

EUROCHAMBRES asks for transparency and involvement in the implementation phase of the Recovery and Resilience Plans

EUROCHAMBRES asks for transparency in the Recovery and Resilience Facility (RRF) process and a strengthened dialogue with national and regional Chambers of Commerce and Industry in the implementation phase of the Recovery and Resilience Plans.

Member States had until 30 April 2021 to submit their national Recovery and Resilience Plans (RRPs) to the European Commission. As of June 2, 2021, at least [23](#) Member States have submitted their RRP to the European Commission. These Plans earmark recovery funding for priority sectors and projects and must detail the reforms needed to facilitate economic recovery. Article 19 of the [RRF Regulation](#) states that the Commission shall assess each recovery and resilience plan and for the translation of its contents into legally binding acts within two months. The Member State concerned and the Commission should be able to agree to extend that deadline by a reasonable period if necessary. This time must be used productively to ensure the RRP genuinely support the sort of investments that will deliver the green and digital transition. Article 18 of the RRF Regulation also states that Member States are required to consult with relevant stakeholders in the preparation and the implementation of the recovery and resilience plan.

In the past months, EUROCHAMBRES explored the extent to which Member States are consulting Chambers when drafting their RRFs. On the basis of the reports drawn up by our chamber network, we would like to make an initial assessment of how this participation is developing and inform the European institutions and national governments of the shortcomings we find in the process. In this way, it could help to ensure that national governments and European institutions take appropriate corrective measures before the official RRP approval. This assessment unveiled not only the extent of Chambers' participation in the design of the plans, but also the quality of their involvement, and how transparent the different Member States have been in making their draft RRP available to the public.

The different RRP processes had varying degrees of transparency on how they reflected the input of stakeholders, with some countries ensuring more open to dialogue than others. Few Chambers insured full involvement of national and regional Chambers' participation in the design of the RRP and will for sure continue with this practice in the implementation of RRP. However, in our discussions with most Chambers it appears that public participation in drafting the Recovery and Resilience Plans has been largely side-lined, with formal processes missing in most Member States. Some degree of public consultations has taken place, although at different times and to different lengths. Regardless, the extent to which these consultations actually influenced the drafting of RRP is limited. Though the public consultation was a useful means of formally communicating our recommendations in writing, it would have been more constructive to have been engaged in a working group/taskforce to discuss our recommendations, concerns, etc. In some cases, the absence of further consultation with national chambers was argued as a result of time constraints.

Chambers of Commerce and Industry played a crucial role in assisting entrepreneurs in difficulties, adapting remarkably quickly, and re-adjusting their services to weather the COVID-19 crisis. With the appropriate experts, Chambers were able to find solutions for their members, mainly SMEs, and serve as a bridge between the decision-makers and entrepreneurs. For these reasons, Chambers of Commerce and Industry should be consulted by regional, national and EU decision-makers when it comes to the legislative and non-legislative initiatives concerning businesses. Their contribution is key to creating a business friendly environment that supports growth and jobs.

For a successful implementation of the RRP and the effective allocation of funds, a coordinated approach at European, national and regional level is essential. The involvement of regional and local authorities is essential to translate the EU instruments into viable projects on the ground and Chambers must be involved in the design and implementation of these plans to ensure that the necessary reforms are implemented and SMEs can benefit from the available funds without delays. In addition to that, Chambers can contribute in the implementation of the national plan by promoting the available financial instruments for companies and later on, together with our members – county chambers of commerce that have company members – can organize some consultations in order to find out the way companies perceive the NRRP. In this way, we can take the pulse of the business community in terms of the success and/or breakdowns of the national plan, by submitting to the national authorities the issues raised by business people. National governments should improve the transparency of the implementation phase by strengthening social dialogue, including stakeholders in the process, and clearly communicating approaching the roadmap. The correct implementation of the RRP will be crucial not to waste this opportunity. Over the next months and years, the monitoring and assessment of national performances will require a large degree of attention. Approving the RRP is only the first step in a lengthy process that has the potential to make the EU more sustainable, prosperous and cohesive.

The following recommendations are drawn to make RRP more effective in achieving the twin transition fairly and spurring economic recovery from the COVID-19 pandemic. The Commission should:

1. Make RRP available in both national language as well in another EU language (e.g. English) so that SMEs who are active in the internal market can seize cross-border investment opportunities.
2. Continue the good cooperation among social partners/chambers and/or the Enterprise Europe Network through projects to communicate these opportunities to SMEs and to provide assistance.
3. Conduct an assessment of the impact of the RRP on SMEs before giving green light for the plans, and follow-up by integrating this assessment in the general assessment which is foreseen every 6 months.
4. Make this issue a priority in the SME Envoys Meetings and of course maintain close contact with business representatives.
5. Invite Member States to compensate for the lack of consultation in the planning phase in the next phases and demand a strong and clear role for local and regional authorities in the implementation as well as a proper involvement of regional chambers, in particular in terms of monitoring.
6. Encourage Member States to increase the stakeholder involvement in the preparation process of the plans for the ones who did not submit the final versions yet as well as to implement governance and monitoring mechanisms with the inclusion of relevant stakeholders.
7. Instruct the European Semester Officers to exchange regularly with Chambers and report their feedback to the Commission for the regular national assessment of the RRP implementation.

With respect to synergies between RRF and EU Cohesion Policy, EUROCHAMBRES has the following recommendations:

8. National governments should identify more potential synergies between the RRF and other EU funding sources which provide large amounts of resources for aligned objectives and could complement the support for sustainable economic growth (especially in the sphere of cohesion policy).
9. Overall, the impact of RRFs' measures on cohesion policy is rather well referenced, although often in generic terms. For example, there is a sensitivity to the transition needs of areas affected by the lignite phase-out, the connectivity of islands, and job creation for particular groups (i.e. youth, the unskilled, the highly skilled). Nonetheless, ascertaining whether some measures will negatively affect cohesion is difficult given the lack of detail in some of the draft RRFs.
10. We remind that islands face, albeit to varying degrees, a number of permanent natural or demographic obstacles compared to their mainland counterparts, including, limited accessibility, isolation, high dependence on a narrow range of economic activities, inexistent or inadequate healthcare facilities, the availability of few resources due to their small size and difficulties in accessing the internal market. The Commission should therefore put a particular emphasis in involving insular Chambers and SMEs in the implementation and monitoring of RRFs. Without a real say for local and regional insular governments in the design, implementation and governance of the national recovery and resilience plans, there is a serious risk that islands will be left behind and the recovery will simply not happen.
11. We expect the Commission to closely monitor the impact on territorial cohesion of the implementation of the RRF, including through milestones and targets.

The following reforms are needed to ensure RRFs are meeting the EU goals:

12. Structural reforms by Member States are still key for the well-functioning of the EU, in terms of policy coherence, economic stability, sustainable growth and employment.
13. It is essential that the European Commission puts a specific focus on ensuring the alignment of the RRFs with the effective implementation of structural country-specific reforms as accordance with the European Semester's country specific recommendations.
14. Reallocate the financing streams brought by the RRF towards investments in the private sector without jeopardising much-needed public investments,

EUROCHAMBRES – The Association of European Chambers of Commerce and Industry represents over 20 million enterprises in Europe – 98% of which are SMEs – through 45 members and a European network of 1700 regional and local Chambers.

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