



# Economic measures by local public stakeholders in Occitania

**Executive summary**

2022 Annual Public Report

During the health crisis, local public stakeholders quickly wanted to contribute to the general effort to support businesses and economic activity, by implementing their own measures alongside those rolled out by the Government. While all this assistance has limited the effects of the crisis, the structuring and relevance of the resources used by local stakeholders warrant analysis. The recovery phase should be an opportunity to learn lessons from this crisis by prioritizing solidly constructed actions with real added value in terms of employment and economic growth.

## **Problematic coordination of measures by local public stakeholders**

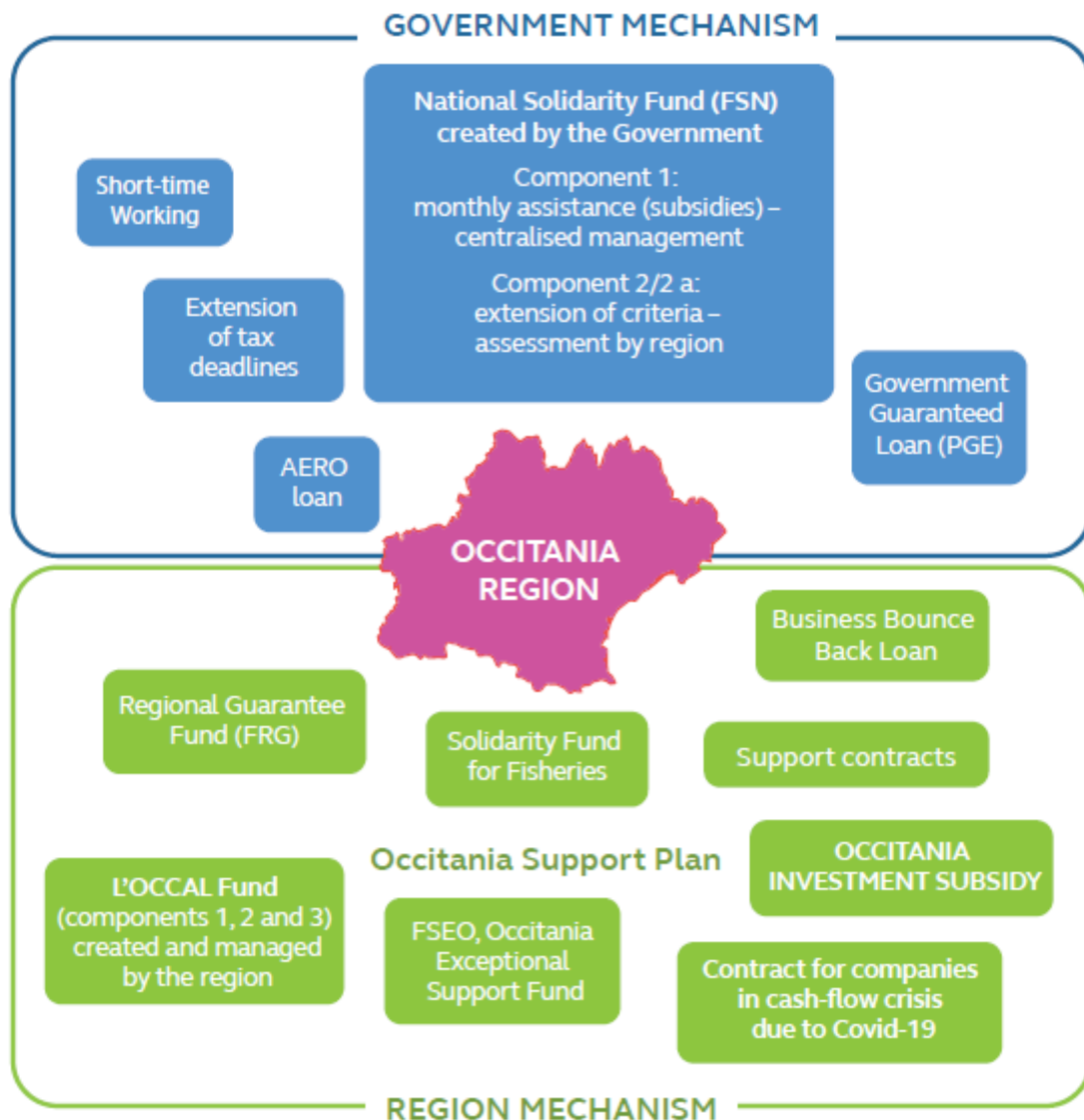
### **A Government regulation target that has not been met**

By creating the National Solidarity Fund (FSN) in March 2020, the Government wanted to avoid a scattering of assistance granted by local public stakeholders. However, this attempt to regulate support mechanisms did not prevent the emergence of local support mechanisms.

In its capacity as leader in terms of economic growth, in April 2020, the Occitania region approved an emergency support package with an overall budget of approximately €394 million, including €316 million for local economic stakeholders, enabling Occitania companies to benefit from cash grants, loan facilities and investment subsidies.

In addition to its contribution to the FSN to the tune of €36.7 million, the region has notably created two funds to support the economy, including the “L’Occal” fund, which it co-financed with the departments, intermunicipal authority for cooperation between local stakeholders (EPCI) and Banque des Territoires to the tune of €61.5 million.

## Typologies of Government and regional help



Source: Court of Accounts

Almost all Occitania departments have rolled out a strategy of circumventing their remit in order to implement specific measures aimed at providing support to the local economy. Also, just as on a national level, they were more heavily involved in terms of the economy compared to 2019.

However, the contributions of local stakeholders may appear limited in view of the total amount of assistance paid by the Government in Occitania (€2.9 billion under the FSN alone).

## A proliferation of measures which was not conducive to effectiveness

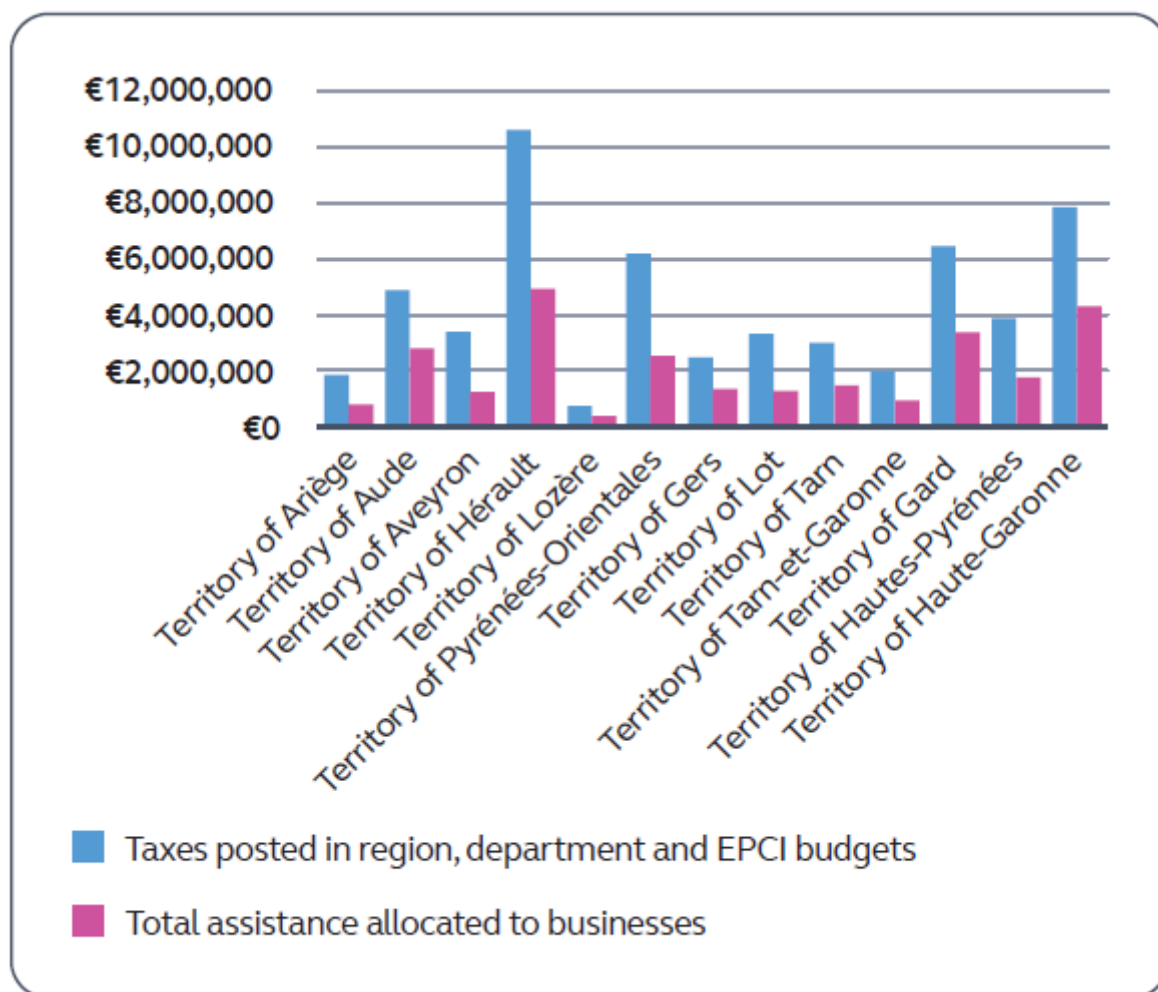
It is difficult to establish the scope of all the measures taken by the Government, the region, the departments and the EPCIs, these being, at times, difficult to coordinate, or even redundant. Implementation of the L'Occal fund also raises legal difficulties, insofar as it constitutes an attempt to circumvent the regulations in force.

## Ring-fenced funds offering stakeholders leeway to embark on recovery

### Target-driven budget forecasts that are sometimes difficult to execute

Local public stakeholders had to make a complex adaptation of their budget forecasts throughout 2020. Funds allocated to certain assistance measures have not been used in full. This is the case of the L'Occal Fund, the level of use of which stood at around 50% in July 2021.

### Discrepancy between budgeted amounts and allocated amounts for contributions to the L'Occal Fund and help to businesses



Source: Occitania Regional Court of Accounts, based on regional data

## **Recovery conditioned by a more structured approach**

On a national level as in Occitania, the health crisis has had less impact on the financial position of local stakeholders than initially envisaged. The moderate downgrading of the main indicators available (debt reduction capacity and gross savings rate) thus means the region and the departments have the financing capabilities necessary to contribute to the recovery.

The national strategy for reviving the economy is based in particular on a new approach to contracts with local stakeholders which, for their part, intend to use mainly the leverage of public procurement. However, given the relative weakness of previous levels of implementation of their investments, the effectiveness of such a strategy is not guaranteed.

## **Recommendations**

The Court makes the following recommendations to the local stakeholders of Occitania:

### **Secure the legal framework for measures (*departments*)**

1. ensure that the policies implemented fall within the remits defined by law;

### **Draw up a financial review of the measures organised during the crisis (*region, departments, EPCIs*)**

2. in conjunction with the contributing departments, organise the repayment of contributions to the L'Occal Fund that have not been used on their territory;
3. monitor the ability of companies that have been helped to repay the advances allocated to them under the aid and support schemes implemented during the crisis; where applicable, record part payments;

### **Ensure the effectiveness of measures planned for the recovery phase (*region, departments, EPCIs*)**

4. conduct an assessment prior to any recovery project to define its scope, the expected results and evaluation indicators;
5. draw up a report at the end of each recovery project.