

'No person and no place left behind'?

Compatibilities and Inconsistencies of the EU Green Deal and the Next Generation EU in a post-COVID-19 scenario

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Introduction

The EU Green Deal and associated initiatives, namely the Circular Economy Action Plan and the new EU Biodiversity Strategy, form part of the core of the Multiannual Financial Framework 2021-2027 and Recovery Plan (i.e., Next Generation EU). These action plans are critical for the recovery of the European Union (EU), yet the future remains uncertain, as the two frameworks are difficult to reconcile. Whereas the Green Deal puts the EU on a path towards environmental sustainability, the Next Generation EU program remains a contentious proposition, as several inconsistencies have already been identified. In addition, in response to the COVID-19 outbreak, regional and local authorities (RLAs) are being called upon to ensure that the Recovery Plan is realized with due haste, but the EU still lacks a coordination mechanism that can explicitly provide for their involvement in the preparation and implementation of National Recovery and Resilience Plans.

Will the EU be able to guarantee that "no person and no place is left behind" without taking a step backwards in terms of environmental protection? With this intricate challenge in mind, the purpose of this paper is twofold. First, it will provide an informed account of the many compatibilities and inconsistencies of the EU Green Deal and the Next Generation EU. Second, it will highlight the role of RLAs in a post-COVID-19 scenario.

The remainder of this paper will be divided into four sections. In the first part, we will place the EU Green Deal into context and present its main tenets. In the second part, we will outline the compatibilities and mismatches between the EU Green Deal and the Recovery Plan. In the third part, we will examine the role of regional and local authorities in decentralizing sustainability for the success of the recovery plan and reflect upon the opportunity to decentralize sustainability represented by the Conference on the Future of Europe. Finally, in the conclusion, we offer a general overview of our contribution.



Coppieters
foundation



1. The European Green Deal: on a path towards a sustainable future

1.1. The European Green Deal in brief

The European Green Deal, part of the EU's growth strategy, seeks to stimulate the economy and foster job creation while promoting the transition towards a European economy with zero impact on the environment. The Green Deal is intended to accelerate transformation in the ways that we move, produce and consume. Hand in hand with such transformation comes profound social change: public and private entities are encouraged to promote synergies and cooperate in order to guarantee that solidarity and fairness will be inherent in the process.

The EU's Green Deal seeks to rebuild Europe through the values of environmental solidarity, inclusiveness and resilience.

First proposed in December 2019, the European Green Deal has been upgraded from a package of climate and environmental policies to a position at the very heart of the EU's economic recovery following the outbreak of the COVID-19 pandemic. Maintaining as a "green oath" the principle of "do no harm", the Green Deal represents a massive change in terms of adapting the EU's economy towards a sustainable future. It includes measures focused on mobilizing strategic industry for a clean and circular economy, building and renovating infrastructure in a resource-efficient manner, supplying clean, affordable and secure energy, protecting biodiversity, bolstering friendly food systems and promoting a shift towards smart mobility (The European Green Deal, 2019).

The EU's objectives of increasing climate and environmental resilience and becoming climate-neutral by 2050 (European Climate Law) imply changing lifestyles and patterns of production and consumption, as well as eliminating dependence on fossil fuels. In the light of the current pandemic crisis, the Green Deal's proposition is that climate transition may create new opportunities in the labor market that should inform and reform educational and training policies in the present, with particular attention to workers who may lose their jobs in the future.

Climate mainstreaming is to be achieved primarily through the EU's new Industrial Strategy, the Sustainable Europe Investment Plan, InvestEU and the Modernization Fund – all policy instruments included in the Multiannual Financial Framework (MFF) and Next Generation EU (NGEU). With regard to social and cohesion policies, the relevance of the Just Transition Mechanism and REACT-EU should be emphasized. The Just Transition Fund (included within the Mechanism) will seek to support the Member-State sectors most drastically affected by the transition and those most exposed to international competition, in addition to fostering economic transition in regions where the economy is highly dependent on carbon. The rationale behind these policy instruments is that not all EU regions can transition at the same pace or are equally ready to implement measures aimed at climate neutrality and the elimination of a carbon-dependent economy. The Just Transition Fund is designed to address different rates of adjustment through compensation, thereby increasing homogeneity in Member States' roadmaps towards neutrality and opening a channel of solidarity and fairness between Member States that are already transitioning by investing in renewable energy sources and those that are not yet ready to do so. All in all, the EU's Green Deal is a growth strategy that seeks to rebuild Europe in a post-pandemic scenario through the values of environmental solidarity, inclusiveness and resilience.



1.2. Challenges and opportunities

Like any other EU initiative, the Green Deal poses numerous challenges and offers ample opportunities related to its implementation and execution. Although it can be argued that the COVID-19 pandemic represents a unique opportunity to initiate a different approach to climate change and economic recovery, Green Deal's influence in the long term on Member States' macroeconomic scenarios raises questions about its challenges in the short term.

The opportunities generated by the Green Deal can largely be described in two dimensions. In economic terms, new benefits will be created, industrial competitiveness in terms of innovation is already being enhanced (Horizon Europe), new jobs fit for a new type of economy will be developed ("job-creating engine") and the European Investment Bank will find new purpose as EU's climate bank through the financing of green projects. At the political level, by becoming the first continent with a carbon-neutral economy by 2050, the EU is presented with the possibility of consolidating its global climate leadership role. Moreover, climate transition will reduce dependence on fossil fuels, thus improving the EU's energy security.¹

The current challenges concern the acceptance of the need of change by the actors involved, the social consequences of such policies and their timely implementation and execution – all interconnected issues. Potentially drastic social consequences can be expected if they are not properly addressed by the Just Transition Fund, particularly in the most carbon-dependent regions. Indeed, the possible increases in energy bills, especially for households on the fringes of society weigh heavily on the decision to change habits and the acceptance of climate transition as a necessity rather than an option.

Regions and municipalities play a crucial role in implementing and executing change.

Furthermore, there are sectors in the economy with slow dynamics, and postponing the necessary changes can make the desired effects unattainable. We should not minimize the programming and capacity aspects at play here. Member States often have difficulties in programming, committing and applying EU funds. Given that the new EU budget is predicted to double in several headings from 2021 to 2024, full yearly commitments and payment completion by 2026-2027 under the existing EU budget rules seems unrealistic. Thus, the main challenges relate in large part to the acceptance of the need for change and the efficient incorporation of the Green Deal's objectives into the MFF and NGEU – the framework for EU expenses for the upcoming years.

The success of the Green Deal and the EU's economic recovery post-COVID-19 are dependent on determining a balance between the specific situations in which recovery measures should be applied, the speed with which recovery programs should be deployed, the scope of the measures and their eventual targeted nature. Here, regions and municipalities play a crucial role in implementing and executing change.

¹ For further information, see: European Commission 'A hydrogen strategy for a climate-neutral Europe'. July 2020. Available at: https://ec.europa.eu/energy/sites/ener/files/hydrogen_strategy.pdf (accessed on 22/09/2020).



2. The Green Deal and the Recovery Plan: is this Europe's momentum?

2.1. Compatibilities between plans

In the wake of the sovereign debt crisis of 2008-2009, the European Commission published a European Economic Recovery Plan aimed at achieving a shift towards a low-carbon economy, with a focus on clean infrastructure, energy efficiency in buildings and green cars (European Commission, 2008). However, such initiatives have fallen short of their objectives, with limited progress to date in housing renovations and cleaner cars. Could it be different this time?

The new MFF and NGEU, combined with the Green Deal, can play a crucial role in setting ambitious goals for the EU. Although the idea that a carbon-based economy should be abandoned is not new, we must learn our lessons from the recent financial crisis if we are to successfully incorporate the Green Deal into the Recovery Plan and achieve a carbon-neutral and fair economy. A first step towards that goal was the consideration of various national and regional realities – that is, the recognition that there are different starting points among the Member States and regions, and the subsequent provision of several effort-sharing measures.

The MFF and NGEU should be perceived as measures capable of strengthening and prioritising climate objectives while aiming to relaunch the economy.

It can be argued that the efforts thus far undertaken towards convergence and compatibility between instruments have been, in general terms, successful, especially with regard to the target of 30% climate mainstreaming in all EU expenses for the next 8 years, as well as the development of an effective methodology for monitoring and annual reporting on climate spending and its performance. Indeed, there are promising investment approaches and measures to be funded. In particular, one should note the predicted improvements in energy-efficiency planning and investments that can unlock energy savings in the housing sector and in public infrastructure (the so-called Renovation Wave).

The MFF and NGEU should thus be perceived as measures that are capable of strengthening and prioritizing climate objectives while still aiming to relaunch the economy with a far-reaching perspective to help prepare for future crises. If properly embedded within the Green Deal, the instruments can have a positive impact on Member States' GDPs, given that the rate of investments (both public and private) required to implement the transition will generate economic growth. Acknowledging the likelihood of higher carbon prices in the future (predicted through revisions of the Emissions Trading Scheme (ETS) and the Energy Taxation Directive), will promote investment in, for example, smart electricity grids and charging infrastructure for electric cars, and will provide revenues to help fiscal consolidation.

Furthermore, the inclusion of the NGEU within the EU budget structure means that disbursement will require programming linked to the European Semester, thus ensuring macroeconomic conditionality; likewise, subject to the European Commission's budgetary management and control systems, while being under the budgetary control of the European Parliament, has benefits not only in terms of transparency and accountability, but also regarding the proper execution of the funds.

The pandemic crisis has paralyzed the EU's economy. Although the exceptional measures taken at both EU and national levels have softened the impact of the economic recession, the shock wave will have prolonged effects whose full range of consequences remains unclear. The European Council of July 2020 has signaled the EU's intention to face the crisis in an unprecedented manner by issuing quasi-common EU debt and creating new Own Resources, but the manner through which



funds are allocated among the programs aimed at stimulating businesses and investment will be critical in guaranteeing that green products and services are developed.

Indeed, the new Own Resources available for the green transition such as a plastic levy (to be introduced in 2021), as well as a Carbon Border Adjustment Mechanism (to be proposed in the first half of 2021), indicate that the Green Deal served as the EU's compass when it was searching for new resources and new sources of revenue for novel and extraordinary outlays. Similarly, EU leaders have asked the European Commission to propose a revision of the ETS that will extend it to the aviation and maritime sectors.

Another aspect that should be mentioned is the Commission's proposal to update the current target for emissions reduction by 2030 to at least 55%. This sends a message to market players that the EU's decarbonization trajectory is headed towards carbon neutrality by 2050, enabling them to make informed green investment decisions. Furthermore, the provisions made in the Common Agriculture Policy related to its modernization and an effective 40% climate spending demonstrate how efforts are being focused on strong policy actions over the next seven years.

Topics of compatibility between instruments have been mentioned, but the issue of greatest significance is the role of regional and local authorities in matching the Green Deal's objectives with the implementation of funds allocated by the MFF and NGEU, namely in the post-COVID-19 recovery context. Regions and municipalities have the ability to predict which new jobs will be in high demand and to foster growth accordingly. They play a key role in implementing EU's cohesion policy and understanding their specific realities which demonstrates the importance of the local and regional level for efficient European governance, in line with the subsidiarity principle.² By combining these tools and seeking to achieve convergence between them, the MFF and NGEU would seem to be the economic solution capable of realizing the EU's vision and ambition to become a carbon-neutral continent. What remains to be seen is the extent to which they will actually be compatible.

Regions and municipalities play a key role in implementing the EU's cohesion policy and understanding their specific realities.

2.2. Inconsistencies

In order to realize the vision of a green recovery, it is important to reflect on the lessons of the recent financial crisis of 2008-2009 – that is, to develop a clear understanding of both the economic impacts and the economic policy responses of societies, and to properly integrate the green component into the recovery. Indeed, several Action Plans and Strategies will be required to correctly achieve a green recovery, not only to prevent increasing levels of regional asymmetries, but also to achieve its full potential.

However, inconsistencies can already be identified ex-ante. First, it should be remembered that the 2030 climate target, a central element of the Green Deal, was initially outlined in 2014 by the European Council. Since then, specific climate and environmental legislation has been approved, largely since the end of 2017. Thus, the initial MFF proposal reflected the level of ambition of 2014, given that this was the known benchmark. With the MFF negotiations underway, the Just Transition Fund was designed without the revision of the 2030 climate target, and therefore with a clear mismatch between the level of EU ambition and how the designers proposed to achieve it. Nonetheless, we note that the NGEU foresees, among other aspects, the enhancement of the Just Transition Fund, in addition to an increase in the percentage of climate mainstreaming.

² The subsidiarity principle aims to ensure that decisions are made as closely as possible to the citizen and that there are constant checks to verify that action at the EU level is justified in light of the options available at the national, regional or local levels. Specifically, it is the principle whereby the EU does not take action (except in the areas that fall within its exclusive competence) unless it would be more effective than action taken at the national, regional or local levels. It is closely linked to the principle of proportionality, which requires that any action by the EU should not go beyond what is necessary to achieve the objectives of Treaties. The EU Treaties recognize the legal-political principle of subsidiarity and seek to organize the growing number of competences that are shared between the EU, the Member States and subnational levels of government.



Additionally, carbon pricing has increased its value fivefold over recent years, increasing the endowment of instruments such as the Modernization Fund (designed to support 10 Member States in energy and social transitions). Overall, although the resources are comparatively greater than the 2014 benchmark, there is a gap between measures and goals. This underscores the importance of reviewing climate targets before the end of 2020 – not only to update the National Determined Contributions (NDCs) to the UNFCCC of the EU and the Member States, but also because a higher degree of convergence should be sought between the various policies and programs.

If we are to achieve climate neutrality with solidarity and fairness, the expected level of redistribution set out in the programs should be higher.

Moreover, there is a risk that anticipated contributions to climate-related spending will be overestimated. Not all expenditures can be considered green investment and/or spending due to their diversification, ranging from agricultural subsidies to funding for research and innovation. It is therefore important for the European Commission to review the methodology of how expenditures are interpreted as contributing to climate objectives, given that the current methodology exhibits certain flaws, as recently highlighted by the European Court of Auditors (European Court of Auditors, 2020).

Furthermore, inconsistencies between instruments can be detected in some priorities set out in the MFF and NGEU, in the expected redistributive effects of the different programs and their social impact, and in deficiencies regarding the level of competence fit to decide on national energy mixes.

The Green Deal's long-term outlook notwithstanding, the big-envelope programs laid out in the MFF and NGEU are typically temporary and only modestly redistributive (Bruegel, 2020). In fact, a range of priorities set out in the MFF and NGEU intended to provide an immediate and sizeable boost to the economy will directly compete with the green objective. Much fiscal stimulus is likely to focus on boosting demand within existing economic structures rather than pursuing aggressive supply-side reform. To make matters worse, Member States have the choice but not the obligation to invest EU funds in the transition towards climate neutrality.

If we are to achieve climate neutrality with solidarity and fairness, the expected level of redistribution set out in the programs should be higher. It could be argued that several policies are already designed to resolve this issue and that the supranational level has limited redistribution power, but if the EU is to strengthen its social pillar, its redistributive capacity must be reconsidered and reinforced with regard to the specific allocation of funds to various headings and programs and the resulting complementarity. Here, regional and local entities play a fundamental role in guaranteeing that no one and no place is left behind. Indeed, their role in such a complex scenario is recognized at all levels, but it is seldom reflected in practice in governance mechanisms and funding strategies.

In terms of social impact, although there are several mechanisms in place to address inequalities and regional disparities, the mix of the two instruments will most likely lead not only to an increase in unemployment levels and a shift in patterns of production, but also to social consequences that cannot be fully anticipated and may further exacerbate asymmetries within the EU.

One question that should be asked: will the MFF and NGEU exclude funding for fossil-fuel industries, nuclear energy, new airports and motorways, landfills and incineration and unsustainable overfishing in order to be compatible with the Green Deal? Such expenses would not be in line with the Green Deal's goals, but cutting these sectors from the MFF and NGEU would be unrealistic, given that most Member States' economies still rely on them to some degree to foster growth and to transition to eco-friendly solutions. One could argue that any frontloading of investments in the 2021-2027 budget framework, namely in terms of cohesion policy, should be compatible with the



The involvement of RLAs would be useful in ensuring that funds are spent where and how they are most needed.

principle of "do no harm" and comply with at least 50% of the sustainability targets mentioned above. However, that would interfere in matters of national sovereignty regarding decisions on their energy mixes, which is a rather sensitive topic.

Betting on the "twin transition" (environmental and digital) is not an easy proposition. It represents a level of ambition that some might call unattainable, but it is now left to the Member States to address the policies' inadequacies by properly implementing and executing it in an attempt to meet its objectives.

3. Subnational authorities and the Recovery Plan: key players in decentralizing sustainability

One issue that has gained prominence with the outbreak of COVID-19 is the key role of regional and local authorities (RLAs) in the elaboration and implementation of the Green Deal and Recovery Plans. Although the EU granted due attention to RLAs in EU policy-making in the 1990s, namely with the institutionalization of the CoR and legal endorsement of the subsidiarity principle with the Treaty of Maastricht, the involvement of RLAs in the governance of the EU Recovery Plan – in particular, its main component, the Recovery and Resilience Facility – is quite limited, implying that these instruments are "spatially blind". In this respect, the European Commission³ has also acknowledged that the Recovery and Resilience Facility lacks both a territorial dimension and clear references to the involvement of regional and local authorities. Most notably, the Facility proposal does not explicitly provide for their involvement in the preparation and implementation of National Recovery and Resilience Plans.

Although Member States remain the primary decision-makers, the involvement of regional and local authorities would be useful in ensuring that funds are spent where and how they are most needed. Their added-value in identifying territories with strategic investment needs is undeniable in this regard. Moreover, such involvement of RLAs in the design of National Recovery and Resilience Plans (NRRPs) could mitigate the "lack of democratic elements in the proposed governance of NRRPs".⁴In a survey carried out by the CoR and the OECD in June and July 2020 on the impact of COVID-19 on regions and cities, more than 9 out of 10 (91%) of respondents representing RLAs indicated that it would be "helpful" or "very helpful" for national governments to engage in early and continuous consultation with subnational entities in the design of recovery measures.

Bearing these precedents in mind, the CoR has suggested that the Recovery and Resilience Facility's governance mechanism should promote the involvement of RLAs, thus following the principle of active subsidiarity. In a similar vein, concrete measures could be adopted to prevent the fragmentation of recovery investment efforts by prioritizing innovation and transformation investment in Member States and regions according to their competitive strengths. The smart specialization approach could also become an intrinsic part of the governance of the European investment strategy, providing a strong foundation on which to build a comprehensive European recovery plan involving regions and cities as key contributors.

Additionally, drawing on previous experiences, the CoR has suggested that the Recovery and Resilience Facility could include a "Code of Conduct on Partnership" – similar to that in force under

³ European Commission. Proposal for a Regulation establishing a Recovery and Resilience Facility. COM (2020) 408 final. 28/05/2020. Available at: [https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52020PC0408R\(02\)](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52020PC0408R(02)) (accessed on 24/10/2020)

⁴ Jacques Delors Centre. How to spend it right: A more democratic governance for the EU Recovery and Resilience Facility. 11/06/2020. Available at: <https://www.delorscentre.eu/en/publications/detail/publication/how-to-spend-it-right-a-more-democratic-governance-for-the-eu-recovery-and-resilience-facility> (accessed on 24/10/2020)



cohesion policy⁵ and European Structural and Investment Funds⁶ – to set minimum standards for the involvement of RLAs and to ensure that RLAs are not only implementers but also co-designers of relevant reforms and investments. Moreover, in line with the dissemination of good practices already in use, the CoR has decided to organize together with the European Commission during the annual European Week of Regions and Cities in order to influence the management of the Facility and enhance the "place-based" approach that is currently lacking. Finally, in parallel to these suggestions, the CoR has established a "Green Deal Going Local" working group.

3.1. The Committee of the Regions: "Green Deal Going Local" working group

The "Green Deal Going Local" working group is a new initiative of the European Committee of the Regions that seeks to place cities and regions at the core of the European Green Deal and ensure that both the EU's sustainable growth strategy and the COVID-19 recovery plan translate into direct funding for cities and regions and tangible projects for every territory.

The CoR has established a "Green Deal Going Local" working group.

The "Green Deal Going Local" working group will guarantee that the complex mechanisms that the EU establishes (in agreement with the Member States) are tailored to EU regions and capable of responding to their needs while staying true to their ultimate objectives. In terms of governance, this Working Group will ensure that:

- Regional and Local Authorities will be involved in the decision-making process whenever decisions about specific regions are being made;
- The European Committee of the Regions, as the voice of regional and local authorities at the EU level, will be consulted when establishing the general rules for the EU recovery and resilience strategy;
- Funding schemes and strategies will be put in place to grant cities and regions direct access to funds to implement their Green Deal projects.

In brief, the "Green Deal Going Local" working group has three specific objectives:

- To make the voices of cities and regions heard in deliberations on the numerous policy initiatives under the European Green Deal;
- To place cities and regions at the heart of EU institutions' policies promoting carbon neutrality;
- To highlight achievements and best practices of local and regional authorities in implementing local green transitions and to facilitate replication across the EU.

⁵ The Code of Conduct Partnership under Cohesion Policy is available here:

<https://www.eesc.europa.eu/en/our-work/opinions-information-reports/opinions/code-conduct-partnership-ccp> (accessed on 25/10/2020)

⁶ The Code of Conduct on Partnership in the Framework of the European Structural and Investments Funds is available here:

<https://op.europa.eu/en/publication-detail/-/publication/93c4192d-aa07-43f6-b78e-f1d236b54cb8> (accessed on 25/10/2020)



In sum, to ensure that the COVID-19 crisis can serve as an opportunity to realize and accelerate sustainable structural change, the unprecedented amount of money supplied by the NGEU must be spent in a coordinated and ambitious manner prioritizing shared and long-term benefits. To this end, the governance of the EU Recovery Plan – fully respecting the principles of partnership and multi-level governance⁷ – will be a key element, deserving of continued and close monitoring.

The COVID-19 crisis has highlighted the importance of coordination and multi-level governance mechanisms.

Overall, the COVID-19 crisis has highlighted the importance of coordination and multi-level governance mechanisms. In situations involving shared responsibilities in critical policy areas and a territorially asymmetric impact, coordinated, flexible and territory-specific responses have been developed with success. According to an OECD report (2020), the current crisis could lead certain countries to reevaluate their multi-level governance systems to make them more "fit for purpose", more flexible and better balanced between centralized and decentralized management.

Similar views were shared with the CoR by the Congress of Regional and Local Authorities at the Council of Europe⁸ in a contribution to the OECD report. The contribution includes certain preliminary recommendations for the establishment of a coordinated framework to respond to future crisis situations. These are:

- Any emergency measures must be temporary in nature, proportional to the requirements of the situation and introduced under democratic control, and they must be lifted as soon as the situation allows it;
- Better division of competences and means within the multi-level governance system must be ensured and maintained even in times of crisis;
- Instead of re-centralizing competences and funds, better coordination between different levels of governance and an improved system of regular consultations with local and regional authorities must be established within emergency mechanisms, making subnational authorities an integral part of national crisis management;
- Local and regional authorities must be closely involved in setting up mechanisms and procedures for future emergency situations in their role as actors in multi-level governance;
- Provision of direct funding to local and regional authorities and their access to direct funding must be ensured during both the crisis management and post-crisis recovery.

Unsurprisingly, these guidelines are supported by subnational governments. In a survey commissioned by the CoR and OECD in June-July 2020,⁹ subnational governments were asked to rate the importance of various factors for a successful exit strategy from the crisis. The results for the factor "Coordination in the design and implementation of measures among all levels of government" are very telling: No fewer than 87% of respondents rated it as "very important", and a further 8% called it "somewhat important" (see Figure 1 next page).

⁷ Multi-level governance has been defined by the Committee of the Regions as being based on coordinated action by the EU, the Member States and regional and local authorities according to the principles of subsidiarity and proportionality and in partnership, taking the form of operational and institutionalized cooperation in the drafting and implementation of the European Union's policies.

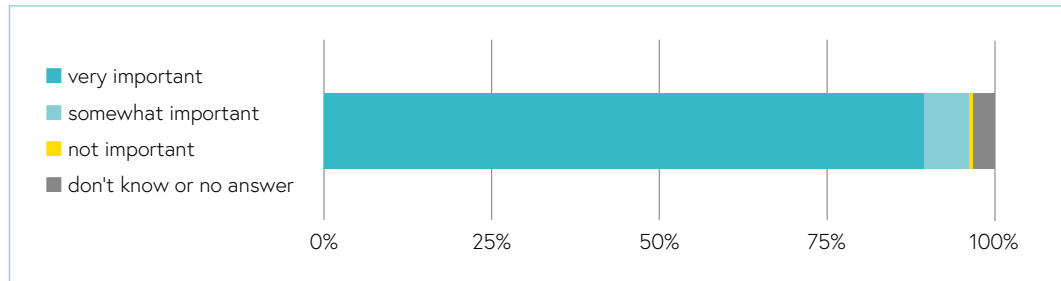
⁸ For further details, see: Congress of Regional and Local Authorities at the Council of Europe.

⁹ A threat to both public health and democratic institutions, COVID-19 must not lead to a "lockdown" of local democracy: September 2020. Available at: <https://rm.coe.int/congress-contribution-to-the-state-of-the-regions-sotreg-of-the-europe/16809fba64> (accessed on 25/10/2020)

⁹ CoR-OECD survey (2020) "The impact of COVID-19 on regions and cities", June-July 2020. Available at: <https://coreuropa.eu/en/our-work/EURegionalBarometerDocs/4370-Barometer%20optimized.pdf> (accessed on 24/10/2020)

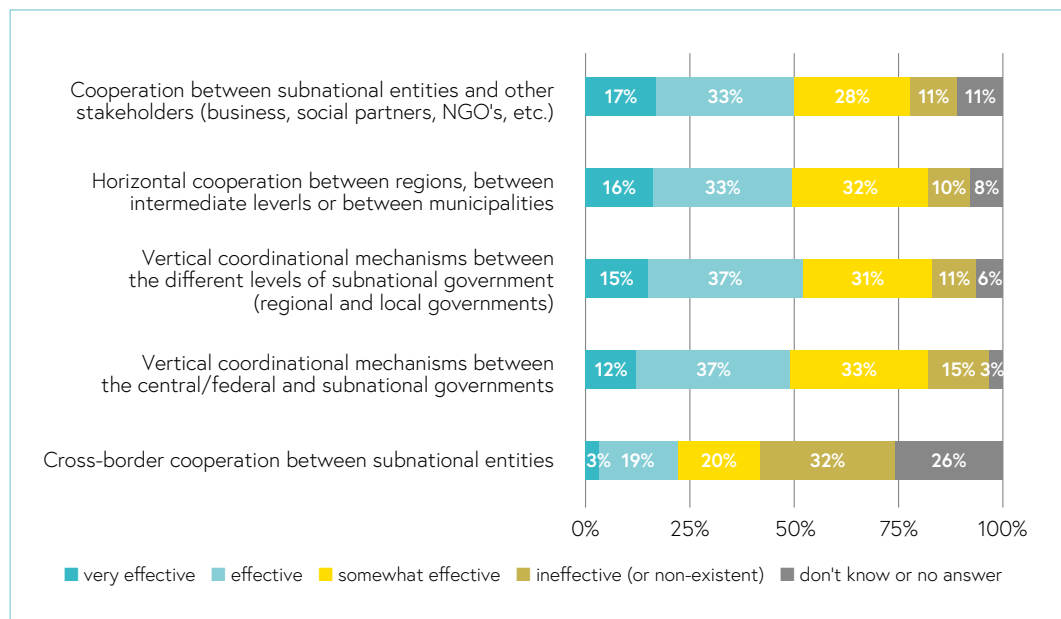


Figure 1: Importance of the factor "Coordination in the design and implementation of measures among all levels of government" for a successful exit strategy from the crisis



The responses from RLA representatives to the question "How effective have the following coordination mechanisms been in managing the COVID-19 crisis in your country?" are shown in Figure 2 below. As the figure shows, the vertical coordination mechanisms between the central and subnational levels of governments are evaluated almost as equally "effective" (37%) and "somewhat effective" (33%), leaving room for improvement.

Figure 2: Effectiveness of coordination mechanisms in managing the COVID-19 crisis



Source: CoR-OECD survey (2020)

3.2. The Conference on the Future of Europe and the EU Green Deal after COVID-19: a unique opportunity to decentralize sustainability

The COVID-19 pandemic has impacted the preparation of the Conference on the Future of Europe; however, it also provides certain opportunities. Aimed as it is at strengthening the participatory dimension in EU democracy beyond elections and ensuring that citizens can make their voices heard and listened to, the Conference seems likely to be more relevant than ever in the aftermath

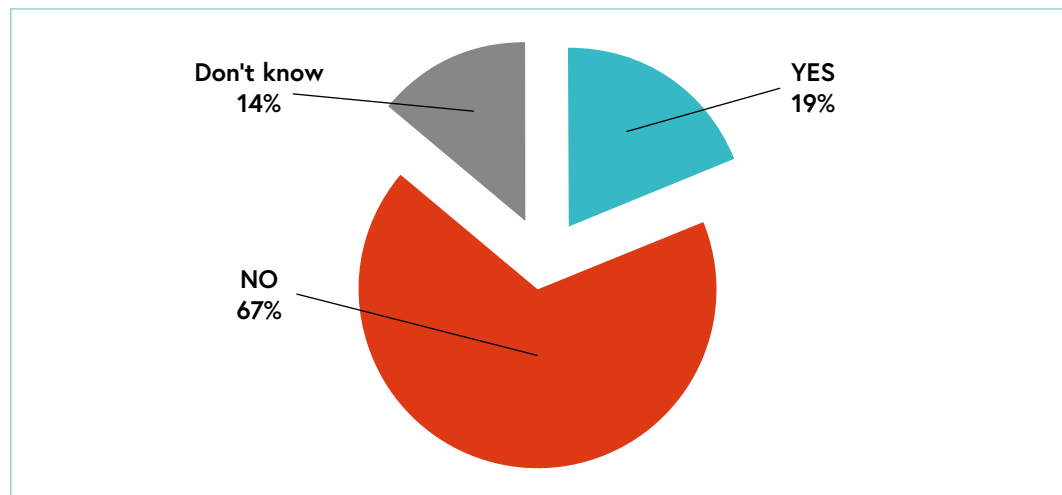


of the pandemic. The Conference process was intended to start in May 2020 and last two years, but its launch has been delayed to late autumn at the earliest due to the pandemic crisis. In light of the governance challenge posed by the COVID-19 outbreak, the Conference may well offer a unique opportunity to reinforce mechanisms of multi-level governance aimed at decentralizing sustainability.

Europeans would like their RLAs to have more influence on the decisions made at the EU level.

Once again, if we look at the opinion polls, around two-thirds¹⁰ of Europeans think that regional and local authorities do not have enough influence on the decisions made at the European Union level (see Figure 3). Indeed, more than two-thirds of European citizens think that regional and local authorities do not have enough influence on the decisions taken at European Union level (67%), while less than a fifth of respondents consider that regional and local authorities do have enough influence (19%).

Figure 3: Do you think regional and local authorities have enough influence on the decisions made at the European Union level? (%)



Source: CoR (2020)¹¹

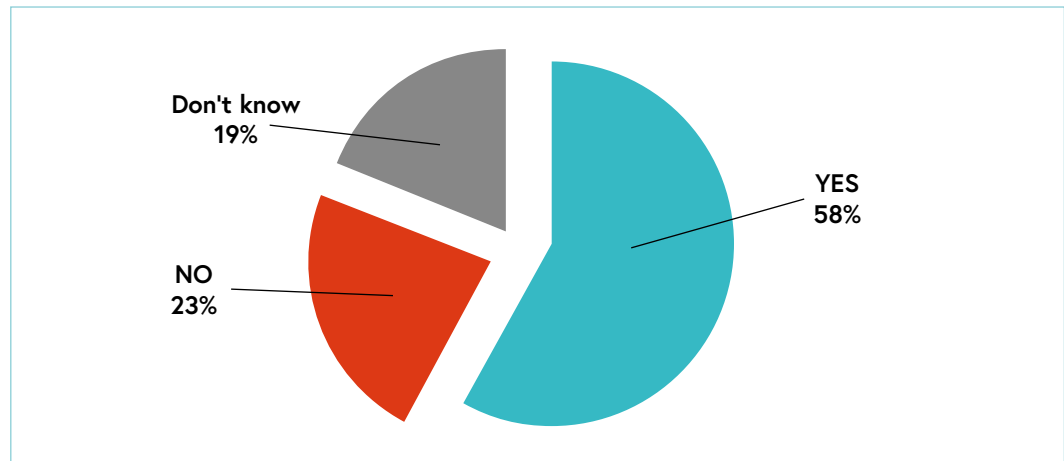
In short, Europeans would like their regional and local authorities to have more influence on the decisions made at the EU level; the most frequently mentioned policies for which more influence would be preferred are those related to health (45%), employment and social affairs (43%) and education, training and culture (40%). Finally, a clear majority of Europeans (58%) think that greater influence of regional and local authorities would have a positive impact on the EU's ability to solve problems (see Figure 4); notably, this is the majority view in all Member States.

¹⁰ For further details, see: https://cor.europa.eu/en/our-work/Pages/EURegionalBarometer-survey.aspx?utm_source=SharedLink&utm_medium=ShortURL&utm_campaign=EURegionalBarometer-Survey (accessed on 20/10/2020)

¹¹ European Committee of the Regions 'Public opinion survey: The coronavirus crisis and the role of regions and cities in the EU' October 2020. Available at: https://cor.europa.eu/en/our-work/Pages/EURegionalBarometer-survey.aspx?utm_source=SharedLink&utm_medium=ShortURL&utm_campaign=EURegionalBarometer-Survey (accessed on 01/11/2020)



Figure 4: Overall, do you think more influence of regional and local authorities would have a positive impact on the European Union's ability to solve problems? (%)



Source: CoR (2020)¹²

RLAs must be actively involved to guarantee that the sustainable recovery is tailor-made to territorial specificities.

For the time being, the COVID-19 pandemic has postponed the Conference but it has already contributed to enhancing the profile of regions and local authorities in the fight against the crisis, with RLAs pressing for more coordination and collaboration between levels of governance, and thus, urging a more effective multi-level system of governance. In fact, COVID-19 has made the need for the Conference on the Future of Europe more pressing than ever.

4. Conclusion

Since the beginning of the crisis, the EU has supported Member States in the coordination of their national responses as well as in their efforts to contain the multiple crises brought about by the pandemic. The EU response for a sustainable recovery is multifaceted: the European Recovery and Resilience Facility is admittedly a major instrument in this regard, but it does not stand alone – it is accompanied by several other instruments (e.g., European Structural and Investment Funds, InvestEU) and policies (such as the Green Deal).

In this paper, we have provided evidence of the compatibilities and inconsistencies of the EU Green Deal and the Next Generation EU. However, this mixed picture should not overshadow the measures adopted by the EU to mitigate the fallout of the economic crisis triggered by the pandemic. Furthermore, we have shown that how the recovery strategy is designed is just as important as the amount of the financial effort. In this respect, we have highlighted the importance of RLAs as key players in the definition and implementation of the two plans.

Indeed, RLAs must be actively involved to guarantee that the sustainable recovery is tailor-made to territorial specificities. Similarly, greater coordination between all levels of governance is necessary to ensure that the COVID-19 crisis will become an opportunity to realize and accelerate sustainability. Finally, in view of the Conference on the Future of Europe, we have suggested that the EU should embrace this unique opportunity to reimagine itself to enhance vertical (and horizontal) coordination in a more effective multi-level system of governance.

¹² European Committee of the Regions 'Public opinion survey: The coronavirus crisis and the role of regions and cities in the EU', October 2020. Available at: https://cor.europa.eu/en/our-work/Pages/EURegionalBarometer-survey.aspx?utm_source=SharedLink&utm_medium=ShortURL&utm_campaign=EURegionalBarometer-Survey (accessed 01/11/2020)



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