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ECON

Regional and local authorities and the National Recovery and Resilience Plans



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This report was written by Alessandro Valenza, Anda Iacob, Clarissa Amichetti, Pietro Celotti (t33 Srl), Sabine Zillmer (Spatial Foresight) and Jacek Kotrasinski.

Language review by Timothy Wills.

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Acronyms

AI	Artificial Intelligence
CoR	Committee of the Regions
EC	European Commission
EU	European Union
IPCEI	Important Projects of Common European Interest
LRAs	Local and Regional Authorities
MLG	Multilevel governance
NRRP	National Recovery and Resilience Plan
RRF	Recovery and Resilience Facility
SDGs	Sustainable Development Goals

EXECUTIVE SUMMARY

Background and scope of the study

- The economic and social **impact of the coronavirus pandemic is enormous**, at the same time the EU continues to face other long-term crises such as climate change. To make European economies more sustainable and resilient, the European Commission (EC) and EU Member States agreed to set up the Recovery and Resilience Facility (RRF) with a budget of EUR 672.5 billion. The RRF will support investments and structural reforms while contributing to the green and digital transitions. To access RRF funding, Member States draft National Recovery and Resilience Plans (NRRPs) complying with the objectives of the RRF.
- This study provides a timely **assessment of eight NRRPs** submitted to the EU by the end of May 2021 (Belgium, Croatia, France, Germany, Italy, Poland, Romania and Spain). The NRRPs encompass reforms and public investment projects that each Member State plans to implement with the support of RRF.
- This study focuses on **the involvement of Local and Regional Authorities (LRAs)** in the preparation and implementation of NRRPs. In addition, the study assesses the **integration of green and digital transition** as well as United Nations **Sustainable Development Goals (SDGs)** in this modified version of the European Semester.

Main findings

- There are **gaps in preparation and intervention of the plans and fundamental mechanisms are needed** to improve the success of reforms and investments financed by the RRF.
- The lack of LRA involvement means the **territorial dimension is only partially addressed** in NRRPs and there is miscoordination with Cohesion Policy.
- The lack of LRA involvement could lead to further negative consequences. Firstly, the **NRRPs could be less efficient and impactful** since LRAs are

crucial to delivering investments and services as well as implementing reforms. Secondly, potential **synergies with Cohesion Policy funds may not be exploited**, and RRF investments might overlap and even displace Cohesion Policy interventions.

- LRAs were less involved due to **specific attitudes of central government** rather than national constitutions. The **European Semester process also does not facilitate the inclusion** of LRAs.
- The eight NRRPs show that the **green and digital transitions have a core role but without LRA involvement**, while SDGs are covered but mainly implicitly.

Answer to specific study themes

- The study focused on main themes:
 - Involvement of LRAs;
 - Territorial approach;
 - Alignment with key EU priorities (green and digital transitions, SDGs).
- For the **involvement of LRAs**, most of the NRRPs involved consultations with Regional and Local actors in formal and unilateral ways. Inputs from regions and towns were rarely transposed into the Plans. LRAs will have a role in implementation as well as in evaluation / monitoring, but this seems to be mainly passive, to support administrative delivery of the NRRPs without any sharing of ownership. Even if administrative capacity is acknowledged by the Plans, interventions to empower public administration were designed without the full involvement of LRAs. This lack of ownership could hinder capacity building possibly making it ineffective. The governance process is hierarchical, even the information flow is mainly top-down, and the principle of subsidiarity is applied in a very limited way.
- For the **territorial approach**, NRRPs provide information at local and regional level and often address social, digital, and environmental issues from a territorial perspective. However, the territorial approach is not systematically streamlined across all policy areas. RRF could provide a significant contribution to European Cohesion, however a lack of coordination with LRAs could undermine the effectiveness and efficiency

of Cohesion programmes. Eventually, the allocation of RRF funding is partly related to the pandemic, partly to the use of loans by each Member State. Other than Italy and Belgium, there is no territorial allocation of resources.

- The NRRPs are well aligned with the **EU Green Deal**. More than half the green topics are fully integrated, including the related legislative reforms. Only one key topic appears modestly covered (green jobs and skills). However, LRA roles in implementing the plans are limited or often unclear which would hinder the green transition. The ‘Do No Significant Harm’ principle is carefully considered in only half the plans and the three flagship areas for the green transition (Power up; Renovate; Recharge and Refuel) are fully taken into account also in only half.
- The NRRPs contribute to the **digital transition**, with key topics fully or highly integrated, mostly including the related legislative reforms. However, the role of LRAs is limited or ill-defined in most cases.
- The importance of making explicit and transparent reference to the **UN SDGs** has not been homogeneously understood by the Member States. Clear references to SDGs are missing, which reduces the opportunity for common understanding of the plans.

Recommendations

- In the near term (i.e. the next 6 months), the **EC should enhance the involvement of LRAs by focusing NRRP analysis specifically on stakeholder consultations** and future governance. This would improve the participation of LRAs, including in the implementation of the NRRPs. The CoR and European LRA associations such as CEMR, CPMR and Eurocities should support regions and municipalities, and their national associations in approaching their central authority by disseminating information and increasing awareness.
- In the medium term (i.e. the next 18 months), the **EC should enhance monitoring and reporting for NRRPs** (and the engagement of LRAs), empowering regions and municipalities with tailored capacity building. A code of conduct would make the European Semester more favourable for LRAs. CoR and national / European LRA associations should coordinate to ensure LRAs are more deeply involved in the NRRPs.

INTRODUCTION

The aim of this study is to provide the Committee of the Regions (CoR) with an overview of the elaboration of NRRPs and the involvement of LRAs. The study also assesses national engagement in digital transition, the Green Deal, and the integration of SDGs in the NRRPs. This study will contribute to elaboration of the Annual Regional and Local Barometer for 2021.

This study provides information on:

- *LRA involvement*– modalities and intensity of LRA participation in preparing and implementing NRRPs.
- *Territorial dimension in terms of present disparities / policies and future challenges / potential* - how NRRPs take into account economic, social, digital, and environmental aspects at LRA level.
- *Integration of digital and Green Deal transitions as well as SDGs* – how much they are considered in NRRPs - whether policy coherence is considered for reforms and investments, and which flagship initiatives are targeted to LRAs.

The study capitalises on two other studies carried out for the CoR; ‘*Active subsidiarity and the European Semester: the involvement of cities and regions in policy making for investment and structural reform*’ (2020) and ‘*Potential impacts of COVID-19 on regions and cities of the EU*’ (2020).

Table 1. NRRP status

Member State	NRRP status	NRRP version
HR	Sent to the EC	29/04/2021
BE	Sent to the EC	30/04/2021
DE	Sent to the EC	30/04/2021
ES	Sent to the EC	30/04/2021
FR	Sent to the EC	30/04/2021
IT	Sent to the EC	30/04/2021
PL	Sent to the EC	03/05/2021
RO	Sent to the EC	2/06/2021

Source: Elaboration of the study team

Report structure

The first two chapters of this report relate to a **territorial analysis** of the NRRPs, the third chapter covers **policy analysis**:

→ The **first chapter** details the degree and intensity of LRA involvement in preparing and implementing the NRRPs.

As evidenced by the CoR-CEMR joint consultation¹ from early November 2020 to the beginning of January 2021, preliminary evidence showed that LRAs were not integrated in the elaboration of NRRPs, and only a minority of Member States consulted their LRAs in the set-up and elaboration phase.

This chapter also assesses the administrative and institutional capacity of LRAs to implement and manage the NRRPs, as well as the potential of the proposed measures to strengthen the administrative and institutional capacity of public administration..

→ The **second chapter** reviews whether the NRRPs highlight needs, challenges and disparities in the Member States, especially from a territorial point of view. The study sheds light on potential territorial solutions elaborated by Member States in their NRRPs to overcome territorial disparities and improve the socio-economic situation.

In addition, the territorial analysis details the contribution of the NRRPs to social, territorial and economic cohesion, and whether there were coordination mechanisms to elaborate complementary and synergetic 2021-2027 Cohesion Policy programmes in relation to the NRRPs.

Finally, the analysis provides insights on NRRP financial allocations and a comparison with the past territorial performance of National Reform Programmes (NRPs).

→ The policy analysis in the **third chapter** assesses the extent that NRRPs engage and concentrate resources in the digital transition and the Green Deal and integrate the SDGs. A qualitative analysis highlights the involvement and role of LRAs in green and digital policy elaboration, implementation, and evaluation. The study team also verified whether

¹ For further details, see [A new consultation warns: many EU governments are excluding regions and cities from the preparation of post-COVID recovery plans \(europa.eu\)](https://europa.eu)

the EU Flagship initiatives ‘Power up’, ‘Renovate’, ‘Recharge and Refuel’ have been taken into account.

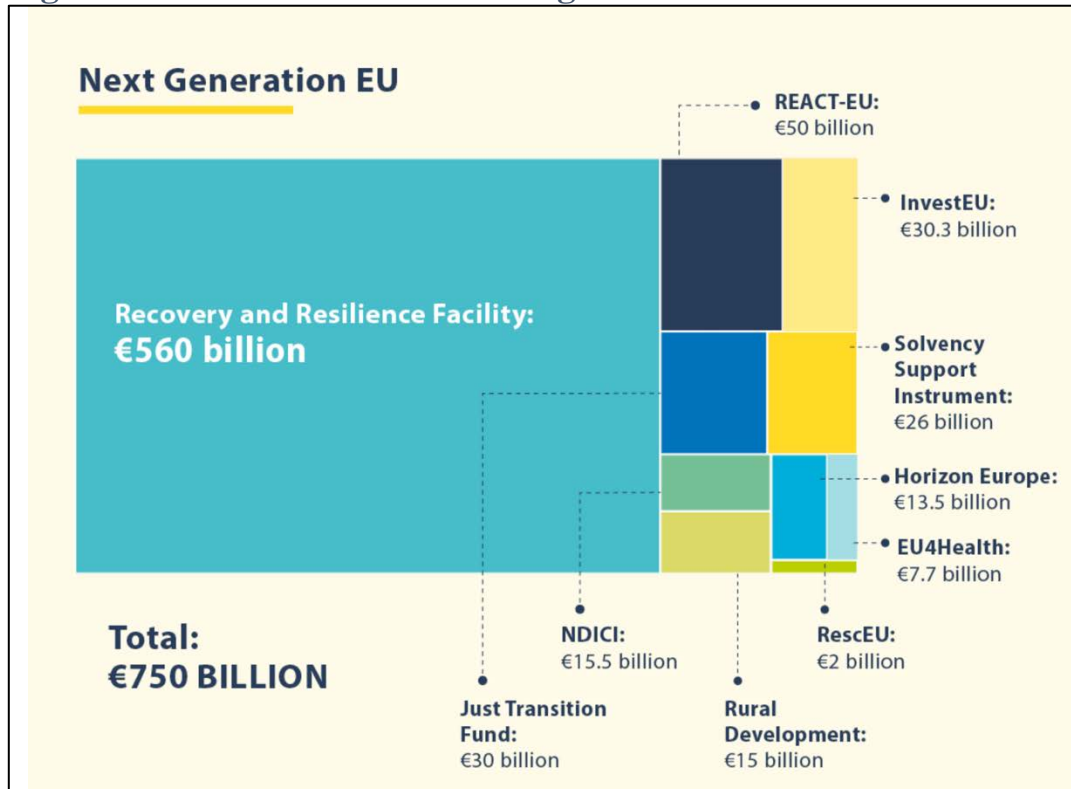
- The **fourth chapter** contains conclusions and policy recommendations.
- **Annex I** presents analytical country fiches summarising the analysis illustrated in the chapters.
- **Annex II** details the methodology used for the study.

Overview of the policy framework

In the light of the Covid-19 pandemic, the European Commission (EC) and Member States are taking action to restore economies and mitigate the effects of the crisis.

The long-term response of the EU to support recovery and foster resilience in Member States is Next Generation EU. This recovery instrument of EUR 750 billion will help repair the economic and social damage brought about by the pandemic. The most significant part of the budget is the RRF, totalling EUR 560 billion to be spent between 2021 and 2023.

Figure 1. Next Generation EU budget



Source: European Commission

The RRF scope is to ‘promote the Union’s economic, social and territorial cohesion’² by improving resilience, crisis preparedness and adjustment capacity, by fostering equal opportunities, especially between men and women, as well as by supporting the green and digital transitions – the so-called ‘twin transition’. The aim is to provide Member States with opportunities and finance to elaborate and promote a new and more sustainable development model for future generations.

The RRF aims at supporting Member States to develop and implement sustainable reforms and public investments in six policy areas (art. 3):

- 1) Reforms and investments in the **green transition** which should focus on green technologies and capacities, including biodiversity, energy efficiency, building renovation and the circular economy;

² Regulation of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility.

- 2) **Digital transition** for reforms and investments in digital technology, infrastructure and processes to support the digitalisation of services and SMEs, development of digital and data infrastructure, clusters, digital innovation hubs and open digital solutions;
- 3) **Smart, sustainable and inclusive growth** to promote reforms and investments to foster entrepreneurship, the social economy, sustainable infrastructure and transport, as well as to support industrialisation and reindustrialisation;
- 4) Reforms and investments in **social and territorial cohesion** should aim at reducing poverty and addressing unemployment, encouraging the creation of high-quality and stable jobs, enhancing inclusion and integration for disadvantaged groups, strengthening social protection and welfare systems, as well as intensifying social dialogue;
- 5) Reforms and investments in **health, as well as economic, social, and institutional resilience** to improve crisis preparedness and response capacity. Measures should improve business and public service continuity, accessibility and capacity of health and care systems, as well as foster the effectiveness of national and local public administration along with judicial systems.
- 6) Policies for **the next generation, children and young people** should aim at encouraging reforms and investments in education and skills, particularly digital skills, as well as upskilling, reskilling and requalification of the active labour force. Reforms and investments should also envisage programmes for the unemployed, measures to invest in access and opportunity for children and young people to bridge the generational gap in line with the objectives of the Child Guarantee and Youth Guarantee.

The RRF, implemented by the EC under direct management (article 8), envisages non-repayable financial support of EUR 337.9 billion and loans of EUR 385.8 billion.

The non-repayable financial contribution for each Member State is based (art 11):

- a) 70% on i) population; ii) inverse GDP per capita; iii) unemployment;
- b) 30% on i) population; ii) inverse GDP per capita; iii) GDP change in 2020; and iv) aggregated GDP change for 2020-2021.

Member States can request funding for loans until 31 August 2023. The loans cannot exceed 6.8% of Member State 2019 Gross National Income.

Until 31 December 2022, the EC can make 70% of the non-repayable financial support available to Member States, while 30% could be allocated between 1 January 2023 and 31 December 2023. Upon request, to 31 December 2021 the EC can pre-finance a Member State with up to 13% of the financial contribution, while up to 13% of the loan allocation can be pre-financed within two months of the EC adopting the legal commitments (articles 12-13).

To receive funding, Member States must draft NRRPs aligned with RRF objectives, and negotiate these plans with the EC.

The NRRPs are intrinsically linked to the European Semester. Member States should submit their NRPs and NRRPs in a single integrated document.

The first section of the NRRP should detail how the plan is a comprehensive and balanced response to economic and social challenges the Member State is facing from the COVID-19 crisis to challenges identified in the country-specific recommendations and finally how it will contribute to the six EU policy areas. The plan should also explain how the reforms and investments will strengthen economic growth, create new jobs, and increase the economic, social and institutional resilience of the Member State. The NRRP should illustrate its coherence with EU and national principles, plans and strategies. It should also show how it will contribute to gender equality and equal opportunities for all, in line with the European Pillar of Social Rights and Goal 5 of the SDGs.

The Member State should also detail how the plan will contribute to implementation of other parts of the European Pillar of Social Rights, enhancing economic, social, and territorial cohesion and convergence within the Union. The NRRP should justify the allocation of financial resources within each policy pillar of the RRF. The Member State should allocate at least 37% of the financial resource to the green transition, while 20% should be reserved for digital transition reforms and investments. Detailed explanations should justify how measures under these two pillars will contribute to the goals and justify the reforms, investments, and proposed measures under the other pillars.

The Member State should also detail whether it will include cross-border or multi-country projects.

The NRRP will also include an explanation and justification that all the reforms, investments and measures respect the ‘*Do No Significant Harm*’ principle³.

Milestones, targets and indicative timetables for reforms and investments must be included, as well as investment projects and periods. The Member State should detail the estimated costs of the plan and information on existing or planned EU financing. The plan should also include any request for loan support (article 18).

The second section of the plans illustrate in detail all the reforms and investments to be implemented. Each plan can be structured in Pillars, Axes, or Components and further developed in sub-components.

In the third section, the Member State should explain the NRRP governance, monitoring, control and audit procedures, as well as the consultation process. This process should involve LRAs, social partners, civil society and youth organisations and other stakeholders. The plan should also explain how the input of stakeholders is reflected in the NRRP (article 18(q)).

The NRRPs will continue to be linked with the European Semester up to 2023. Twice a year the Member State should report progress of the NRRP in the European Semester process (article 27).

The EC will illustrate to the European Parliament and the Council (articles 26, 31) Member State achievements under each of the six policy areas, also using the Recovery and Resilience Scoreboard.

Methodological approach


The study analyses the NRRPs of eight Member States with two types of assessment:

³ According to article 17 of the EU Taxonomy Regulation, the ‘Do-No-Significant-Harm’ principle describes what can cause damage to the environment and hamper reaching the six environmental goals. For further details, see C(2021) 1054 final (2021). Commission Notice. Technical guidance on the application of ‘do no significant harm’ under the Recovery and Resilience Facility Regulation.

- 1) **Territorial analysis**, to understand to what extent the plans:
- involve LRAs in NRRP elaboration and implementation;
 - identify social, economic, digital and environmental needs in an integrated way at LRA level.

The assessment envisages a scoring system as illustrated in Table 1. This measures the ‘intensity’ of the territorial approach in the NRRPs based on specific dimension / sub dimension (see annex II for more details on the dimensions assessed).

Table 1. Scoring for quality of information.


Intensity / Score	Criteria	Description
0  3	Non-existent	There is no reference to the dimension / sub-dimension
	Explicit but general	Reference to the dimension / sub-dimension is explicit but general without providing detailed or quantified information
	Explicit and specific	Reference to the dimension / sub-dimension is explicit providing detailed or / and quantified information
	Explicit, specific ad horizontal	Reference to the dimension / sub-dimension is explicit providing detailed or / and quantified information. The dimension is also applied in a systematic way across different policy fields (i.e. is not sector specific)

Source 1. Study team elaboration

2) **Policy analysis**, to capture Plan contributions to the **digital transition and Green Deal**, as well as **SDGs**.

The table below illustrates the criteria used to assess green and digital policy integration, as well as the SDGs, and the related scoring system.

Table 2. Criteria for the level of integration of Green Deal, digital and SDG’s dimensions in the NRRP.

Policy commitment	Description	Explanation
 –	Budget	There is a dedicated and quantified budget for the green /digital / SDG dimension
	Interventions / projects	Interventions / projects have the green /digital / SDG dimension as specific objectives
	Programmes / strategies	The green / digital / SDG interventions have a specific strategy / programme at regional and / or central level.
	+	Reforms

Source: Elaboration of the study team

Annex II provides additional detail on the study methodology.

1. INVOLVEMENT OF LRAs IN THE NRRPs

According to article 18(4)(q) of the RRF Regulation, Member States shall:

- provide a summary of the **consultation process** with LRAs and other stakeholders (e.g., social partners, civil society and youth organisations) for the preparation and implementation of NRRPs;
- indicate inputs from the consultation process.

The summary should illustrate who has been involved (scope), how (type of consultation) and when (timing).

This chapter analyses the involvement of LRAs in the NRRPs. It illustrates the textual check of the NRRPs, complements those findings with interviews and desk analysis, and answers the study's specific questions:

1. Whether and how regional and local authorities (and / or their representations / associations) were involved in preparation of the NRRPs and, if yes, how this involvement took place.
2. Whether and how regional and local authorities (and / or their representations / associations) will be involved in implementation and evaluation of the NRRPs and how this will take place.
3. Whether the principles of partnership and multilevel governance (MLG) between the national and sub-national levels of government were adopted in preparation and governance of the NRRPs.
4. How the administrative capacity of regional and local authorities has been addressed.

1.1 Textual check of NRRPs: LRAs involvement

This section presents the textual check of the NRRPs concerning the involvement of LRAs considering their:

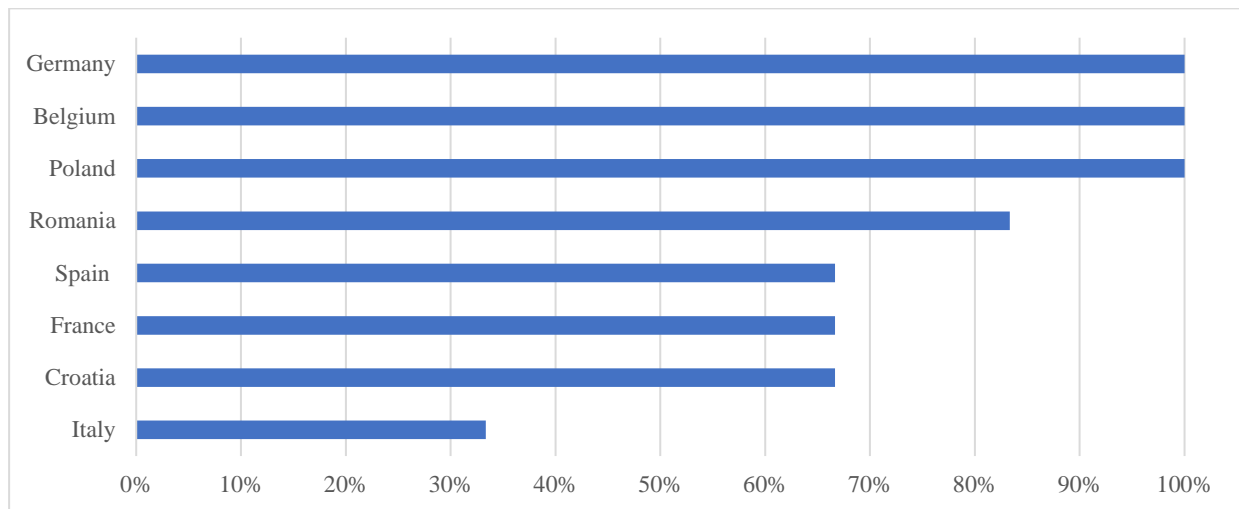
- contribution to NRRP design and formulation.
- role in implementation and evaluation.

1.1.1 Involvement in consultations

Involvement of LRAs in NRRP drafting considers whether there is a consultation section in the NRRP, how public consultations were conducted, which stakeholders were involved and the role of LRAs, detailing when and how they were consulted, and if their contributions have been taken into account in the NRRP design.

Chart 1 provides an overview of LRA involvement in consultations. **Germany, Belgium, and Poland** score the highest, because they include all the information detailed in article 18(4)(q): when and how LRAs were consulted, the scope of the consultations and their contributions to the plan elaboration.

Chart 1. Involvement of LRAs in preparation of the NRRP



Source: Elaboration of the study team

The constitutional and institutional set-up of **Belgium** (see box 1) meant the NRRP elaboration started from regional government proposals, which were regional strategies / plans, on stand-alone investments and reforms to be included in the NRRP.

The set-up in **Germany** also required the federal states (*Länder*) to establish the NRRP structure and finalise the measures and reforms. The consultation section notes that many measures are included because of positions expressed by regions and municipalities.

The **Polish** plan (see box 1) scores the maximum as the national document extensively details how LRAs were involved, the number of meetings, as well as the discussion themes. Compared to the previous version, this NRRP provides more details on the consultation process. The plan explains in a structured, comprehensive and detailed way how and when LRAs, along with the social, economic and civil society actors, were consulted. In the previous version of the NRRP, the involvement of LRAs was mentioned with reference to preparation of the plan at the beginning of the document, without details such as their input or results of the consultations.

All in all, the Belgian, Polish and German plans include what the RRF Regulation requires in article 18(4)(q): the scope of the consultation, the actors involved, LRA contributions and the timing of the process. The quality and the results of such an apparently comprehensive process are analysed in section 1.2.

The **Romanian** plan clearly states that the NRRP elaboration saw an ‘extensive participatory process’ which involved LRAs⁴. Moreover, the plan extensively details how the consultation process took place, the actors involved and the ministries coordinating the process. The plan mentioned the calendar and thematic coverage of the meetings to discuss each theme of the plan, the number of comments received and their integration in the NRRP. However, the plan does not sufficiently illustrate LRA inputs, only mentioning ‘representatives of civil society, social and economic partners as well as public institutions and authorities at national and local level’⁵.

France, Croatia, and Spain do not include a full summary of the consultation process, i.e., LRA contributions.

Although in the third part of the **French** plan the consultation section explains how LRAs were consulted, there is no evidence of their contributions and comments. There is no reference to how their contributions were included in the investments and reforms in the plan either.

Despite the **Spanish** constitutional set-up and the autonomy for Spanish regions, the plan does not include a comprehensive summary of the consultation process, only the number of meetings organised with LRAs. Two meetings presented the plan to regions, cities and the Spanish Federation of Municipalities and Provinces (FEMP), and discussed cooperation to implement the plan. The Ministries involved in elaborating and implementing the plan established seven thematic

⁴ See the Romanian plan, section I, p. 74, in <https://mfe.gov.ro/pnrr/>.

⁵ Ibidem, section III, p. 1319.

conferences between November 2020 and February 2021 to create a more direct channel of exchange with regions. They discussed demographic challenges, social services, transport and mobility, energy, environment, digital transition, education and vocational training. In addition, FEMP participated in a meeting held by the Mobility Advisory Council chaired by the Ministry of Transport, Mobility and Urban Agenda in February 2021. All in all, the plan does not include the contribution of LRAs to the plan.

The **Croatian** plan provides very few details on LRA involvement. The NRRP was presented to representatives of cities and municipalities, the Croatian Chamber of Commerce and the County Chambers of the Croatian Chamber of Commerce on 18 March 2021 to discuss how they would be involved in implementation. They were invited to assist the plan presentation, along with Ministries and prefects, on 21 and 23 April. There are no other references to LRA contributions.

Italy does not dedicate a specific section to the consultation process. In the introduction, it just mentions that the NRRP was discussed with LRAs, civil society actors and national political parties.

Box 1. Involvement of LRAs in consultations – Examples

LRAs were involved in preparing the **Belgian** plan. Regional governments conducted their own consultations on the basis of their competences and level of autonomy from the federal government. They proposed reforms and investments to the central government and negotiated the structure, theme and financial allocations. The federal government put together the regional proposals and provided the final version of the plan. In part 3, section 5, the consultation process is illustrated for each national entity. The actors involved are listed, as well as the dates of meetings and discussion themes.

The **Polish** plan extensively presents consultations with LRAs. The plan illustrates in a graphic⁶ that the biggest contributions were from various governance levels. The public consultation process started on 26 February 2021 with the Prime Minister and lasted until 2 April 2021. In March 2021, the Government issued a draft NRRP so LRAs, as well as to economic, social, and civil society actors could contribute with comments and suggestions. Several online debates took place, including on 2 March for the green transition, 4 March on the effectiveness, availability and quality of health care, and on 9 March on economic resilience and competitiveness. There were five other meetings, specifically requested by social actors, dedicated to all components

⁶ See the Polish National Plan, pp. 475-476, section III, in <https://www.gov.pl/web/planodbudowy/kpo-wyslany-do-komisji-europejskiej>

of the NRRP. LRAs participated too, along with the ministries in charge of the policy areas, as well as economic actors and NGOs. The plan details how many comments were received and from who.

On 26 February, the draft NRRP was transmitted to the Joint Commission of the Government and Local Government (KWRiST), that organised three meetings and a plenary session to discuss it. Over 520 comments were collected from regions and LRA umbrella organisations. The plan reports themes addressed in the discussions and the comments received.

The plan was also discussed in the Partnership Development Subcommittee within the Committee on the Partnership Agreement for 2014-2020, where LRAs play a role.

The NRRP consultation process is available on the government website along with comments from LRAs and civil society, social and economic actors, in addition to details in the plan.

Throughout the **German** NRRP it is underlined that the Länder are important actors' and enablers of the strategy. The plan describes how and when LRAs were involved in the consultation process. Meetings and discussions started in December 2020 with the Ministry of Finance to establish the structure, principles and objectives of the plan. The NRRP also illustrates the timing of Länder comments and statements, as well as the positions and suggestions of regional governments for specific investments and reforms⁷.

Source: Elaboration of the study team

1.1.2 Involvement in implementation, monitoring and evaluation of the NRRPs

The assessment considers two sub dimensions:

- If and how LRAs play a role in implementing the measures and reforms;
- Whether, how and when LRAs will be involved in monitoring and evaluating the plans.

While checking the involvement of LRAs, the study team considered additional qualitative elements:

- coordination among administrative tiers, namely whether the NRRPs describe coordination just among the central administration and one sub-national level, or among the central, regional and local levels;

⁷ See the German NRRP, part III – section 5, pp. 18-24, in https://www.bundesfinanzministerium.de/Content/DE/Standardartikel/Themen/Europa/DARP/3-komplementaritaet-und-implementierung.pdf?__blob=publicationFile&v=4

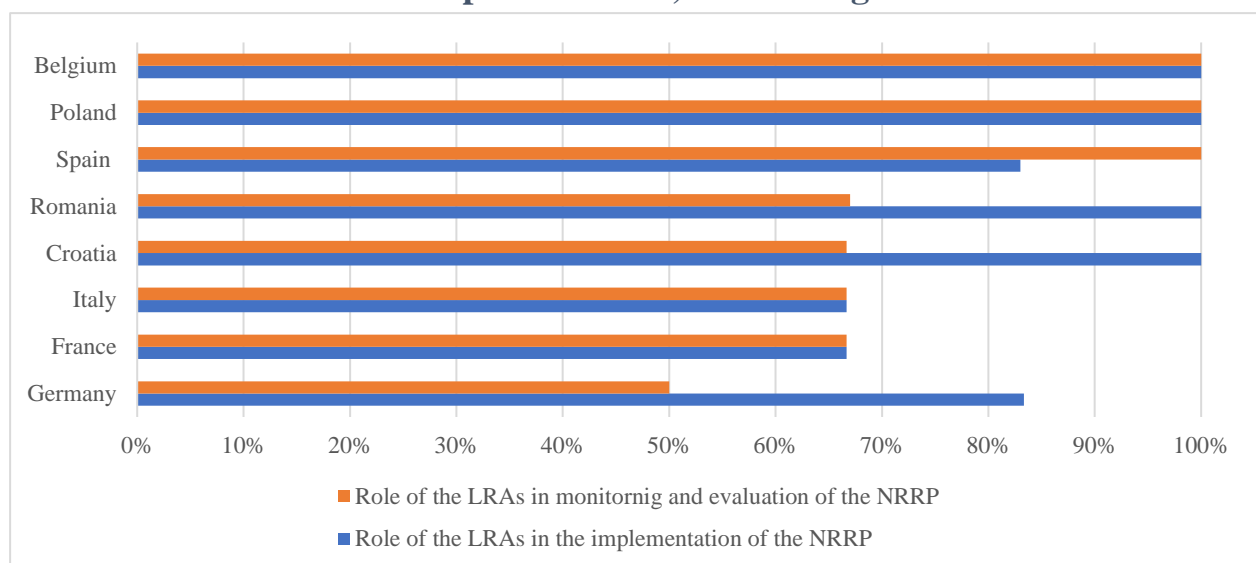
- cooperation models, especially arrangements envisaged in the NRRPs, including institutional and administrative channels to ensure coordination and collaboration between central administrations and regional / local entities; and wider partnerships, namely other (economic, social and civil society) actors, that will carry out the measures, along with the local, regional and central administrations.

Chart 2 offers an overview of the involvement of LRAs in NRRP implementation, monitoring and evaluation.

All the countries score better for LRA involvement in implementation than in monitoring and evaluation, except Spain.

Belgium and **Poland** have the highest scores for implementation, as well as monitoring and evaluation.

Chart 2: Role of LRAs in implementation, monitoring and evaluation



Source: Elaboration of the study team

The **Belgian** plan details the implementation and monitoring process at central and regional levels. Regions will use existing institutional bodies for monitoring. The plan also illustrates how regional monitoring works at the central level for each NRRP component. Belgian federal authorities are therefore not only responsible for sending data on project development and implementation to the central government, they will also be partners for accountability in front of citizens and local administrations. Finally, reforms and investments will be implemented by each region and the federal government, so the role of LRAs is widely discussed and detailed across the whole plan.

The third section of the Belgian plan refers to the Inter-ministerial Conference as the main **institutional channel** for cooperation and decision-making for implementing the NRRP and reporting progress to the Consultation Committee.

The country also has examples of **wider partnership** in implementation:

- the Artificial Intelligence (AI) institution for the public good will oversee cooperation among research centres, universities and enterprises to support R&D on transparent and sustainable AI systems and solutions, accountable to citizens;
- The Green Sector Competence Centre will involve schools, other public competence centres, research centres, and regional training institutions for the self-employed as well as small and medium-sized enterprises.
- ‘E-inclusion for Belgium’ will be implemented by the federal government, with a national incubator to collect projects that boost digital skills and promote social inclusion. The federal government will involve local organisations, such as NGOs, public centres for social action, youth associations, public digital centres (organisations dealing with local community problems). Other stakeholders are the federal public planning service for social integration, which manages DIGILAB, with the support of other civil and social actors, the King Baudouin Foundation, a national philanthropic association and FPS Economy SMEs, Self-Employed and Energy (SPF Economie). This encourages a vibrant entrepreneurial environment in Belgium. With these actors, the project aims to support people at risk of digital exclusion, using a personalised and targeted approach according to each requirement.
- The Walloon government has proposed the A6KE6K project – Innovation and Training Hub for digital and innovation skills, with contributions from companies, start-ups, universities and research centres in the region. These include Alstom, Thalès Alenia Space, AGC, AWEurope, Engie Laborelec, ULB, UMONS, UCL, TechnoFutur, IFAPME, BeCode and Design Innovation. The project intends to provide training courses on digital and advanced technology, in particular to those not in employment, education or training (NEETs), as well as creating an environment that supports and encourages entrepreneurial spirit to attract new companies.

The role of the **Polish** regions (*voivodeships*) in implementing all measures and reforms is detailed. They will ensure smooth coordination between central, provincial and local administrations, as well as complementarity and coherence among actions supported by different funds (i.e. ESI Funds).

The NRRP also has examples of coordination during implementation:

- The document highlights the need to further develop ‘inter-ministerial and intersectoral cooperation and coordination in the development of skills and learning for adults’. At national, regional and local levels, this relates to projects elaborated in 2019 and 2020, involving the Ministry of National Education and two regions to develop recommendations for a policy for adult learning and skill matching in the labour market;
- A second example concerns energy communities (Component B2.2.2), where local communities are central to developing local renewable energy sources, with the coordination of local governments, which in turn will be supported at central level by the Ministry of Labour and Technology Development.

In addition, the Polish plan offers an example of **wider partnership** in Pillar A, investment 3.1.1 ‘Support for the development of modern vocational education, higher education and lifelong learning’. This aims at establishing sustainable and resilient modern vocational training, higher education and learning courses, with new Provincial Teams to coordinate Vocational Education and Learning, which will involve LRAs (voivodeship representatives) as well as key regional and national stakeholders. These include representatives of universities, regional training institutions, regional labour agencies, entrepreneurial agencies and employer organisations.

Croatia scored the maximum for implementation, as the LRA role is detailed in almost all policy fields, with a significant role in ensuring project activation and coordination among stakeholders (see box 2). The first version of the Croatian NRRP did not include LRAs in implementation, while the final version has a detailed description of the role LRAs will play in carrying out reforms and investments.

The plan also has examples of coordination between central, regional and municipal levels of government:

- in the reform to strengthen inter-institutional coordination supporting a ‘successful digitalisation transition of society and economy’ (reform C2.3R.1), the Central State Office for the Development of the Digital Society, will coordinate with the public administration bodies involved in preparing, planning, monitoring, and implementing digital development policy, as well as bodies involved in EU Cohesion Policy grant procedures.
- In component 2.2 ‘Further optimisation and decentralisation of Units of Local and Regional self-governments by supporting functional connection’, one intervention aims to improve the cooperation models of all LRAs to provide more transparent and efficient services to citizens,

while strengthening their competences. Technical and human resources assistance (from central administration), as well as financing will be provided to LRAs with similar tasks. By merging competences and having teams cooperate, they can more easily overcome problems and make more efficient use of funds and resources. The measure includes a new database to share LRA capacities, competences and tasks. A model for joint execution of individual tasks will be created, as well as models to encourage local units to do business together. An ICT system will connect LRAs to share best practices and assess the efficiency and transparency of LRA procedures. This will also offer models for cooperation, including establishing a joint governing body or joint trade body company or institution.

The **Romanian** plan scores the highest for the implementation phase, but lower for monitoring and evaluation. The first version of the Romanian NRRP did not detail the role of LRAs in implementation and did not tackle monitoring and evaluation at all. The final version of the plan highlighted that implementing the NRRP will be similar to implementing Operational Programmes supported by Cohesion Policy funds, namely ‘centralised management, and decentralised execution’⁸. There are examples of LRA roles in implementing reforms and investments across all the pillars (see box 2). Coordination mechanisms and the roles of national ministries involved in the NRRP are extensively detailed. In particular, the plan refers to a new structure within the Ministry of European Investments and Projects, in charge of coordinating the institutional framework and mechanisms of NRRP elaboration, as well as managing, monitoring and reporting on the plan. The new institutional body will coordinate with LRAs implementing and managing Cohesion Policy Operational Programmes.

Another pivotal point is the role of Länder in implementing and monitoring **German** investments and reforms. The plan does not always mention their role since this is inherent in the constitution. This is also a result of the very late engagement of the Länder in the design of the NRRP.

Wider partnership is tackled in the German NRRP, which has examples of LRA involvement along with economic actors:

- Component 1.1 ‘Decarbonisation, especially through renewable Hydrogen’ will involve industries active in industrial climate-neutral related technologies, as well as in chemicals, steel and building materials;
- Component 2.1 ‘Data as the raw material of the future’, specifically for Important Projects of Common European Interest (IPCEI)

⁸ See the Romanian NRRP, part III, section 3.3, p. 1284.

microelectronics and communication technologies as well as cloud and data processing projects, where business participation is foreseen, along with cross-border cooperation.

A similar approach is used for LRAs implementing reforms and projects in the **Spanish** plan (see box 2). The regions are explicitly mentioned as implementing actors, also given their role in the constitution. However, their role and contribution to implement reforms and investments is not always explained in detail across all policy fields.

The plan also notes institutional channels to foster coordination between the central and LRA levels. The Sectorial Conference of the Recovery Plan, Transformation and Resilience will coordinate the central government and the regions.

For monitoring and evaluation, the regions play a crucial role in the new institutional bodies that will ensure smooth coordination and collaboration for administrative tiers. However, the details are not yet known, which opens the door to the analysis in section 1.2.

Italy and **France** do not specify LRA roles in each component of their plans for implementation, monitoring or evaluation, just declaring that LRAs will be part of those processes.

The French document foresees the involvement of LRAs in implementing and monitoring the plan in general terms, but governance is not well defined. The institutional channels to ensure coordination between the central and LRA levels are not detailed. The plan mentions a new unit within the Ministry of Economy, Finance and Recovery to ensure coordination at central and regional levels, without providing further information. Moreover, the concept of '*deconcentration*' is stressed across the plan, meaning a prominent role for national officers in regions and departments to ensure investments and reforms are carried out.

The Italian plan mentions that central administration will implement the measures and reforms together with LRAs for their specific competences.

Although the German and Italian NRRPs explicitly declare which institutions will perform the ex-post evaluation (an independent economic research institute in Germany, and the Ministry of Economy and Finance in Italy), neither envisage LRAs as partners for accountability of plan performance.

The **German plan** does not fully clarify the role of Länder in the monitoring process, except for component 4.1. The **Italian plan** states that LRAs will send monitoring data to the Ministry of Economy and Finance, which will aggregate the information.

Box 2. Involvement of LRAs in implementation, monitoring and evaluation—Examples from the NRRPs

The **role of LRAs in implementation** is well described in a project in the **Croatian plan**, ‘*Consolidation of agricultural land*’ in component 1. The objective is to create a legal and administrative framework enabling agricultural land consolidation and new infrastructure to allow better access to agricultural land. The pilot project will be implemented by agricultural units in LRAs, that will issue expressions of interest to collect the best ideas and projects. There are details of project selection criteria for LRAs, as well as technical details on activities in 2021 to implement administrative steps and conduct the information campaign.

The third part of the **German plan** specifies that Länder and municipalities will be involved in **implementing specific measures**, according to their competences, when they are specifically targeted. Constant contact with central administration will ensure coordination among the three sub-levels of governance. The document highlights that the Länder have good knowledge of fund management and they are in direct contact with entrepreneurs and educational institutions for programme and project implementation. Their close relationship with citizens will ensure smoother NRRP implementation.

A significant example of LRA involvement in project implementation in the German plan is in component 3.1 ‘Digitalisation of Education’. This foresees Länder implementing the measure, collaborating with central government by transferring data and results. The ‘Teacher terminals’ project aims at providing school infrastructure along with in-presence and online class IT equipment for teachers. The Länder, together with school authorities, will manage the project and report results to the federal government, as education is a Länder competence and the central government can only create the regulatory framework.

The Local Fund for the Green and Digital transition will be entirely implemented by LRAs on four levels, county, municipality, city and commune. They will be the ‘beneficiaries’ of financial resources and will implement the projects. LRAs will be supported by the Ministries of European Investments and Projects and the Ministry of Development. The projects also envisage wider partnerships with NGOs, economic and social actors. LRAs will implement projects related to:

- social housing for young and disadvantaged people, and people with health problems;
- green and sustainable mobility, with new electric buses, intelligent transport infrastructure, recharging stations for electric vehicles and cycle paths.

The plan encourages LRAs to develop projects in synergy and coordination with other investments financed by the NRRP and other programmes and strategies. Another example of LRAs key role in investment and reform implementation is to create social infrastructure for children at risk of poverty and social exclusion. The reform envisages a legal framework to financially support disadvantaged families and provide infrastructure for children with disabilities and those separated from their families. The investments foresee 150 social community centres. LRAs will identify and prioritise needs and problems, build social infrastructure, encourage partnerships with and among NGOs and other civic organizations as well as encourage partnership and coordination among LRAs to strengthen administrative capacity.

LRAs will play a crucial role also in the Pillar V reform to increase ‘predictability, effectiveness, coherence and ‘inclusiveness’ of public policy / decision making processes through planning, transparent and participatory monitoring and evaluation, with consultation and coordination with relevant actors in the community’. The reform will create a legal framework to support LRAs to strengthen partnerships with local NGOs and civil society actors, reduce the distance between citizens and public administration and identify development needs, to further develop strategies and action plans.

The **Spanish** plan points out that **the regions** (*Comunidades Autónomas*) **will perform monitoring**, control and audit activities via General Interventions of Cities and Regions, in synergy with General Intervention of the State Administration and the central government internal audit body. The General Interventions of Cities and Regions will also coordinate with the National Audit Office. The plan underlines that the General Interventions of the Cities and Regions will participate in second and third level controls, considering their independence and constitutional mandate.

Source: Elaboration of the study team

1.1.3 Administrative and institutional capacity of LRAs

An assessment of LRA administrative and institutional capacity is a key element of the analysis, as administrative and institutional capacity of LRAs ensures effective and efficient use of EU and national resources.

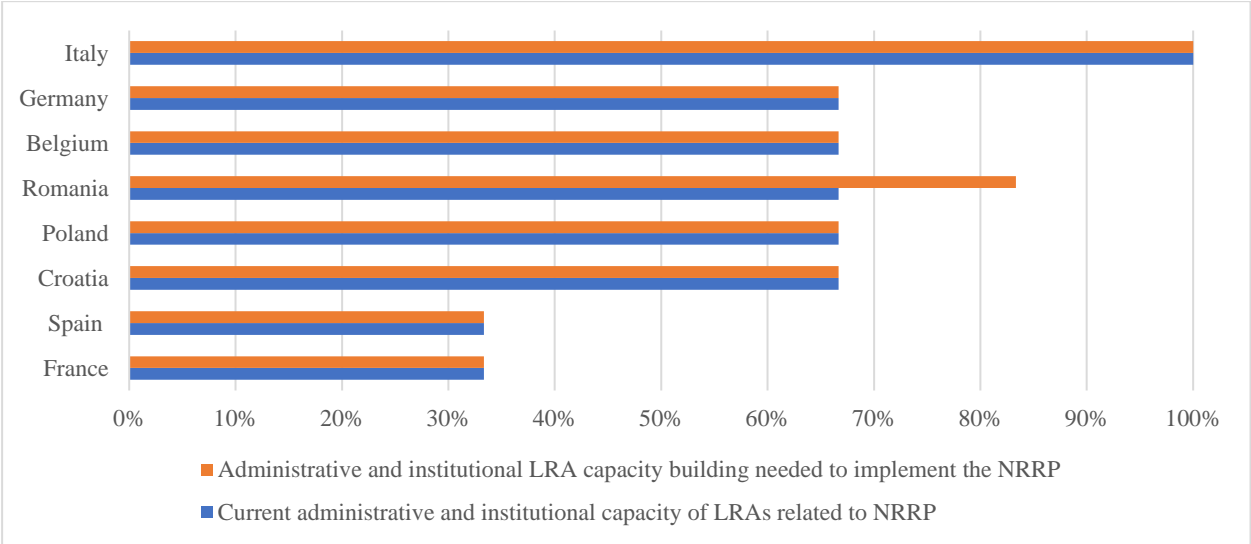
This is considered under two perspectives:

- whether the plans mention current problems for central and regional / local administrations; and
- if the NRRP offers solutions to improve public administration capacity.

LRA administrative and institutional capacity issues that are taken into account across all policy fields give the maximum score.

According to Chart 3, each NRRP, except the Romanian one, scores the same when assessing current challenges and problems related to **administrative and institutional capacity** of public administration, as well as future actions to improve such capacity. This implies that Member States use the same level of detail to describe current problems affecting public administration and to propose future actions to improve it.

Chart 3: Administrative and institutional capacity of LRAs



Source: Elaboration of the study team

Italy is the only Member State scoring the maximum when analysing current problems for public administration at national and regional / local levels, as well as when describing reforms and measures to modernise and digitalise central and local administration (see box 3).

The **Spanish and French** plans do not provide details on problems affecting territorial public administration, or on targeted interventions to address these.

Germany, Poland, Belgium and Croatia, all score 2 as their plans analyse administrative and institutional issues for central and local administrations, but not across the whole plan, and do not foresee activities and reforms to improve the scenario for each component.

The **Romanian** plan scores 2 for current administrative and institutional capacity, as the plan does not illustrate problems and needs across all the pillars. On the other hand, the plan scores better for future actions and reforms to improve the administrative and institutional capacity of public administration to implement the NRRP and, more generally, to strengthen their role in developing and implementing public policies.

Reforms and investment targeting public administration, including LRAs, aim at strengthening coordination among central, regional and local authorities to develop and implement public policies, as well as ensuring more transparency and citizens' trust in the public sector. Reforms are also targeted at reforming public procurement, by simplifying it and ensuring training for LRAs. Investments are also envisaged to provide training to increase digital skills in LRAs.

From analysis of the eight plans, all the governments stress the need to improve digital skills within public administration. Such competences are considered crucial to carry out NRRP reforms and investments, as well as foster accountability and transparency towards citizens. Very much related to this is the willingness of central governments to reduce administrative and bureaucratic burdens which hamper entrepreneurial spirit and increase distance between institutions and citizens. The redundancy of administrative and bureaucratic steps is also seen as a factor burdening public administration itself, at both central and local levels, as public officials have to deal with overlapping and sometimes vague regulations.

The **Croatian** plan contains a crucial element that central, regional and local administrations are currently managing several funds from different sources, i.e., national and European. They are elaborating national plans and strategies for economic and social recovery, modifying EU-funded ESIF programmes according to the REACT-EU Regulation, preparing new Operational Programmes supported by Cohesion Policy Funds and are finalising and presenting the NRRPs.

The Croatian plan points out that strengthening the administrative capacities of public administration to elaborate programmes and projects, in particular for the green and digital dimensions, is fundamental. It also appears crucial to learn how to reduce overlapping between projects and identify the proper funds to be used.

Box 3. Administrative and institutional capacity of LRAs – Examples from the NRRPs

One of the four ‘horizontal’ reforms in the **Italian** NRRP is to restructure public administration. This cross sectoral reform supports structural innovation and transformation to implement the investments and other reforms.

The introduction and mission 1 illustrate deficiencies affecting Italian public administration at central and local levels. These include a lack of staff turnover, with reduced personnel, the (old) age of employees, with a consequent mismatch of competences to face the current scenario, the effects of past political decisions to cut internal training and problems of coordination among central, regional and local administrations from excessively multi-layered and articulated legislation.

The reform proposes four pillars of action: Access, to make the selection procedure more efficient and easier; Good Administration, to simplify norms and procedures; Competences, to enhance public administration capacity and competence; Digitalisation, to improve efficiency, transparency and implementation of the whole reform process.

Competence is the main pillar targeting training and reforming selection procedures to accommodate next generation competences and skills, such as digital (see reform 1.2 Support to transform local public administration) and green skills. The actions propose strengthening the National Administration Centre, to reorganise training and a new ‘Communities of Practice’ to share public administration best practices and solve administrative issues. A measure for LRAs intends to support programmes to improve decision-making systems and organisational processes, reorganise workspaces and increase digitalisation of procedures, with new skills through training or new staff.

Source: Elaboration of the study team

1.2 LRAs perspective: analysis of interviews on LRA involvement⁹

The NRRPs present several opportunities to involve stakeholders, from elaboration to monitoring and evaluation. However, **the quality of LRA involvement** was questioned during the interviews. Almost all interviewees¹⁰ were unsatisfied as their participation was merely informative, as ‘spectators’.

⁹ Names of the interviewees are not displayed to preserve their privacy.

¹⁰ An important exception is Belgium, where preparation of NRRPs was strongly ‘bottom up’ and LRAs played a pivotal role.

When taking into account the investments proposed in the NRRPs, the scenarios are very different. Some LRAs could present their own projects and take part in project selection (e.g. Poland), while others were informed about the investments without knowing their role in detail. **Most LRAs were not given the opportunity to share their perspectives or provide input.** For example, one French interviewee noted that *“The consultation process was very quick and mainly oriented to provide top down information to the LRAs. During the first half of February, the State organized 15/20 meetings of 45min / 1hr to inform Regions on the work of drafting the plan and on the planned projects. Apart from this, there was no a real interaction relating to the formulation of the plan with the local authorities”*.

The dissatisfaction of LRAs was also officially and institutionally manifested. The German Länder criticised the central Government in a Decision of the German Bundesrat of March 5th 2021 *“that the Länder were not included at an early stage in the drafting of the (National Recovery and Resilience Plan) DARF and that the regional perspectives of the far-reaching economic transformation processes therefore can only be shown to a limited extent.”*

Towns and regions tried to be proactive through their associations and proposed not only specific projects, but also illustrated potential wider strategies and priorities. However, their efforts were mostly unsuccessful. More importantly, central authorities have not shared with LRAs how they elaborated the methodology to implement and monitor investments, i.e., how milestones, targets and costing have been designed. The Italian case can be explanatory on this point *“In the early phase of programming, when need identification happened, the Regions have never been involved despite they voiced and called for a full involvement. (...) Despite the they have elaborated a technical document including projects’ proposals and a strategic approach, there is no evidence of these in the NRRP”*.

For **reforms**, the situation was possibly worse. **There was no active role for LRAs** in elaboration since reforms were formulated only at central level without consulting LRAs. **This was the same for reforms which will deeply impact LRA daily activities** such as public procurement, permits, budgets and finance, as well as social services and urban planning.

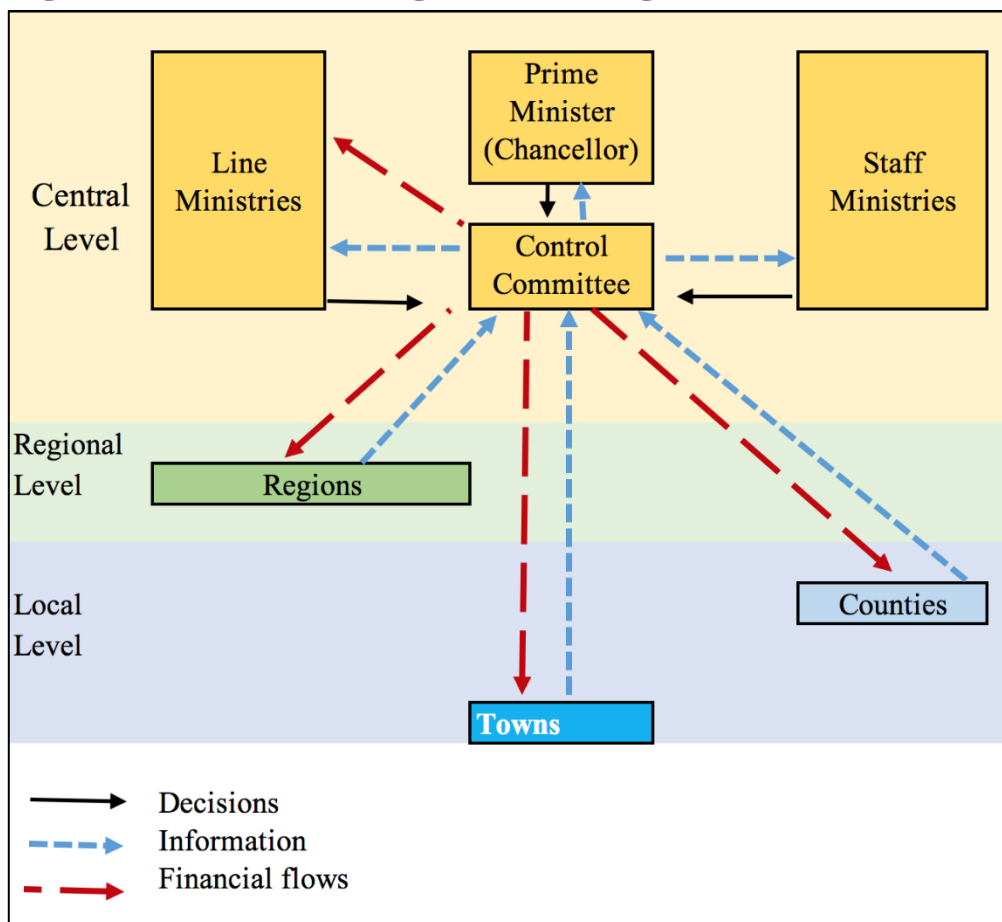
The consultation process has improved in almost all the countries analysed, however LRA contributions were not optimal. Overall, the **marginal role of towns and regions** in NRRP preparation¹¹ has been substantially confirmed. For

¹¹ Ref: COR-CEMR (2021)

example, a Spanish regional representative stated that “*The Conference on the European Funds*¹² was supposed to involve political leaders from Regional Authorities and jointly debate the priorities of the plan. The Conference took place twice and there was no way to share orientations by Regional Authorities. Lower level of governments such as municipalities received information after Regional Authorities were already informed, and they had no role in the design of the plan”.

As depicted in the figure below, NRRPs describe the role of LRAs better for future **implementation, rather than in preparation**. The NRRPs illustrate monitoring and evaluation systems, but LRAs are mostly ‘sources’ of information rather than ‘users’ and accountable partners.

Figure 2. General NRRP governance organisation



Source: Elaboration of the study team

Most interviewees agreed that LRA involvement is evident in implementation of the plan. It would have been impossible to ignore the political competences of

¹² Spanish coordination body for European Funds between Regions and Central State.

LRAs, since they manage a great deal of investment (almost half of spending for EU public investments).

Any role for LRAs is not clear, they might be:

1. **'Recipients'**, when interventions happen in their territory.
2. **'Executors'**, with only operational responsibility (e.g. public procurement, permits, etc).
3. **'Partners'**, sharing strategic aspects of the interventions with central authorities, depending on their nature, quality and quantity as well as synergies with other regional / local interventions.

Most interviewees see a risk that LRAs will be only 'recipients' and 'executors'. This opinion is supported by the consultation process (formal and informative) and a lack of clarity in the NRRPs.

If the LRA role is limited to 'recipient' or 'executor' there would be several negative consequences. For instance RRF payments, unlike Cohesion Policy, will be based on milestones and targets. So, it is crucial that anyone involved in implementation has the same understanding of the indicator methodology but more importantly shares the same strategic framework. Instead, LRAs risk:

- as 'recipients', being passive regarding the investment / reform without unlocking / exploiting possible synergies;
- as 'executors', being mere operational implementers of the interventions, possibly achieving the planned output (milestone) but not necessarily the desired change (target).

Administrative capacity appears to be better defined in the NRRPs than other aspects of MLG (i.e., partnership, cooperation models and coordination). The emphasis on enhancing administrative efficiency confirms that LRAs will play an important role. The interviews confirm there are issues for administrative capacity. Most LRAs are concerned with the additional workload that might come with implementation of NRRPs in terms of quantity and quality (skills and competences). They generally welcome the effort to reinforce public administration. Again, given the lack of information, they are also sceptical about the capacity building activities. Most of the NRRPs are unclear about who will be involved and for which policy sectors / areas.

For **MLG**, most NRRPs include different levels of administration (e.g. municipalities, metropolitan areas, counties and regions). But the local level seems to be taken into consideration less. Interviews with representatives of

municipalities underline the lack of involvement, even if towns / cities are key to many components of the plans (e.g., Smart City, Green mobility, Energy saving in buildings, etc.).

Governance and cooperation described in the NRRPs are mostly centralised and vertical with an inter-ministerial ‘control room’ at the core of the system and without clarifying the role of LRAs (see figure 3). The perception of LRAs having a marginal role in governance is confirmed by the interviews. The interviewees emphasise that they do not see where they are sharing the decision-making process with the central authority. In other words, they see their interaction with the central authority as merely informative and not strategic (as experienced in the consultation process). It is interesting to quote a comment from a French interviewee “*Regions have been informed through meetings. Regions had not the opportunity to propose any project or share their visions or ideas on projects or strategies for the NRRP. There was not a consultation process for the NRRP elaboration with LRAs. It is quite clear we are assisting to a ‘re-centralisation’ process, where the prefects of the regions will re-take a pivotal role in the NRRP implementation*”.

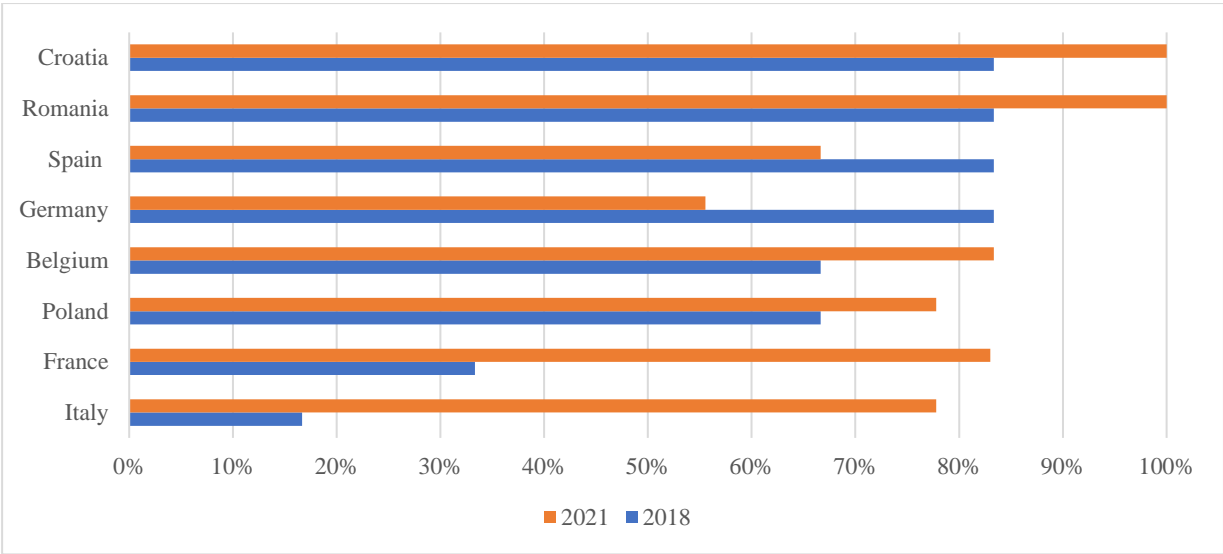
1.3 Comparison with NRPs for LRA involvement and capacity building

In 2018, the territorial dimension and efforts on capacity building in elaborating NRPs was analysed on behalf of CoR¹³. That methodology was similar to the above textual check enabling a comparison of 2018 NRPs with the NRRPs.

The **involvement of LRAs in preparation, implementation and evaluation** has developed differently in the eight countries. In six countries it has strengthened but has reduced in the remaining two.

¹³ CoR (2018). The involvement of the Local and Regional Authorities in the European Semester – Analysis of the 2018 National Reform Programmes

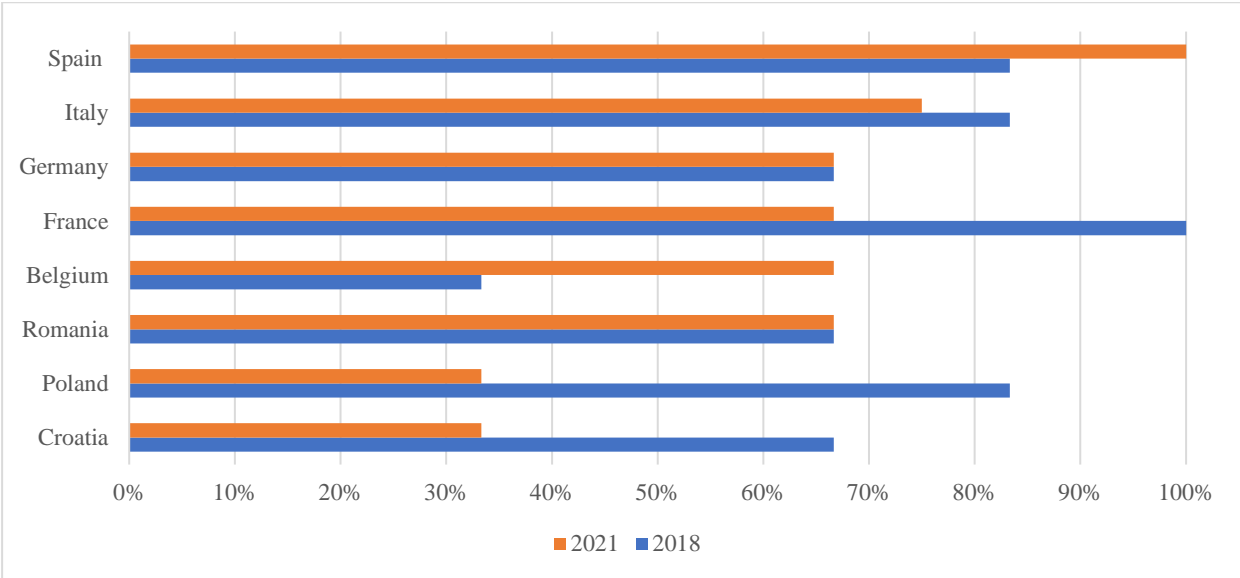
Chart 3. LRAs involvement in 2018 and 2021



Source: Elaboration of the study team

On the other hand, four 2018 NRPs better addressed capacity building for LRAs for projects in the plans.

Chart 4. Capacity building in 2018 and 2021



Source: Elaboration of the study team

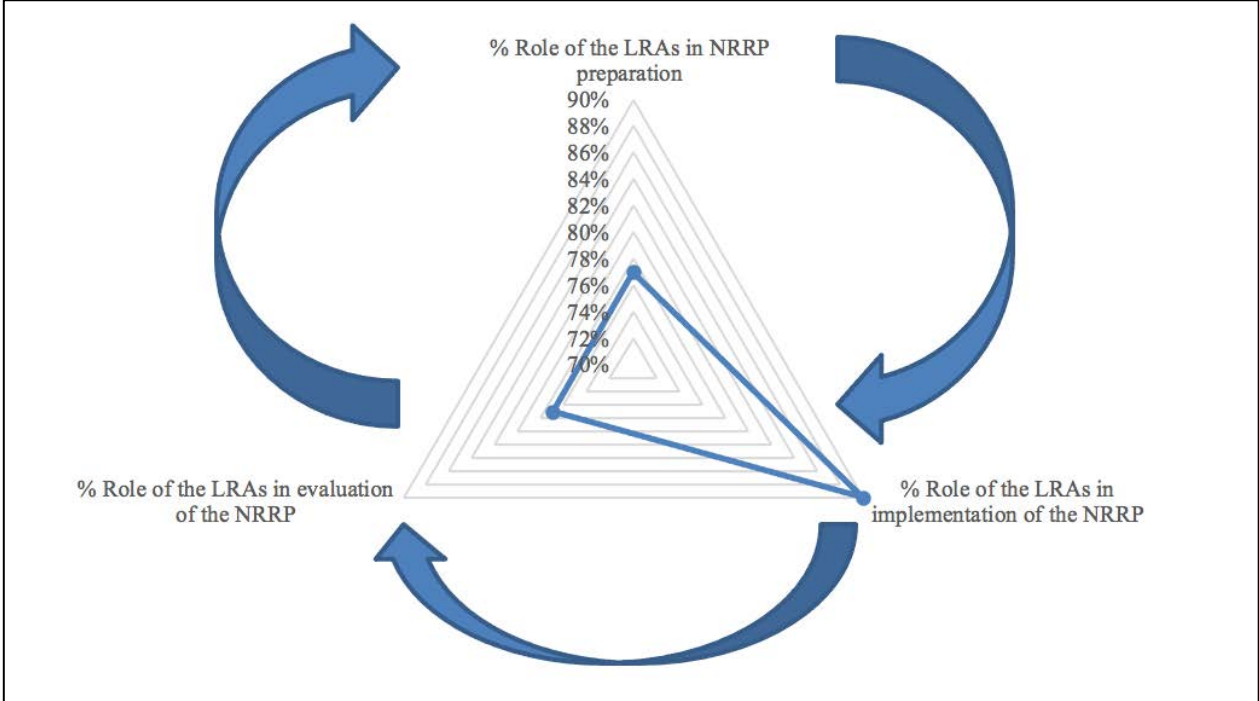
1.4 Answers to study questions on LRA involvement and administrative capacity

Based on the textual check of the NRRPs, the interviews and past CoR territorial reports, this section answers the study questions on LRA involvement and administrative capacity.

1. How were regional and local authorities (and / or their representations / associations) involved in preparation of the NRRPs? In which way did this involvement took place?

The chart below summarises the textual check for involvement of LRAs in the NRRP life cycle i.e. preparation, implementation, monitoring and evaluation.

Chart 5: Role of LRAs in the NRRP life cycle



Source: Elaboration of the study team

The role of LRAs in preparation was less extensive than in implementation and monitoring / evaluation. All plans reported (with different levels of detail) consultations during drafting, mostly in summer – autumn 2020 with regular seminars and workshops¹⁴.

¹⁴ In the CoR-CEMR targeted consultation presented in January 2021, 25% of respondents declared no role in the consultation, or even being informed.

However, assessing the ‘quality’ shows the consultations were mostly informative only. In other words, central authorities updated LRAs explaining the NRRP content without much possibility for contributions.

➔ *The involvement of LRAs in preparing the NRRPs was formal and unilateral. Inputs from regions and towns were rarely taken into consideration.*

2. How will regional and local authorities (and / or their representations / associations) be involved in implementation of the NRRPs?

The involvement of LRAs in implementation and evaluation is more evident. The NRRPs generally envisage a role for regions and municipalities in several interventions concerning green as well as digital transitions. However, this role is not clarified and it is unclear if they are recipients, executors or partners.

For monitoring and evaluation, the LRAs will be ‘sources’ of information. It is less evident how much information will be shared to potentially be used by LRAs.

➔ *LRAs will have a role in implementation as well as in evaluation / monitoring but this may only be passive, as support to administrative delivery of the NRRPs without any sharing of ownership.*

3. Are the principles of partnership and MLG between the national and sub-national levels of government adopted by the Member States in the preparation and governance of the NRRPs?

Governance and cooperation in the NRRPs seem to be mostly centralised and vertical (see figure 2). Information, financial flows and decisions converge on an inter-ministerial ‘control room’. Most NRRPs foresee an ‘institutional’ room encompassing MLG but for disseminating information rather than for strategic coordination. For most countries analysed, decision-making processes appear unidirectional with no co-decisions. Monitoring and evaluation are top-down where LRAs risk being only ‘information providers’ rather than co-users / co-owners.

➔ *Governance is hierarchical, even the information flow is mainly top-down. Subsidiarity is very limited.*

4. How has the administrative capacity of regional and local authorities been addressed?

In most NRRPs administrative capacity has been addressed with changes (reforms) and capacity building (investment). However, interventions have been formulated without the in-depth involvement of LRAs. According to previous studies¹⁵ involving stakeholders and a holistic approach is a *sine qua non condition* for effective capacity enhancement. Also, CoR¹⁶ pointed out the necessity of involving LRAs in capacity building. Without co-ownership, capacity building risks being merely instrumental and not embedded by administrations in the medium to long term.

➔ *Capacity building is relevant for reforms and investments; however, the interventions were designed without the full involvement of LRAs, so a lack of ownership could harm capacity building activities, making them less effective.*

¹⁵ EUPAN (2014).

¹⁶ COR (2018).

2. TERRITORIAL DIMENSION

The NRRPs should be not ‘spatially blind’, as emerged from the CoR Opinion on the ‘Recovery plan for Europe in response to the COVID-19 pandemic, the Recovery and Resilience Facility and Technical Support Instrument’ adopted by the CoR on 12 October 2020. NRRPs are political and policy tools to address and tackle territorial and socio-economic problems which have been worsened or created by the COVID-19 outbreak. The first edition of the Regional and Local Barometer¹⁷ highlighted that the crisis has had different impacts in EU regions and cities. These include exacerbating the rural / urban divide, affecting some economic sectors such as tourism, and some social groups, namely women and youngsters, more. The study points out the need to elaborate differentiated responses, starting from territorial needs. This is the basis for analysing whether and how Member States have elaborated the plans taking into account territorial needs. Finally, as more than 52% of European people trust LRAs and would like LRAs to have more influence on many topics¹⁸, the analysis will assess the role of LRAs in implementing investments and reforms.

This chapter describes the territorial analysis through a textual check, interviews and desk analysis, with answers to the study questions:

5 - How have territorial disparities, with respect to social, economic, digital and environmental aspects, been taken into account by NRRPs?

6 - How does the plan contribute to Cohesion Policy?

7 - Does allocation of RRF funding (among Member States and most importantly regions) reflect the impact of Covid19 in regions or is it based on more general socioeconomic indicators and / or past performance?

2.1 Textual check of NRRPs: territorial dimension and contribution to cohesion

The first section illustrates how much NRRPs are based on a **territorial approach** for two dimensions:

- Present: territorial disparities, challenges and ongoing policies;
- Future: potential for solutions, obstacles to investments and planned policy.

The second section highlights contributions to Cohesion Policy.

¹⁷ CoR, 2020. EU annual Regional and Local Barometer. Counting the cost of the COVID pandemic on the EU’s regions, cities and villages.

¹⁸ *Ibidem*.

2.1.1 Present: territorial disparities, challenges and needs, ongoing policies and consequences of no action

The study team assessed whether the NRRPs describe the socio-economic and territorial disparities and challenges that the countries are facing, and whether the plans detail policies in place to address these. Also, the analysis considers whether the plans include an assessment of the potential consequences of no policy action, at national and / or regional / local levels.

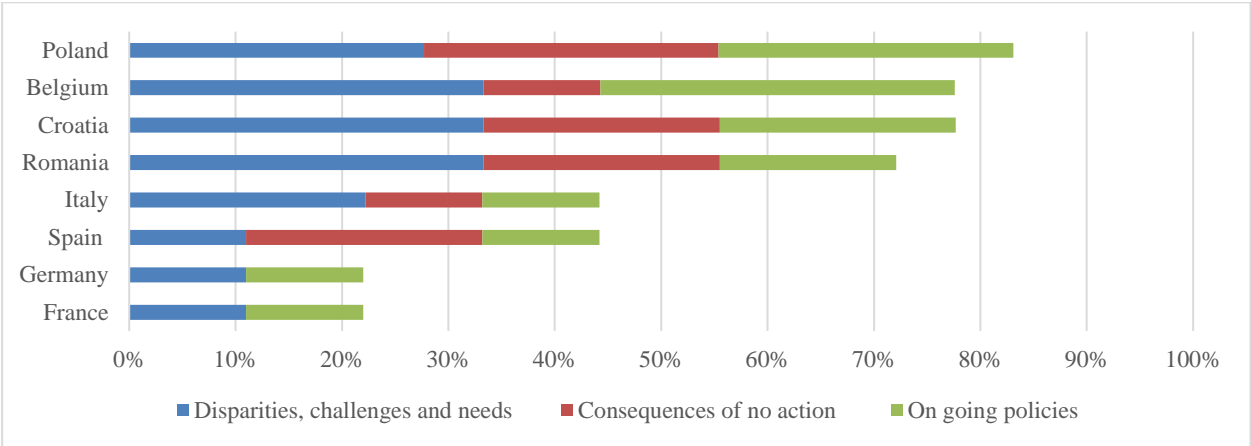
The assessment reviews:

- whether there is analysis at just the national level, or also at territorial level;
- whether there is not only qualitative but also quantitative information.

Chart 7 provides an overview of the weight of the three sub-dimensions in the analysis, and a comparison between the Member States.

Poland, Belgium and Croatia have the highest scores, even though none of the eight NRRPs scores the maximum. The sub-dimension ‘disparities, needs and challenges’ scores the highest across the eight NRRPs where **problems and challenges are identified at national level**. This is a stepping stone to develop and present policies to improve the national framework, with data and examples for specific areas / regions. However, **the depth of regional / territorial analysis varies from plan to plan, with some paying little attention to this**.

Chart 7: Assessment of territorial disparities in NRRPs



Source: Elaboration of the study team

The **Polish** NRRP analyses territorial disparities and their impacts in the ‘key challenges’ section with the support of quantitative evidence. An example is in challenge 8 ‘Concentration of development and climate problems, loss of growth potential and low resistance to crisis phenomena in the territorial system’. Another example is in Pillar IV ‘Increasing the social and territorial cohesion of the country’, which includes quantitative data (see box 4).

For ongoing policies, in addition to examples in the box below, illustrative cases are:

- a) education - new projects with Local Knowledge and Education Centres to support vocational training for adults through 50 new training centres in 13 regions along with the current 100 centres in 14 regions. LRAs are involved in implementation, in partnership with economic and social actors;
- b) Green transition of mining regions – the Silesian region prepared an action-plan to financially support companies to shift towards low-carbon economy activities, with funding from the European Just Transition Fund, and to renovate post-mining degraded areas.

The **Belgian** plan provides a detailed analysis of disparities, challenges and needs at national and regional levels. At the beginning of each axis, the document reviews challenges and problems mainly at the national level. In the first axis the document illustrates that more than 80% of dwellings nationwide are not energy efficient with a strong impact on CO2 emissions. It also refers to socio-economic problems related to energy costs - 14% of people have problems paying energy bills. The third axis on sustainable mobility presents data on car users, as well as cycling infrastructure.

The first section of each investment and reform is dedicated to illustrating needs and problems at the regional and local level. An example is an investment for a metro extension where the description covers the Walloon regional government providing accessible and multimodal railways. Other examples are the Walloon region investment to support the Health Centre and the European School of Technology, and the Flemish region investment to support vocational training for employees, in particular in enterprises affected by green transition challenges.

Although the plan does not quantitatively present the consequences of no policy action at territorial level, it illustrates them qualitatively. Ongoing policies to address the challenges and needs are detailed at regional level (see box 4).

The **Romanian** NRRP extensively details problems and needs the country is facing across all the pillars. At the beginning of each component a dedicated section presents and discusses them. One example is the ‘Sustainable transport’

component, where the document reviews differences and difficulties to overcome, describing the situation at county, municipality, city and commune levels. ‘Local Fund for green and digital transition’ illustrates challenges that rural and urban areas are tackling, such as fast urban expansion without adequate infrastructures such as housing, waste and water management plants, kindergartens and day care centres for children, social housing for the elderly and digital connections. Some areas are better equipped to elaborate urbanisation and territorial development plans to overcome these problems thanks to their economic performance, while others lag behind¹⁹. Pillar V dedicated to health also describes disparities and problems for rural people accessing healthcare²⁰.

The plan only sometimes offers possible consequences of no policy action, mainly mentioning existing national strategies to address problems and needs. However, the document regularly mentions current regional operation programmes supported by ESI Funds, and these are managed by LRAs. Therefore, LRAs are involved in implementation, even though their role is not detailed in the plan.

The **Croatian** plan scores the maximum in relation to sub-dimension ‘disparities, challenges and needs’, as it is presented across all pillars, qualitatively and quantitatively detailing them at territorial level. An example is in the section on maritime and navigation reform, as the document presents disparities between major and minor ports and actions to solve these. An additional example is in the section on improving transport in cities, as only some cities have public transport systems, and these are not environmentally sustainable. The goal is to enlarge the transport system to more cities and areas of the country and to make the fleet greener. Some pillars qualitatively describe the consequences of no action.

The **Italian** NRRP provides examples of disparities and needs mostly at national level, though there are examples of problems affecting specific regional areas, especially the South. These include employment and infrastructure gaps between southern and northern regions, climate change problems affecting remote and mountain areas as well as waste and water management challenges in southern regions.

Spain qualitatively describes the disparities, challenges and needs affecting the country, but only for some pillars and without providing quantitative support. The same approach is used to illustrate consequences of no policy action. Current strategies and policies to address problems and needs are presented, but at national level, without presenting the role of LRAs.

¹⁹ See Romanian plan, section II, pp. 756-768.

²⁰ Ibidem, pp. 892-895.

The **French and German** NRRPs have a more forward-looking approach. Rather than concentrating on present challenges and needs, they illustrate territorial potential and solutions. However, they do not illustrate the potential consequences of no policy action.

Box 4. Territorial disparities – Examples from NRRPs

The **Belgian** plan details challenges and needs the regions are facing, as well as problems affecting the country as a whole. The territorial analysis takes into account regional issues and illustrates disparities, needs and challenges with the support of quantitative data. The consultation process explains the high level of territorial detail. For instance, the plan mentions specific territorial challenges for energy efficiency in buildings in the Flemish region, in the Brussels capital region and in the German speaking community. Where regional investments and reforms are foreseen problems are illustrated with quantitative data. Examples include: ‘On the basis of the EPC database, more than 95% of existing real estate, nearly 3 million homes, does not meet the target (of the regional strategy on building renovation, 29% of them having the worst label, the label F).’; ‘Over the next thirty years, it will require an average of more than 3% of the housing stock to meet the 2050’ target; ‘The Brussels buildings are obsolete: one third of the houses and one quarter of the apartments in the Region have a class G ILL certificate (the most energy-intensive), 40% of dwellings have been built before 1945 and 30% of the buildings are not insulated’.

Other examples of territorial disparities are presented for tourism investments in the Walloon region where economic losses due to the COVID-19 crisis are illustrated as well as the necessity to increase digitalisation of the tourism offer.

The Belgian NRRP details national and / or regional measures and investments with ongoing policies implemented by the central state or regional governments. The Flemish region Climate Plan, illustrated in the smart housing and renovation wave component, aims at reducing energy consumption by 2.5% per year in each dwelling. The Walloon region investment section illustrates the UREBA programme, which supports renovation of public buildings in the region. Component 3.3 is dedicated to sustainable mobility and includes investments in ‘greening’ urban transport. It responds to goals in the Declaration of Regional Policy 2019-2024 of the Brussels capital region, which envisages investments and reforms to stop fossil fuel use by 2030 and the use of GPL by 2035. A similar approach to CO2 emissions by the Flemish government elaborates ‘Clean Power for Transport’, to stimulate zero emission transport infrastructure.

The **Polish** plan details problems and challenges in the country, also providing quantitative data for specific regions and / or areas, as well as potential consequences of no policy action. A good example is the green transition, in particular ‘mining’ regions such as Silesia, Greater Poland, Lower Silesia and

Bełchatów that face immediate consequences from the green transition. Their development will depend on loan conditions and the regional capacity to create new jobs and invest in vocational training. Additional elements relate to the new positioning of those regions, cities and agricultural areas in global value chains, and their capacity to access resources produced in other areas. Finally, data on territorial and social disparities are provided to show: a) infrastructure gaps between rural and urban areas, in particular at the subregional and local level; b) the productivity gap²¹ for some regions (i.e. in 2016 productivity in Lublin region was 71.8%, compared to 149.2% for the capital city Warsaw); c) level of GDP per capita at NUTS3 level, that ranges 53% of the national average for Przemyśl and Chełmsko-Zamość subregions to 293% in Warsaw (data from 2016).

The **Romanian** NRRP presents disparities, challenges and needs with a strong territorial perspective, accompanied by quantitative data, especially for Pillar IV covering social and territorial cohesion. The disparities and needs are presented following several territorial approaches including the rural / urban narrative, western-eastern regions, and problems affecting a specific region. Examples are poverty in rural areas that is 2.4-3.4 times higher than in urban areas, with poverty in North-East regions increasing by 3.2% since 2017. The NRRP also includes a table on regional GDP per capita (using purchasing power parity), highlighting less developed regions.

Source: Elaboration of the study team

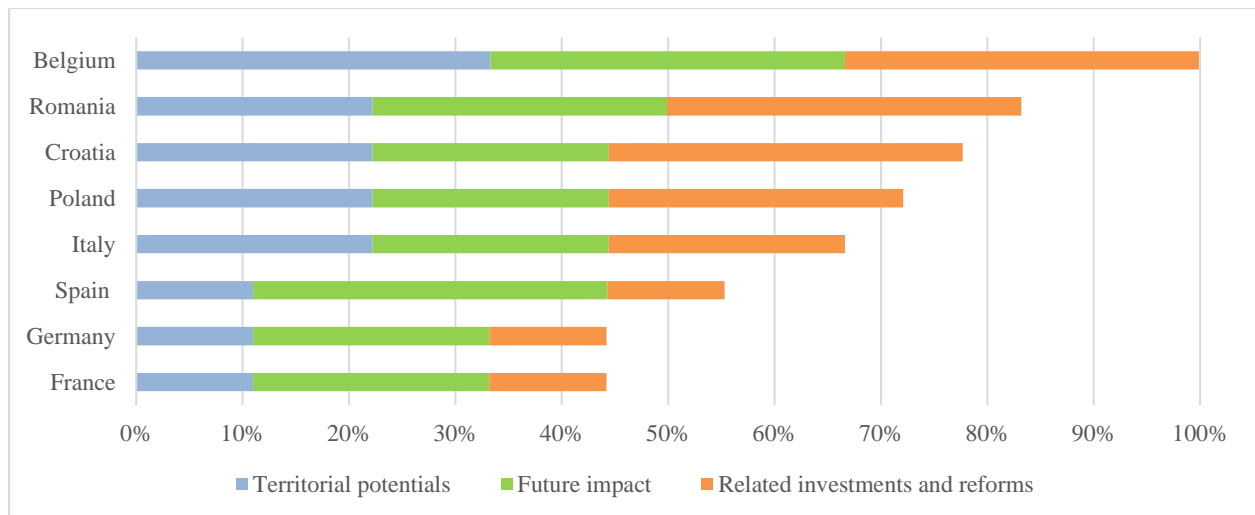
2.1.2 Future scenario: territorial potential, future impact, investments and reforms

A focus on the future reviews whether the plans present:

- potential solutions and quantitative data to support these at territorial level,
- future policies and / or programmes,
- potential impact of the NRRP at national or regional / local levels.

²¹ Measured by gross value added per employee in relation to the national average.

Chart 8: Assessment of territorial potential in the NRRPs.



Source: Elaboration of the study team

Belgium, Romania and Croatia score better in the three sub dimensions.

The **Belgian** NRRP presents potential solutions to address needs and problems at the territorial level. Each axis and almost all interventions and measures include potential solutions with related policies, supported by data. The analysis in each axis is very ‘place-based’, but the macroeconomic impact is shown at the national level.

The **Romanian** plan illustrates potential solutions to overcome disparities and problems for each component mostly using qualitative descriptions. However, there are quantitative data in some pillars. For future impact the document qualitatively and quantitatively presents potential impacts of the plan at national level, with charts and figures. It also describes regional impact, but without data. Strategies, action plans and policies are detailed in each component sections, also when addressing the complementarity of the NRRP with other policies. When talking about operational programmes supported by Cohesion Policy, the role of LRAs which manage these is implicitly mentioned.

The **Croatian** NRRP offers potential solutions and future impacts of the national strategy only at national level, but details policies and interventions also at territorial level (see box 5).

In the **Polish** plan potential solutions and future impacts of the NRRP are at national level. An example of investment to address territorial disparities is the Green Transformation Fund of Cities. This scheme will be co-managed by local governments and will support bottom-up projects within regional and local

development strategies and urban adaptation plans to promote green transition in cities and support new job opportunities.

In addition, Component A in the plan presents a reform to support improved spatial development and planning which is specifically for local governments. This will support them in preparing development strategies and general urban plans. The reform envisages financing spatial planning training courses for local government.

Additional programmes to address territorial needs in the health sector include investments in the Silesian Clinical and Scientific Centre for Disease Prevention and Treatment, a long-term medical program to expand and modernise University Hospital in Bydgoszcz as well as the new Non-Invasive Medicine Centre of the Medical University of Gdańsk.

Germany and **France** (see box 5) score higher for future impacts of the plan. They analyse the macroeconomic impact their NRRPs could have at the national level in the last part of their documents, but no detailed analysis of impacts at territorial level.

The **French** plan uses a national and central approach to describe solutions, policies and strategies to overcome problems and challenges. However, there are examples of measures which target specific regions / areas. Component 7 includes investments to support cultural activities and related economic sectors, as well as support to renovate and upgrade cultural sites. The '*Plan Cathédrales*' supports renovation for Notre-Dame as well as Saint-Pierre-et-Saint-Paul cathedral in Nantes. Another example is in component 2 'Prevention of seismic risks in the Overseas regions' for the Antilles to renovate and upgrade hospitals, schools and government buildings to meet regulations for anti-seismic risks.

The **German** NRRP has a few examples of policies and programmes targeting specific areas. One is in component 2.2 'Digitisation of the economy', namely the 'Regional Innovation Clusters for Transformation of the vehicle industry'. Given the economic relevance of the vehicle industry in Germany, the NRRP envisages a strategy to respond to green and digital challenges for the vehicle industry. The territorial dimension concerns regions with substantial car manufacturing. The goal is to promote cooperation among industries, find new and innovative solutions to overcome obstacles from the COVID-19 crisis, but especially to respond to green and digital transition challenges such as the rapid shift to electric vehicles along with increased digitalisation and modernisation in the vehicle industry. The strategy also highlights the willingness to foster transnational

cooperation among vehicle businesses in Member States and a new digital business ecosystem across the whole supply chain.

The **Italian** NRRP illustrates potential solutions, policies and strategies to overcome challenges and needs, but without territorial data across all pillars (*Missioni* – Missions in Italian). An example is in Mission 3 component 1 on investments in railways. The measures intend strengthening the railway network, in particular in Southern regions to improve the quality of services, number of passengers (from 6 to 10 million) and reduce travel time. The measures will also reduce CO2 emissions by 2.3 million tonnes.

The Italian plan has boxes at the end of each Mission explaining how the measures and reforms contribute to the horizontal dimensions of the plan, namely gender equality, policies for the next generation, and territorial cohesion. However, no detailed data support the qualitative explanation.

Box 5. Territorial potential – examples from NRRPs.

The **Spanish** plan presents the potential future impact of NRRP investments and reforms at the regional / local level. Annex 3 provides a full impact analysis, including potential regional impact. The document also shows how the measures and reforms should reverse divergence between regions that started in 2008²².

The analysis is both quantitative and qualitative, simulating the impact on GDP per capita in the regions.

The qualitative analysis describes potential asymmetric and positive effects of the plan on less developed regions. The analysis also emphasises the impact of no policy action. Some regions are more resilient than others so, without policy measures, future recessions may jeopardise socio-economic cohesion achieved in expansion phases. A region with 1% lower GDP per capita will see annual average growth of about 1.1% more. So, less developed regions could grow faster than the richest ones, favouring medium-term convergence, reducing the regional GDP per capita gap.

The **Croatian** plan provides examples of policies to address regional challenges and disparities. Components 1 and 5 illustrate transport and health investment in specific regions. These include modernisation of the M604 Oštarije - Knin – Split railway, modernisation and greening of Zadar Airport, as well as new clinical isolation units in University Hospital for Infectious Diseases Dr. Fran Mihaljevic, and the digital integration of operating rooms and robotic surgery in Split Clinical Hospital Centre (KBC Split).

²² See the Spanish plan, Annex 3, figure 21.

The **Romanian** plan offers an example for a legal, institutional, and economic framework to reduce regional, intra-regional and intra-county disparities. This uses advanced digital tools to support urban spatial planning and promote smarter and more sustainable mobility. The NRRP envisages a new loan fund - Resilience Fund for Localities – to support community projects in counties, rural communes, towns and municipalities. Counties can build green and blue infrastructure to create liveable and climate-smart cities (urban regeneration of central, station and industrial areas). They can develop social housing policies, support sustainable mobility with new buses, modernise roads and construct cycling paths. Municipalities can extend green areas, extend and / or modernise street lighting, and construct / rehabilitate / expand agri-food markets. Smaller towns in rural areas can modernise public buildings, construct new buildings for the most vulnerable or most disadvantaged groups and new sport infrastructure.

Source: Elaboration of the study team

Although these examples describe positive cases, charts display a more negative scenario. Territorial disparities and needs are not always described at local and regional level, and problems following the pandemic crisis use a national approach, rather than offering different impacts for regions and cities. The plans better present the role of LRAs in future strategies and policies, without always explaining their role in detail.

2.1.3 Contribution to Cohesion Policy

This section illustrates whether the eight NRRPs include investments and reforms that promote and contribute to social, territorial and economic cohesion. The analysis aims at verifying whether the cohesion objectives:

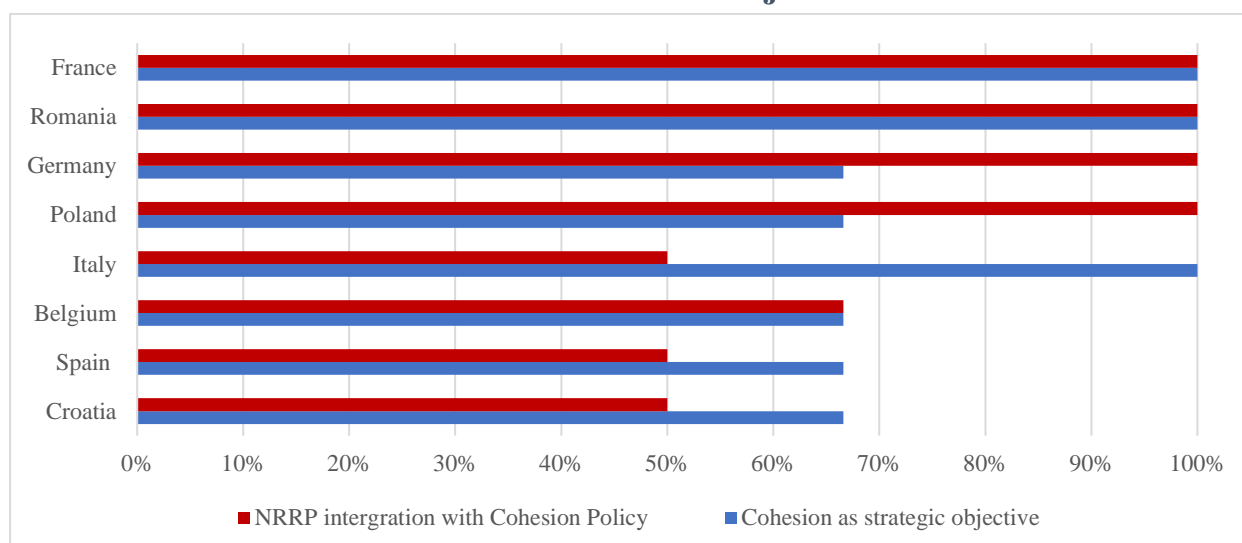
- are considered as a horizontal principle, cross cutting the NRRPs;
- are the final goal of one or more measures and investments ;
- are central to one or more Axis / Components.

Moreover, the study team conducted another textual check of coordination to elaborate the NRRPs in coherence and synergy with 2021-2027 Cohesion Policy programmes. In particular, the study team assesses whether:

- Cohesion Policy is mentioned in the plan, but without further detail on coordination with the NRRP strategic investments and reforms;
- institutional bodies or relevant political actors coordinated the elaboration of NRRP strategic objectives taking into account Cohesion Policy programme objectives;

- debates during the consultation process included reflections on coordinating Cohesion Policy programmes and the NRRPs.

Chart 6. Contribution of NRRPs to cohesion objectives



Source: Elaboration of the study team

In the chart above, the blue line shows how much NRRPs include social, economic and territorial cohesion in their strategic objectives. The red line shows how much NRRP elaboration was coordinated with the process to elaborate 2021-27 Cohesion Policy programmes.

In relation to the **strategic role of cohesion**, Italy, France, and Romania score the highest, as they specifically dedicate entire Axes / Components of their NRRPs to social, territorial, and economic cohesion.

Pillar IV of the **Romanian** plan is dedicated to investments and measures to foster social and territorial cohesion. Measures include funding schemes to support municipalities, cities and counties to renovate fleet buses, create green spaces in urban areas and financially support local action groups to implement local development strategies in rural areas. Other measures are to build and upgrade social housing and infrastructure for elderly people and people with disabilities.

The **French** plan dedicates Component 9 to health care, territorial cohesion and R&D. The investments and reforms aim at improving digital connectivity across the country to reduce social and economic exclusion and close the digital gap (the national digital plan ‘France broadband connectivity’ is presented), support R&D on 21st century challenges, as well as investments in the health system, critically affected by the COVID-19 crisis.

Mission 5 of the **Italian** NRRP assigns EUR 1.98 billion to support territorial cohesion. Firstly, mission goals intend supporting investments and reforms to strengthen the national labour market, promote vocational training, support female entrepreneurship, enhance social services competences and promote social housing projects, as well as interventions for people with disabilities and the most disadvantaged. Component 3 of the mission specifically addresses territorial cohesion. Four interventions and one reform will support Special Economic Areas (SEA – ‘*Zone Economiche Speciali*’ -ZES) and strengthen the Internal Areas Strategy (‘*Strategia Aree Interne*’).

The other five NRRPs include social, territorial, and economic cohesion objectives in some interventions and reforms but with minor emphasis.

The second type of analysis verifies the political, social, and economic **coordination** to set up **the NRRPs and 2021-27 Cohesion Policy programmes**. The red line of chart 9 shows that only France, Poland, Germany, and Romania addressed it in the consultation phase. Other countries envisage institutional channels and / or bodies to manage NRRP and Cohesion policy funds. Some do not detail how coordination and synergy between the funds will be ensured.

The **French** NRRP mentioned that State-regions committees were consulted, as they also determine coordination between the NRRP and other EU funds, in particular ESIF²³. Moreover, the document points out that in March 2021 additional consultations with central administration in charge of managing ESI Funds addressed how to manage NRRP and Cohesion Policy programmes and how to choose the funds to support each project. Some criteria (timing, thematic, territorial) have been already defined for which fund to use²⁴.

The **Polish** NRRP explicitly stresses that the Ministry of Development Fund and Regional Policy will elaborate the NRRP and coordinate preparation of the 2021-27 Cohesion Policy programme. The Cohesion Policy partnership agreement has been prepared at the same time of the NRRP elaboration, and that work saw close coordination among Ministries, regions and social and economic partners, as well as NGOs. That work led to a clear demarcation between the projects which will be financed by the NRRP and those to be supported by the ESIF.

The **German** managing authorities for ERDF and ESF+ were elaborating the 2021-27 Cohesion Policy programme at the same time as preparing the NRRP.

²³ During the 2014-2020 programming period, French regions were managing authorities of ESIF programmes.

²⁴ French NRRP, pp. 713,714.

There were – according to the German Länder in their statement in the Bundesrat – only limited exchanges and debates between the managing authorities and the units in charge of the NRRP draft to understand which measures would be financed and supported by ESI Funds and which by the NRRP. The document offered examples.

The **Romanian** NRRP explicitly addressed coordination measures to be established to ensure smooth elaboration and implementation of the plan and Cohesion Policy programmes, which will be coordinated by the Ministry for European Investments and Projects, to avoid overlapping financial allocations and double funding. Managing authorities of the Cohesion Policy programmes will constantly be in contact with the responsible ministry. Moreover, the plan specifically detailed how each component of the plan will be in synergy with the Operational Programmes 2021-27 supported by Cohesion Policy funds.²⁵

The NRRPs of **Italy** and **Spain** just mentioned that coordination between Cohesion Policy and NRRP will be ensured.

The **Belgian** NRRP identified the institutions in charge of coordinating NRRP and Cohesion Policy programmes, namely regional governments.

Finally, the **Croatian** plan emphasises that consultations will be carried out to coordinate and ensure synergy between the 2021-27 Cohesion Policy programmes and the NRRP investment and reforms.

2.2 LRA perspectives: interviews on the NRRP contribution to Cohesion Policy²⁶

The interviewees generally reckon that NRRPs can significantly impact Cohesion Policy by decreasing territorial disparities and boosting growth and employment.

However, all interviewees expressed concern about coordination with **Cohesion Policy**. The main reason is superficial involvement in the preparation phase. Since ESIF Regional Operational Programmes were designed in parallel, i.e. most are not yet available, close interaction between regional and central authorities was

²⁵ See the Romanian NRRP, section III, pp. 1266-1283.

²⁶ Names of interviewees are not displayed to preserve their privacy.

crucial. Indeed, Cohesion Policy and NRRPs have several complementary aspects as well as potential overlaps²⁷ (for example, Green transition investments with policy objective 2 ‘Greener Europe’ in Cohesion Policy 2021-2027). Defining clear demarcation and prioritisation as well as potential synergies would have greatly helped LRAs and central authorities prior to the submission of regional programmes and plans.

Cohesion Policy interventions face the risk of being ‘displaced’ by NRRPs. NRRP interventions will have less administrative burden, including reporting and controls than Cohesion Policy. Furthermore, NRRP interventions will not require the same level of co-financing. There is a risk of displacement since the two processes are in parallel with little consultation. Excluding LRAs – especially regional authorities - from the ‘control room’ during implementation increases the risk of competition between Cohesion Programmes and NRRPs, which could lead to an inefficient use of resources.

An example is provided by an Italian interviewee: *“Cohesion Policy and NRRP programming happened in parallel but without an effective coordination. There is a possibility of negative competition between Cohesion Programmes and NRRPs. A clear case is provided by the urban policy, where Cohesion Operational Programmes will invest significantly involving municipalities through the Integrated Territorial Investments (ITIs). At the same time, the Italian NRRP envisages large investments in Urban mobility and Smart Cities. For Town and cities applying to NRRPs might be more attractive since they can bypass all the Cohesion requirements related Territorial Integrated Development (ITD)”*²⁸. *There is not only the risk to not achieve financial absorption, but also to jeopardise all the methodological capacities and planning skills that Cohesion has built in urban administrations so far. This is a threat to the overall quality of Urban projects.*

²⁷ See EIpublic administration 2021.

²⁸ The new CPR (Article 22) demands that territorial planning and programming adopt simultaneously: Multi-sectoral, Multi-level, Multi-stakeholder, Functional area, Bottom-up and participatory approaches.

2.3 Analysis of financial allocations

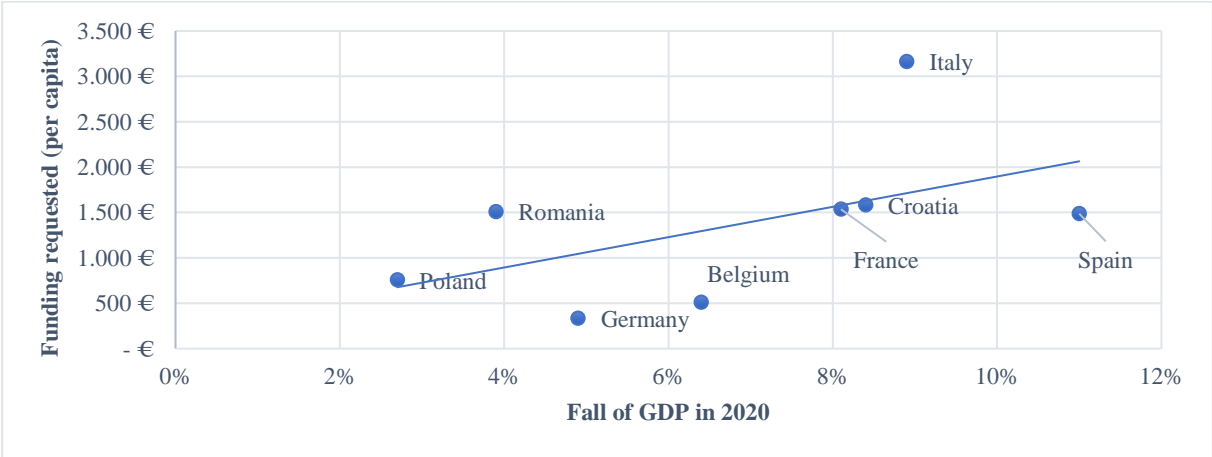
The RRF Regulation establishes that grants and loans are requested with the submission of NRRPs. The maximum allocation for grants is:

- 70% based on population, GDP per capita and unemployment;
- 30% based on the population, GDP per capita and the change in GDP in 2020 and the aggregated change in GDP during 2020-2021.

Loans can be requested for up to 6.8% of a Member State’s 2019 Gross National Income.

The chart below shows the relationship between the reduction in GDP in 2020, and funding requested by each in country in their NRRPs.

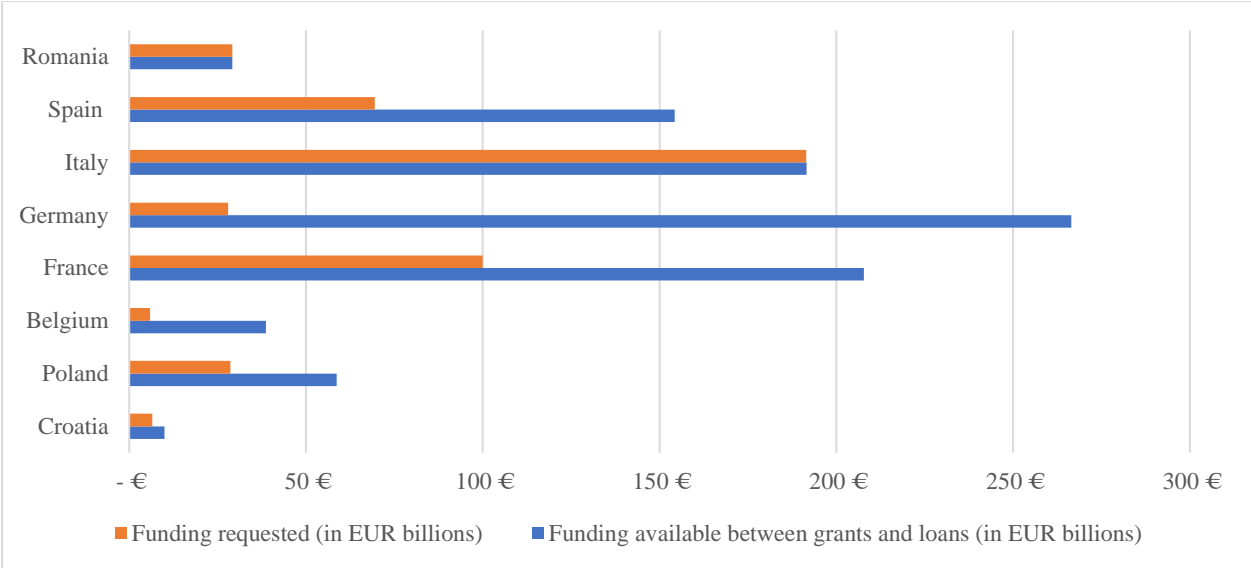
Chart 7. GDP fall in 2020 and RRF requested



Source: elaboration of the study team from the analysis ‘First Recovery and Resilience Dialogue with the European Commission’, BUDG-ECON Committees 10 May 2021

In most cases, there is a clear linear relationship between the resources requested and the reduction in GDP during 2020. Italy is the main outlier, applying for much more funding than average. The chart below provides additional insights.

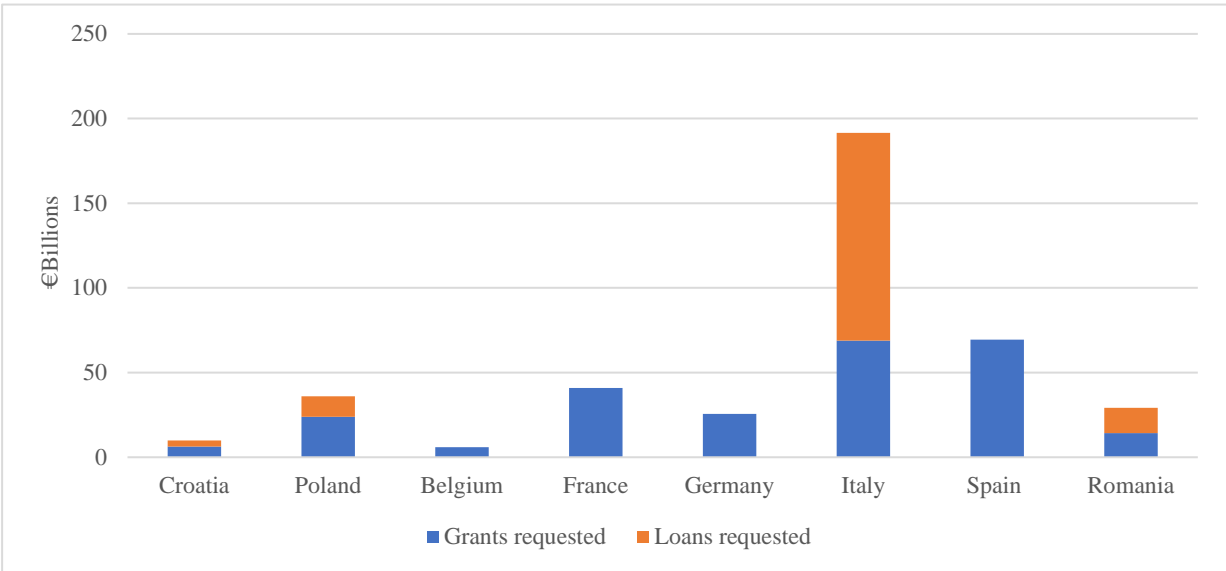
Chart 8. Funding available and requested



Source: *First Recovery and Resilience Dialogue with the European Commission, BUDG-ECON Committees 10 May 2021.*

In the chart below, the blue bar shows the difference in RRF for each country for both loans and grants. The orange bar shows the amount requested in the NRRPs. The biggest potential recipients are Germany, Italy, Spain and France. However, only Romania and Italy decided to apply for all the funding available. In both absolute and per capita terms, Italy stands out as the largest applicant.

Chart 9. Funding requested between grants and loans



Source: *First Recovery and Resilience Dialogue with the European Commission, BUDG-ECON Committees 10 May 2021.*

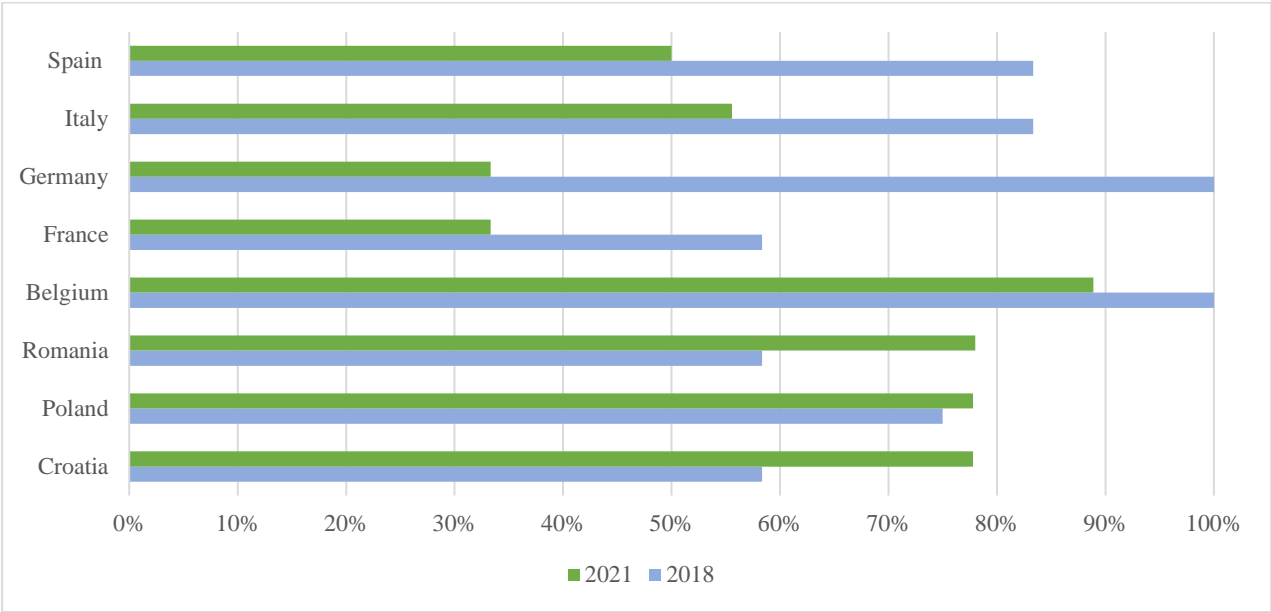
Among the countries most severely hit by the 2020 pandemic crisis, Spain will receive the least resources per capita, as they only applied for grants . Other Member States such as France, Belgium and Germany decided to not apply for loans. Croatia and Poland have applied for the entire grant section available and partly for loans.

The only ‘territorial allocation’ of resources within the plans is in Italy (for the *Mezzogiorno*) and Belgium.

2.4 Comparison with the past territorial performance of NRPs

As in the previous chapter, this is a territorial comparison of NRRPs and NRPs. The chart below compares how much territorial challenges are addressed in the NRPs in 2018 and 2021.

Chart 10. Territorial performance 2018-2021 (textual check)



Source: Elaboration of the study team.

For most of these countries, the 2018 NRPs did a better job of addressing territorial challenges and the impact of interventions in the plan. Poland and Croatia stand out as exceptions.

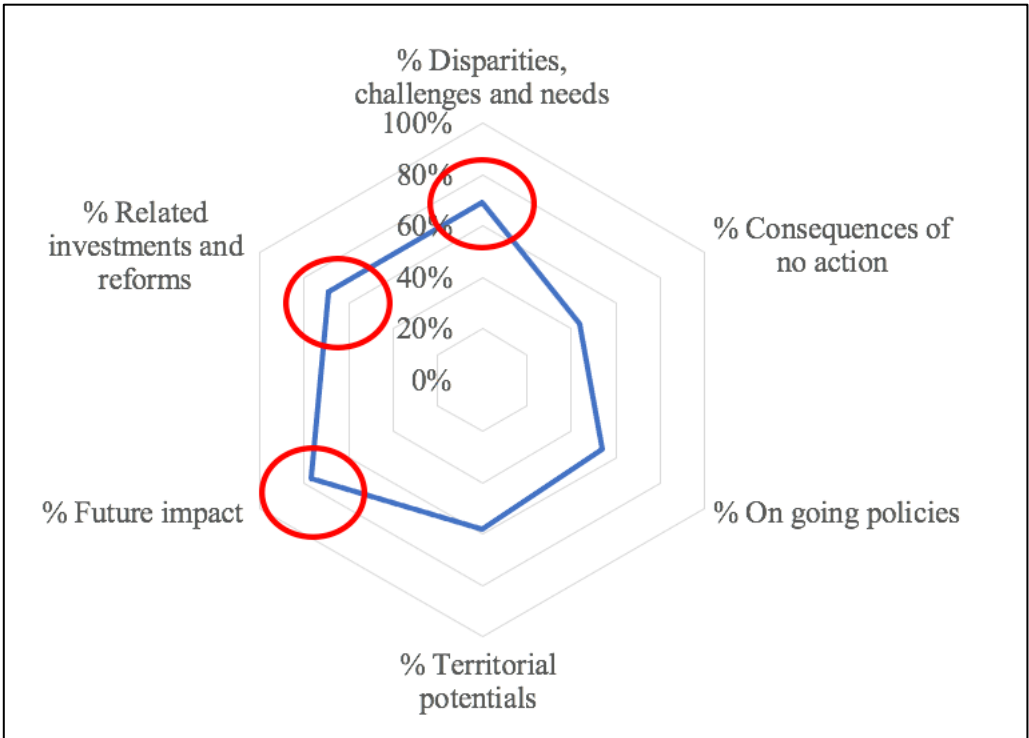
2.5 Answers to study questions regarding territorial dimension and allocation of resources

This section integrates the textual check with interviews and document analysis.

5. How much have territorial social, economic, digital and environmental disparities been taken in account?

The chart below displays findings of the textual analysis.

Chart 11: Territorial dimensions (synthesis of the textual check)



Source: Elaboration of the study team

The NRRPs identify issues and disparities, challenges and needs at territorial level as well as providing an overview of possible impacts and future investments / reforms. However, plans are less territorially ‘sensitive’ for the territorial potential and consequences of ‘no action’.

The territorial approach is not systematic, apart from Belgium. There is some data at NUTS2-NUTS3 level but only for few areas / issues (e.g. Romania). In other cases, there is a focus on a specific area of the country but no information for the rest (e.g. in Italy with the *Mezzogiorno*).

➔ *NRRPs provide information at local and regional level and often address social, digital and environmental issues from a territorial perspective. NRRPs also address territorial disparities and gaps with specific policies. However, the territorial approach is not systematically streamlined across all policy areas.*

6. What is the contribution of the plan to Cohesion Policy?

Cohesion Policy is directly addressed by NRRPs through investments and strategy. Cohesion can be seen as a horizontal objective to which institutional-administrative reforms, green and digital transition contribute.

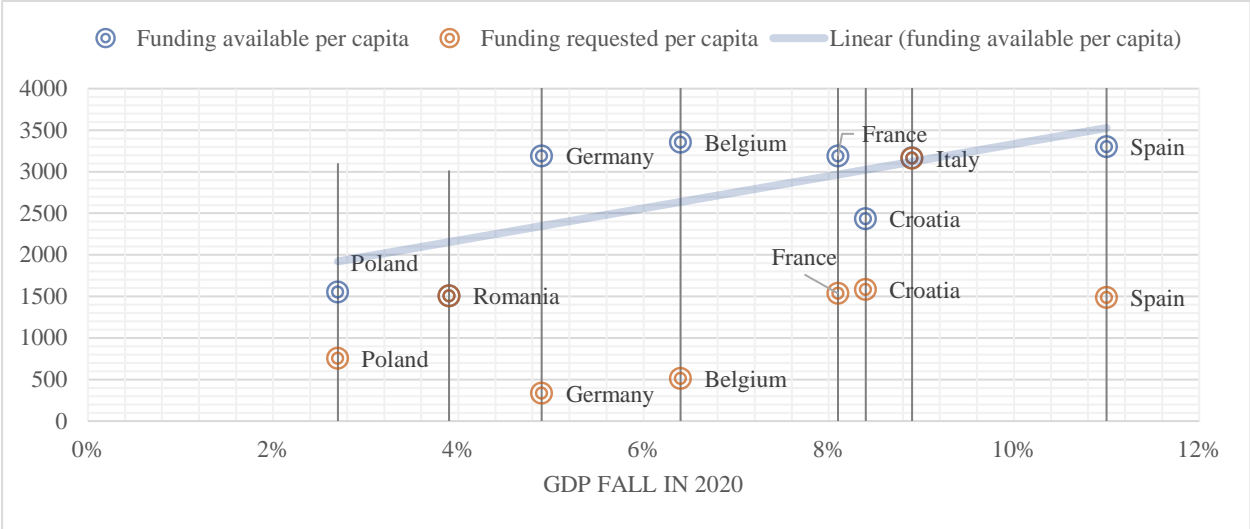
However, the textual check and interviews identify a gap in coordination with Cohesion Policy due to the lack of involvement of LRAs in both preparation and implementation. Not fully involving regional authorities who are managing authorities of Cohesion programmes means failing to exploit potential synergies but also a displacement of Cohesion interventions.

➔ *The RRF contribution could be very relevant for Cohesion Policy. However, a lack of coordination with LRAs could undermine the effectiveness and efficiency of Cohesion Programmes.*

7. Does allocation of RRF funding (among EU Member states and most importantly regions) reflect the negative impact of COVID-19 in regions or is it based on more general socioeconomic indicators and / or past performance?

The chart below provides an overview of fund allocations. The available / requested funds per capita are compared to losses due to the pandemic.

Chart 12: Allocation of available / requested resources per capita vs loss of GDP (synthesis of the textual check)



Source: Elaboration of the study team

The RRF Regulation establishes fund availability on criteria not only related to COVID-19 but also to macroeconomic indicators including GDP, population and unemployment. However, the potential allocation is proportional to the loss of GDP in 2020-2019 (the blue line in the chart) following the crisis.

Despite this, allocation is less proportional and more connected to Member States using the loan component or not. Italy has applied for more resources in both absolute and relative terms by maximising the use of loans, as has Romania. The other six Member States are less keen on applying for loans; indeed Belgium, Spain, France and Germany do not apply for any.

➔ *The allocation of RRF funding is partly related to the pandemic, partly to the use of loans by each Member State. Apart from Italy and Belgium, there is no territorial allocation of resources.*

3. POLICY ANALYSIS

The study assesses the NRRPs regarding integration of the:

- **Green** transition;
- **Digital** transition;
- **UN SDGs**.

Chapter 3.1 reviews the eight NRRP texts, chapter 3.2 highlights the budget allocations to green and digital transitions, this is followed by answers to the following study questions:

8 - What do the plans contribute to green transitions?

9 - What is the involvement and role for LRAs in Green Deal priorities of the NRRPs?

10 - Is the 'Do No Significant Harm principle' mentioned in the RRF plans, to ensure sustainability of both reforms and investment?

11 - How are Green Deal flagship initiatives (Power up; Renovate; Recharge and Refuel) taken into account? What is the involvement of LRAs?

12 - What do the plans contribute to digital transitions?

13 - What do the plans contribute to the SDGs?

3.1 Textual check of NRRPs: Green transition, Digital transition, UN SDGs

The RRF Regulation in Article 18(4) (e) (f) and (o) mentions that Member States should explain how measures in the plan contribute to the green transition and digital transition.

Furthermore, the EC highlights in the Annual Sustainable Growth Strategy 2020 and European Semester Spring and Summer Package 2020 that the European Semester should contribute to SDGs and the European Green Deal.

The following sub-chapter analyses the NRRPs for contributions to green transition (3.1.1), digital transition (3.1.2) and SDGs (3.1.3).

3.1.1 Green transition

The study team conducted an analysis of the eight NRRPs regarding integration of:

- Clean energy,
- Smart housing / building / renovation wave,
- Sustainable mobility,
- Climate change adaptation and resilience,
- Industrial decarbonisation,
- Environment priorities: biodiversity, circular economy and zero pollution,
- Farm to fork strategy and CAP greening,
- Green jobs and skills, and
- Rural area transformation.

Any role for LRAs in implementation of the investments in the plans is underlined.

Green transition policies are analysed considering the scale of policy commitment / complexity the NRRP assigns to each dimension. Comprehensive analysis of green transition policies for all the countries is in the Annexes.

Clean energy is integrated in all the NRRPs on four levels with budgets, projects and interventions, programmes, plans or strategies, consolidated by legislative reform.

Clean energy is broadly tackled with investments to increase the share of renewable energy, and in hydrogen. **Italy, Poland, Croatia and Romania** aim to develop a national strategy for hydrogen, while **Germany** already has such a strategy. **France** and **Germany** already agreed to collaborate within IPCEI which 'will support a broad spectrum of technologies and uses associated with hydrogen'²⁹ and have invited other Member States to join. The **Croatian and Romanian** plans highlight that investments in hydrogen would open the possibility to participate in IPCEI, while **Poland**, with a manifesto for European 'Hydrogen Technologies and Systems' already announced a national competition.

Apart from hydrogen, Member States propose reforms and investments to increase renewable energy from sources such as wind turbines.

²⁹ German NRRP, p. 19.

The reports go into different detail and vary in focus. Some specify investment in renewable energy sectors such as wind turbines or solar energy. Others take a more general approach emphasising the need to deploy renewable energy sources or investment in revitalisation, construction and digitisation for renewable energy.

The role of LRAs in reforms and investments for clean energy is mostly as beneficiaries, with some exceptions. In the **Belgian** plan the central level in collaboration with Flanders, Wallonia, the Brussels-Capital Region, the Wallonia-Brussels federation and the German speaking community foresees renovation projects including renewable energy installations, such as photovoltaic panels. The **Croatian** plan mentions that the reform to decarbonise industry and enhance renewable energy production is based on a 'strong investment cycle (public funds, private sector and energy companies) and will include state administrative bodies, private investors and energy companies'³⁰. However, it does not mention how LRAs will be involved in implementation. The **Polish** plan mentions in reform B2.2, that legislative changes will give LRAs more decision power regarding the location of wind farms, while for investment B2.2.2. 'RES installations implemented by energy communities', the plan mentions that LRAs will be part of these energy communities, without providing specific details of their role.

Box 2. Integration of clean energy – Example from NRRPs

Emerging energy technologies, under the axis Climate, sustainability, and innovation, of the **Belgian** plan, encompasses measure I - 1.21 Offshore energy island. The project leader is the Federal government which aims to build an island with wind turbines. Belgium already has a wind energy zone offshore, which is expected to increase power generation. This investment is meant to support a pole of offshore energy, which would increment the share of renewable energy, create jobs and new industries as well as increase exports.

Source: Elaboration of the study team

Smart housing / building / renovation is broadly tackled with investments foreseen in all the plans with budgets, projects, programmes and legislative action.

The NRRPs aim to renovate the public and private building stock to improve energy efficiency and increase the resilience of buildings to disasters.

Some countries already have programmes that need to be redesigned with financing from RRF. An example is **France**, which has investments to renovate private and social housing, public buildings and SME facilities. For private

³⁰ Croatian NRRP, p. 175.

houses, the country already has a programme, *MaPrimeRénov*, which will become more inclusive with an increased budget from RRF funding. The programme was open only for home owners with (very) modest incomes. The objective is to redesign the programme so all house owners can benefit from financial aid. The role of LRAs is not stressed.

Even if local authority competences are evident, only the Croatian, Romanian, Polish and Belgian plans involve LRAs in implementing smart housing / building / renovation projects.

The **Croatian** plan dedicates an entire component to building renovation, component 6 on Renovation of buildings, which includes investments in the renewal, reconstruction, and revitalisation of buildings. This includes areas affected by the 2020 earthquakes (especially in Zagreb and Banovina). In the Croatian plan, the implementing body will be the Ministry of Planning, Construction and State Assets in collaboration with other ministers and LRAs, such as 'City of Zagreb, Zagreb County, Krapina-Zagorje County'³¹.

The **Romanian** plan foresees the rehabilitation / extension / modernisation / construction of nearly zero-energy buildings for public services where administrative territorial units will be responsible for implementation.

As previously mentioned in the clean energy section, the **Belgian** plan includes investments in building renovation. The central level together with Flanders, Wallonia, the Brussels-Capital Region, the Wallonia-Brussels federation and the German-speaking community are to be involved in implementation.

An example is in the box below, but the plan also foresees two other measures of social housing renovation where the governments of Brussels-Capital Region and the German-speaking community are implementation leaders.

The Polish plan mentions that LRAs will be involved in implementing programmes which include renovation for energy efficiency such as the Clean Air Programme and National Air Protection Programme.

³¹ Croatian NRRP, p. 1037.

Box 3. Integration of smart housing / building / renovation – Example from NRRPs

The **Belgian** plan foresees investments in social housing renovation to be implemented by the Flemish government. The projects will be financed through grants from Vlaams Klimaatfonds, a Flemish climate fund, which has a grant system in place since 2016 and will benefit from RRF financing. Grants will be awarded to the Flemish Housing Fund and social housing companies to increase energy efficiency which will also have a positive impact on the construction sector.

Source: Elaboration of the study team

Sustainable mobility is in all the plans, with reforms covering public and private transport and investments in more environmentally friendly vehicles. This should reduce emissions through alternative fuels such as hydrogen, or electric vehicles, while digitalisation would improve transport services.

LRAs are involved in sustainable mobility reforms in the **Belgian** and **Croatian** plans. The Belgian plan mentions that mobility projects involve the Federal State, Flanders, Wallonia and the Brussels-Capital region³². The **Croatian** plan envisages local investment naming the municipality to improve transport in the area and mentions that financial assistance will be provided to 'local and regional self-government units and through co-financing of maintenance costs'³³.

Box 4. Integration of sustainable mobility– Example from NRRPs

Under component three, Green infrastructure and mobility, the **French** plan aims to provide aid for the 'purchase of clean vehicles', and to support innovation in sustainable mobility³⁴. Such a scheme started in 2020, when ecological and conversion bonuses helped increased the share of electric cars and plug-in hybrid vehicle registrations. The programme provides financial aid to buy light electric, hydrogen or plug-in hybrid vehicles, and a purchase bonus for heavy vehicles, for example EUR 50 000 for trucks and EUR 30 000 for hydrogen and electric buses. The aid for light vehicles foresees an ecological bonus for vehicles which generate CO₂ emissions of 50g/km or less, and a conversion bonus for low-income households (for vehicles classified as Crit'Air 3 or older). The vehicles will be financed under the RRF, while investments in innovation projects will have other financing sources.

Source: Elaboration of the study team

³² Belgian NRRP, p. 616.

³³ Croatian plan, p. 310.

³⁴ French plan, p. 215.

Climate change adaptation and resilience is in all the plans, which have financial allocations, interventions, plans, programmes and legislative measures.

Many investments aim to mitigate climate change and increase resilience to disasters. These will renovate the national building stock, greening agriculture and enhance sustainable mobility. Other interventions in the **Italian, Spanish, Croatian** and **Romanian** plans will reduce flood risk and improve hydrological management.

To achieve EU climate objectives, **Romania** plans to create an Interinstitutional Committee on Climate Change which will ensure national coordination on climate change.

The **French** NRRP, apart from envisaging reforms and investments in these fields, includes the Climate and Resilience Bill, for green interventions, as presented in the best practice box. It is the only plan that describes a bill regarding climate change in a such structured and comprehensive way but LRAs are not involved.

Box 5. Integration of climate change adaptation and resilience– Example from NRRPs

The second component of the **French** plan, ‘Ecology and biodiversity’, mentions the Climate and Resilience Bill, based on the Citizens Convention for Climate in 2020. The bill includes 69 articles to avoid overconsumption, especially for high-emitting CO₂ goods and services, production and work (for example carbon-free production systems and improved ecosystem protection), mobility (for example to reduce emissions from transportation), housing (hastening renovation, reduce soil artificialisation and improve life in urban areas), food (greening of CAP) and strengthening legal protection of the environment with tougher penalties for environmental damage.

Source: Elaboration of the study team

Industrial decarbonisation is strongly addressed by all eight NRRPs through all four levels of integration.

The decarbonisation of industry is usually presented in the plans in close connection with clean energy, especially hydrogen, presented earlier.

The topic is broadly tackled, but the involvement of LRAs is seldom clear. **Croatia** mentions a new biorefinery in Sisak without defining the role of local

administration in implementation. **Belgium** offers a clear and strong role for LRAs, as in the example below where implementation is by the Walloon government. Such clarity on the LRA role is not common in the plans, so **even a strongly place-based topic such as industrial decarbonisation³⁵ appears more as a national than a territorial issue.**

Box 6. Integration of industrial decarbonisation – Example from NRRPs

Investment I - 1.18. 'Developing the low-carbon industry, under axis one, Climate, sustainability, and innovation', of the **Belgian** plan aims at carbon-neutral industry in the Walloon region. The project leader is the Walloon government and implementation will be through a call for projects focused on 'electrification of industrial processes', 'production of hydrogen by electrolysis', 'production of hydrogen by plasma pyrolysis', 'direct use of H₂', 'capture and concentration of CO₂ emissions as well as decarbonisation of ammonia production processes'³⁶. The investment foresees four objectives: pilot projects to help new technologies achieve industrial maturity, energy and carbon transition and make Walloon a 'privileged region' for pilot projects strengthening a technological low-carbon transition.

Source: Elaboration of the study team.

Environmental priorities are tackled by all the NRRPs but have different levels of integration. Policies related to environmental priorities benefit from an assigned budget, interventions, plans and strategies. There is no legislative integration in the NRRPs of **Germany** and **Italy**.

The NRRPs aim to contribute to implementing environmental priorities. An example is the circular economy, which is addressed in the NRRPs. The **Belgian** plan dedicates Component 5.3 to this. **Croatia** tackles the subject horizontally in various components, with grants to SMEs to develop environmentally friendly technologies. These should contribute to a circular economy, improve municipal, medical and transport waste management and align national legislation to the circular economy as presented in the European Green Plan. **France** already has a law on waste and the circular economy, adopted in February 2020 and based on a 2018 document with a circular economy roadmap. **Poland** also has a roadmap, from 2019, and its plan mentions creating a legislative framework regarding the circular economy.

³⁵ COR (2019)

³⁶ Belgian NRRP, p. 118.

Another subject tackled by all NRRPs is biodiversity. There are various investments for restoring damaged areas (for example in **Italy**, as presented in the example box below), increasing biodiversity protection, or R&D for biodiversity studies and research.

Some NRRPs present the involvement of LRAs in implementation. For waste management reforms, C1.3. R2 'Implementation of projects for sustainable waste management', **Croatia** mentions 'In order to encourage the local self-government unit to implement measures to reduce the amount of mixed municipal waste generated in its area, the EPEEF³⁷ charges local government units an incentive fee which finances separate waste collection'³⁸.

Romania, through the Local fund for the green and digital transition for LRAs, plans projects such 'as expanding green areas, creating urban forests, creating ecological green corridors'³⁹. The **Polish** plan contains the Green Transformation of Cities Fund which will be co-managed by local governments, and aims for investments in air quality, green and blue infrastructure, biologically active zones, nature in urban areas, zero-emission transport infrastructure, energy efficiency of buildings, multifunctional, open public spaces and strategic documents on adaptation to climate change.⁴⁰

Box 7. Integration of environment priorities– Example from NRRPs

Investment 3.3 'Renaturation of the Po area', under Mission 2 'Green revolution and ecological transition' in the **Italian** plan foresees the restoration of land near the Po river (including islands, banks and sand banks) which have suffered from severe damage since the 1970s due to excavations, channelling and water and soil pollution. Investments aim at renaturalisation and biodiversity in more than 1 500 ha and 51 million m³ of water in oxbow lakes and branches of the river. The actions will help achieve the objectives of Water Framework Directives (2000/60/CE) and Floods Directive (2007/60/CE).

Source: Elaboration of the study team

Farm to fork strategy and CAP greening is addressed in all the NRRPs, except the **German** plan. The other NRRPs include financial allocations, interventions, programmes, plans, or strategies, except **Belgium**, which does not mention any related programmes or strategies. Legislative reforms are only planned by **Croatia, Poland, France, and Romania**.

³⁷ Environmental Protection and Energy Efficiency.

³⁸ See the Croatian NRRP, p. 209.

³⁹ See the Romanian NRRP, pp. 106-107.

⁴⁰ See the Polish NRRP, p. 34.

Further investments in the agriculture sector are very important for some countries, which aim to create a more sustainable, environmentally friendly agri-food sector. Examples are **Croatia** (in investment C1.5. R2-I1 ‘Consolidation of agricultural land’), **France** (through investments in vegetable protein in component 2), and **Spain** (reforms and investments). Improving the food supply chain is also covered, for example in **Belgium** with ‘Relocation of food and development of logistics platforms and reduce food waste’ and **Croatia** for reducing food waste.

The involvement of LRAs in implementation is highlighted in some plans. In the **Croatian** NRRP, they collaborate with the central level to choose projects for land consolidation. In **Belgium**, the intervention mentioned above will be led by the Walloon government.

Box 8. Integration of Farm to fork strategy and CAP greening– Example from NRRPs

France plans to contribute to the Farm to fork strategy and CAP greening with various investments, including in the vegetable protein sector, financed under the second component, ‘Ecology and biodiversity’. The purpose is to diversify agriculture, with ‘high-protein and self-sufficient forage protein crops’⁴¹. France depends on imports of fertilisers and animal food which became a vulnerability during the pandemic. The objectives of this investment are to decrease dependency on imports, enhance autonomy and economic gains for national farmers and help combat environmental challenges through crop rotation. Projects will be chosen in national level calls by FranceAgriMer. Funds will be awarded for investments in materials to produce protein rich crops (EUR 20 million) and to develop the vegetable protein sector, including companies collecting and processing vegetable proteins (EUR 50 million).

Source: Elaboration of the study team

Green jobs and skills become more important as the green transition develops and triggers a demand for green skills and jobs. This is not addressed by the French plan and is not fully integrated in the other plans, except for **Poland**. **Croatia** envisages financial aid for employment, internships and self-employment in green and digital transition activities. **Poland** plans to create 120 Industry Skills Centres which will offer vocational and higher education, lifelong learning, also regarding digital and green transitions. The **Romanian** plan includes investments for capacity building for the green transition, such as I3 under Pillar II, ‘I3. Strengthening the professional capacity of specialists and workers in the field of construction for the realisation of constructions with

⁴¹ French NRRP, p. 169.

increased energy performance - development of regional training centres and organization of training sessions’.

The involvement of LRAs in implementing interventions related to green jobs and skills seems limited. The **Belgium** NRRP mentions that the Walloon Region will lead investments, as described in the box 13, while the **Polish** plan mentions LRA involvement in the Voivodship Coordination Team for Vocational Education and Lifelong Learning, which will be created in every voivodeship, to coordinate and monitor vocational training, higher education and lifelong learning,

Box 9. Integration of green jobs and skills– Example from NRRPs

Under axis one, ‘Economy of the future and productivity’, investment I - 5.03 ‘Upgrading of advanced training infrastructure’, led by the **Belgian** Walloon government aims to address labour market challenges, highlighted during the pandemic, by providing training on energy efficiency for the low-skilled. This could provide unemployed people a chance to find a job. The project encompasses construction, renovation and renewal of equipment in eight projects: Belgrade Eco-Training Centre, extension and equipment for the CEFOCHIM Competence Centre, extension of the Technocité Competence Centre, renovation of the Technifutur® Competence Centre, extension of the AutoFORM Competence Centre, extension of Forem training centre infrastructure, a new Centre for Contemporary Eco-Technologies and extension of the ‘green sectors’ Competence Centre. The last foresees a EUR 3.74 million investment to make the centre ready for green sector job skills. The growing emphasis on green transition, combating climate change and preserving and restoring biodiversity will create demand for such skills. The objective of this centre is ‘to develop a new site and mobile training tools’⁴², which can meet the new demand from all over the Walloon Region.

Source: Elaboration of the study team

Rural area transformation is taken into account by all the NRRPs except for Germany, which does not tackle the subject at all. The other countries aim to invest in rural areas by allocating financial resources, with various projects and interventions, mostly integrated in a programme, or strategy (except for **Italy**). **Croatia, Poland, Romania, and Spain** also include legislative action.

Most NRRPs do not broadly tackle rural area transformation. Investments in the plans usually relate to other investment such as in agriculture (in the **Croatian**,

⁴² See the Belgian NRRP, p. 476.

Spanish and **Polish** NRRPs), biodiversity (the **Belgian** and **Spanish** NRRPs), or water and rainwater management in the **French** NRRP.

The **Belgian** plan involves LRAs in implementing investments, i.e., the Walloon Region, as well as the **Romanian** plan, both presented as examples.

Box 10. Integration of rural area transformation – Example from NRRPs









A reform included in the **Romanian** plan under Pillar IV, ‘*Social and territorial cohesion*’, is component IV.1 Local fund for the green and digital transition which envisages a resilience fund on four levels, i.e. counties, municipalities, towns and communes. Each level will have a budget. Communes will aim to improve the quality of life in rural areas and reduce territorial disparities through investments in ‘*rehabilitation / extension / modernisation / construction of nearly-to-zero emissions public buildings (which serve the provision of public services)*’, new houses for education and health, bicycle lanes, charging points for electrical vehicles, and electric or hydrogen buses. Under component V.2 ‘*Social reforms*’, the Romanian plan aims to create a grant scheme for social enterprises in rural areas to integrate youth in the labour market.

Source: Elaboration of the study team

Another important aspect related to integrating the green transition in the NRRPs has to be considered. According to the RRF regulation, the plans shall envisage activities that fully respect the climate and environmental standards and priorities of the Union and the principle of ‘**Do No Significant Harm**’ to environmental objectives under Article 17 of Regulation (EU) 2020/852. Environmental objectives include climate change mitigation, climate change adaptation, circular economy, pollution prevention and control, protection and restoration of biodiversity and ecosystems.

‘*Do No Significant Harm*’ is addressed in all the NRRPs, but the level of detail differs.

Table 13. Integration of Do-Not-Significant-Harm

	Croatia	Poland	Romania	Belgium	France	Germany	Italy	Spain
Do No Significant Harm principle								

Source : Elaboration of the study team

Belgium, Italy, and Spain briefly mention that the interventions respect the principle, while **Croatia, Poland, France, and Germany** have dedicated sections. In its Annex, **Romania** included documents for every component in every pillar. Annex I is dedicated to ‘Do-No-Significant-Harm’ and states that the principle is respected for every reform and investment in the component. In the **French** NRRP, each component has an evaluation on whether the principle has been respected or not, and in Part 4 – ‘Overall impact of the plan’ is section 1.3. ‘Assessment of compliance with the Do-No-Significant-Harm principle’. A similar approach is used by **Croatia, Poland, and Germany**, where within each component a section explains how the measures and reforms respect the principle.

Box 11. Integration of Do-No-Significant-Harm – Example from NRRPs

The **Polish** plan broadly tackles the principle. A dedicated section in the first part of the plan clarifies a compliance analysis carried out during the NRRP drafting. Each component of the plan also has a dedicated section noting if the activities respect the principle or cause harm to the environment.

Source: Elaboration of the study team

The European Commission also calls on Member States to take the Commission’s seven ‘flagship areas for investments and reforms’ into account in their plans to address common challenges. Three flagships are relevant to the green transition:

1. *Power up* – Frontloading future-proof clean technologies and accelerating the development and use of renewables.
2. *Renovate* – Improved energy efficiency of public and private buildings.
3. *Recharge and Refuel* – Promoting future-proof clean technologies to accelerate the use of sustainable, accessible and smart transport, charging and refuelling stations and extended public transport.

The table below shows integration of the three areas in the plans.

Table 14. Integration of Power up, Renovate and Recharge and Refuel

Dimension	Croatia	Poland	Romania	Belgium	France	Germany	Italy	Spain
Power up								
Renovate								
Recharge and Refuel								

Source: Elaboration of the study team

The **Croatian, French, German, Romanian and Polish** plans fully cover the **flagship areas**. The **Belgian, Italian, and Spanish** plans pay less attention.

Box 12. Integration of flagships initiatives Power up, Renovate and Recharge and Refuel – Example from NRRPs

The **Croatian** plan includes *Table 1. Expected contribution of NRRP implementation to the achievement of EU objectives*, which presents the national contribution to implementation for each flagship and the expected contribution of NRRP reforms and measures. The plan also contains Annex 1 Reforms and investments that will benefit from RRF funding, which lists all reforms and investments in the plan, noting the flagship initiative they will contribute to.

Source: Elaboration of the study team

In conclusion, all the European Green Deal topics are taken into consideration within the plan. Five of them (i.e., ‘Clean Energy’, ‘Smart housing / building / renovation wave’, ‘Sustainable mobility’, ‘Climate change adaptation and resilience’, ‘Industrial decarbonisation’) are fully integrated with budgets, investments, programmes, strategies and plans, as well as legislative reform. Others are integrated at various levels, or not at all (for example the German plan does not tackle ‘Farm to fork strategy and CAP greening’ and ‘Rural area transformation’ and the French plan does not address ‘Green jobs and skills’).

‘*Do No Significant Harm*’ is broadly addressed by most plans in dedicated sections (**Croatian, French, German, Romanian and Polish**), while others briefly mention the observance of this principle. The same countries that broadly tackle the principle also broadly tackle the flagships, again through dedicated sections, while other countries address them less.

3.1.2 Digital transition

The study team assessed the political commitment of the NRRPs regarding: Digital governance, Smart cities, Broadband and cloud infrastructure, Digital literacy and Digital services.

The assessment criteria encompass four levels of integration, i.e., budget, interventions and projects, programmes, plans and strategies, as well as reforms.

Complete and comprehensive matrices of digital transition policies for all the countries can be found in the Annexes.

Digital governance has been extensively taken into consideration by all the NRRPs at all four levels of policy integration.

Considering the increasing focus on digitalisation in the EU, and the vulnerabilities highlighted by the Covid-19 pandemic regarding the lack of digitalisation in public administration, all the analysed countries foresee various reforms. NRRPs aim at digitalising public administration through many interventions. All plans are very focused on data protection, **Croatia and Belgium also focus on cybersecurity.**

The **Croatia** plan envisages investments in digital governance in all sectors addressed by the plan, i.e., economy, public administration, labour market, social protection, health and education. For example, subcomponent C2.3. ‘Digital transformation of society and public administration’, contains about 20 investments in the digitalisation of public administration.

Belgium and Romania plan interventions to improve and speed up digitalisation in public administration, along with investments in digital protection (cybersecurity), which are coherent with the national strategy for cybersecurity. Like Belgium, other countries go beyond improving digitalisation. **Poland, France and Spain** dedicate sections to cybersecurity.

Many reforms and investments are dedicated to improving digital governance, increasing transparency and coordination between levels of public administration and between public administration, citizens and businesses.

Box 13. Integration of digital governance – Example from NRRPs

The **Croatian** plan includes many actions for digital transition horizontally in all five components, i.e., ‘Economy, Public administration, judiciary and state property’, ‘Education, science and research’, ‘Labour market and social protection’, ‘Healthcare’ and ‘Renovation of Buildings’.

A big part of the second component is dedicated to the digitalisation of public administration and the judiciary. Subcomponent C2.3. ‘Digital transformation of society and public administration’ has 16 investments dedicated digitalisation of public administration. An example is C2.3. R3-I3 ‘Establishment of a single contact centre for all e-public services for providing customer support’ to create ‘customer support to citizens and business entities in one centralized location’. This will improve communication and transparency between public servants and citizens, or businesses, providing users with the option to evaluate the services. Implementation will be by the Central Office for the Development of the Digital Society and beneficiaries are the state, local and regional administration bodies, citizens and business entities.

Source: Elaboration of the study team

The second topic is **Smart City**, which was integrated in most NRRPs with budgets for investments in interventions and projects. Most of the countries, except for **Germany**, plan to further integrate the Smart City topic through legislation.

Some NRRPs mention Smart City explicitly. However, interventions in the NRRPs, for example in high-speed internet connections to improve national connectivity, smart mobility as well as public and personal transportation, all relate to Smart City.

Romania includes a ‘*Local fund for the green and digital transition*’ for LRAs, at four administrative levels, i.e., counties, municipalities, towns and communes to implement projects with some projects dedicated to Smart City and digitalisation. **Germany** mentions that, following consultation for the NRRP, Smart City projects have been prioritised with social, digital and building renovation requirements.

Even though Smart City has a clear municipal profile, few NRRPs clarify the role of LRAs in implementation, the Belgian plan is an exception.

Box 14. Integration of Smart City – Example from NRRPs

Within the **Belgian** Plan, under the Mobility axis, the investment 'Subsidies for modal shift' aims at promoting sustainable transport for Brussels residents, to choose transportation other than their cars. This could contribute to zero-emission mobility in the area. The programme is called *Bruxell'air 2.0* and the project leader is the Government of the Brussels-Capital Region. It is based on a previous initiative *Bruxell'air*. The programme aims to provide financial bonuses to residents that write off their license plate and do not register another vehicle in the same household for a year, to integrate new alternatives. Incentives include subsidies for bicycles, annual subscriptions for public transport, services from operators such as Swapfiets and Cambio, taxis, shared cars and scooters, etc. with more support for people with disabilities. The bonus can be spent within 2 years.

Also, the programme will benefit from further digitalisation to improve access and management for users (through IRISbox), and a service via Mobility Coach to support users in choosing options. Existing bonuses will be readjusted depending on household incomes. Households with the lowest incomes will receive EUR 900, the highest earning households will receive EUR 500, and others EUR 700.

Implementation will involve Brussel entities such as Bruxelles Environnement, Bruxelles Mobilité, STIB, CIRB, EasyBrussels, Les Espaces Publics Numériques.

Source: Elaboration of the study team

Broadband and cloud infrastructure are tackled by all the NRRPs and are fully integrated with budgets, interventions and projects, plans, strategies, or programmes as well as legislation.

Maximising the benefits of digitalisation requires internet infrastructure. NRRPs foresee infrastructure improvements to reduce national disparities and improve connectivity. The **French** NRRP has the 'France broadband connectivity' programme, which aims to provide people with a good internet connection at home and work, including in rural areas.

The **Croatian** plan includes projects for broadband access in areas which lack it, to decrease the digital divide and indirectly stimulate investment and economic growth. The **Spanish** plan, in component 15, mentions that mobile coverage of 30Mbps and broadband extension will be provided for the entire population. **These interventions will be at national level.** Some NRRPs include international projects. **Romania** mentions '*IPCEI-ME*' where 22 Member States, including Romania aim to address technological, societal and security challenges in

Europe.⁴³ **Germany** also mentions an IPCEI project, as presented in the box below.

Box 15. Integration of broadband and cloud infrastructure – Example from NRRPs

In Component 2.1 ‘Data as the raw material of the future’, the **German** plan presents Investment 2.1.3 which is a multi-national project – ‘*IPCEI Next Generation of Cloud Infrastructure and Services*’ (*IPCEI-CIS*). This started last year with a German-French technology dialogue to establish sovereign, scalable cloud infrastructure in Europe, involving private and public institutions. The project benefits from the support of eleven Member States; Germany, France, Italy, Spain, the Netherlands, Luxembourg, Latvia, Hungary, Slovenia, Poland and Malta. Its objectives encompass interoperability and data exchange through cloud platforms, involving and stimulating cooperation among national stakeholders and throughout Europe, strengthening ICT security and resilience. This project will carry out research, development, innovation and industrial use of cloud infrastructure and services which should impact production, mobility, healthcare and energy.

Source: Elaboration of the study team

Digital literacy is ever more important, with NRRPs allocating budget, interventions and programmes. Only **Poland** does not envisage legislative reforms. Usually, NRRPs encompass measures to improve digital literacy for state employees, citizens and those in education (including vocational training).

The **Spanish** plan shows how **the prevailing approach to this topic is national** instead of regional or local.

Box 16. Integration of digital literacy – example from NRRPs

The **Spanish** plan in Component 19 envisages a ‘National Plan for Digital Competences’, which is also part of Spain Digital 2025. The National Plan has four action categories to ensure efficient digital inclusion of the population. The first is for digital training with new centres, focusing on those at risk of digital exclusion. The second category aims at developing digital skills in education (from schools to university). The third foresees improved digital skills for employed and unemployed people, with a Digital Training Programme for Public Administration, and a Programme for the Digital transformation of SMEs. The last is for digital professions, offering advanced digital skills by redesigning existing vocational training and creating new specialisations.

Source: Elaboration of the study team

⁴³ Romanian NRRP, p. 717

There are interventions connected to the **Digital service market** in all the NRRPs, with dedicated budgets, projects, programmes, or plans (except **Belgium**). Most of the plans, except for France, also foresee legislation to integrate the reforms.

The plans aim to strengthen economic activity with measures to help people and companies gain a stronger and more efficient online presence.

The **Belgian** NRRP foresees measures to help SMEs increase their cyber-resilience and improve the digital capacity and number of media and cultural operators in the Wallonia-Brussels Federation, to create tools that increase the online visibility of content from the French-speaking population in Belgium, and to digitise the tourism sector. This is considered in other NRRPs including in Subcomponents C1.6. ‘Development of sustainable, innovative, and sustainable tourism’ in the **Croatian** NRRP, or Investment 4.1 ‘HUB of digital tourism’ in **Italy**.

Box 17. Integration of digital service market – Example from NRRPs

In the **Croatian** plan, under the first component, ‘Economy’, subcomponent C1.1.2. ‘Encouraging innovation and digitalisation of the economy’, is investment C1.1.2. R3-I2 ‘Digitalisation vouchers’ to support SMEs to start or strengthen digitalisation. The implementation body is the Ministry of Economy and Sustainable Development in collaboration with the Croatian Agency for Small Business, Innovation, and Investment. The SMEs will be awarded grants in the form of vouchers, including to improve the digital skills of employees (‘Digital Skills Improvement Voucher’), testing and creating digitalisation strategies (‘Voucher for Digital transformation’), increasing cyber security (‘Cyber Resilience Voucher’), introducing digital products and services (‘Voucher for the development or application of complex digital products and services’), developing and implementing strategies for digital marketing, as well as increasing the capacity to use the internet as a tool for business development (‘Voucher for digital marketing’). Among the actions for digital marketing the plan mentions: ‘web design, development and testing of mobile applications, use of data for improving customer interaction, creating online stores and booking platforms’⁴⁴.

Source: Elaboration of the study team

All topics under digital transition are addressed in the plans through various levels of integration. Only two are fully integrated with budgets, investments, programmes, plans, strategies, and legislative reforms, i.e., ‘Digital governance’ and ‘Broadband and cloud infrastructure’. For the other topics one NRRP does not include legislative reforms, i.e., **Germany** for ‘Smart City’, **Poland** for

⁴⁴ Croatian NRRP, p. 169.

‘Digital literacy’ and **France** for ‘Digital service market’. Also, the last topic is not included in the **Belgium** plan through a programme or strategy but includes legislative reform.

3.1.3 UN SDGs

Integration of UN **SDG**⁴⁵ objectives in the NRRPs is analysed in four clusters: social, environmental, economic, and political.

The classification was proposed in the inception report and reflects SDG themes and objectives. More specifically, SDGs 1, 2, 3, 4, 5 and 10 tackle social matters, SDGs 6, 7, 11, 12, 13, 14 and 15 tackle the environmental aspect, while SDGs 8 and 9 aim to sustain economic growth and SDGs 16, 17 are oriented towards resilient public institutions and partnerships to reach the goals.

Figure 3. UN SDGs



Source: United Nations

The level of integration in the NRRPs is based on two criteria. One uses scores from 0-3, to determine whether the SDGs are considered in the plans:

⁴⁵ <https://www.un.org/sustainabledevelopment/development-agenda/>

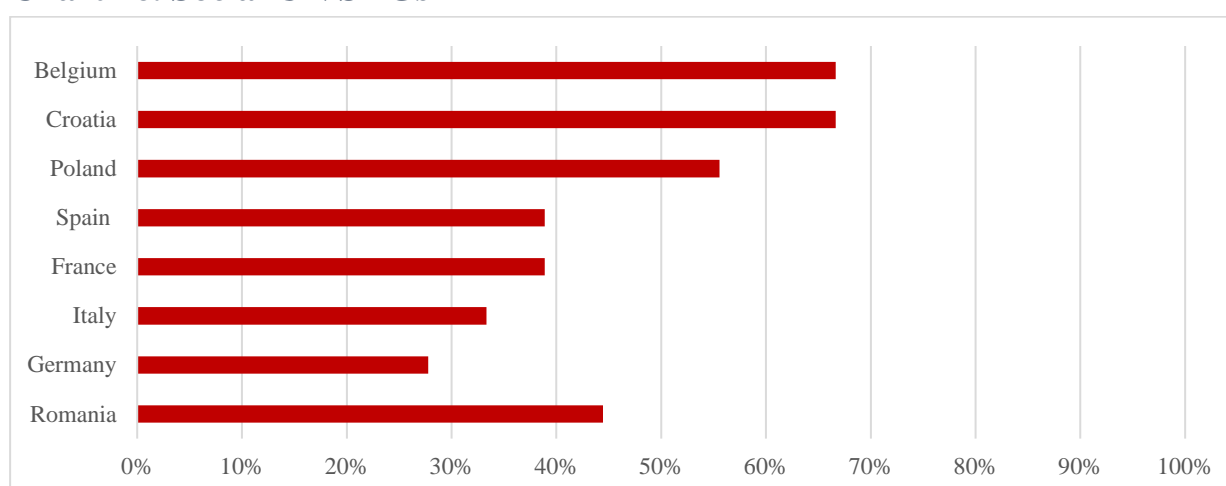
Table 15. Mention of SDGs

Score	Description
0	Not mentioned
1	Implicitly mentioned
2	Explicitly mentioned
3. ⁴⁶	Integrated - if NRRPs use SDG indicators at the national level. The study team will check if the SDG indicators are UN and/or EU based.

Source: Elaboration of the study team

The other assessment criterion aims to determine if the NRRPs foresee investments coherent with SDGs on four levels of integration, i.e., budget, interventions and projects, programmes, plans and strategies as well as reforms. Complete and comprehensive matrices of green transition policies for all the countries can be found in the Annexes.

Chart 16. Social UN SDGs



Source: Elaboration of the study team

As illustrated in chart 22, the **Croatian**, **Belgian** and **Polish** NRRPs have the highest levels of integration.

Romania and **Germany** do not mention SDG 2 at all. **Belgium** addresses all social SDGs explicitly, while the **Polish** plan does the same for SDGs 2, 3, 4 and 10. The **French**, **Romanian** and **Spanish** plans explicitly mention SDG 5, and **Croatia** SDGs 1, 2, 3, and 10. Only SDG 4 appears to be integrated (with a score of 3) in the **Croatian** and **Romanian** plans.

⁴⁶ If the SDG is not explicitly mentioned but the NRRP uses UN or EU level SDG indicators, the score will be 3.

The **Croatian, Belgian and Polish** NRRPs have a dedicated section mentioning which SDGs the reforms and investments contribute to. **Croatia**, in Annex 1 lists all its reforms and investments, and in parallel mentions which SDG each investment will contribute to. Similarly, **Belgium** includes Table 45 in section 4, dedicated to SDGs with an analysis for each component of the plan, highlighting the contributions of investments and reforms. **Poland**, in the first part of each component, named ‘Component Description’, after listing the reforms and investments, mentions which SDGs the component will contribute to, but without stating the contribution for each investment. This is valid for all SDG clusters and explains why the three countries have the top scoring.

Within component 3, under the section on indicators, **Croatia** notes that by the end of Q2 2026, 80% of public higher education institutions will have digital infrastructure and / or equipment' which corresponds to the UN indicator 'Proportion of schools with access to: (a) electricity; (b) the internet for pedagogical purposes; (c) computers for pedagogical purposes; (d) adapted infrastructure and materials for students with disabilities; (e) basic drinking water; (f) single-sex basic sanitation facilities; and (g) basic handwashing facilities (as per the WASH indicator definitions)'. Moreover, Croatia also plans by the end of Q4 2026, more ‘graduates in natural sciences, mathematics, computer science, engineering per 1 000 inhabitants aged 20 to 29 from 18.6 to 22.0', which is coherent (except for the gender division) with UN indicator 'Tertiary educational attainment by sex'.

The **Romanian** plan in Annex 2 of component VI.1 Educated Romania mentions an indicator ‘22% participation rate of preschool children in early education services’ by 2026 which corresponds to EU indicator ‘Participation in early childhood education by sex (children aged 3 and over)’.

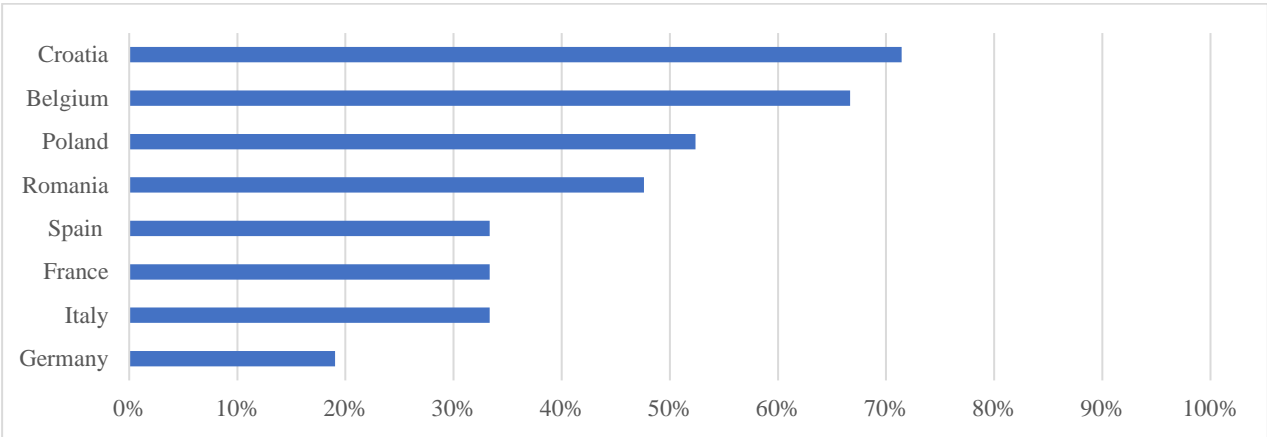
It is worth mentioning that NRRPs sometimes include objectives which could correspond to EU or UN indicators, but were not considered as integrated (not scoring 3), since they were classified as objectives. For example, in the **Polish** NRRP, a horizontal goal is 'Increase in the percentage of people declaring good or very good health'⁴⁷ which could correspond to SDG 3 indicator, 'Share of people with good or very good perceived health by sex'.

SDGs 3, 4 and 10 appear to be the most integrated. On the other hand, some SDGs are not considered at all in some NRRPs, for example SDG 2 is not mentioned in the **Romanian and German** plans.

⁴⁷ Polish NRRP, p. 26.

Environmental SDGs are tackled by all the NRRPs apart from SDG 6 which is not mentioned in the **German** plan, SDG 14 is not considered in the **German** and **Croatian** NRRPs, while SDG 15 is not mentioned in the **Polish** and **German** plans.

Chart 17. Environmental UN SDGs



Source: Elaboration of the study team

All environmental SDGs are explicitly mentioned in the **Belgian** plan. SDGs 6, 7, 11, 12 and 13 are explicitly mentioned in the **Polish** plan, SDGs 7, 13 and 15 in the **Croatian** one, and SDG 11 in the **Romanian** plan.

In the **Croatian** NRRP, environmental SDGs 6, 11 and 12 are integrated. For SDG 6 there are two indicators, 'by the end of Q2 / 2026, 214 083 population equivalents use an improved wastewater treatment system' which corresponds to EU indicator 'Population connected to at least secondary waste water treatment' and 'by the end of Q2 / 2026, 45 429 residents have access to improved water supply' which corresponds to UN indicator 'Proportion of population using safely managed drinking water services'. Moreover, the plan has an indicator, 'by the end of Q2 / 2026, municipal waste recycling rate increased to 50%' corresponds to EU SDG 11 'Recycling rate of municipal waste'. Finally, the indicator 'by the end of Q1 / 2022, the Sustainable Tourism Development Strategy until 2030 adopted by Government' corresponds to UN SDG 12 'Number of sustainable tourism strategies or policies and implemented action plans with agreed monitoring and evaluation tools'.

SDG 15 is integrated in the **Romanian** plan through the indicator 'at least 100 protected natural areas with an updated management plan and entered into force in accordance with European legislation' included in Annex 2 of component I.2 'We reforest Romania and protect biodiversity', under the first pillar 'Green

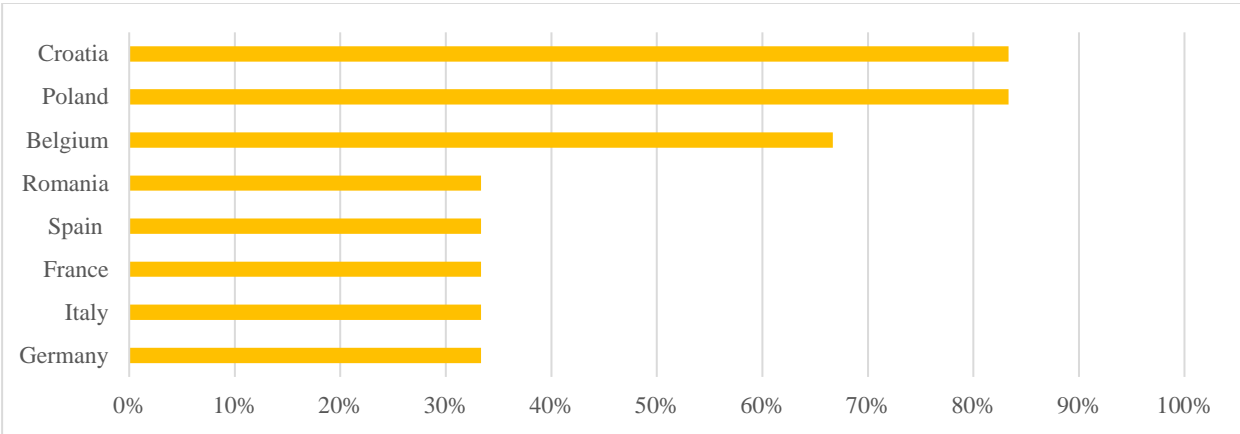
transition’, which corresponds to the UN indicator ‘Proportion of important sites for terrestrial and freshwater biodiversity that are covered by protected areas, by ecosystem type’.

SDG 11 is fully integrated in all the NRRPs with budgets, interventions or projects, programmes, strategies, plans and legislative actions, but SDG 6 is not mentioned in the **German** NRRP.

The least integrated SDG is 14, tackled only by **Poland** and **Spain** (on all four levels), **France, Italy, Romania** (in the first three levels) and **Belgium** (in the first two levels).

Economic SDGs 8 and 9 are included in the NRRPs. In the **Romanian, Italian, Spanish, German** and **French** NRRPs, they are implicitly mentioned, while in the **Belgian** plan they are explicitly mentioned. The **Polish** NRRP explicitly mentions SDG 9 and integrates SDG 8, while the **Croatian** plan explicitly mentions SDG 8 and integrates SDG 9.

Chart 18. Economic UN SDGs



Source: Elaboration of the study team

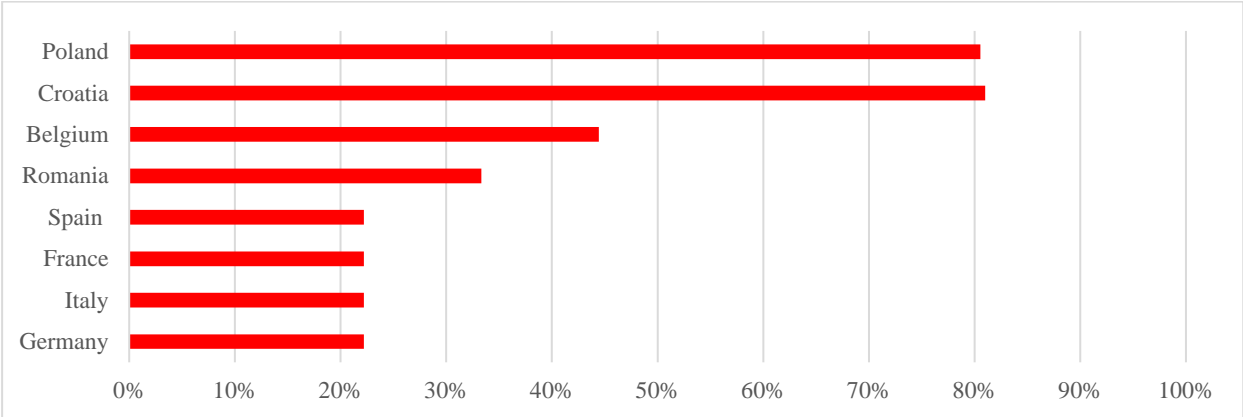
The **Polish** plan has an indicator for an increase in 'GDP per capita according to PPP from 72.8 (2019) to 95 in 2030' which corresponds to UN ('annual growth rate of real GDP per capita') and EU ('real GDP per capita') indicators.

The **Croatian** plan has a target for the end of 2026, 'the number of PCT patent applications per billion GDP increased from 0.45 to 0.6 ' which corresponds to EU indicator 'Patent applications to the European Patent Office'.

SDGs 8 and 9 are fully integrated in the NRRPs at all four levels, i.e., budget, interventions, programmes and plans and legislative reforms.

Political SDGs 16 and 17 are the least tackled. SDG 16 is explicitly mentioned in the **Belgian, Polish, Romanian and Croatian** plans, while the others mention it implicitly. Most plans do not tackle SDG 17 at all, except for the **Polish and Croatian** plans where it is explicitly mentioned.

Chart 19. Political UN SDGs



Source: Elaboration of the study team

Romania acknowledges the importance of integrating the UN SDGs, also in the existing National Strategy for Sustainable Development 2030. The NRRP contains a reform which aims to support the SDG integration in policies, to better coordinate the central, regional, and local levels and increase the capacity of public administration for sustainable development. The three goals are to be achieved through a ‘Centre of Excellence for Public Administration in the field of sustainable development’ which will support and validate public administration decisions on sustainable development. Moreover, a Virtual resource centre for ‘locating’ sustainable development objectives will be created, named *One-stop-shop Romania 2030* which will support regional and local public administration by providing information including good practices for sustainable development. Lastly, a programme for ‘sustainable development experts’ will be created for public administration.

The NRRP states that it aims to ‘set up one of the most competitive hubs for science and dialogue on sustainable development in line with the responsibilities of public administration, and to exercise European regional leadership in this field’.⁴⁸

⁴⁸ See the Romanian NRRP, p. 1059.

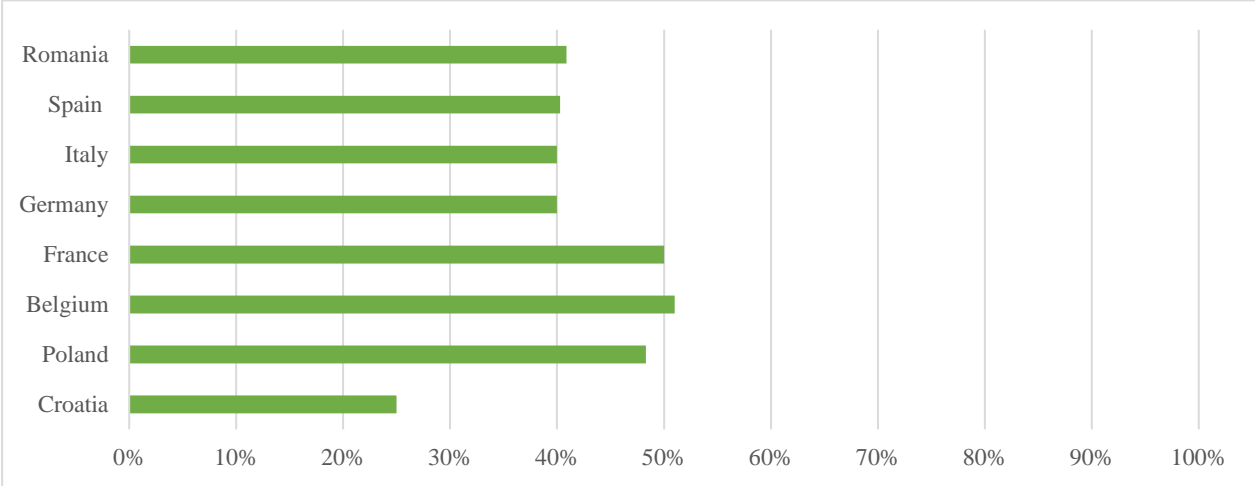
3.2 Budgetary allocations for Green and Digital transitions

The NRRPs strongly take into account the six priorities set by the European Union for 2019-2024⁴⁹. ‘A European Green Deal’ and ‘A Europe fit for the digital age’ are cornerstones of the NRRPs as the plans have to set out measures relating to these.

The focus on green policies is extremely strong, as a budgetary condition is set in article 18(4)(e) (f) and (o) of the RRF Regulation. Measures contributing to the green transition, including biodiversity, or addressing challenges resulting from these, should account for at least 37% of each plan’s allocations. The CoR was in favour of concentrating more resources on climate action⁵⁰.

Measures contributing to the digital transformation should account for at least 20% of each plan’s allocations.

Chart 20. Allocations to Green transition



Source: Elaboration of the study team

The plans have **different budget shares for the green transition**. Firstly, there are no well-defined figures for green financial allocations in the Croatian plan. The figures in the chart above are based on data in each component. With the exception of Croatia, all the Member States exceed the minimum allocation of

⁴⁹ A European Green Deal, A European fit for the digital age, An economy that works for people, A stronger Europe in the world, Promoting our European way of life, A new push for European Democracy (https://ec.europa.eu/info/strategy/priorities-2019-2024_en).

⁵⁰ CoR in the Opinion ‘Recovery plan for Europe in response to the COVID-19 pandemic: Recovery and Resilience Facility and Technical Support Instrument’ approved in the Plenary of 12, 13 and 14 October 2020 considered that ‘the recovery plans should be earmarked for at least 40% of spending on climate action to enable the European Union to meet its climate commitments’.

37%. Belgium and France allocate 50% of their resources, followed by Poland (48.3%). Germany, Italy, Spain and Romania reach 40%. There is no correlation between the size of the plans and budgetary concentration on green transition. It appears prudent to compare allocations when more plans have been analysed.

The study team also took into account analysis from the Green Recovery Tracker project⁵¹. The assessment aims at identifying the allocation to green spending, and the impact to mitigate climate change. The project distinguishes the potential impact in negative and positive or negative terms depending on the implementation phase.

Table 2. Share of NRRP financial allocations dedicated to green transition, with negative and potential positive or negative impact depending on the implementation phase

	Green transition Share - Total	Negative impact	Positive or negative impact depending on implementation
Croatia	NA	NA	NA
Poland	18%	NA	38%
Belgium	35%	1%	21%
France	23%	22%	32%
Germany	38%	17%	20%
Italy	13%	NA	28%
Spain	31%	NA	17%
Romania	24%	12,80%	35%

Source: Elaboration of the study teams on the basis of the Green Recovery Tracker project

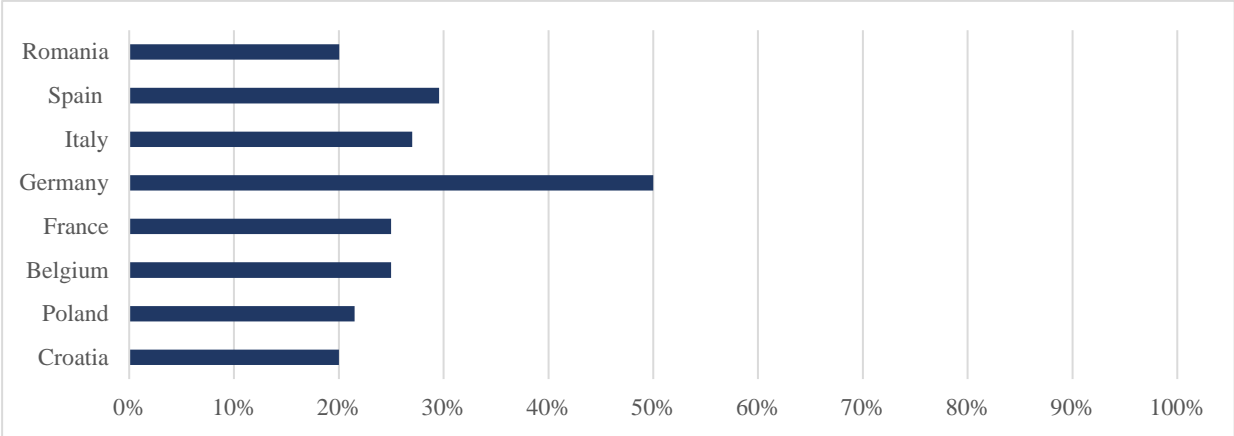
Considering this table and given the project methodology, it seems only Germany reached the EU target of 37% for climate change, followed by Belgium with 35%.

It should be also mentioned that some green investments can have negative impact on environment, as in the French plan.

⁵¹ For further details, see <https://www.greenrecoverytracker.org/>

Finally, the project analysis underlines the pivotal relevance of implementation, as this can turn green investments toxic for the environment.

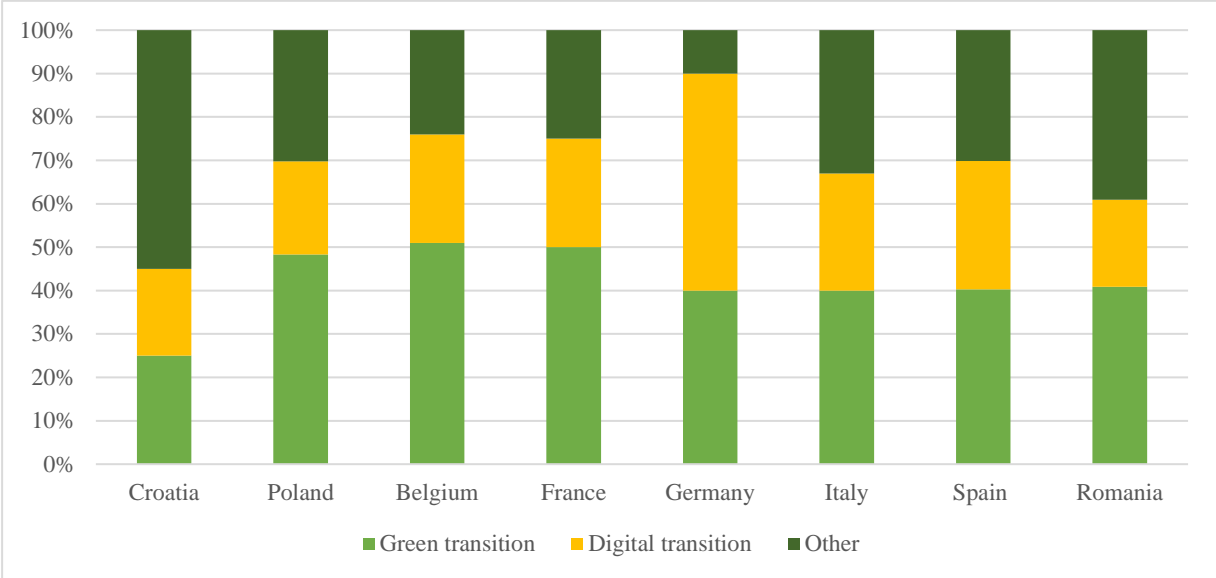
Chart 21. Allocations to digital transition



Source: Elaboration of the study team

All the NRRPs reach the budgetary minimum for Digital transformation required by the RRF. The Croatian plan does not provide well defined figures on financial allocation dedicated to digital transition so the study team used data in each component. Croatia and Romania allocate 20% to digital spending, while Poland, Belgium, France, Italy, and Spain allocate between 25 and 30%. **Germany is the only country which allocates half the resources to digital transformation.**

Chart 22. Allocation to digital, green and ‘others’



Source: Elaboration of the study team

Chart 28 highlights NRRP financial allocations by distinguishing green and digital policies from the other policies, which are grouped together. Seven of the eight countries dedicate less than half the financial resources to ‘other policies’ not dealing with green and digital matters, while Romania allocates more than 60% to policies not directly related to green and digital. Finally, the German plan concentrates resources on green and digital issues, with just 10% allocated to other policies.

3.3 Answer to study questions related to integration of green transition, digital transition and UN SDGs

In the next three sub-paragraphs, the contribution of the plans to the green transition (3.3.1) and digital transition (3.3.2) is assessed ex-ante. Finally, there is an analysis of how explicitly the SDG metric was applied in the plans (3.3.3).

3.3.1 Green transition

What do the plans contribute to the green transition?

The green transition appears to be very well integrated with five topics (see 3.1.1) totally integrated, one highly integrated, two with medium integration and only one that appears poorly tackled by the eight NRRPs.

More than half the key topics (Clean Energy, Smart housing / building / renovation wave, Sustainable mobility, Industrial decarbonisation, Climate change adaptation and resilience) are central to all the plans. This shows a profound understanding of their strategic importance for recovery from the present crisis and enhancement of the capacity to recover from possible future difficulties.

Four green topics have an obvious link with technology (Energy, Housing / building / renovation, Mobility, Industrial decarbonisation). This suggests that when innovative factors of the green approach are easier to highlight, Member States develop them comprehensively.

The fourth green topic fully integrated in all plans is climate change. This could indicate that the necessity to adapt and elaborate a resilient approach is fully understood across the EU. In particular, the German plan shows a strong focus on climate, but does not include other green topics, as mentioned below. An example

of reform related to climate change is the ‘Climate and Resilience’ law proposed in the French plan. This deals with specific themes proposed by the ‘Citizens Convention for Climate’, such as innovative and more sustainable ways of working, producing, consuming, living and eating.

The environmental priority Biodiversity, Circular Economy and Zero Pollution appears highly integrated in the plans. In six NRRPs the integration is full, with all four aspects covered. For instance, in Spain there is an objective to achieve good conservation of ecosystems through ecological restoration, and to reverse the loss of biodiversity. There is no link to reform for Italy and Germany.

Farm to fork strategy with CAP greening and Rural area transformation, even if absent from the German plan, show a medium level of integration. Relevant programmes, plans and strategies are missing in the Belgian NRRP for one topic. The first topic is not associated with a reform in Spain, Italy, Germany and Belgium nor the second topic in Belgium, France, Germany and Italy. The Croatian plan fully integrates both topics, the relationship with environmental interventions is also explicit and the role of LRAs as implementers is clear.

There is only one key topic **poorly integrated** in the NRRPs, **Green jobs and skills**. In the Polish plan it appears fully integrated, and all plans have interventions/ projects except for France. However, no reforms are mentioned in seven plans, and there are no relevant programmes, plans or strategies in four plans. Such gaps could suggest a weak understanding of the potential for the green transition to generate jobs. This could reduce the impact of the plans especially for younger Europeans in territories where industrial changes from decarbonisation are expected to be more dramatic.

➔ *The NRRPs are well aligned with the EU Green Deal. More than half the key topics are fully integrated, including the legislative reforms. Only one key topic appears modestly covered.*

What is the involvement and role for LRAs in NRRPs for Green Deal priorities?

The plans rarely detail the LRA role in developing green transition projects. **The plans should avoid risks related to the LRA role** that are highlighted in Part 1. Focusing on implementation of green transition projects, two points appear critical:

- The LRA role in designing the plans has been mostly modest or even negligible. This makes their role in implementation more difficult as LRAs

in several Member States will have to gain knowledge of projects that are new to them. Furthermore, the LRA role in implementation is unclear in several plans, which appears particularly inappropriate when their direct competence covers housing or sustainable mobility. This creates significant risks of poor management for regional and local projects with possible consequences for successful implementation and reporting to the EC.

- Regional administrations normally manage ESI Funds, including ERDF and the Cohesion Fund that cover most of the green topics in the NRRPs. The regions risk knowing about ‘green’ projects supported by the RRF later, so overlapping between funds is likely for beneficiaries, with the possibility of not identifying the most advantageous and appropriate way to finance a green project in their territory.

➔ *The LRAs role in implementation is limited or not clear in most plans which creates serious risks for achievements related to Green transition.*

Is the ‘Do No Significant Harm’ principle mentioned in the plans, to ensure sustainability of both reforms and investments?

The Croatian, French, German, Romanian and Polish plans give high importance to this principle. The Belgian, Italian, and Spanish plans pay less attention.

➔ *The ‘Do No Significant Harm’ principle is considered with care in only half the plans.*

How have Green deal flagship areas (Power up; Renovate; Recharge and Refuel) been taken into account? What is the involvement of LRAs?

Five plans (Croatian, French, German, Romanian and Polish) **fully take into account the three flagship areas**. They clarify how renewable energy, energy efficiency and sustainable transport challenges are answered from a future oriented perspective. As an example, the Polish NRRP has a section dedicated to the seven flagships, including the three relevant to the green policy. Investments, reforms and legal actions in the plan are related to a flagship, also detailing the expected contribution to EU objectives.

Three plans (Belgian, Italian, and Spanish) **pay less attention** to the flagship areas, limiting the possibility to assess the contribution to a profoundly renovated model.

➔ *The three flagship areas relevant to the green transition (Power up; Renovate; Recharge and Refuel) are fully taken into account in five plans. Three show less attention and one does not consider them.*

3.3.2 Digital transition

What do the plans contribute to the digital transition?

Integration of the digital transition in the plans appears extremely good with two topics totally integrated and three highly integrated.

The fully integrated topics are Digital governance and Broadband and cloud infrastructure which are developed in a broad and structured way. Each has a dedicated budget, interventions/ projects, programmes/ plans/ strategies and legislative reforms. In the German plan digital allocations are extraordinarily high and digital transition is tackled under most of the ten components. However, there is a focus on digital governance.

The three remaining topics, i.e. Digital literacy, Smart City and Digital service market, are highly integrated in the plans.

Digital literacy is not fully integrated only in the Polish plan, which does not have related reforms. In the remaining seven, reforms support improved digital literacy which is a strong factor to enhance the digital transition.

Smart City appears less developed in the German NRRP, but is fully integrated in the other plans. France has interventions related to Smart City, component 3 includes an interesting intervention to develop shared mobility, mainly in metropolitan city suburbs. It is worth noting that the French plan **has no clear and prominent role for LRAs in implementation of the projects**. This weakness is in most of the plans and could impact Smart City projects, where the municipal level is obviously crucial.

The Digital service market is integrated in a slightly less homogeneous manner in the plans, with programmes/ plans/ strategies lacking in the Belgian plan and no associated reforms in the France plan.

➔ *The NRRP contribution to the digital transition is evident and well aligned with the EU Green Deal. The key digital topics are either fully or highly integrated in the plans, including in most cases legislative reforms. The role of LRAs is limited or not well defined in most cases.*

3.3.3 Integration of SDGs

What do the plans contribute to the Sustainable Development Goals?

SDG integration in NRRPs was analysed by verifying if SDGs were considered (implicitly or explicitly) in the plans and the national policy commitments (similar to the digital transition).

SDGs are not an explicit reference in all the NRRPs. In some cases, they are implicit with few or even no goals being mentioned. Sometimes there is a simple reference to Agenda 2030. It seems that most Member States do not consider SDGs as an overarching framework for their plan.

However, **most SDGs are addressed.** Interestingly, the ‘economic’ SDGs appear more addressed than ‘environmental’ and ‘social’ ones. This does not correspond to a strong orientation towards the green transition, which could be explained by a persistent ‘economical’ concept of the plans. **Such a limited approach could be avoided with stronger LRA involvement.** By managing ESIF programmes, the regional authorities have a profound understanding of environmental goals and indicators that would help make full use of the SDG framework.

Finally, political SDGs (16, 17) appear less considered in the plans. The absence of SDG 17 is not surprising, but the importance of capacity building is not high in the NRRPs, the Italian and Romanian plans being exceptions. This could be a risk for LRAs and, more importantly, for the success of the plans. LRAs could have important responsibilities in project implementation without being supported by enhanced capacity and competence.

Finally, the uneven use of SDGs could limit comparison between the plans and, more importantly, limit common indicators for monitoring. Such a gap could also reduce the possibility for other levels of government to interpret the plans and ‘localise’ their goals.

➔ *The importance of making explicit and transparent reference to the UN SDGs has not been homogeneously understood by the Member States. The SDGs are not a clear reference in all NRRPs which reduces the opportunity for common understanding of the plans.*

4. CONCLUSIONS AND POLICY RECOMMENDATIONS

The first section offers the study conclusions, while the second offers policy recommendations.

4.1 Conclusions

D) Findings from territorial analysis of NRRPs: lack of LRA involvement, territorial dimension partially addressed, miscoordination with Cohesion Policy

Analysis of the eight NRRPs shows there was some LRA **involvement** in preparation of the plans and will be some in implementation. However, there is limited evidence for their contributions being taken into account or the precise role they will play. The interviews confirm this ambiguity. Even when described in the plans, the LRAs feel their role is marginal in designing the NRRPs. Apart from Belgium and to a lesser extent Poland and Croatia, the consultation was mostly a formal process to ‘inform’ LRAs about the plan elaboration rather than an open dialogue to collect needs and potential solutions from regions and municipalities. **Neither the NRRPs nor the interviews clarify the future role of LRAs in implementation or whether they will be recipients, executors, or partners in the interventions.**

All the NRRPs envisage reforms and investments in **administrative capacity**. In some cases these are defined at sectoral level (e.g. France) and target LRAs directly (e.g. Italy). But there is a substantial lack of information on how LRAs will be empowered to address NRRP implementation, except for Croatia. LRAs were not specifically involved in formulating reforms and investments to enhance administrative capacity.

The NRRPs include a **territorial dimension** in the analysis of their needs, identifying disparities and obstacles for different areas of the country. They also define specific policies to address these issues, however this approach is not streamlined. Data and information are not displayed analytically at NUTS2/ NUTS3 level and specific territories such as remote, mountain, rural, or urban areas are not addressed systematically. **Cohesion Policy** is a main pillar of the eight NRRPs as a cross cutting theme (i.e. horizontally) and/ or as a policy pillar

(i.e. vertically). However, coordination between RRF plans and Cohesion programmes is not detailed. The lack of links between these two policy domains was also emphasised during the interviews. In most NRRPs, LRAs were not consulted on possible synergies between future interventions, nor to fix demarcations between NRRPs and ESIF Operational Programmes.

II) **Lack of LRA involvement in NRRPs: due to national approach, European Semester timing and institutional constraints**

The lack of involvement is a significant **step backwards for decentralisation**. In the last thirty years, regions and municipalities in most Member States have acquired greater autonomy along with administrative and institutional capacity as managing authorities or implementing bodies of Cohesion programmes. In other words, Cohesion Policy has enhanced the role of LRAs as credible partners for national social and economic development and as direct interlocutors with the EC, while also facilitating MLG. However, this study shows that a federal state such as Germany and countries with strong regional systems such as Spain and Italy, do not incorporate the partnership principle in their NRRP enough. Surprisingly, some Member States with a more decentralised constitutional framework involved LRAs less. On the contrary, some Member States with a more centralised institutional system (Croatia and Poland) not only made progress compared to previous NRPs, but also ensured significant LRA involvement. Therefore, the governance approach of NRRPs can be seen as depending more on the **current national approach** rather than on the Member State's constitution.

Apart from national attitudes, the timing and process of the European Semester do not fully facilitate LRA involvement⁵²:

- Until last year (2020), the European Semester was perceived more as a 'backward looking' exercise. For national authorities in charge of drafting NRPs, LRA consultation was not a priority. Furthermore, at national level the European Semester rarely had 'ad-hoc' institutional channels facilitating dialogue between central authorities and LRAs. This means the **European Semester institutional set-up does not facilitate LRA involvement**. It is the same with the NRRPs where, despite the efforts of LRAs and their associations, there was no specific 'channel' of interaction but, at best, top-down communication.

⁵² The COR (2021) Opinion already pointed out that: '*the European Semester as a governance mechanism for the Fund (referred to as 'Facility') remains a centralised and top-down exercise that is not appropriate for a tool that is supposed to strengthen economic, social and regional cohesion; therefore reiterates its proposal for a code of conduct to involve local and regional authorities (LRAs) in the European Semester*'.

- **The timing has been tight.** Despite a cycle of almost a year, the latest versions of NRRPs were shared with LRAs at the very last minute. In most cases this did not enable LRAs to offer significant contributions. However, there are interesting exceptions. In Belgium, Croatia and Poland, where LRAs were constantly involved from the very beginning, time constraints were partially managed.

NRRP complexity did not help clarity for LRAs. This includes the intrinsic complexity, with multiple policy areas and delivery systems, but also the nature of the NRRP itself. There is no fixed template (as for ESIF programmes) and plans have significant differences in content and in length. Some plans have more than 1 000 pages and some have one part much longer than others. Finally, the structure is sometimes fragmented with a long list of interventions failing to provide the overall rationale.

Finally, the **Regulation requires formal rather than effective involvement.** Member States are requested to provide a summary of consultations with LRAs and other stakeholders for preparation and implementation of the plan⁵³. The summary shall include formal aspects of consultation such as the scope, type and timing of consultations and the views of stakeholders reflected in the plan. However, this does not ensure concrete LRA involvement. Firstly, despite their key role LRAs are on the same level as other stakeholders including social partners, civil society organisations and youth organisations. Secondly, there is no definition of how this consultation should happen, so inclusion remains highly discretionary for Member States.

III) Risks from the lack of LRA involvement: recentralisation, loss of effectiveness and impact, overlap with Cohesion Policy.

The first risk is **recentralisation of national governance.** As mentioned above, the NRRPs interrupted a multidecade cycle of progressive decentralisation and MLG. This cycle was driven by Cohesion Policy and extended to other policy fields. While in some Member States such as Croatia and Poland it is possible to see more effort to involve LRAs, in Germany, Italy, Spain and France there was less LRA participation. It is important to shed light on this since it goes against a core principle of the EU: subsidiarity.

The NRRPs of federal-regional Member States (Germany, Spain, Italy) did not explicitly note the involvement of LRAs in implementation and monitoring,

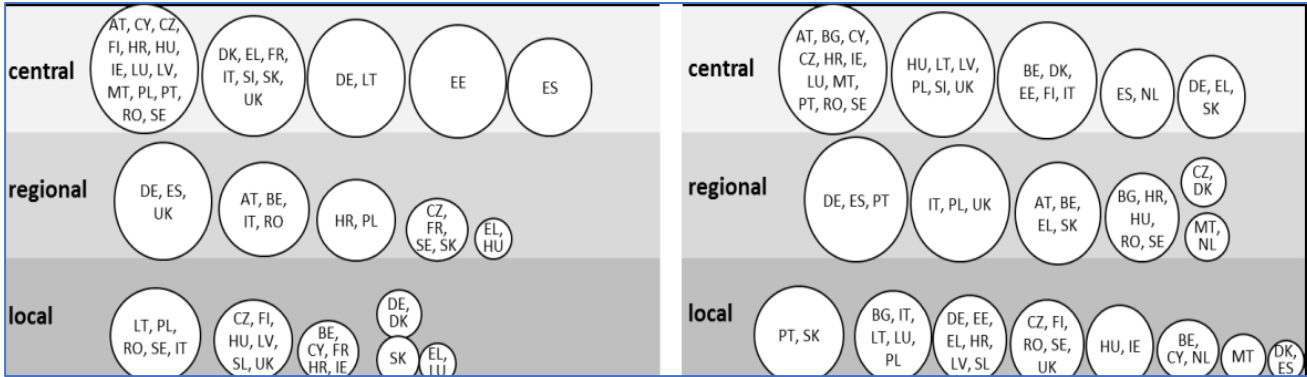
⁵³ Ref: art 18 (4, q) of REG(EU) 2021/241

despite the fact that the sub-national level is often in charge of the policy. Since the principles of multi-level governance and partnership were not intrinsic elements of the NRRP preparation, there was limited interest for shared management solutions between the levels of government. On the other hand, it should be taken into consideration that the constitutional set-up of these countries is clear and does not need to be repeated. However, in the same Member States the consultation process has been frustrating for LRAs and there is a consensus among interviewees that their role in the NRRP will be minor.

The second risk is about the **effectiveness and impact of NRRP** implementation. LRAs already manage a great deal of public **investment** and most importantly **services** to citizens. The relevance of LRAs emerges from the figures below showing competences for funding, delivery and services. The size of each ball indicates the number of policy fields where the level has competences.

Figure 4: share of competences per level of government in relation to funding.

Figure 5: share of competences per level of government in relation to delivery / provision of services.



Source: EC(2018)

LRAs not only play a crucial role in delivering investments and services, but also in reforms, since they also have legislative and regulatory powers (see figure below).

Figure 6: share of competences per level of government for legislation

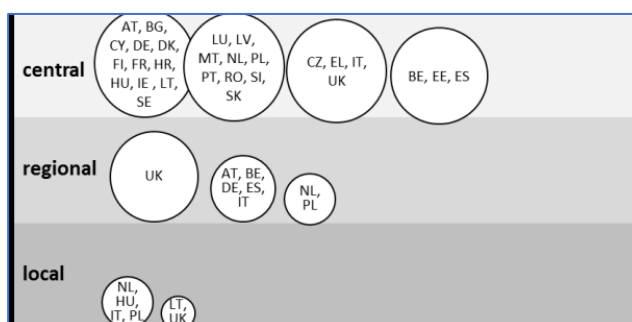
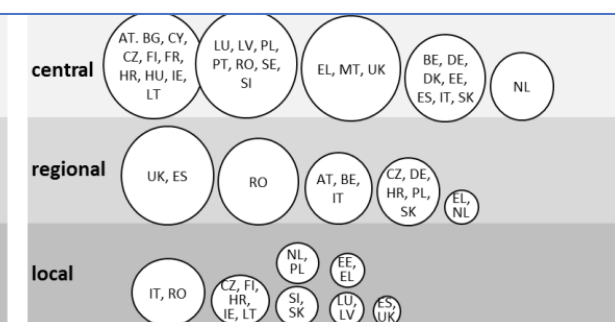


Figure 7: share of competences per level of government for regulatory powers



Source: EC(2018)

It is clear that not involving LRAs in reforms and investments or service delivery will diminish the efficiency and positive impact of NRRPs. There is a consensus that effective MLG is fundamental to pursuing economic and social development.

The third risk is to implementation of Cohesion Policy. The lack of coordination in designing NRRP interventions and miscoordination in evaluations and monitoring could have negative consequences:

- **A lack of synergy** between Cohesion Programmes and NRRPs. The RRF covers areas which not directly targeted by Cohesion Policy, notably reforms, and has a shorter time horizon. Both features can be cross-matched with Cohesion interventions to leverage impact.
- **A risk of overlaps.** All Cohesion Policy programmes have interventions in common with RRF. Cohesion programmes directly cover the digital transition through Policy Objective 3: ‘Connected Europe’ and green transition through Policy Objective 2: ‘Greener Europe’. Moreover, Policy Objective 4 ‘More social Europe’ and 5 ‘Europe closer to citizens’ also cover several types of NRRP investments. Overlapping is very likely without clear demarcation and contributions from LRAs managing ESIF programmes.
- The **potential displacement of Cohesion Operational Programmes.** Cohesion Policy interventions might appear less appealing as the NRPP has less rigid controls, better cofinancing and quicker delivery. Cohesion Policy interventions could be overridden by RRF with two negative consequences:
 - o Cohesion Policy has intrinsic added value because it demands a more disciplined and clever approach. With Structural Funds, many LRAs

have learned more advanced ways of delivery to drive social and economic development, including Integrated territorial investments, Financial instruments and Smart specialisation strategies. They also embed a more transparent and fair *modus operandi* in daily administrative work with independent evaluations, stakeholder engagement and equal opportunities. All these could be harmed and ultimately lost in fragile institutional contexts.

- Cohesion Policy has increased the role of LRAs making them pivotal in the local and regional economy. This is a result of subsidiarity. LRAs suffering the paradox of RFF ‘competition’ could see their programmes perceived as less important and crucial. This would harm the legacy and legitimacy that LRAs have built up in recent decades.

IV) Findings from the policy analysis of NRRPs: core role of green and digital transition but without LRA involvement, SDGs are mainly implicit

The **green transition** has a crucial role, absorbing 41% of the budget on average (half or more in France, Belgium and Croatia). The key topics of Clean Energy, Smart housing / building / renovation wave, Sustainable mobility, Industrial decarbonisation, and Climate change adaptation and resilience are central to all the plans. Climate change interventions play a pivotal role underlining common awareness and understanding of the need for quick and resolute adoption of a resilient approach across the EU. There is no consistent treatment of reforms and investments, and Green jobs is only partially tackled.

Even the **Green Deal Flagships** (Power up; Renovate; Recharge and Refuel) and ‘**Do no significant harm**’ principle are not in all the NRRPs. Half refer to flagships and ‘Do no significant harm’ only superficially.

Digital transition is fully integrated for two of the six key components (Digital governance, Broadband and cloud infrastructure) and very integrated for the remaining three (Digital literacy, Smart city and Digital service market). In general, there is a dedicated budget, interventions and projects, programmes, plans and strategies as well as related legislative reforms. However, the **LRA’s role is not clear**, even for the digital and green components which naturally take place at local level, notably Smart city and Digital governance.

The **SDGs** are considered only implicitly. The NRRPs address the social, economic and environmental themes related to goals 1-15, but the SDGs are

seldom explicitly named and their indicators are rarely integrated in the monitoring system. The policy areas related to SDG 16 (Peace, Justice and Strong Institutions) and 17 (Partnership for Peace) are insufficiently considered except for the Italian and Romanian NRRPs. The lack of SDG recognition and SDG indicators limits comparability between the plans.

4.2 Policy recommendations

Enhancing the involvement of LRAs can be viewed over two time frames.

Short term, the rest of 2021, for NRRP negotiation and approval. Recommendations targeting the EC aim to enhance the involvement of LRAs by focusing NRRP assessment on stakeholder consultations and future governance. This should push central authorities to reconsider the participation of LRAs and establish a different approach for the future. In parallel, the CoR and national and European LRA associations should actively support regions and municipalities in approaching their central authority by disseminating information and increasing general awareness.

Medium term, 18 months, including NRRP implementation. The EC should enhance monitoring and reporting for NRRPs and engagement, empowering regions and municipalities with tailored capacity building. The European Semester should facilitate closer involvement of LRAs, leading by example and establishing a more inclusive and participative approach. The CoR and national/European LRA associations should facilitate deeper involvement of regions and municipalities in the NRRPs. LRA associations and the CoR should also coordinate to advocate for a greater LRA role in the European Semester.

The recommendations for each time frame are listed below, detailed by actor (EC, CoR, Member State, European Parliament and LRA Associations).

Short term

European Commission:

- **Support the strategic role of LRAs.** Since the regulation requires a ‘summary’ describing stakeholder involvement, it is important that the EC highlights this and requests additional information as needed. If LRA involvement seems unsatisfactory, the EC should formally urge the Member State to provide reassurance there will be an improvement during implementation and this will be given specific attention.

- **Allow LRAs a greater role in implementing NRRPs.** When assessing the NRRPs it is important to verify the governance. More specifically, the EC should focus on the functioning of governance, verifying if and how LRAs can participate and their role. The EC could elaborate guidelines for reporting via the European Semester, strengthening the role of LRAs in implementation, monitoring and evaluation via NRPs in the coming years.

- **Enhance the participatory approach of the European Semester.** The EC could lead by example and better integrate the CoR in the European Semester cycle, for instance consulting it before publication of the Annual Sustainable Growth Strategy. To make the European Semester more inclusive, the EC could also create a multi-stakeholder platform for structured dialogue on the European Semester and SDGs.

- **Enhance coordination with Cohesion Policy.** To overcome the risks of overlapping with Cohesion Policy, EC should:
 - while assessing the NRRP, verify how coordination with Cohesion Policy worked during preparation and how it will work during implementation;
 - while evaluating Cohesion Partnership Agreements and Operational Programmes, the EC should question Member States and Regions about links with NRRPs.

- **Empower LRAs for reforms and administrative capacity.** The EC should check proposed reforms also under the national competences principle. Whenever LRAs are touched by a reform or capacity building impacts LRAs, the EC should demand the Member State detail the involvement of the relevant level of government.

European Parliament:

- **Reinforce the Recovery and Resilience Dialogues (RRDs).** In accordance with Article 26, RRF Regulation, the European Parliament may invite the EC every two months for discussions. LRA involvement could be regularly discussed and the CoR could provide background and support.

CoR:

- **Increase LRA awareness of RRF.** The CoR should organise, together with other LRA organisations, thematic webinars on NRRP themes such as:
 - Methodology to establish target and milestones;

- NRRP model of governance;
- Smart city/ Digital governance;
- Coordination between Cohesion Policy and RRF.

European-wide LRA Associations:

• **Advocate the LRA role in NRRPs.** LRA associations can support their stakeholders by helping them interface with Member States and the EC. More specifically, to optimise their work, a division of tasks can be agreed with the CoR, including a memorandum of understanding. Some urban or territorial specificity aspects could be addressed by the relevant association, while the CoR could act as ‘system integrator’ for different contributions and focus on the institutional aspects.

National LRA Associations:

Keep national attention and leverage CoR activities. National LRA associations should keep collecting and reporting the needs and proposals of their partners. They could also leverage on CoR work by disseminating opinions, studies and reports.

Medium term

European Commission:

• **Ensure transparency in implementation.** The EC Should request two levels of monitoring and reporting:

- Every three months a scoreboard with key achievements should be transmitted to the EC and made public on the website. This would ensure constant public attention as well as providing early warnings.
- Every year an implementation report should be delivered by Member States to the EC. This should be more strategic, reporting systemic difficulties, changes and forecasts for milestones and targets. LRAs should have a specific section and be entitled to discuss the report before delivery to the EC.

• **Take the NRRPs consultation exercise as an opportunity to make the European Semester more inclusive.** Since Member States had to consult LRAs for the first time to elaborate their NRRPs, this could start an incremental process to better include LRAs in drafting NRPs, making the new European Semester more inclusive and transparent with systematic consultation of LRAs for the preparation of NRPs.

- **Introduce a code of conduct in the European Semester.** Given the limited involvement of LRAs in the NRRPs and the increasing importance of the European Semester - as already proposed by the CoR⁵⁴ - it is crucial to adopt a code of conduct to involve LRAs.
- **Organise a ‘Recovery and Resilience Forum’.** As already proposed by the CoR⁵⁵, the EC and CoR should set up a ‘Recovery and Resilience Forum’ to enhance LRA participation in the plans.
- **Extend technical assistance to LRAs.** The EC proposes a regulation establishing a Technical Support Instrument to strengthen administrative capacity in public authorities under the RRF. As the CoR already stated, it is crucial that the instrument is also for LRAs. The NRRPs seem to show that LRAs will not receive specific capacity building assistance related to RRF. This gap has to be solved.

CoR:

- **Monitor and disseminate information on the European Semester and NRRPs.** The CoR should continue facilitating LRA understanding of the European Semester by:
 - Monitoring the European Semester process and NRRP implementation by screening the annual reporting of NRRPs;
 - Organising thematic conferences/ workshops on NRRP implementation.

⁵⁴ COR (2017)



⁵⁵ COR (2021)

Annex I. Analytical country fiches

This section presents country fiches which summarise the textual analysis of the NRRPs.

Germany

Territorial analysis	Content	Score
<p>Involvement of LRAs</p>	<p>The Federal Ministry of Finance coordinates the NRRP and is responsible for its elaboration, implementation and monitoring. This office is the single contact point for the European Commission and is responsible for coordinating with other federal ministries and sector departments.</p> <p>While the German NRRP envisages coordination between all government levels, there was however strong criticism by the German Länder on their late and insufficient involvement in the preparation of the NRRP. According to the national government the local level will be involved in specifying measures that directly affect it and will always be subject to the institutional hierarchical channels. Also, businesses and social partners have been involved through a wider consultation process. This included the opportunity to deliver statements on the draft NRRP that were included in the final version but also the possibility to present position papers and participate in discussions and other information processes (e.g. webinars).</p> <p>Despite the limited consultation of Länder (federal states), the plan foresees them at several occasion as being responsible for implementation or for having shared responsibility with a federal ministry (including for digitalising education, strengthening social inclusion and reducing investment obstacles). For LRAs at lower levels there is no further information, other than as beneficiaries of NRRP measures and investments. This is largely due to the hierarchical structure where lower level LRAs usually communicate with Länder. No information on LRA involvement in evaluating the plan is provided beyond certain Länder responsibilities for reporting.</p> <p>The necessity for LRA capacity building is detailed in the plan, particularly for cities and municipalities. The plan foresees extending existing services for efficient fund management and consulting services for IT investment in schools.</p>	

Territorial analysis	Content	Score
Territorial dimension	Disparities, challenges and needs are presented in the plan at a relatively general level without specifying territories. General territorial references for example refer to large cities, university towns and urbanised regions with high demand for housing and increasing rent prices implying a lack of adequate housing for low and middle-income households. The NRRP describes, also with quantitative and detailed data, the future impact of investments and reforms across all pillars, but without regional/local specifications. While the NRRP envisages investments aimed at improving territorial and social cohesion, synergy with the 2021-27 Cohesion Policy programme was ensured through debates between ERDF and ESF+ managing authorities and the bodies responsible for drafting the NRRP.	
Policy analysis	Content	
Green transition	Three policy components explicitly deal with the green transition and address both climate and environmental objectives, though the focus is on climate. There are four topics (i) climate change (ii) clean energy (i.e., hydrogen strategy), (iii) housing and building, and (iv) sustainable mobility. These account for about 40% of the German NRRP funding. LRAs especially at local level are targets for some measures under all these topics. Digitalising the economy and data investments can also help climate objectives. For each intervention field, the importance of green objectives is seen in expected financial contributions. Finally, the plan mentions the Do No Significant Harm principle in detail. For each component, there is an analysis of how investments and reforms could impact the principle. The NRRP explicitly indicates how the measures will contribute to the EU Flagship Power up, Renovate, Recharge and Refuel, with analysis also related to each component.	
Digital transition	Digital transition is tackled under most of the ten components. Some deal explicitly with it, while others include digital transition to different degrees. For each intervention field, digital objectives is seen in expected financial contributions. Within the five fields of digital transition, the focus is on digital governance, infrastructure with IPCEI projects and digital literacy.	
Policy analysis	Content	Score
SDGs	The NRRP mentions Agenda 2030 generally and refers to the German Sustainable Development Strategy. This provides links to SDGs and is a policy document that complements the NRRP. Reference to any Social SDG is implicit in the German NRRP. SDGs 2 and 5 are considered as a horizontal objective, partly with SDG 10. Most of the other social SDGs are also considered within strengthening social inclusion. Related to SDG 3, the NRRP focuses on health care system resilience, while SDG 4 is tackled through digitalising education.	

	<p>Environmental SDGs are considered to very different degrees in the German NRRP. SDGs 7, 12 and 13 have dedicated budgets and projects, even if they are not explicitly mentioned. Other environmental SDGs are considered indirectly (e.g. SDG 11), through measures to support a goal within other objectives. Alternatively, they are addressed by checking effects on natural resources, e.g. SDGs 14 and 15. Overall, the NRRP has a strong but selective focus on environmental SDGs with a significant budget dedicated to the green transition.</p>	●
	<p>The two Economic SDGs, 8 and 9, are addressed in different components. Focus is particularly on SDG 9 through all green transition components, but other components focusing on digitalising the economy and data as a future raw material also address these SDGs.</p>	●
	<p>For Political SDGs, SDG 16 is the only political one implicitly mentioned in the NRRP. It relates mostly to social inclusion. The component on modernising public administration can also be considered in the context of strengthening institutions, although the focus is clearly on digitalisation. SDG 17 is not mentioned at all.</p>	●

Key insights

The NRRP proposes reforms and investments in all six EU pillars, further differentiated into ten components. Particular attention is paid to the green and digital transitions which have five policy components. These are linked to the national programme for economic recovery. NRRP measures also address the other EU pillars.

The German administrative system is federal, with a strong role for Länder and budgets at all administrative levels. LRA involvement is through the Länder. Their roles and responsibilities are defined by law and thus are not specified in the NRRP. Correspondingly, LRAs at different levels are involved in implementation with different roles, including being target beneficiaries. Although the SDGs are not explicitly mentioned in the plan, the NRRP intends contributing to most of them and refers to the German SDG Action Plan to which it contributes. The plan does not use SDG indicators, which may be due to measures outside the NRRP that also contribute to SDGs.

Italy

Territorial analysis	Content	Score
Involvement of LRAs	<p>The central government is in charge of drafting the NRRP. Ministries for specific policy domains in the plan proposed reforms and investments, with contributions from other Ministries who are involved in implementing projects and reforms. The elaboration process started in October 2020, and the first draft NRRP was presented in January 2021 by the former government. The new government elaborated a new version which was discussed in April 2020 and presented to politicians, LRAs, as well as social and civil actors.</p> <p>The role of LRAs in preparing the plan is barely mentioned, while for implementation, LRAs are considered, even if their role is not detailed across all missions. LRAs are involved in monitoring project implementation as a source of information, while the Ministry of Economy and Finance will be in charge of data aggregation, communication and evaluating the plan.</p> <p>Central, regional and local administrations will coordinate on implementation and monitoring, even though the institutional channels are still not well structured. NRRP central coordination is done by the Ministry of Economy and Finance and the ‘Control room’, within the Prime Minister’s office, whose structure and specific functions are not yet fully defined, but which is responsible for coordinating central administration and the LRAs involved in implementation.</p> <p>One of the four NRRP reforms aims to restructure and enhance the capacity of public administration by enhancing digital competences, increasing efficiency and investing in human capital.</p>	●
Territorial dimensions	<p>The plan illustrates disparities, needs and challenges at national and territorial levels, even though the territorial analysis is not systematic for all Missions. Also, it also does not always provide quantitative data. Data on potential consequences of no intervention are only at national level and not for all missions. When illustrating current policies, the NRRP mentions mainly national plans. Potential solutions and related policies are generally depicted at national level. However, some projects involve specific territories. Finally, in section 4 of the plan, macro-economic impacts are illustrated at the national level, though a specific paragraph is dedicated to describing the impact of investments and reforms on the south of Italy. There is no territorial data for each region, and throughout the document the impact is reported at national level, but not horizontally for all missions. The plan dedicates mission 5 to cohesion and inclusion, especially component 3, which is dedicated to territorial cohesion. However, the synergy with Cohesion Policy is only briefly mentioned, there are no further details about how the complementarity between the two will be ensured.</p>	●



Policy analysis	Content	
Green transition	<p>The Italian plan dedicates Mission 2 to green transition, which has about 40% of the budget. Environmental priorities are tackled in Missions 2 and 3 with a national strategy to strengthen the circular economy, ‘flagship projects’, and national programmes. Sustainable agriculture and the ‘Farm to Fork strategy’ is embedded in Mission 2, component 2 and includes interventions, programmes and reforms. Clean energy is tackled in the Hydrogen strategy with ‘Hydrogen valleys’. Interventions and reforms for smart housing and building renovation, along with sustainable mobility can be found in Missions 2 and 3. Climate change related interventions are mainly embedded in component 4 of Mission 2. Rural area transformation along with green jobs and skills are also addressed in the plan, but without a strong focus.</p> <p>The plan refers to Do No Significant Harm as a horizontal principle in implementation and also explicitly indicates how it will contribute to the EU Flagship Power up, Renovate, Recharge and Refuel but with no specific reference to the role of LRAs.</p>	
Digital transition	<p>All digital transition sub-dimensions, which account for 27% of the budget, are tackled in the NRRP. Missions 1 and 4 cover digital literacy with interventions, reforms and programmes to improve digital skills for public administration and school staff, as well as promoting STEM academic careers among young people. Other interventions include the national 5G plan, the ‘Connected School’ strategy, an advanced and integrated system to prevent environmental disasters, as well as a new digital system for road monitoring. There are additional reforms and programmes under the sub-dimension for broadband and cloud infrastructure. There are references to Smart City in reforms, interventions and strategies related to new urban plans, greening metropolitan areas, introducing recharging infrastructure for electric vehicles, and introducing electric buses and greener trains. Mission 1 is mostly dedicated to digital governance, with the digital transition of public administration. Finally, examples of digital services are in Mission 4.</p>	
Policy analysis	Content	Score
SDGs	<p>Although the plan does not explicitly mention the UN SDGs, it mentions Agenda 2030, and interventions and reforms contribute to the SDGs. Social SDGs 1 and 2 are addressed indirectly through social housing and the fight against material poverty (Mission 5), and investments to develop a more sustainable agricultural supply chain (Mission 2). SDGs 3, 4, 5 and 10 are widely addressed across several missions with interventions to support elderly people, enlarge the competences of rural drugstores, develop lifelong learning vocational training, more PhD scholarships and promote telemedicine and e-consultation. SDG 5 is horizontally approached in the plan where impact evaluation includes a gender perspective.</p>	●
	<p>The Environmental SDGs are also covered. Mission 2 includes investments, reforms and programmes related to water management in remote and rural areas. It also envisages investments to foster the circular economy and wiser use of natural resources, encouraging short supply chains. Missions 2 and 3 include interventions for</p>	●

	sustainable mobility and smart cities, as well as the protection of marine areas.	
	Economic SDGs 8 and 9 are tackled in the plan. Mission 4 encompasses investments and reforms to support R&D, enhance academic research and foster knowledge sharing between universities, research centres and enterprises.	●
	Finally, for Political SDGs , only SDG 16 is implicitly mentioned in relation to the reform of public administration, which includes interventions, budgets and programmes to support more efficient and effective public administration. A significant intervention encompasses the qualitative and quantitative valorisation of material and immaterial goods impounded from criminal organisations. Finally, the NRRP embeds public procurement reform including shortening the time to build infrastructure.	●


Key insights

The Italian NRRP includes reforms and investments under all six EU pillars, with 6 missions and 16 components. The three main areas of intervention are green and digital transitions and social inclusion, while gender equality, policies for the next generation, children and youth, and territorial cohesion are horizontal principles intrinsically embedded in all the missions. Although the role of LRAs is not detailed in relation to each investment and reform, in some missions, such as 2, 3 and 5, they play an active role in implementing interventions and reforms. The partnership principle is embedded in the NRRP, not least because of the involvement of economic, social and other civil society partners in the process. The NRRP does not include a detailed quantitative analysis of territorial disparities and challenges at local/regional level but mentions them from a national point of view. In section 4 and some components, the document illustrates the major national impacts of the NRRP on GDP in the coming years, how many new jobs will be created with the green and digital transitions, and how more efficient public administration can support a rapid economic and social recovery. Although the SDGs are not explicitly mentioned in the plan, the six missions actively contribute to goals in Agenda 2030, which is mentioned along with the Paris agreement, the EU Green Deal, and the Charter of Fundamental Rights of the EU.

Romania

Territorial analysis	Content	Score
Involvement of LRAs	<p>The Ministry of European Investments and Projects (MIPE) is in charge of elaborating the NRRP and negotiating it with other ministries, national stakeholders and the EC. For the elaboration, 20 inter-ministerial consultations were organised, as well as 12 thematic public consultations with LRAs, private sector organisations, civil society representatives and social partners. The NRRP does not detail the contribution of LRAs in the consultation process, but there is an example within the health reform section. For LRA roles in implementation, the plan mentions that LRAs will be involved in creating project calls, and when relevant, in monitoring and evaluation of the plan. The involvement of LRAs in implementation can be found in several investments, most notably in Pillar IV within the investment to create a ‘Local fund for the green and digital transition’ in which LRAs will be responsible for implementation of various projects. For monitoring and evaluation, the LRAs will be part of the Monitoring Committee with more of a consultative role. The plan envisages coordination among more than two levels of administration especially for Pillar IV, Social and territorial cohesion.</p> <p>The necessity for administrative and capacity building activities in local public administration is mentioned in the plan, as well as capacity building activities for LRAs.</p>	
Territorial disparities	<p>Disparities, challenges and needs are presented from a territorial perspective, accompanied by quantitative data (especially in Pillar IV on Social and territorial cohesion). The explicit territorial impact is mentioned in a few cases but is mostly implicit, normally as being greater in certain territories. The role of LRAs in current policies and potential investments is not presented, mostly because some Operational Programmes already have a well-known local implementation process, such as the Regional Operational Programme or Large Infrastructure Operational Programme. The future impact of investments and reforms is presented in a qualitative manner from a territorial point of view. Future investments are mostly presented at national level, but some are detailed at territorial level. The plan mentions that RRF funds, together with Cohesion Policy funds shall help with the country’s economic recovery and systematically presents the complementarity of investments with other programmes also funded through the Cohesion Fund.</p>	



Policy analysis	Content	
Green transition	<p>The Green transition is mostly tackled in Pillar 1, which is completely dedicated to this but is also found under other pillars. All the dimensions are tackled, mostly in a detailed way. Clean energy, smart housing, sustainable mobility, climate change adaptation and resilience, industrial decarbonisation, environment priorities and rural area transformation have the highest level of integration, with budgets, projects to be financed under different programmes and schemes accompanied by legislative reforms also involving LRAs in implementation. For the Farm to Fork strategy and CAP greening, and green jobs, the budget will finance interventions under various programmes. The involvement of LRAs is not explicitly mentioned.</p> <p>Compliance with the Do No Significant Harm principle is broadly tackled in a dedicated annex for each component The flagships Power up, Renovate, Recharge and Refuel are mentioned in a dedicated section in the first part of the plan.</p>	
Digital transition	<p>The digital transition is mostly presented in Pillar II, but some investments and reforms in other pillars contribute to this goal. The plan envisages a budget, interventions, tailored programmes, plans and reforms for all dimensions, i.e., digital governance, Smart City, broadband and cloud infrastructure, digital literacy, and digital services.</p>	
Policy analysis	Content	Score
SDGs	<p>SDGs are tackled in the NRRP, except for SDGs 2 and 17. The plan intends to strongly contribute to Social SDGs 3,4, and 10 through reforms, programmes and investments in healthcare, education and social services. SDG 4 is also integrated, using an EU indicator. The plan highlights the intention to contribute to gender equality and empowerment of women (SDG 5), with specific interventions, programmes and budget.</p>	●
	<p>Environmental SDGs are highlighted in the plan with dedicated budgets, projects, programmes, or national strategies and reforms to address issues such as waste and water management, renewable energy production and energy efficiency in buildings and public transport. Particular attention is also devoted to improving cities and municipalities as well as to improve and protect biodiversity, life on land and under water. (Pillar 1 is dedicated to green transition, but other investments can be found in other pillars). SDG 11 is explicitly mentioned, while SDG 15 is integrated through a UN indicator.</p>	●
	<p>Economic SDGs 8 and 9 are addressed in Pillars II, III, IV and VI with reforms and investments to digitise administrative procedures, stimulate business competitiveness and support R&D. Both economic SDGs have the highest level of policy commitment, with an</p>	●





	assigned budget and dedicated interventions, programmes, and reforms.	
	For Political SDGs , the objective in SDG 16 is explicitly mentioned. The NRRP proposes legislative reforms to ensure administrative simplification, strengthen policy coordination capacity, institutional resilience, and impact analysis in central and local public administration, improve the justice system and digitalise public administration (examples in Pillars II and V). SDG 17 is not mentioned.	

Key insights

The NRRP proposes reforms and investment under all six EU pillars. Pillars I and II are entirely dedicated to green and digital transitions, which are also linked in the other pillars. Although only five UN SDGs are integrated or explicitly mentioned in the plan, the NRRP intends to contribute to objectives of most of them, and the ‘Centre of Excellence for Public Administration in the field of sustainable development’ shows a commitment to integrate them in future policies at central and local level. The LRAs were involved in the consultation process but their contributions to the plan elaboration are not mentioned. They are presented as beneficiaries of the interventions and investments, and, in some cases, as involved in the programming and implementation process. The partnership principle is embedded in the NRRP as local, regional, and national administrative levels are involved in the NRRP coordination mechanism.

Poland



Territorial analysis	Content	Score
Involvement of LRAs	<p>The Ministry of Development Funds and Regional Policy (MFiPR) is in charge of elaborating the NRRP, and negotiating it with other ministries, national stakeholders and the EC. MFiPR organised consultations open to the general public and also specifically to LRAs (within the Joint Committee of the Government and Local Government). Aspects related to LRAs in the draft NRRP changed significantly as a result of the consultation process. In the NRRP there is a much more explicit focus on the role and needs of LRAs and many of their expectations for support have been taken into account.</p> <p>LRAs took part in the NRRP elaboration, mostly identifying potential projects, and in consultations. Their role is also foreseen in implementation, where LRA representatives will be members of the NRRP Monitoring Committee, and regional authorities will help shape project selection criteria. So, LRAs are expected to be involved in monitoring and evaluation, as well as in promoting NRRP support among potential beneficiaries in their territories.</p> <p>The necessity for administrative and capacity building in local public administration is mentioned in the plan for specific reforms and investments.</p> <p>The plan envisages coordination among administrative tiers especially for reforms and investments which need to be implemented at both central and LRA levels and investments targeted at the territorial level.</p>	
Territorial dimension	<p>The NRRP states that development in Poland is highly territorially diversified with many disparities, challenges and needs, with accompanying quantitative data, impacts and current policies. Increasing national, social and territorial cohesion is a horizontal objective for all specific objectives in the plan. However, measures are mostly presented from the national perspective and only those targeted at the territorial level are detailed on a territorial basis. Future impacts of the reforms and investments are presented from a national perspective with quantitative data in a dedicated chapter. Some local and regional future impacts are presented in the plan, mostly using qualitative data.</p> <p>Importantly, the plan also underlines MLG for complementarity and demarcation with other EU and national development funding streams, especially EU Cohesion Policy. Furthermore, the plan highlights that preparation of the NRRP was carried out simultaneously with the Cohesion Policy partnership agreement, for which the responsible body was always MFiPR, which collaborated with other ministries, regional authorities and other stakeholders.</p>	

Policy analysis	Content	
Green transition	<p>The green transition is in the plan mostly in components B and E, which foresee reforms and investments towards a greener, more sustainable country. To achieve these objectives, budgets were allocated, with investments, reforms, programmes planned along with legislative measures to better frame the reforms. LRAs are involved in all intervention areas except Industrial decarbonisation.</p> <p>The NRRP has a dedicated section for EU Flagships where investments, reforms and legal actions are mentioned in relation to the corresponding flagship, detailing also the expected contribution to EU objectives.</p> <p>The Do No Significant Harm principle is broadly tackled in the plan where the first part states that an analysis of investments and reforms was performed for compliance with the principle of ‘Do-No-Significant-Harm’ and offers more details such as the contractor in charge of the analysis and the results. Moreover, each component of the plan has a section dedicated to the principle which highlights the coherence of investments under each component.</p>	
Digital transition	<p>The digital transition is mostly under component C, but some investments and reforms are foreseen under other pillars which contribute to this goal. The interventions related to reforms for digital governance, Smart City, broadband and cloud infrastructure, digital literacy and digital service market envisage budgets, projects, programmes, specific strategies and reforms. The highest level of integration regards digital governance, broadband and cloud infrastructure, digital services, and Smart City (though this is not emphasised as a key NRRP area). Digital literacy is also highly integrated, however mostly through investments without changing the regulatory framework.</p>	
Policy analysis	Content	Score
SDGs	<p>For the Social SDGs, the plan intends to contribute to all the goals, however most strongly to Goals 3 and 4, particularly through reforms and investment in public health care and education. The contribution to SDGs 5 and 10 are mainly through reforms and investments in education and the labour market.</p>	
	<p>The environmental SDGs are highly significant in the plan, with the exception of SDG 14 (which is implicit) and SDG 15 (not included). The key areas of policy intervention are renewable energy, energy efficiency, water and wastewater treatment, green urban development and development of the circular economy.</p>	
	<p>Economic SDGs 8 and 9 are generally covered and the plan envisages also using an EU indicator for SDG 8. Reforms and investments within components A, B, D and E contribute most with their impact on productivity, investment, quality jobs and industrial upgrading.</p>	
	<p>For political SDGs 16 and 17, the NRRP mentions needs resulting from Country Specific Recommendations for Poland and how those are addressed within the plan (e.g. improving regulatory and institutional conditions for stable economic activity including spatial planning or digitalisation of institutional processes) and outside it.</p>	

Key insights

The NRRP proposes reforms and investments reflected in five NRRP components related to the economy, Green transition, digital transition, healthcare and sustainable mobility. In the NRRP programming process there were significant modifications after public consultation. Importantly, territorial challenges are recognised and extensively discussed as one of the nine key challenges of the NRRP. Increasing territorial cohesion in the country is a horizontal objective cross-cutting the three specific objectives. Consequently, there are territorial reforms and investments in each component, though the plan is generally programmed at the national level. LRA involvement was relevant in two forms – in consultations and to identify potential projects to be supported. The plan underlines the role and need for MLG and sets out some mechanisms. The most important are for implementation, monitoring, evaluation, complementarity and demarcation with other EU and national funding streams (including Cohesion Policy) and promotion. Significantly, LRA representatives will be members of the NRRP Monitoring Committee, and the regional authorities will also shape territorial project selection criteria. In the plan, reforms and investments target LRAs, mostly as recipients, where their role is described in further detail. However, in some cases the LRA context within a measure is not explained directly. Also, the need to increase the administrative capacity of LRAs to implement reforms and investments is addressed. For each reform and investment, the NRRP notes the bodies responsible for implementation and the target beneficiaries. Although SDGs are mentioned in the plan, sometimes implicitly, the NRRP integrates or intends to contribute to achieving most objectives in the UN Goals.



France

Territorial analysis	Content	Score
Involvement of LRAs	<p>The NRRP set up process started in May 2020, with the central role of the Ministry of Economy, Finance and Recovery preparing the ‘France Relance’ strategy. Internal consultations were guided by the Ministry and included social, civil and economic stakeholders, as well as Region presidents, the Association of the Regions of France, the Secretariat-General for European Affairs and the National Agency for Cohesion. Meetings were mostly informative. The Ministry briefed them on the NRRP structure and the potential coordination mechanism to manage the NRRP and Cohesion Policy funds. However, the plan does not illustrate LRA contributions to elaborating the NRRP.</p> <p>A dedicated body was created within the Ministry of Economy, Finance and Recovery and the Prime Minister’s Cabinet to ensure coordination and implementation of the NRRP and to coordinate central administration with LRAs. However, the NRRP does not provide specific details about how this coordination among the three levels of authorities will work.</p> <p>The role of LRAs in implementation is described mainly in the third section of the plan, which states that regions and departments are in charge of implementing measures at local level, as well as monitoring them, along with national officers working in the regions and departments. For monitoring, regions and departments will transfer monitoring data to the relevant ministries.</p> <p>Administrative capacity building problems are illustrated in general terms and only at national level, they are not approached horizontally across the nine components. Interventions and reforms are envisaged to strengthen public administration, in particular for digital competences. Another important element is the ‘4D’ law, aiming at perfecting decentralisation, ‘<i>déconcentration</i>’, differentiation and simplification.</p>	
Territorial dimension	<p>The plan illustrates disparities and challenges for each of the nine components at national level but does not provide quantitative and detailed analysis from a territorial perspective. Similarly, ‘France Relance’ delineates existing national strategies and plans to overcome those disparities. The plan does not mention potential territorial impacts without policy action. Future strategies and programmes in the NRRP along with those not in the NRRP to support economic and social recovery from the COVID crisis are presented from a national point of view. The document dedicates section 4 to the future national level impact of the plan, providing quantitative and qualitative analysis. For almost each investment and reform, there is a section detailing potential national impacts on the economy and society, mostly with quantitative data.</p>	


Policy analysis	Content
Green transition	<p>‘France Relance’ assigns about 50% of the financial resources to green transition, highlighting its political and economic impact. Firstly, the ‘Do No Significant Harm’ principle is explicitly mentioned as the plan details how much the interventions and reforms include it with their impact and each proposed intervention illustrates how it respects the principle. The EU flagships Power up, Renovate, Recharge and Refuel are analysed in the introduction that assesses which investments contribute to these.</p> <p>Clean energy is strongly emphasised in ‘France Relance’. There is the national hydrogen strategy, the new photovoltaic park in Vernon and the ‘Heat fund’. Smart housing and building renovation are encompassed by financial schemes to support renovation for private buildings, targeted at energy efficiency. Components 3 and 4 describe projects and reforms related to sustainable mobility. Climate change and resilience is tackled through the proposed ‘Climate and Resilience’ law dealing with themes proposed by the Citizens Convention for Climate. Industrial decarbonisation is strongly addressed with the hydrogen strategy measure and the PIA4 programme. The plan also offers examples of environmental investments and reforms along with the national circular economy strategy. Moreover, the R&D national strategy is included in the plan to support R&D also for biodiversity, ecosystems and biological resource studies. The ‘Farm to Fork’ strategy is widely integrated in the plan with the national protein strategy and laws to fight food waste and to promote circular economy. One innovative element is the ‘green budget’. The state has analysed its national budget using ‘green lenses’, assessing the impact of state expenditure on the environment according to six environmental criteria.</p>
Digital transition	<p>All subdimensions of the digital transition are taken into consideration in ‘France Relance’ with a budget of about EUR 10 billion (25%). Digital governance encompasses standardising the use of e-ID, strengthening the digital competences of public administration and providing secured communication systems for public and private security and rescue actors. Smart City is mainly tackled by investments to develop shared mobility, mainly in city suburbs. The programme ‘France broadband connectivity’ and 5G national strategy are examples of programmes related to broadband and cloud infrastructure. Moreover, France has a cooperation project with Germany on cloud infrastructure. Digital literacy is encompassed with actions to increase the digital skills of public administration and vocational training to improve employee skills, including digital skills. Finally, the plan describes the national strategy to fight digital illiteracy, which affects about 13 million French citizens. Digital services are not strongly addressed.</p>

Policy analysis	Content	Score
SDGs	<p>With the exception of SDG 5 (Gender Equality), the plan does not explicitly mention UN SDGs.</p> <p>For the social dimension, SDG 1 (No Poverty) is taken into account with interventions to support young people at risk of social exclusion and dropping out of school. SDG 2 (Zero Hunger) is tackled through investments within the national protein strategy, including goals of the ‘Farm to Fork’ strategy. SDG 3 (Good Health and Well-being) is tackled in component 9 dedicated to health system reform. SDG 5 is explicitly mentioned in the introduction, as a horizontal objective of the plan. In addition, specific measures and reforms addressing it are in components 5 and 7. SDG 10 (Reduced inequalities) is encompassed by actions to support young and disabled people to access the labour market, and interventions reduce inequalities for entering public administration.</p>	●
	<p>For the environmental dimension, all the SDGs are included. The plan includes interventions to promote energy efficiency for public and private buildings, the hydrogen strategy, measures to upgrade water treatment systems and plants, the national protein strategy to fight hunger and to reduce CO2 emissions, as well as more responsible and sustainable production. Moreover, there are investments for forest improvement, restoration and adaptation to climate change, as well as the national biodiversity strategy 2011-2020 which will be renewed for 2021-2030 to preserve, restore, strengthen and enhance biodiversity and ensure its sustainable and equitable use.</p>	●
	<p>The economic SDGs are addressed horizontally. Components 5 and 7 present measures related to these SDGs, with other R&D interventions and reforms in component 4. These include the hydrogen strategy, which encompasses European cooperation projects, support for the aviation sector, and PIA4, which includes support for innovative enterprises.</p>	●
	<p>Among the political SDGs, Goal 16 is considered in component 7 with measures to make public administration more transparent, efficient, digitalised and closer to citizens.</p>	●
Key insights		
<p>The French NRRP covers reforms and investments under all six EU pillars, encompassing nine components. It responds to short-term challenges such as the necessity to recover from the pandemic crisis as well as to long-term challenges, namely climate change. All the investments and reforms respond to the objective to achieve and improve social, economic and territorial cohesion, making the country and the EU a more inclusive and resilient place to live, aiming at Agenda 2030 Goals. The plan is a comprehensive national strategy where past and current policies are intrinsically linked with a forwarding looking approach. The LRAs are mentioned as implementing bodies and/or beneficiaries of interventions, as well as playing a role in the monitoring process. It seems they did not play a role in designing the national strategy.</p>		

Spain

Territorial analysis	Content	Score
<p>Involvement of LRAs</p>	<p>The Central Government drafted the NRRP adopting a top-down approach. Informative meetings with LRAs were held in the Sectorial Conference, where each ministry interacted with the respective regional department to receive information on projects, objectives and available budget. Overall responsibility lies with the ‘Commission for Recovery, Transformation and Resilience’ presided over by the Prime Minister with the participation of Ministries, Secretaries of State and the Secretary General for Economic Affairs and G20. The LRAs did not play a significant role in preparing the plan.</p> <p>For governance, LRAs (in particular Autonomous Communities) are expected to play a more significant role in implementation and monitoring, even though their involvement is not currently defined and delineated by the Sectorial Conference. The Spanish NRRP will be mainly implemented through big priority projects called ‘PERTES’ (Proyectos Estratégicos para la Recuperación y Transformación Económica) which will coordinate public and private funds through PPP. The list of PERTES will be decided by the Council of Ministers.</p> <p>Institutional channels to implement the plan are presented in general terms. A main actor is the Commission for Recovery, Transformation and Resilience which will establish political guidelines for developing and executing the Recovery Plan and will carry out strategic monitoring. To facilitate implementation, a Technical Committee including 20 public administration members and chaired by the Secretary General for EU Funds will be established. The General Secretariat of European Funds, along with Ministries, will oversee project monitoring. Central Authorities and LRAs will cooperate in the ‘Sectorial Conference for the Recovery Plan’, chaired by the Ministry of Finance, and in the Spanish Federation of Municipalities and Provinces. The role of LRAs is mainly executive, while projects are designed at national level. There is no focus on improving administrative capacities at LRA level. One reform concerns enhancing administrative capacity, considered necessary for implementing, monitoring, audit and control, training and communication.</p>	
<p>Territorial dimension</p>	<p>The plan illustrates disparities, needs and challenges mainly at the national level, with a generic reference to regional challenges but without analysing disparities within the territories. The document mentions that Autonomous Communities prepared or updated their own plans, aligning them with the 30 components of the national plan. When addressing strategies and policies targeted at regional issues, the plan refers mainly to national strategies and plans. Some projects and reforms are targeted at specific areas or communities in rural and coastal areas. Section 4 of Annex 3 provides a detailed</p>	

	economic analysis of how the plan is expected to impact regional convergence. Graph 21 shows how the measures are meant to reverse divergence between regions that started in 2008 and differences in the convergence process between regions and drivers of this process.	
Policy analysis	Content	
Green transition	The Spanish plan dedicates components 1 – 10 to green transition, whose budget is around 45% of the NRRP. Those components address decarbonising urban mobility and developing a more efficient European rail system, improving air quality and quality of life in cities along with investments to promote energy efficiency in existing buildings. Component 3 presents reforms and plans to foster transformation of the agri-food sector to meet the challenges of climate change and the needs of a population increasingly aware of sustainable production. Clean energy is also included, with a focus on hydrogen and its sectorial integration. The plan for conserving and restoring ecosystems and biodiversity aims at good conservation of ecosystems through ecological restoration when necessary and reversing the loss of biodiversity, guaranteeing sustainable use of natural resources and the preservation and improvement of ecosystem services. The ‘Do No Significant Harm’ principle is explicitly mentioned in the document. The plan details how much the investments and reforms include it and their impact on the principle. The EU flagships Power up, Renovate, Recharge and Refuel are mentioned in the introduction which notes projects that will contribute to the EU Flagships.	
Digital transition	All the Digital transition sub-dimensions are tackled in the NRRP. Component 15 revolves around digital connectivity, cybersecurity and 5G rollout, with a 5G roadmap along with support measures and investments in digital infrastructure. Component 16 establishes a national strategy for artificial intelligence improving AI applications and investments in talent. Similarly, the NRRP presents a strategy for ‘institutional reform and capacity building of the national science, technology and innovation system’. The strategy to improve digital literacy is laid out and aims to guarantee training and digital inclusion.	
Policy analysis	Content	Score
SDGs	Even though the plan does not mention all the UN SDGs, reforms and investments contribute to the Goals. For the social dimension , SDGs 1, 2 and 10 are addressed implicitly in components 22 and 30 that cover measures against poverty and foster social inclusion. SDGs 3 and 4 are addressed by projects in components 18 and 21. SDG 5 on gender equality is mentioned directly, as a main axis around which the plan was built. The Annex also includes an estimate of the effect of the plan on SDG 5 objectives.	●
	The environmental dimension of the SDGs is covered by many components of the plan and components 1 to 10 are all linked to the environmental SDGs.	●
	The plan tackles the two economic SDGs, 8 and 9 though reforms and investments targeted at innovation and growth in the industrial	●

	sector, with a focus on SMEs and tourism, and by investments in digitalisation and innovation.	
	Political SDG 16 is implicitly mentioned in component 11, which describes investments and reforms that modernise public administration to make it more efficient and accountable.	
Key insights		
<p>The Spanish NRRP includes reforms and investments in all six EU pillars. The four main areas of intervention are ecological transition, digital transition, social and territorial cohesion and gender equality.</p> <p>Although the plan does not mention UN SGDs, except for SDG 5, all the reforms and investments contribute to the UN Goals.</p> <p>While the plan does not provide a territorial analysis of current needs and disparities, a territorial approach is used to describe the potential impact with a quantitative analysis at regional level.</p> <p>LRAs were not involved as co-designers, being just informed of the contents of the plan that was prepared at national level. Their involvement in governance is still to be fine-tuned. However, the responsibilities of LRAs in implementing the plan appear very important. This reflects the constitutional setup of the Spanish state - which is fully and carefully considered in the plan.</p> <p>However, LRA responsibilities to implement the plan could be an excessive burden if they are responsible for executing a plan they have not co-designed. In addition, the plan seems to not include provisions for enhancing LRA administrative capacity.</p>		

Croatia

Territorial analysis	Content	Score
Involvement of LRAs	<p>The public consultation process was between December 2020 and April 2021 when the Office of the Prime Minister and the Ministry of Finance coordinated the plan drafting. LRAs were involved in the consultation process with the central level, as were other parties involved in implementation. Moreover, various central level institutions are presented as responsible for implementing the reforms. For investments in LRAs or specific territories, LRAs are presented as either partners helping implementation along with the central entities, or as final beneficiaries. State administration bodies involved in implementation will also be on the Implementation Committee, which oversees monitoring and implementation. The Croatian plan envisages coordination among different levels of administration and cooperation between various actors to implement specific reforms. Coordination between the central, regional, and local levels is foreseen especially for decentralising and digitalising public administration and consolidating agricultural land. The plan clearly highlights the need for capacity building in central and local public administration to better create, implement and evaluate public policies and projects, especially related to EU funds. Moreover, the plan also highlights a lack of administrative capacity at the local and regional level. The plan foresees investments to increase capacity and coordination in local public administration regarding tasks, cooperation with other local public administration, public policies, strategic planning, better regulation and preparation of project documentation.</p>	●
Territorial dimension	<p>Disparities, challenges and needs are presented from a territorial perspective throughout the plan accompanied by quantitative data. The territorial dimension is usually presented in connection to reforms for specific territories with the detail depending on the policy. The impacts at territorial level and current policies to address them are presented depending on the reform. The plan also describes potential policies from a territorial perspective, but not consistently throughout the plan and more with reforms for specific territories. Future impacts of the policies are presented in a dedicated section of the plan which lacks a territorial perspective.</p>	●
Policy analysis	Content	
Green transition	<p>Reforms and investments regarding the green transition are mostly in two components of the plan. The green transition is tackled through investments, reforms and legislative actions which harmonise existing regulations. For Clean energy, Climate change adaptation and resilience and Industrial decarbonisation, LRAs are final beneficiaries, with no clear role in implementation. It is simply mentioned that they will be involved in the investment cycle. However, LRAs are involved in implementing interventions for Smart housing, Sustainable mobility, Environment</p>	



	<p>priorities, ‘Farm to Fork’ strategy and CAP greening and Rural area transformation. The last two are connected since the plan includes investment to consolidate agricultural land, contributing to both CAP greening and renewing rural areas.</p> <p>The Do No Significant Harm principle is broadly tackled in the plan, with dedicated sub-chapters showing how each sub-component will respect this principle. A table includes the flagships (Power up, Renovate, Recharge) and presents the NRRP contribution to these objectives.</p>	
Digital transition	<p>Although there is no pillar dedicated to digital transition, the NRRP includes investments and reforms to digitalise public administration, with investments in systems to boost business competitiveness, improve waste and water management, as well as to improve public administration and other state processes. All five fields of intervention are tackled throughout the plan which envisages measures for business, public administration, education, social protection, healthcare and renovation.</p> <p>Relevance is also related to digital literacy measures and reforms in the plan, to ensure the potential of digitalisation interventions is maximised.</p>	
Policy analysis	Content	Score
SDGs	<p>Most UN social objectives are explicitly mentioned in the NRRP, though SDG 5 is integrated with a reform to reduce the wage gap between women and men, which also matches an EU indicator regarding gender pay gaps. All SDGs have a budget, investments, plans, or programmes which will also be subject to regulations.</p>	●
	<p>Environmental SDGs 7, 13 and 15 are mentioned in the plan, while SDG 14 is not tackled at all. SDGs 6, 11, and 12 are integrated using either EU or UN indicators. Two indicators for SDG 6 regard improved wastewater treatment and water supply (C1.3), which correspond to the EU indicators ‘Proportion of population using safely managed drinking water services’ and ‘Population connected to at least secondary wastewater treatment’. SDGs 11 and 12 are also integrated with indicators on municipal recycling and a sustainable tourism strategy. The six SDGs have budgets, investments, programmes and legal reforms to create a greener, more sustainable and climate resilient country.</p>	●
	<p>Economic SDGs 8 and 9 are both addressed in the plan through different reforms, but the first component covers them the most. Also, the two are tackled with four levels of intensity. SDG 8 is explicitly mentioned and for SDG 9 the plan includes an indicator which matches the EU indicator ‘Patent applications to the European Patent Office’.</p>	●
	<p>Political SDG 16 is explicitly addressed, with reforms and investments to tackle decentralisation, digitisation of public administration, taxes, public procurement, corruption and money laundering. Public administration and judicial reforms are an important part of the NRRP with reforms corresponding to SDG 16 having a specific budget and many interventions enforced by programmes, strategies and legislative actions. The other political goal, SDG 17, is explicitly mentioned.</p>	●

Key insights

The plan envisages many reforms and investments to develop and modernise Croatia by boosting social, territorial and economic cohesion, also using other financing resources. It clearly identifies challenges and needs, also at territorial level. Reforms and investments involve LRAs in implementation. The digital transition is horizontally tackled in all six components of the plan, for businesses as well as for local and regional public administration and state institutions for education, health, and social protection. The green transition is also an important part of the plan, mostly in the first and last components. Also, sections which cover coherence with the European flagship and the Do No Significant Harm principle are presented in detail.

Almost all UN SDGs are tackled in an explicit or integrated manner (by using EU and UN indicators), though environmental SDG 14 and political SDG 17 are not covered. SDGs which are not explicitly mentioned in the text are encompassed in an annex, i.e., Appendix 1, where each reform and investment is mentioned and linked to an SDG objective or Flagship Initiative, though sometimes the plan does not use the EU or UN indicators.

Belgium

Territorial analysis	Content	Score
Involvement of LRAs	<p>The Belgian NRRP details the consultation process, which started in November 2020 for the central government and the Flemish region, while for the other regions and the Walloon-Brussels federation it started in January 2021. Given the institutional and constitutional status, each regional government has discussed investments and reforms within their parliaments and with economic, civil and social actors, and then presented these to the federal government. The federal government conducted its own consultation process and recently merged the measures and reforms. In section 5 the consultation process is detailed for each federal entity, with the actors involved, the dates of meetings and themes discussed. The State Secretary for Economic Recovery and Strategic Investments in charge of Science Policy was in charge of coordinating the federal entities and designing the NRRP and is the EC contact point.</p> <p>The strategy envisages measures and reforms for each regional entity, which will oversee implementation and follow up. Section 4 of the third part of the plan illustrates and details implementation and monitoring at central and regional levels. Regional entities are not only sources of information, responsible for sending data on project implementation, they are also partners, accountable to citizens and local administrations. At the central level, the government will chair the inter-ministerial conference, gathering regional entities to coordinate regional governments during implementation, discuss potential problems and report on progress. The central level monitoring committee will gather data from regional entities and coordinate the whole process. At regional level, each government has a monitoring committee to follow up on implementation, gather data and ensure the implementation process is smooth.</p> <p>Problems of coordination among the tiers of administration are mentioned in the plan. Axis 2 is entirely dedicated to measures and reforms to strengthen public administration by digitalising public services. A specific measure – eliminating overlapping administrative process and procedures for enterprises and citizens concerning federal and/or regional public administration - is implemented by the federal government, with regional actors included in the monitoring committee. The project should improve regional and federal coordination in policy areas which mostly involve citizens and enterprises, such as finance, social policies, mobility, justice and internal affairs.</p>	
Territorial dimension	<p>The plan details challenges and needs at both national and territorial levels. The territorial analysis considers each issue and illustrates disparities, needs, and challenges with the support of quantitative data. Potential solutions to local issues and the related policies are</p>	

	illustrated at the local level. The last part of the plan presents a qualitative and quantitative macroeconomic analysis of the impact of the plan. Some components also provide potential future impacts on citizens and territories.
Policy analysis	Content
Green transition	The Belgian NRRP dedicates about 51% of the budget to green transition, which will be the focal point of the plan. The main pillars of the green transition are renovation and smart housing, an economy based on hydrogen and renewable energy, and the restoration of biodiversity. Axis 1 allocates significant financial resources to public and private building renovation – with investments and reforms for each regional government. Projects and reforms for industrial decarbonisation, with interventions on the use of hydrogen, as well as support for economic sectors to move to hydrogen and low carbon activity are included. Belgium is also participating in the IPCEI transnational project. The plan dedicates actions to preserve biodiversity, fight climate change and increase resilience. Climate change is also addressed through energy efficiency for buildings and financial resources for R&D to study related topics. The circular economy has its own component, with reforms and investments in all federal entities. Clean energy is addressed in Axis 1. The Flemish government approved infrastructure to produce ‘green’ heat and recover residual heat. The ‘Farm to Fork’ strategy is addressed in Axis 5 with interventions to reduce food waste with more sustainable and shorter food supply chains. Green jobs do not have a dedicated component and rural area transformation is not strongly addressed. The plan mentions the Do No Significant Harm principle in general terms but not widely. Finally, the document takes into account the EU Flagships Power up, Renovate, Recharge and Refuel, even though there is no detailed explanation of how investments and reforms will contribute to these.
Digital transition	The NRRP deals with all the digital transition subdimensions. Many investments and reforms are dedicated to digital governance, with measures on digital and cyber security, projects to accelerate the digitalisation of public administration, ensure accessible and transparent access to governmental and federal data, and invest in human capital formation. Smart City is addressed in several interventions related to high-speed internet in all municipalities. Measures in Axis 3 concern safer and more sustainable mobility infrastructure, more cycling routes, ensuring safer routes and investing in intermodal public transport. Broadband and cloud infrastructure are tackled through a national plan for broadband connectivity and an AI institution for the public good in close cooperation with research centres, universities and enterprises. Digital literacy is addressed within human capital formation for public administration with Cyber Secure and Resilient Digital Society projects to support enterprises, in particular SMEs, to face cybersecurity issues and increase their resilience to ICT problems. Other measures related to digital literacy concern digital skills for students, as well as projects to strengthen the digital competence of teachers and advanced digital devices for primary and secondary schools. For digital services, supporting enterprises to secure their websites and e-activities are foreseen,

	as well as measures to support enterprise export activities during and after the COVID crisis.	
Policy analysis	Content	Score
SDGs	The plan explicitly mentions the majority of UN SDGs. For the social dimension, all SDGs are included in several investments and reforms across multiple axes to make the fiscal system more equitable, ensure training and employment for vulnerable groups, improve social infrastructure, promote food relocation projects and more sustainable production and storage in the agricultural sector. The eHealth Roadmap for digitalising healthcare in Belgium is an example for SDG3, while projects related to SDG 4 address inclusive education by combating early school leaving. Gender equality is clearly addressed from the beginning of the plan, the issue of gender disparity in the labour market is clear in a two-part project to include vulnerable women in the labour market.	●
	Environmental SDGs are covered by investments, reforms and programmes related to water management, rural areas, improved housing energy efficiency, public transportation and fostering the circular economy. Component 1.3 is related to climate and the environment and includes projects to restore natural areas, reduce eco-fragmentation and improve water management. These projects aim at positively affecting ecosystem resilience (land and water).	●
	Both economic SDGs are addressed in several components.	●
	Political SDG 16 is explicitly mentioned in investments and reforms regarding cybersecurity and public administration. SDG 17 is not mentioned in the plan.	●
Key insights		
<p>The Belgian NRRP includes the six EU pillars and focuses on digital and green transitions, as well as territorial, social and economic cohesion. Preparation of the plan and its final structure included strong participation of federal governments with national coordination. LRAs proposed investments and reforms, consulted with the national government and co-designed the NRRP. Sections 3 and 4 illustrate how LRAs will also be implementing actors, involved in monitoring and partners to ensure fair and transparent NRRP implementation. The territorial analysis confirms the strong involvement of local and regional actors with quantitative and qualitative analysis of regional needs and challenges, as well as federal and national solutions to address them.</p> <p>Digital and green transitions include innovative but also place-based investments and reforms as a stepping stone for economic and social recovery, able to create new and innovative jobs. The SDGs are explicitly mentioned in the plan, which illustrates how measures and reforms will contribute to Agenda 2030 Goals.</p>		

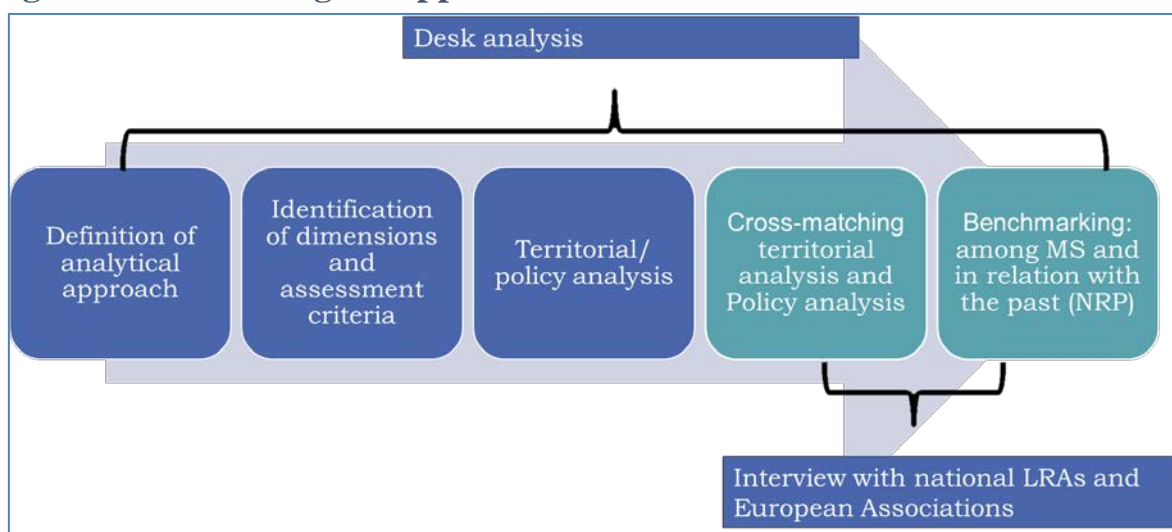
Annex II. Methodological approach

The methodology involves the following phases:

1. defining the **analytical approach** for assessing the NRRPs;
2. setting the **dimensions** to be analysed and evaluated, as well as the **assessment criteria**;
3. conducting the **territorial and policy analysis of the eight NRRPs**;
4. analysis cross-matched and benchmarked to **assess differences and/or similarities** among the NRRPs as well as **major changes** to past NRPs;
5. **interviews** with national LRAs and European associations to gain insights ‘from the ground’ as well as to better **assess and elaborate results** from the desk analysis.

The study is based on desk analysis and interviews.

Figure 1. Methodological approach



Source: Elaboration of the study team


The study analyses the NRRPs of eight Member States with two types of assessment:

1) **Territorial analysis**, to understand how much NRRPs encompass:

- the involvement of LRAs in elaboration and implementation;
- the identification of social, economic, digital and environmental needs in an integrated way at LRA level.

The assessment envisages a scoring system as illustrated in Table 1. This scoring measures the ‘intensity’ of the territorial approach in the NRRPs based on the reference to the specific dimension/ sub dimension.

Table 1. Scoring assessment on the quality of the information on three dimensions.


Intensity / Score	Criteria	Description
0  3	Non-existent	There is no reference to the dimension / sub-dimension
	Explicit but general	Reference to the dimension / sub-dimension is explicit but general without providing detailed or quantified information
	Explicit and specific	Reference to the dimension / sub-dimension is explicit providing detailed or/ and quantified information
	Explicit, specific ad horizontal.	Reference to the dimension / sub-dimension is explicit providing detailed or/ and quantified information. The dimension is also applied in a systematic way across different policies field (i.e. is not sector specific)

Source 2. Study team elaboration

- 2) **Policy analysis**, to capture the Plan’s contribution to **digital transition and Green Deal**, as well as **SDGs**.

The tables below illustrate the criteria used to assess green and digital policy integration, as well as the SDGs, and the related scoring system.

Table 2. Assessment criteria to evaluate the level of integration of green deal, digital and SDG’s dimensions in the NRRP.

Policy commitment	Description	Explanation
–	Budget	There is a dedicated and quantified budget for the green/digital/ SDG dimension
	Interventions/ projects	Interventions/ projects have as specific object the green/digital/ SDG dimension
	Programmes/ Plan/ strategies	The green/digital/ SDG interventions have a specific strategy/ programme at regional and/or central level.
+	Reforms	The NRRP illustrates whether the Member State plans reforms in the scope of the specific green/digital/ SDG dimension

Source: Elaboration of the study team

The table below illustrates the criteria and scoring system used to assess LRA involvement, and to what extent the plans envisaged administrative and institutional capacity building activities for LRAs.

Table 3. Involvement of LRAs in the NRRPs dimensions.

Sub- dimensions	Criteria	Score	Description
Involvement of LRAs in the NRRPs	Role of LRAs in NRRP preparation	0	The NRRP does not mention LRA involvement in the preparation process.
		1	It mentions LRA involvement in the preparation process, but no specific detail.
		2	It illustrates how LRAs have been involved in the preparation.
		3	It illustrates how LRAs have been involved in the preparation, when and their specific contribution.
	Role of LRAs in implementation of the NRRP	0	It does not describe whether the LRAs will be involved in implementation.
		1	It describes in general terms the LRA role in implementation.
		2	It details the LRAs role in implementation.
		3	The role of LRAs is systematically described across policy fields.
	Role of LRAs in monitoring and evaluation of the NRRP	0	It does not describe whether LRAs will be involved in monitoring and evaluation.
		1	It illustrates the monitoring and evaluation system without clarifying the LRA role.
		2	LRAs are included in monitoring and evaluation system as a source of information.
		3	LRAs are included in the monitoring and evaluation system not only as sources but also as partners with general accountability.
Administrative and institutional capacity of LRAs	<i>Current</i> administrative and institutional capacity of LRAs related to NRRP	0	It does not mention administrative and institutional capacity.
		1	It illustrates problems related to administrative and institutional capacity.
		2	It details administrative and institutional capacity issues at LRA level.

Administrative and institutional LRA capacity building needed to implement the NRRP	3	The assessment of capacity is performed across policy areas (i.e. is not sector generic).
	0	It does not mention administrative and institutional capacity.
	1	It illustrates whether the Member State foresees administrative and institutional capacity building activities to strengthen the public administration role to implement the NRRP.
	2	It specifies administrative and institutional capacity building also for LRAs to implement the NRRP.
	3	Capacity Building is implemented across policy areas (i.e. is not sector generic).

Source: Elaboration of the study team

The table below illustrates the criteria used to assess the territorial dimension and the contribution to Cohesion objectives, and the related scoring system.

Table 4. Territorial dimensions in the NRRPs

Sub-dimensions	Criteria	Score	Description
Present disparities and challenges and ongoing policies	Present disparities, challenges and needs	0	No information is provided at local level / regional level on challenges and disparities.
		1	The NRRP illustrates the needs and challenges providing a territorial dimension.
		2	It illustrates the disparities, needs and challenges with the support of quantitative data, detailing them at territorial level.
		3	It illustrates the disparities, needs and challenges with the support of quantitative data, detailing them at territorial level across multiple policy areas
	Consequences of no action	0	It does not illustrate potential negative impacts of not tackling disparities and challenges.
		1	Describes the impact and coverage of disparities and challenges i.e. the potential consequences that territorial areas should tackle if they are not addressed.


	2	It illustrates, with quantitative and detailed data the potential negative impact of not tackling disparities and challenges.	
	3	The territorial dimension approach is adopted horizontally i.e. illustrating potential negative impacts of not tackling disparities and challenges across multiple policy areas.	
<i>Current policies to address the territorial disparities and challenges</i>	0	Any <i>current</i> specific policy to address the disparities and challenges is illustrated.	
	1	<i>Current</i> specific policy/ies to address the disparities and challenges are described, but the LRA role is not detailed.	
	2	<i>Current</i> specific policy/ies to address the problems are described. The LRAs role is delineated.	
	3	The role of LRAs is described systematically for current policies implemented across multiple policy fields.	
	<i>Potential solutions</i>	0	No mention of potential solutions to address the territorial challenges and needs nor obstacles to investments.
1		The NRRP illustrates general potential solutions to address problems and needs as well as obstacles to investments.	
2		It describes the potential solutions and obstacle to investments, detailing them on a territorial basis, with quantitative data.	
Territorial potential / impact and solutions to investments	3	It describes the potential solutions and obstacle to investments, detailing them on a territorial basis, with quantitative data, across multiple policy areas.	
	Future impact	0	It does not illustrate future impact of investments and reforms
		1	It describes future impact of investments and reforms in a qualitative way.
		2	It describes, with quantitative and detailed data, the future impact of investments and reforms.
3		It describes future impact of investments and reforms at regional / local level across multiple policy areas.	

	0	No mention of specific policies to be implemented in the near future to address territorial challenges and disparities.
Related policies to be implemented under the NRRP	1	The NRRP illustrates in general terms future policies to address territorial challenges and disparities.
	2	It illustrates in detail policies to address territorial challenges and disparities, with specific attention to the territorial level.
	3	All identified issues are addressed by specific policies.
Cohesion as strategic objective	0	Cohesion Policy objectives are not mentioned in the NRRP.
	1	Cohesion Policy objectives are mentioned in the NRRP in general terms.
	2	One or more investments and reforms have Cohesion Policy objectives as strategic goals.
	3	One or more Axes/Components/Missions are specifically dedicated to Cohesion Policy objectives.
Cohesion Policy	0	There is no mention of political coordination between 2021-2027 Cohesion Policy programmes and NRRP.
	1	The NRRP mentions Cohesion Policy, but there aren't any details on coordination between NRRP set up and implementation and 2021-2027 Cohesion Policy programmes.
	2	It mentions Cohesion Policy, details coordination mechanisms and delineates which institutional body(ies) will be in charge of coordinating the NRRP set up and implementation and 2021-2027 Cohesion Policy programmes.
	3	It clarifies that in the consultation process to draft the NRRP, the political actors dealt with coordinating 2021-2027 Cohesion Policy programmes and NRRP reforms and investments and defined the institutional body(ies) in charge of coordinating the two processes.
NRRP integration with Cohesion Policy		

Source: Elaboration of the study team

The tables below illustrate the criteria used to assess green and digital policy integration, as well as the SDGs, and the related scoring system.

Table 5. Assessment criteria to evaluate the integration of green deal, digital and SDG’s dimensions in the NRRP.

Policy commitment	Description	Explanation
–	Budget	There is a dedicated and quantified budget for the green/digital/ SDG dimension
	Interventions/ projects	Interventions/ projects have as specific objectives the green/digital/ SDG dimension
	Programmes/ Plan/ strategies	The green/digital/ SDG interventions have a specific strategy/ programme delineated at regional and/or central level.
+	Reforms	The NRRP illustrates whether the Member State plans reforms in the scope of the specific green/digital/ SDG dimension

Source: Elaboration of the study team

Table 3. SDG in the NRRP.

Score	Description
0	Not mentioned
1	Implicitly mentioned
2	Explicitly mentioned
3 ⁵⁶	Integrated - if NRRPs use SDG indicators at the national level. The study team will check if the SDG indicators are UN and/or EU based.

Source: Elaboration of the study team

⁵⁶ If the SDG is not explicitly mentioned but the NRRP uses UN or EU level SDG indicators, the score will be 3.

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Rue Belliard/Belliardstraat 101 | 1040 Bruxelles/Brussel | BELGIQUE/BELGIË | Tel. +32 22822211
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