



European Committee
of the Regions

EU Annual Report on the State of Regions and Cities

Factsheet 2022

#SOTEULocal



Chapter 1



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Impact of Russia's war against Ukraine pressures EU most eastern regions but solidarity across the Union prevails

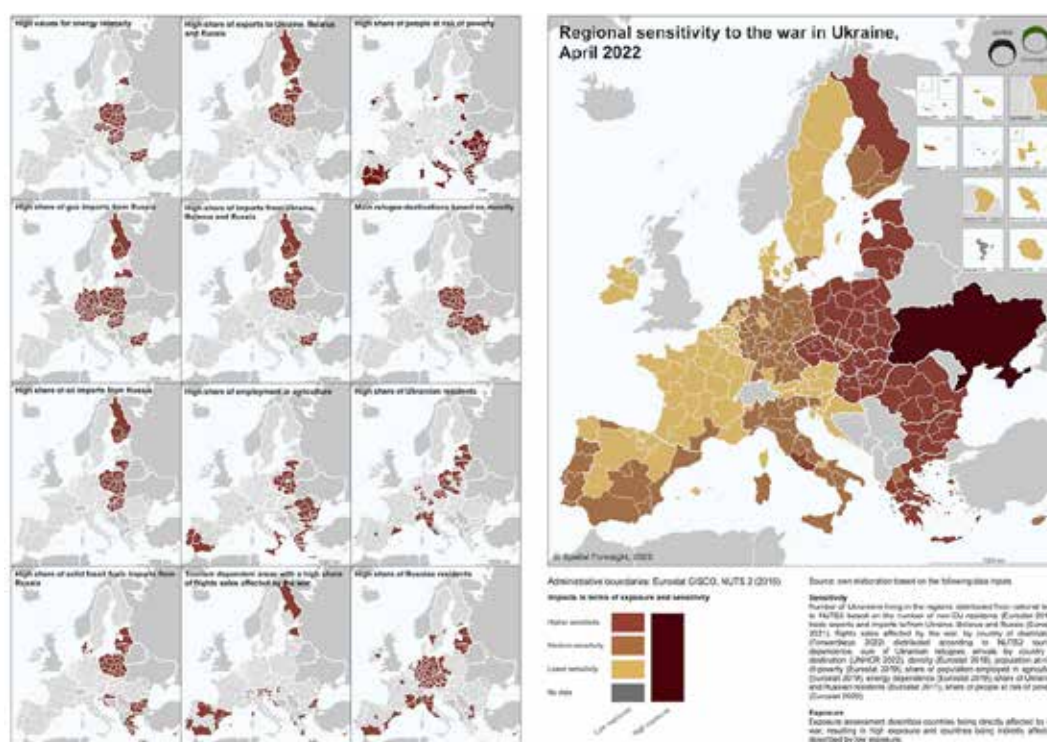
The impact of Russia's war against Ukraine is multi-faceted and requires complex solutions. Local and regional authorities have shown solidarity by welcoming the highest share of refugees and resilience by adapting their energy use and providing support to their people and SMEs.

Russia's war against Ukraine has had repercussions at the local and regional level across the EU, with a clear east-west divide. From Finland in the north to Greece in the south, almost every region in the countries along the eastern border of the EU, as well as in Czechia, is highly sensitive to the impact of the war. 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.

Looking ahead, the European Committee of the Regions has launched the European Alliance of Cities and Regions for the Reconstruction of Ukraine which will build on the existing experience in region-to-region and city-to-city partnerships between the EU and Ukraine.

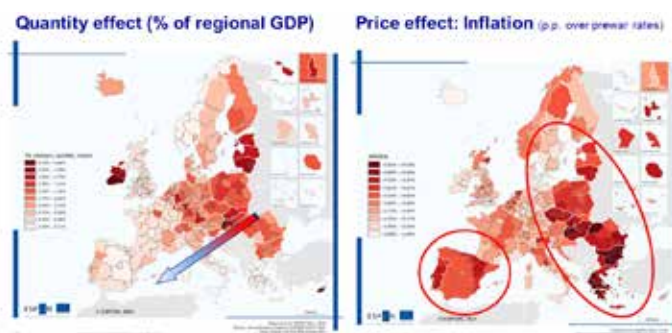
Regional sensitivity to the war in Ukraine

Source: Böhme, K., Mäder Furtado, M., Tzotsidou, 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



Results of the Ukrainian conflict

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



Member States and regions closest to Ukraine will see the greatest declines in Gross Domestic Product (GDP) as a result of the war, although the data also suggests a similar level of impact in Ireland and central European regions. The same regions neighbouring Ukraine will also be the most impacted by inflation, as will Spain and Portugal (including their most remote territories).

The countries neighbouring Ukraine have also seen the largest migration flows as a result of the war. More than 10 million people have crossed the borders between Ukraine and its neighbours; Poland is the most common destination with 4.3 million arrivals, followed by Hungary with 861,000, Romania with 736,000, Slovakia with 548,000 and Czechia with 383,000 (figures from late June 2022).































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

Dobias, K., and Homem, F., EU cities and regions welcoming Ukrainian refugees - mapping multilevel coordination, 2022

Local and regional authorities have been the first responders when it comes to welcoming refugees from the war. Over three-quarters (76%) of the local and regional representatives who responded to the CoR Regional and Local Barometer said that their regional or local authority had received refugees from Ukraine; 50% said that their regional or local authority had sent material aid to Ukraine, while 53% were actively supporting citizens and local civil society organisations and 57% had shown political solidarity with Ukraine. EU funding supporting many of these efforts: 39% of the respondents said that cohesion policy funding was being used by their region or city to support refugees fleeing the war against Ukraine; for 8% of respondents it was the only source of financing while 21% said they were using EU funds in addition to other sources.

What type of actions did your local or regional authority take in response to the war against Ukraine?

Source: Regional and Local Barometer

	EU27	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	HR	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE
																												
Showing political solidarity with Ukraine	57	67	27	80	48	78	79	72	29	73	43	43	46	19	94	73	71	19	35	59	40	71	58	51	37	37	37	66
Sending material aid to Ukraine	50	24	27	72	8	52	59	38	46	51	51	43	46	52	94	78	48	42	30	11	58	82	68	59	59	65	32	25
Receiving refugees from Ukraine	76	86	62	88	77	94	94	91	23	75	69	77	67	4	98	93	70	73	20	89	70	88	67	82	54	81	78	87
Supporting citizens and local civil society organisations in their solidarity action	53	56	32	63	41	71	43	59	15	71	54	55	51	0	78	41	63	49	15	45	52	65	60	64	46	44	36	38
Strengthening existing partnerships with cities or regions in Ukraine	12	4	3	23	2	14	22	3	0	1	7	10	6	0	48	44	1	18	0	4	9	39	4	25	9	10	10	0
Preparing new partnerships with cities or regions in Ukraine	7	1	6	7	2	16	6	5	0	1	7	4	4	0	28	7	5	5	0	7	3	11	3	26	2	10	3	3
Using EU funds in my city/region to support refugees	12	7	12	42	5	17	25	20	0	11	3	8	10	0	26	29	3	6	0	4	3	21	9	20	5	6	7	7
Other actions	11	6	6	15	20	14	12	9	4	12	3	12	10	4	17	10	6	12	10	15	7	23	10	13	7	11	17	11
No actions taken	5	1	12	1	3	1	3	0	15	2	7	4	5	26	0	0	5	9	30	1	10	1	4	3	5	5	7	4
Don't know	2	2	0	2	3	1	0	0	13	1	3	4	1	7	0	0	1	0	0	2	5	1	0	0	3	0	3	4



Local story Warsaw, Poland

Warsaw absorbed 10% of the refugees registered in Poland. By coordinating 14,000 volunteers, the city managed to provide accommodation, medical care, psychological support, language and legal assistance. Remote access to Ukrainian schools has been put in place, allowing Ukrainian children to follow their classes back home.



Regional and local barometer

1 out of 2



respondents say that the most effective way to rebuild Ukraine is to involve EU regions and cities in the plan of reconstruction.



Key fact



Since the start of the war against Ukraine, Warsaw's population has increased by 15%. Just the city and its surroundings welcomed 240 000 refugees, almost as much as Italy and France combined.

Chapter 2



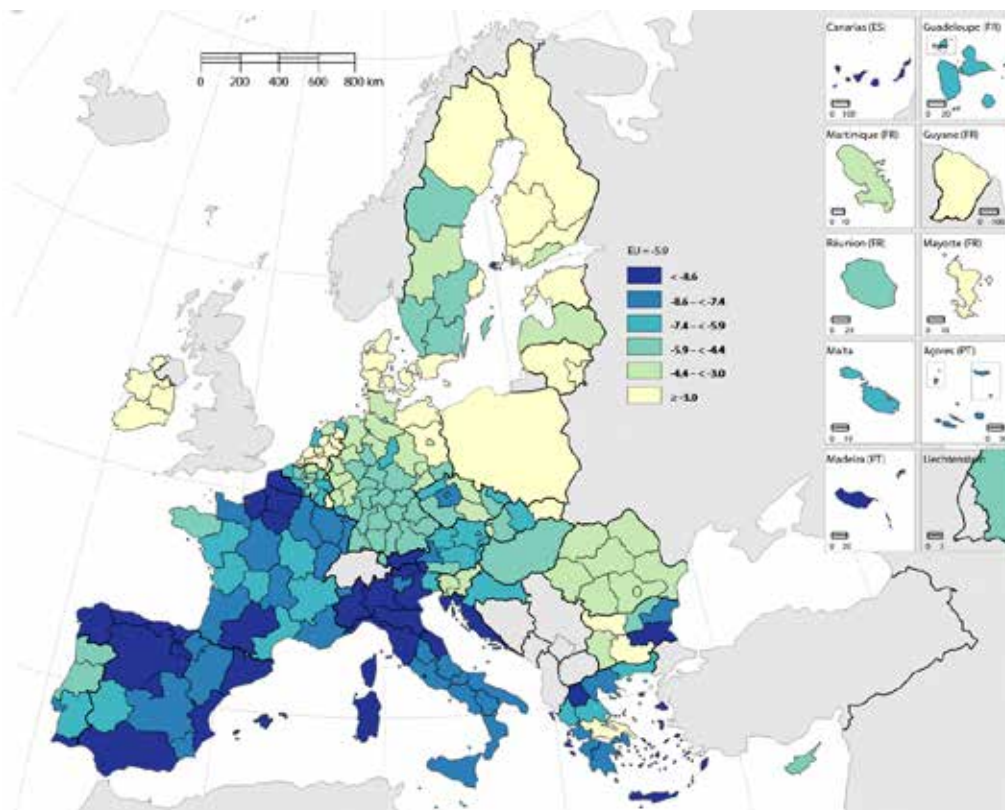
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Not involving regional and local authorities in Recovery Plan risks widening territorial divide in Europe

Data shows that the economic impact of the COVID-19 pandemic was greater in the southern regions of the EU than in the north and east. Countries that reacted most effectively were those around the Baltic Sea, as well as the Netherlands, Ireland, Luxembourg, Romania and some regions in Bulgaria.

Change in regional Gross Value Added 2019-2020

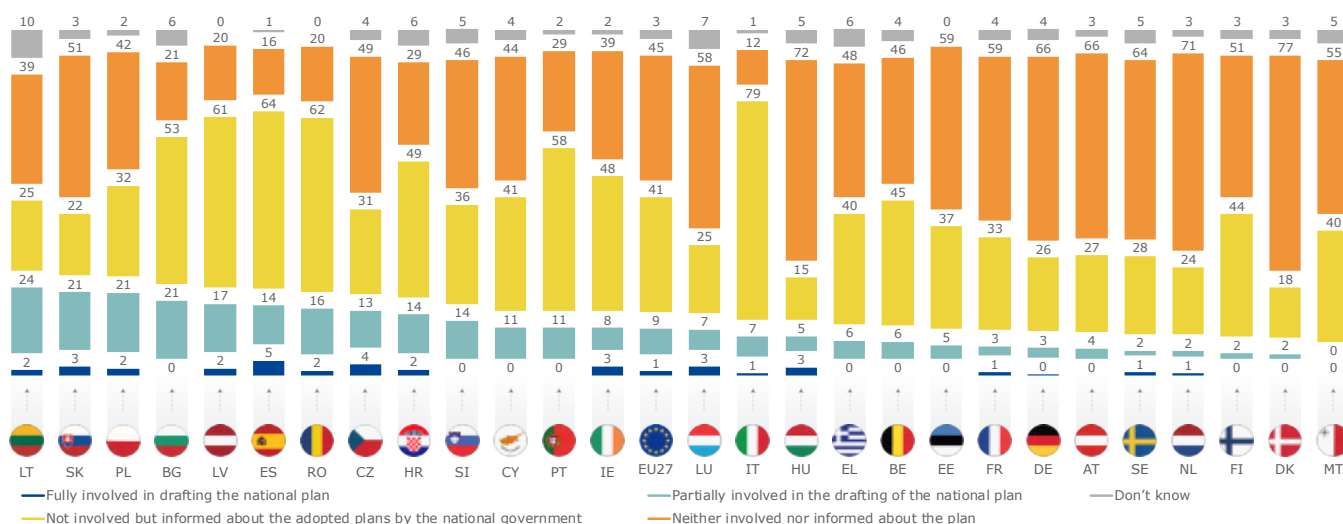
Eurostat, Gross value added decreased in all regions but four, 2022



To what extent was your city/region involved in the preparation of the Recovery and Resilience Plans of your country?

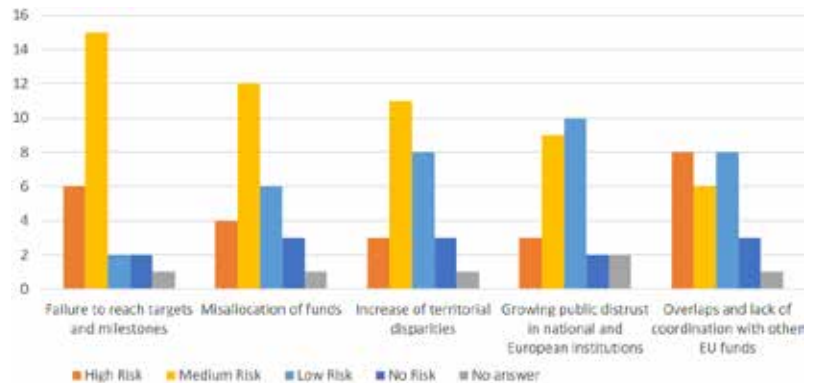
Source: Regional and Local Barometer

The EU's response to helping Member States recover from the widespread impact of the COVID-19 pandemic was the Recovery and Resilience Facility (RRF), a historic level of support for countries facing an unprecedented challenge. But the RRF lacks a proper territorial angle and there is little or no meaningful engagement of cities and regions in its planning and implementation. The first assessments of spending patterns show that RRF spending could even widen the territorial differences in the EU, undermining in part economic, social and territorial cohesion.



The involvement of local and regional authorities in the preparation of the national recovery and resilience plans (NRRPs) was low. The Regional and Local Barometer carried out by the CoR shows that just 1% of the respondents were fully involved, and only 9% were partially involved in the drafting of NRRPs. Over four in ten respondents said that they were not involved but were informed about the adopted plans by the national government (41%), while a similar proportion said that they were neither informed nor involved (45%). The proportion of respondents who were neither informed nor involved about the plan ranges from 12% in Italy to 77% in Denmark.

The main risk of this over-centralised approach is that the objectives set out in the plans do not respond effectively to the widely differing needs on the ground. A separate consultation of CoR Members showed that most respondents saw a risk of “failure to reach targets and milestones” in the plans, as well as significant risk that the funding will be poorly allocated. More than half of those consulted said they saw a high or medium risk of increased territorial disparities as well as overlaps and a lack of coordination with other EU funds as a result of the approach followed by the RRF.



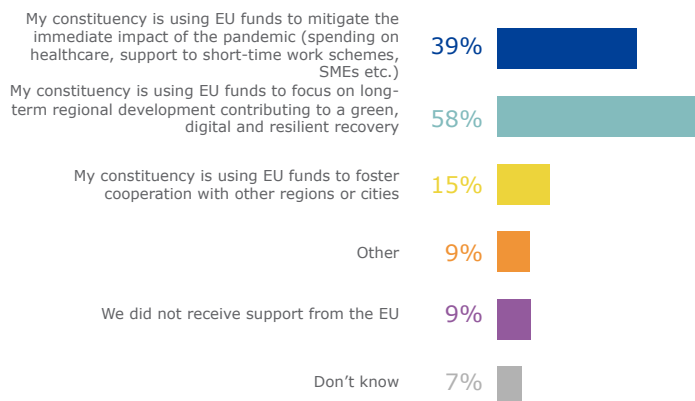
The Regional and Local Barometer shows that despite these legitimate concerns about the long-term effectiveness of the RRF funding, cohesion policy is making a difference to many regions in tackling the aftermath of the pandemic.

The pandemic also severely affected health services across regions and cities, for example when it comes to cancer treatment. Furthermore, consequences on mental health of Europeans are still being assessed and require actions at all levels.

Do you foresee any risks for the implementation of the National Recovery and Resilience Plan in your country?

CoR-CEMR, Implementation of the Recovery and Resilience Facility, April 2022

EU27 average



How is the support from the European Union helping your city or region to recover from the COVID-19 pandemic?

Source: Regional and Local Barometer



Local story Antwerp, Belgium

The impact of the pandemic on mental health was often overlooked. As early as March 2020, the city of Antwerp teamed up with its university to survey some 6,000 local residents about the state of their mental health, showing the severe impact of isolation and quarantine on vulnerable groups, such as young people or people with chronic condition or socio-economic disadvantages.



Regional and local barometer



Key fact



The first assessments of Recovery and Resilience Facility (RRF) shows that its spending patterns could widen the territorial differences in the EU, undermining in part the work of cohesion funding.

Chapter 3

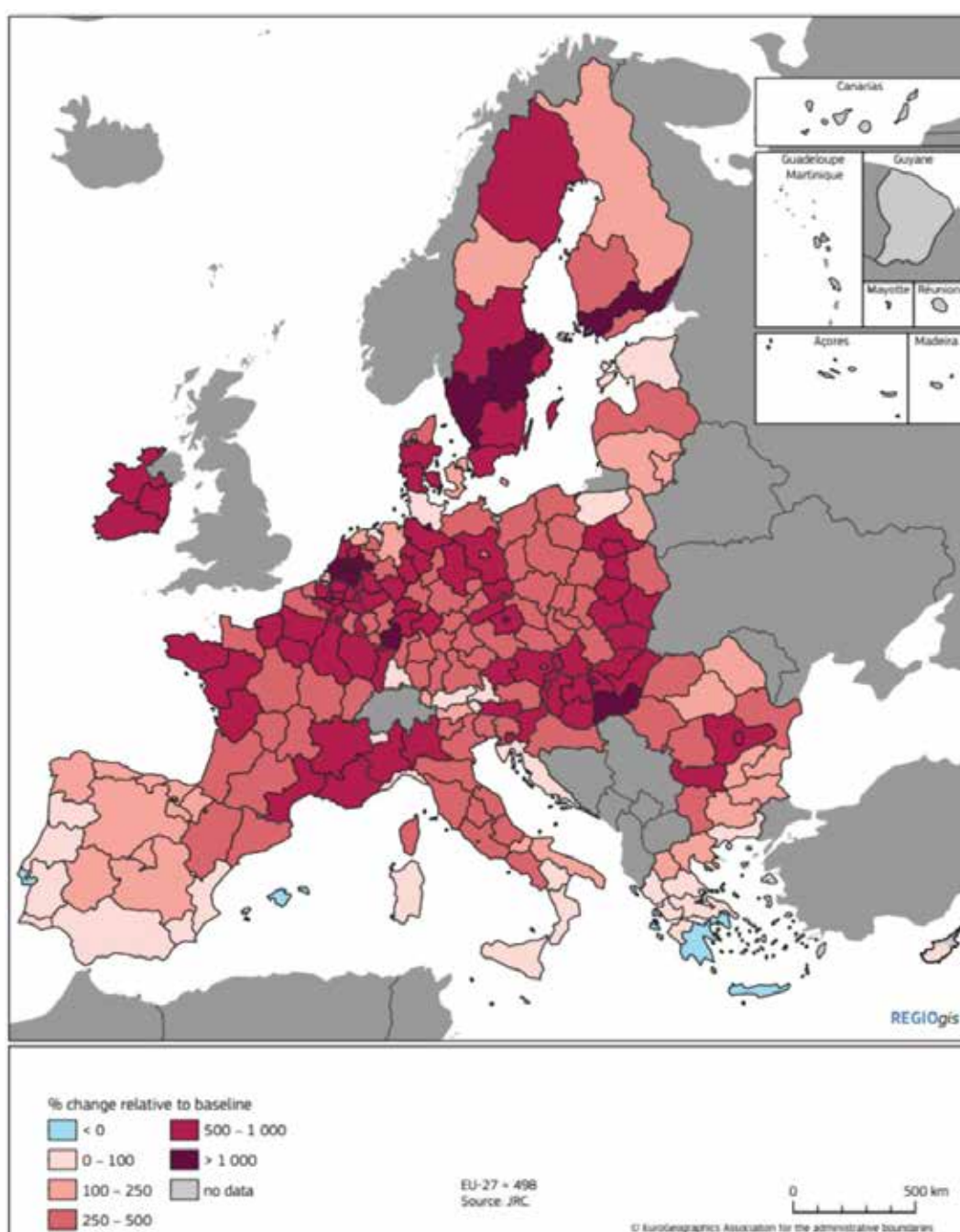


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Failure to act on climate crisis increases threat of natural disasters for EU's local communities

A failure to act quickly or effectively to slow the climate emergency could have a devastating effect on town, cities and regions across the EU. The damage caused by events such as floods, wildfires and extreme heat is expected to reach €170 billion per year in the EU. The impact of these climate crisis-related events on the EU's regions and cities' infrastructures and economy will continue to worsen, especially in places already exposed to high temperatures and on the coast.

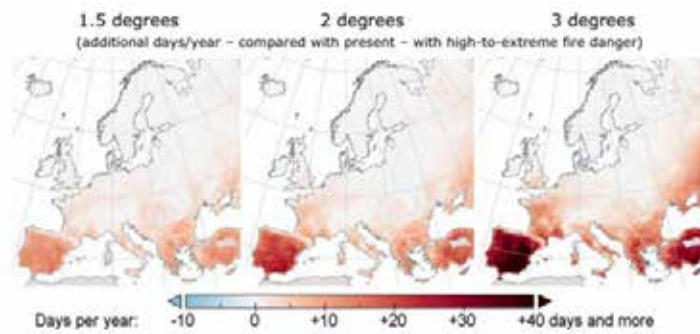
The economic impact of flooding is around €8.5 billion per year at the current rate of the climate emergency, but this could increase to €16 billion per year if the global temperature rise exceeds 2°C or to €40 billion per year if it rises above 3°C compared to pre-industrial levels. Regions in Scandinavia, Germany, Poland, Ireland and northern Italy would be the hardest hit.



Economic damage due to flooding under the 3° C warming scenario, 2100

European Commission, Cohesion report towards 2050, 2022

But there is little sign of improvement in the immediate future: the number of days per year with high-to-extreme wildfire danger is projected to rise nearly everywhere in Europe, as a result of higher temperatures and increased spells of dryness. The risk will be highest in those parts of southern Europe that are already the most prone to devastating forest fires: for some Spanish, Italian and Greek regions this could result in 30 to 40 more days per year with high-to-extreme wildfire danger.



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

European Commission, European wildfire danger and vulnerability in a changing climate: towards integrating risk dimensions, 2020

Conscious of this existential threat, the EU's regions and cities are leading the way in tackling the climate crisis: they are responsible for more than 70% of climate mitigation measures and up to 90% of climate adaptation action. And this will clearly continue in the future: over half of the Regional and Local Barometer respondents said that the key objectives of EU funding for the development of their city or region should be supporting the green transition of the economy (51%).

	EU27	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	HR	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE
Mitigating the impact of the climate crisis	42	48	27	36	56	57	14	63	29	40	52	28	30	22	11	20	61	50	50	47	57	43	47	33	46	49	19	44
Supporting the green transition of the economy	51	61	50	47	72	51	28	55	54	61	67	33	50	33	39	49	60	45	35	57	49	54	37	41	49	46	39	58
Investing in the digital transition of economy and society	35	24	29	46	21	47	43	28	44	50	16	37	38	37	44	24	30	23	40	18	27	38	44	39	27	30	32	33
Fighting unemployment, creating jobs, modernising the labour force	38	30	62	31	25	26	57	27	60	57	22	47	46	48	65	51	29	32	10	24	33	18	58	48	39	33	70	40
Investing in modern transport facilities	40	43	41	39	33	46	26	58	4	29	51	53	52	37	20	41	36	32	50	37	27	56	33	41	54	30	5	39
Mitigating the surge in energy prices	48	48	62	64	28	35	74	41	35	30	40	61	39	52	74	80	44	72	20	43	56	54	37	59	39	70	63	40
Other	8	6	0	7	13	8	11	9	6	8	6	4	5	4	2	3	7	8	10	19	7	7	9	13	7	6	17	5
Don't know	1	0	3	1	2	1	0	0	2	0	1	0	1	4	0	0	0	0	0	2	0	2	0	2	0	0	0	3

What in your view should be the key objectives of EU funding for the future development of your city or region? You can select up to three answers

Source: Regional and Local Barometer



Local story Lappeenranta, Finland

On the shores of Pien-Saimaa Lake, seven stormwater wetlands have been constructed in the urban area of Lappeenranta. The artificial wetlands act as natural filters, collecting solid material as well as nutrients and pollutants transmitted by run-off water before it reaches the lake. This plan to support biodiversity is part of the strategy to bring the city towards climate neutrality by 2030.



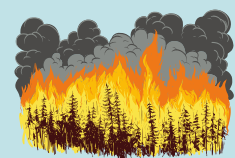
Regional and local barometer



of respondents said that the key objectives of EU funding should be supporting the green transition of the economy.



Key fact



In the worst scenario for the climate crisis, some Spanish, Italian and Greek regions could experience 30 to 40 more days per year with high-to-extreme wildfires.

Chapter 4



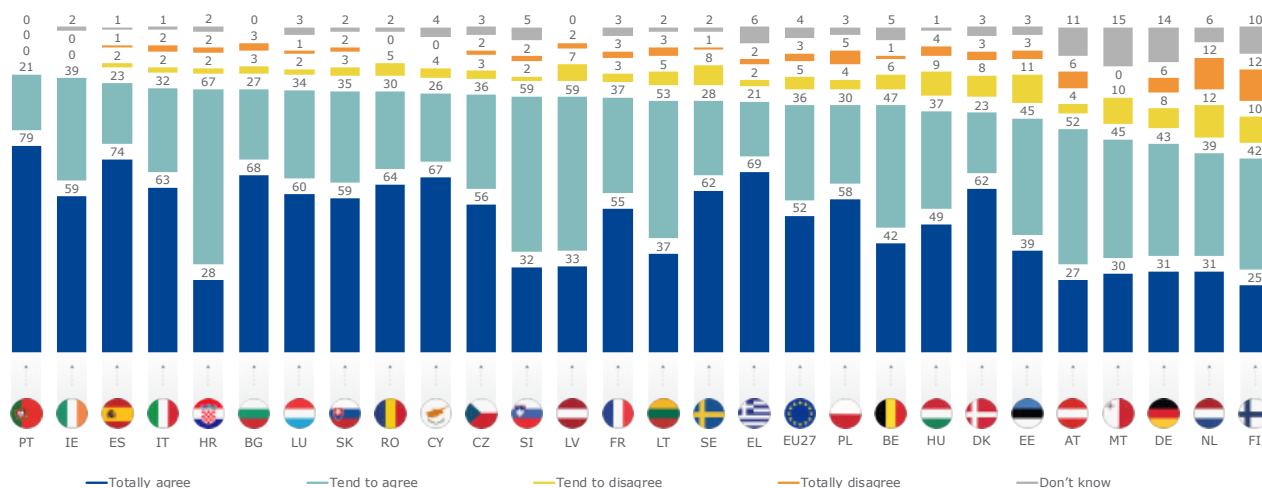
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Cohesion policy works and must remain a pillar for Europe's future to address the green and digital transition

Cohesion policy is effective in ensuring that no one and no places are left behind. The 10 countries which 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%, reducing the gap between their average GDPs by almost half.

The picture at the regional level is more nuanced. 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. Calculations made by the Committee of the Regions of GDP per capita 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. Forecasts suggest that in 2023, GDP per capita will be 2.6% higher in less-developed regions thanks to support from cohesion policy in 2014-2020.

The crucial importance of cohesion for EU's local communities is fully confirmed by the results of the CoR Regional and Local Barometer: 88% of respondents agreed that cohesion should be among the key values of the European Union.



Please indicate whether you agree or disagree with the following statement: "Cohesion should be among the key values of the European Union."

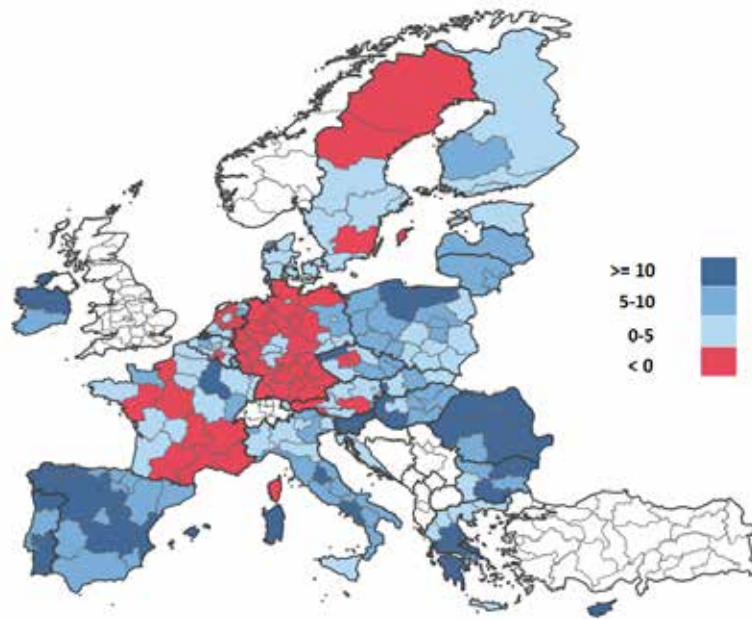
Source: Regional and Local Barometer

One area where cohesion policy is still struggling to make a bigger impact, however, is digital technology. Most studies agree that the pandemic has aggravated, in some cases significantly, existing digital divides across the EU. There is a clear and significant rural-urban divide in the majority of EU countries when it comes to the number of people who never use the internet, in addition to a clear divide in the digital skills between southern/eastern and northern/western regions of the EU and between urban and rural areas. The divide is not just related to connectivity, however: in many cases, access to basic digital infrastructure is also low.

Overview of digital infrastructures coverage, total and rural, 2020, % of households

European Commission, DG CONNECT, 2021

	Fixed broadband	NGA ¹ broadband	VHCN ²	4G (LTE) mobile
Total	97.4%	87%	59%	99.7%
Rural	89.7%	60%	28%	98.6%



2021-2019 change of individuals using the internet daily (percentage points)

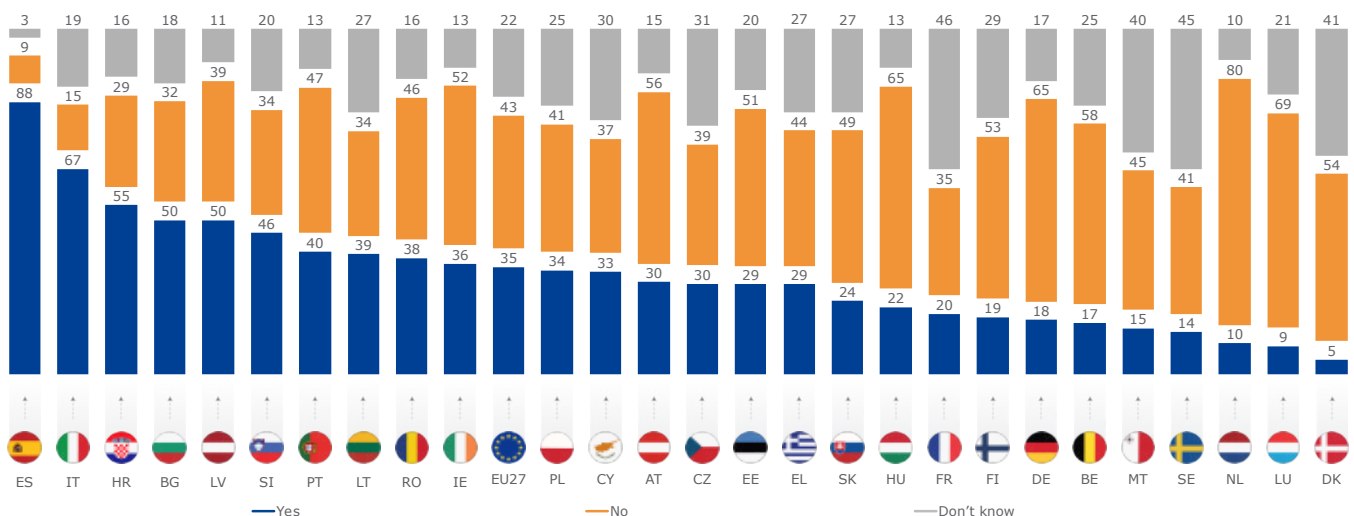
Map created by Progress Consulting S.r.l. on the basis of Eurostat data accessed in May 2022

On the positive side, the data shows that lock downs and telework caused by the COVID-19 pandemic boosted daily internet use in almost all EU regions, with significant increases of up to 10% in countries such as Romania and Slovenia, and a number of regions in Greece, Portugal and Spain.

The Regional and Local Barometer results underline the challenge faced by the EU in getting the funding support to where it is needed most, and in raising awareness of its effectiveness. Only some 35% of respondents said that they were aware of EU funding (under Cohesion Policy or NextGenerationEU) received by their city or region in the past two years, with numbers ranging from just 5% in Germany to 88% in Spain.

Is your city/region aware of any EU funding (under Cohesion Policy or NextGenerationEU) received by your city or region in the past two years?

Source: Regional and Local Barometer



Local story Moravia-Silesia, Czechia

A rapid and comprehensive shift to electric and zero-emission transport is a key part of tackling the climate crisis, but the socio-economic impact of this transition also has to be taken into account. A €20m project called EU-TRAUTOM that includes 88 partners from the Moravia-Silesia region, a key automotive cluster in Czechia, aims to help reskill at least 5,000 people working in this field.



Regional and local barometer



of respondents say that cohesion policy funding brings more added value to their city or region, in comparison with other funding streams.



Key fact



Forecasts suggest that in 2023, GDP per capita will be 2.6% higher in less-developed regions thanks to support from cohesion policy in 2014-2020.

Chapter 5



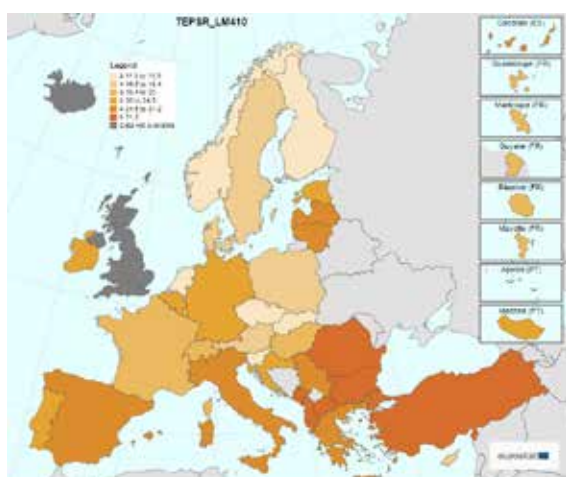
Read the full Report

Social fabric at risk: action needed on tackling inequalities and poverty

Despite the many successes of EU cohesion policy, other funding and support measures, problems caused by rising inequalities, rampant inflation, the energy crisis, gender disparities and high youth unemployment remain a real challenge for the EU. The pandemic and the war against Ukraine have further exacerbated many of these existing inequalities. In 2019, approximately 91 million people (20% of the EU population) were already 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 cases between 2012 and 2019.

At risk of poverty and social exclusion, 2020

Eurostat, accessed in May 2022



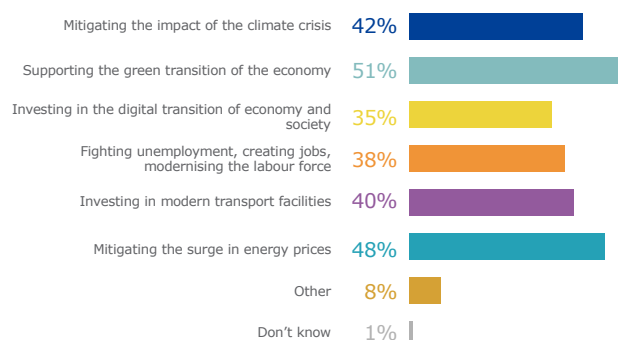
Regional and local authorities are key actors in achieving the objectives – tackling poverty, training people, and supporting employment - set by the Action Plan to implement the European Pillar of Social Rights.

The war against Ukraine and the impact of increasing energy prices are also exacerbating the risks of energy poverty. In 2020, about 36 million Europeans were unable to keep their homes adequately warm in winter or cool in summer and these numbers are likely to soar as the impact of the crisis is felt across Europe.

What in your view should be the key objectives of EU funding for the future development of your city or region?

Source: Regional and Local Barometer

EU27 average



The need to address the new challenges emerging from the impact of the war against Ukraine is widely recognized by the respondents to the CoR Regional and Local Barometer. Some 77% of respondents said that the social and economic impact of the war against Ukraine requires adapting EU policies and funding for the 2021-2027 period and that the key objectives of EU funding for the development of their city or region should be mitigating the surge in energy prices (48%). Looking to the long term, 38% of respondents said that the key objectives of EU funding for the future development of their city or region should be fighting unemployment, creating jobs and modernising the labour force.

Reducing youth unemployment and fighting child poverty remain key challenges at local and regional levels. The establishment of a European Child Guarantee, supported by the European Committee of the Regions, is a way forward.

Local story La Rioja, Spain

La Rioja made effective gender equality a priority, a commitment that put the region above the EU average by 6.4 points. Gender equality is taken into account not only at the political and administrative levels or in budgetary choices, but also by creating plans to support work-life balance and by pushing businesses to improve women's access to employment and training.

Regional and local barometer



of respondents said that the social and economic impact of the war requires adapting EU policies and funding.

Key fact



In 2020, almost 18 million children were at risk of poverty. Nearly 9 out of 10 cities have a higher share of child poverty than the average of their country.

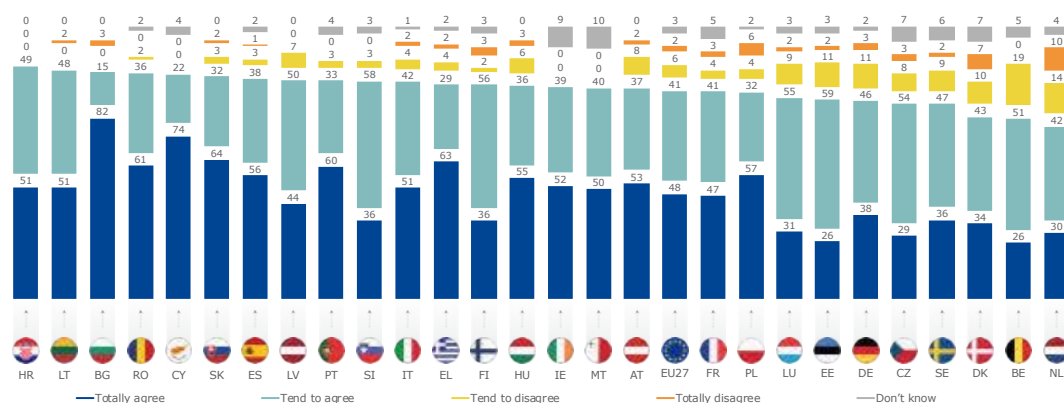
Chapter 6

The next chapter of European democracy calls for a new role for the European Committee of the Regions as the voice of over 1 million regional and local representatives



Read the full Report

The year-long Conference on the Future of Europe came to an end in May 2022 with a number of recommendations for strengthening democracy across the EU. One key conclusion concerns the reform of the European Committee of the Regions “giving it an enhanced role in the EU’s institutional architecture, if matters with a territorial impact are concerned”. This proposal is fully supported by the the CoR Regional and Local Barometer. 89% of respondents agreed that regions and cities should have more influence on the future of the European Union.



In general, as a local or regional representative, do you agree or disagree that regions and cities should have more influence on the future of the European Union?

Source: Regional and Local Barometer

More than 6 in 10 respondents to the Barometer said that regions and cities could 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 (65%). Over one quarter of respondents said that this could be achieved by engaging in the constitutional debate and/or a future Convention to revise the EU Treaties (26%) or by supporting the creation of permanent citizens’ assemblies to inform the debate (27%).

In a view of making democracy more inclusive, institutions at all levels will need to ensure better ways for participation of young people and youth organisations but also removing all obstacles for a genuine involvement of women in politics.



Local story Poitiers, France

Poitiers has created a citizens’ assembly composed of 100 people representing social housing tenants, volunteers, representatives from local businesses and civil society to identify and propose ideas to the mayor and municipal council benefiting the city as a whole. The aim is to develop a more participative democracy, with ideas that can be legally implemented and with a measurable impact.



Regional and local barometer



89% of respondents agree that regions and cities should have more influence on the future of the European Union.



Key fact



In the EU, women only account for 15% of mayors, 21% of regional presidents, 35% of members of regional parliaments.







**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.

Edited by the Directorate for Communication of the European Committee of the Regions

Brussels, October 2022
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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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