comes from the local forests (wood chips from residual forest wood) and solar thermal. This strengthens the added value in the region. At the same time, direct optical fibre connection is provided to residents.

Chapter 3

Future of democracy and EU enlargement

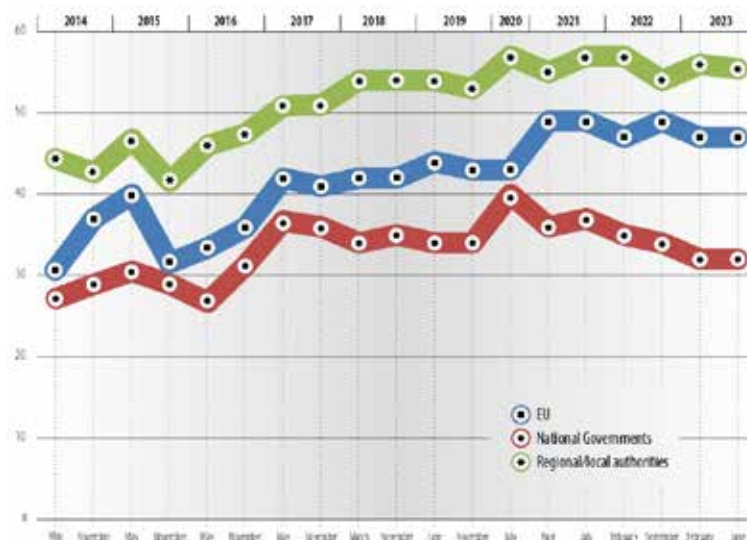
Trust in local and regional governments remains higher than national and EU levels.

Growing discontent among citizens at the state of democracy in their countries is often felt most acutely at the local and regional level. As the level of government closest to citizens, local and regional representatives are often the first to feel the backlash against rising inequality and other threats to democracy, sometimes even leading to violence against local and regional politicians. Despite being on the frontline when it comes to citizens' discontent in general, local and regional representatives are rarely the cause of that discontent. Trust in local and regional government continues to grow and remains higher than trust in the national and EU levels: since 2018 opinion polls consistently show that regional and local authorities are the only form of government trusted by more than 50% of EU respondents. The growing diversity of democratic processes at the regional and local levels has helped bolster local representatives' legitimacy, and regions and cities are clearly seen as the most likely to engage politically with citizens on a regular basis.

Trust in different level of governments

CoR elaboration based on the Standard Eurobarometer Data Annex

Graph visualization recreated by the European Committee of the Regions

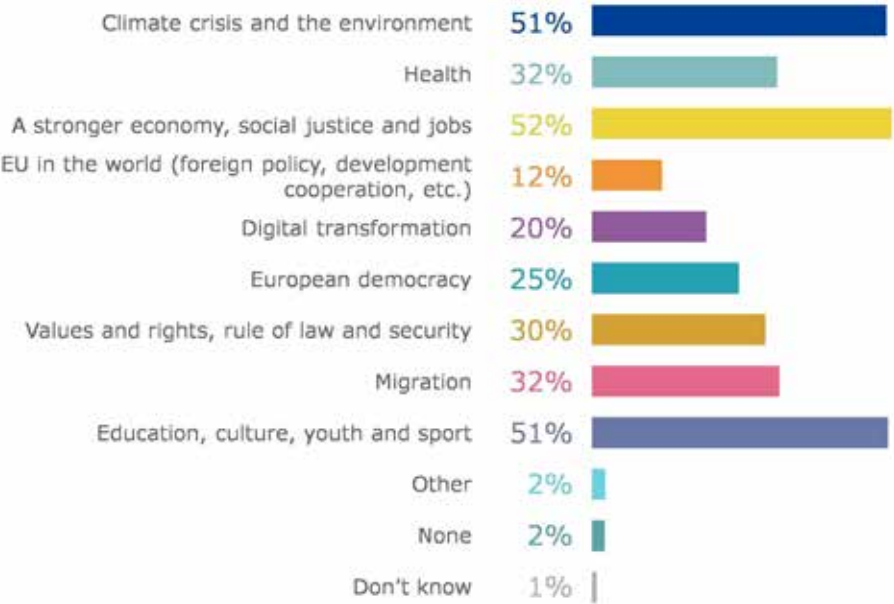
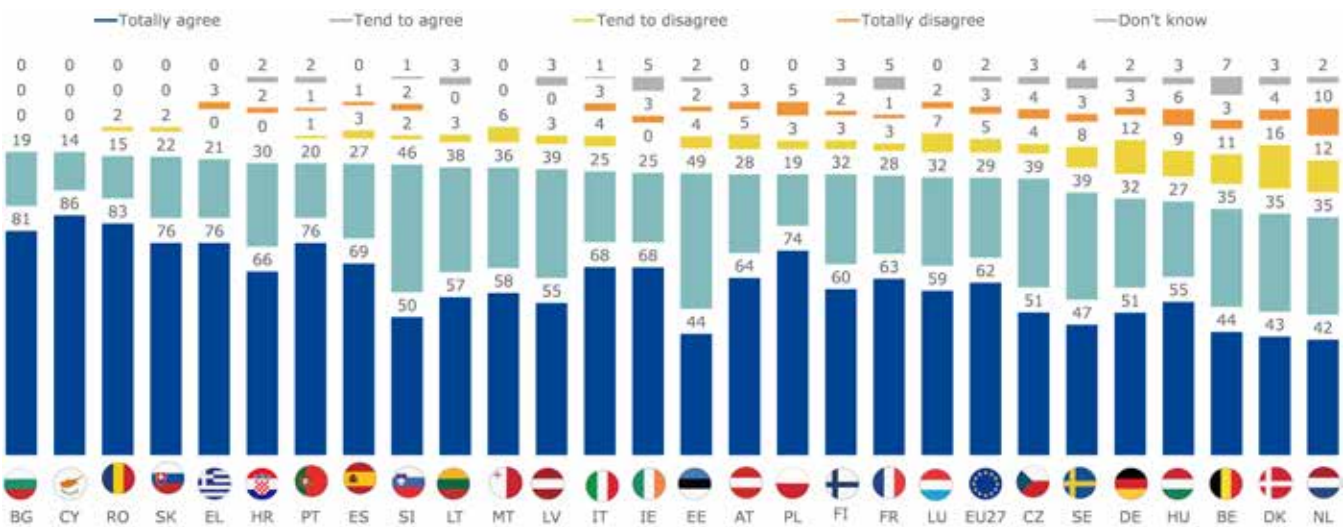


Success story | Fostering the democratic debate with local and regional representatives.

The CoR European network of local and regional Councillors has gathered over 2500 elected representatives in regional or municipal assemblies in all EU countries, beyond the CoR membership. It reinforces EU's democratic foundations by bringing Europe closer to local communities and acts as a platform to meet, discuss and network with other Councillors and CoR members.

The voice of European regions and cities must be further heard in EU policymaking to make it more effective.

The local and regional levels are often involved in helping to deliver EU policies and programmes intended to benefit EU citizens in their daily lives, and yet the voice of the regions and cities where those lives are lived is not heard enough in the EU policymaking process. Local and regional elected representatives are almost unanimous in calling for this to change: 91% of respondents to the CoR's Regional and Local Barometer either totally agree or tend to agree that regions and cities should have more influence in EU policymaking and in the debate on the future of the European Union. When asked in which areas regions and cities should have a greater say, respondents are most likely to answer "a stronger economy, social justice and jobs", "education, culture, youth and sports" and "climate crisis and the environment".



In general, do you agree or disagree that regions and cities should have more influence in EU policy-making and in the debate on the future of the European Union?

Source: Regional and local barometer 2023

In your view, in which of the following areas should regions and cities have a greater say in EU policy-making? [multiple answers allowed] (% mentioned, EU27)

Source: Regional and local barometer 2023



Read the
full report

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Created in 1994, the European Committee of the Regions is the EU's political assembly of 329 regional and local representatives such as regional presidents or city-mayors from all 27 Member States, representing over 446 million Europeans.

Edited by the European Committee of the Regions

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Rue Belliard/Belliardstraat 101 | 1040 Bruxelles/Brussel | BELGIQUE/BELGIË

Tel. +32 22822211 | e-mail: visuals@cor.europa.eu | www.cor.europa.eu

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