

## A GREEN RECOVERY STARTS IN CITIES

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*EU Member States recently published their National Recovery and Resilience Plans. These plans will form the lion's share of EU spending to implement the European Green Deal, but cities have barely been consulted in the drafting process. The EU needs to ensure that this mistake is not repeated in the implementation phase.*

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Local governments have largely been excluded from the design of the National Recovery and Resilience Plans (NRRPs) that EU Member States submitted to the European Commission at the end of April to receive their money from the Next Generation EU (NGEU) stimulus fund. The Commission's failure to ensure the systematic consultation of cities runs counter to the strong emphasis placed on local-level action across the European Green Deal and reduces the opportunities for a green recovery.

Consultations by **Eurocities** and a **joint study** by the European Committee of the Regions and the Council of European Municipalities show that in the majority of countries, cities and other sub-national authorities were either only marginally involved in the design of NRRPs or not at all, despite actively seeking engagement. This is a huge missed opportunity to ensure national recoveries are built on local foundations.

Only a few countries like Finland successfully involved local government actors in developing their NRRPs, largely because formal mechanisms were already in place. In countries like Italy, political alliances between the central government and local authorities ensured the consultation of city authorities and have also opened up pathways for collaboration on the implementation of the national recovery plan.

Italy is the single largest recipient of recovery funds (€210 billion in grants and loans) and the government is under pressure to step up its spending capacities (it barely spent **half the EU structural and investment funds** to which it was entitled in the last EU budget). Large Italian cities are obvious partners as they already supported national authorities in implementing funds from the European Urban Agenda for cohesion policies (**NOF Metropolitan Cities**).

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## Unlocking local ambition

In contrast to most NRRPs, the Green Deal includes a strong **urban dimension**, given that “cities and regions will have a huge role to play in the fundamental transformation that [it] is to drive in our society,” as the Vice-President of the Commission, **Frans Timmermans**, put it.

Numerous Green Deal initiatives, from the Circular Economy Action Plan to the EU Biodiversity Strategy and the Renovation Wave, make explicit references to both the needs and potential of cities in the ecological transition. Similarly, the new **Climate-Neutral and Smart Cities mission** of the research and innovation programme Horizon Europe will support 100 European cities in their systemic transformation towards climate-neutrality by 2030, showcasing them as innovation hubs that can accelerate and lead on the Green Deal.

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This attention to cities is long overdue and key to delivering on the EU’s raised climate targets and new sustainable growth strategy. Around **75% of EU citizens live in urban areas**, and cities are the places where the majority of energy demand and carbon emissions are generated. With local and regional authorities being responsible for the implementation of **70% of EU legislation**, there is considerable potential for urban-led mitigation efforts. Yet, local authorities, particularly small and medium-sized ones, often lack the capacity and resources to translate their climate ambitions into practicable solutions.

The shift towards a circular and low-carbon economy will receive an unprecedented cash injection from NGEU funds, of which 37% have been earmarked for climate-related expenditure. If properly channelled towards empowering local authorities and stepping up their administrative capacity, this investment could truly transform the ability of cities to address sustainability challenges and unlock local ambition.

## Next steps

After cities were not effectively consulted during the drafting of the NRRPs, it is important that they are actively engaged in the implementation phase. This battle for influence will take place at national level, but it is important that the Commission guarantees and monitors multi-level dialogues to ensure subsidiarity and transparency. Such measures will be particularly necessary in countries like Poland and Hungary, where far-right central authorities are curtailing the powers of progressive opposition city governments that are strongly supportive of the EU’s ecological agenda.

The Commission should also explore ways to include cities directly in the Recovery and Resilience Facility's (RRF) Flagship projects that are designed to foster the twin green and digital transitions. As climate leaders and hubs of the digital economy, cities move at the forefront of efforts to better connect the two agendas in a sustainable and just manner. They have also expressed strong interest in the Flagships's call for cross-border collaboration to build up European resilience (for example, by partnering as digital twins) – an appeal that Members States's project proposals so far seem to ignore.

Including cities and local governments at the heart of recovery plans will to a large extent determine whether the EU really does build back better. It is therefore now vital that the Commission steps in to ensure city authorities are central to the implementation of the plans.

To deliver on her promise of a green recovery, President von der Leyen needs cities.