



**European Committee
of the Regions**



12 April 2024

Implementation of the Recovery and Resilience Facility at Local and Regional Level

Results of the CoR-CEMR targeted consultation

Key findings

- The highly centralised management of the RRF by Member States is confirmed by this new consultation.
- LRA involvement remains inadequately weak in the various phases of preparation, implementation or monitoring of the NRRPs. The specific provisions of REPowerEU to improve involvement of LRAs do not seem to have had concrete results.
- The green and digital transitions stand out as the two objectives effectively supported by the NRRPs, according to consultation respondents.
- Conversely, fully one third of respondents state that the NRRP does "not at all" effectively contribute to enhancing territorial cohesion, despite this being the legal basis and general objective of the RRF.
- Almost all respondents encounter barriers to their involvement in the NRRP, and the main barrier identified is the national government providing an inappropriate framework for involvement.
- The share of respondents indicating insufficient LRA capacity or expertise as a barrier is significantly higher than in the previous consultation, which is likely linked to the higher-than-expected administrative burden of the RRF.
- Potential overlaps and lack of coordination with European Structural and Investment Funds remains the highest risk perceived by local and regional governments in the implementation of the RRF.
- While the overall impact of projects funded by the RRF is rated positively by respondents, they are rather divided regarding its synergies with other funds, its additionality and flexibility.
- The territorial allocation of RRF funds is broadly perceived as unfair. Nearly half of respondents rate territorial fairness as "poor or very poor" while only a few see it as "good or very good". And the degree of ownership at local and regional level is also unsatisfactory with significantly more respondents seeing it as "poor or very poor" than "good or very good".

This note was written by CoR and CEMR staff and does not necessarily represent the official views of those organisations.

1. Background

The EU's response to the outbreak of the COVID-19 pandemic was the largest economic support plan in its history: the **Recovery and Resilience Facility (RRF), which was launched in 2021 and is now half-way through its implementation phase**. All Member States (MS) have presented their National Recovery and Resilience Plans (NRRPs), in which they outlined priorities for investments and reforms to be financed before 2026 thanks to RRF support, and those plans are being actively implemented. In February 2024, the European Commission (EC) published its RRF mid-term review and an independent evaluation,¹ which provide an opportunity to further investigate the functioning of this unprecedented instrument.

Local and regional authorities (LRAs) have been at the forefront of the pandemic response and their role is equally crucial in the recovery efforts. However, an initial consultation² conducted in 2021 by the European Committee of the Regions (CoR) and the Council of European Municipalities and Regions (CEMR) shed light on **the very limited involvement of local and regional governments** in the design phase of the NRRPs. These results were confirmed in 2022 by a second consultation.³ Two years later, the CoR and CEMR launched a third consultation with the aim of gaining a deeper understanding of the role LRAs are playing in the implementation phase of the plans, and of identifying evolutions and trends since previous consultations.

This consultation was primarily targeted towards associations of local and regional governments and authorities across the EU. These organisations, with thousands of LRAs in their memberships, are uniquely placed to provide a bird's eye view of the quickly evolving situation regarding the implementation of the RRF, the developments in the NRRPs, the involvement of LRAs in the process and their concerns and expectations. The consultation gathered the views and experiences of 36 organisations representative of a variety of subnational government levels across 22 EU Member States.⁴ These MS display a wide variety of size, income, geography, and administrative culture that is broadly representative of the entire EU, including in terms of constitutional and territorial organisation ranging from unitary to federal states.

The following sections outline the main results of this targeted consultation, which was conducted between January and March 2024.

2. LRA involvement in the National Recovery and Resilience Plans

Assessing the respondents' involvement in NRRPs (displayed in Figure 1 below), it is clear that involvement remains suboptimal, with a quarter of respondents reporting that they were not at all involved in the preparation of the plans, and a large majority saying they were either informed only or consulted but with no or limited impact on the final plan. **Only around one in ten respondents report having been consulted in the preparation of the plan, with tangible outcome**. This result is fully aligned with previous surveys showing that in most Member States, local and regional governments were not satisfactorily involved in the process of preparing the National Recovery and Resilience Plans.

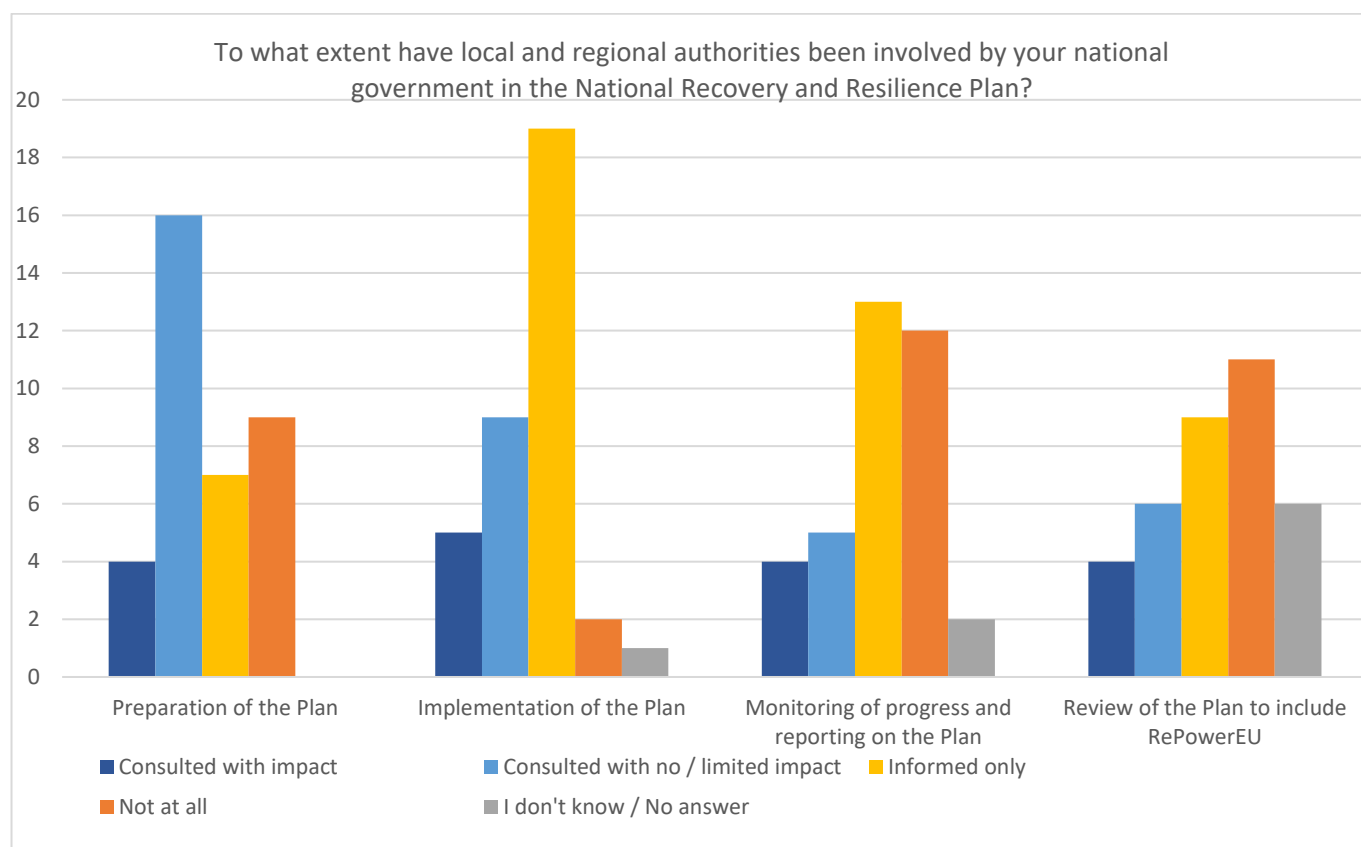
¹ The RRF mid-term review documents are available here: https://commission.europa.eu/about-european-commission/departments-and-executive-agencies/economic-and-financial-affairs/evaluation-reports-economic-and-financial-affairs-policies-and-spending-activities/mid-term-evaluation-recovery-and-resilience-facility-rrf_en

² CoR-CEMR, *The involvement of municipalities, cities and regions in the preparation of the national Recovery and Resilience Plans: Results of the CoR-CEMR targeted consultation*. January 2021. <https://memportal.cor.europa.eu/Handlers/ViewDoc.ashx?pdf=true&doc=COR-2021-00131-00-00-TCD-TRA-EN.docx>

³ CoR-CEMR, *Implementation of the Recovery and Resilience Facility: The perspective of Local and Regional Authorities. Results of the CoR-CEMR targeted consultation*. April 2022. <https://cor.europa.eu/en/engage/brochures/Documents/RRF-consultation-2022.pdf>

⁴ Austria, Belgium, Bulgaria, Croatia, Cyprus, Czechia, Estonia, Finland, France, Germany, Ireland, Italy, Latvia, Lithuania, Luxembourg, Netherlands, Poland, Portugal, Romania, Slovakia, Spain, and Sweden. The respondents to this consultation were not in all countries the same as those who participated in the previous consultations. Responses received from individual local and regional governments were also taken into account.

Figure 1: LRA involvement in the NRRPs



The regulatory provisions related to the involvement of LRAs and stakeholders were somewhat strengthened by the Commission and co-legislators in the revision of the RRF regulation brought about by the RePowerEU plan. However, **this consultation does not find evidence of any notable improvement in the level of consultation reported by respondents between the preparation of the initial plan and the RePowerEU revision.** In fact, an equally low share of respondents (just above one in ten) indicates being consulted with impact, and the share of respondents reporting being consulted but with no or limited impact fell markedly. It appears likely that the non-compulsory yet effectively stringent deadline⁵ for the submission of modified plans to accommodate RePowerEU prevented a process conducive to a multi-level governance approach."

Turning to the **actual implementation of the NRRPs, there is a slight increase in respondents reporting impactful involvement compared to the previous consultation,** likely as a result of the longer implementation period. However, there is a significant rise in the number of respondents indicating they are merely being informed. Considering the broad objectives of the RRF, particularly its emphasis on supporting the green and digital transition, as well as social resilience in Europe, it is puzzling that local and regional governments are not identified as beneficiaries, true partners and more actively involved in the implementation process. This aspect is further emphasised by **the limited engagement of LRAs in the monitoring or reporting of the plans,** with most respondents indicating either no involvement at all in reporting on the RRP's progress (12 out of 36 respondents) or merely being informed of its progress (13 out of 36 respondents).

⁵ The RePowerEU regulation entered into force in March 2023. MS were encouraged to submit their proposal by the end of April, and not later than August in order to be assessed and approved by the end of 2023. See: Ecorys, CEPS, et. al., *Study supporting the mid-term evaluation of the recovery and resilience facility*, 2023. pp. 198. https://commission.europa.eu/document/download/7ff9205-b77a-4a3f-ad85-8a4c88cb6503_en?filename=study-supporting-the-mid-term-evaluation-of-the-recovery-and-resilience-facility_0.pdf

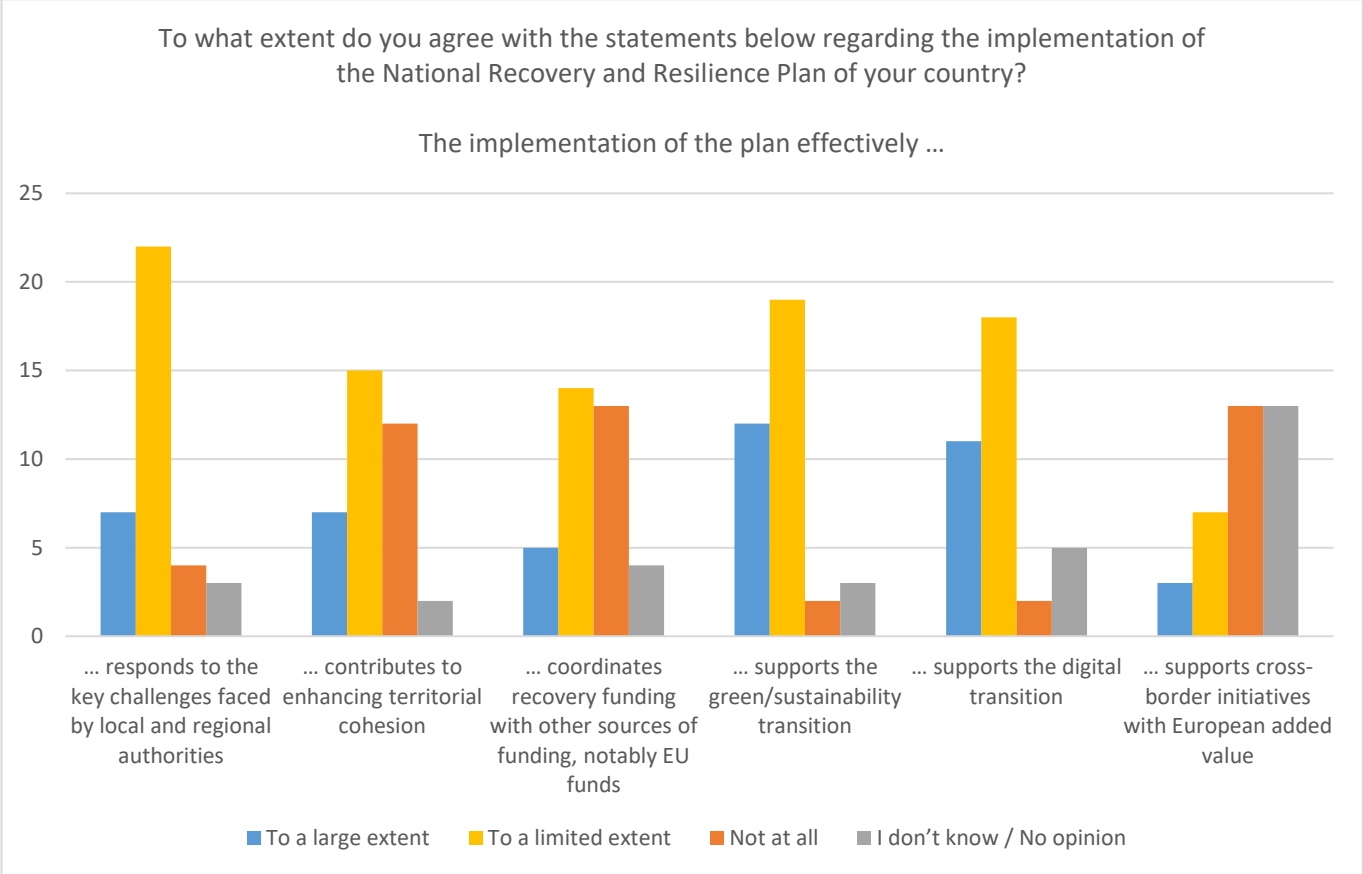
These findings highlight the impact of the RRF in **strengthening the overall centralisation of authority and decision-making within national governments**. A fact that was also underscored in the recent mid-term evaluation study, which noted that despite differing governance structures, "the RRF comes with centralisation in all Member States".⁶

3. Views on the National Recovery and Resilience Plans

The consultation proceeds to explore local and regional respondents' views on the NRRPs, in particular in relation to the stated goals of the RRF, as well as other important policy objectives. The results (shown in Figure 2 below) mirror those of the previous consultation, revealing a consistent pattern where the **green and digital transitions stand out as the two objectives respondents predominantly agree benefit effectively from NRRP support**.

The results are however significantly more nuanced with regards to other objectives and expectations. The views of respondents regarding NRRPs responding to LRAs' key challenges remain broadly similar to our previous consultation, with a very high number responding, "to a limited extent" and low numbers of respondents choosing "to a large extent" or "not at all".

Figure 2: Implementation of the NRRP



The independent RRF mid-term review underscored a conflict between the RRF and Cohesion objectives⁷ and indeed **fully one third of respondents to the CoR-CEMR consultation state that the NRRP does "not at all" effectively contribute to enhancing territorial cohesion**. Fewer than one in

⁶ Ibid. p.217
⁷ ECORYS, CEPS, et. al., *External supporting study – Case study on the functioning of the RRF and other EU funds*, 2023. p.27. https://commission.europa.eu/document/download/c203ce47-c5d4-4fa1-abfc-50343d9ddcb6_en?filename=case-study-on-the-functioning-of-the-rrf-and-other-eu-funds.pdf

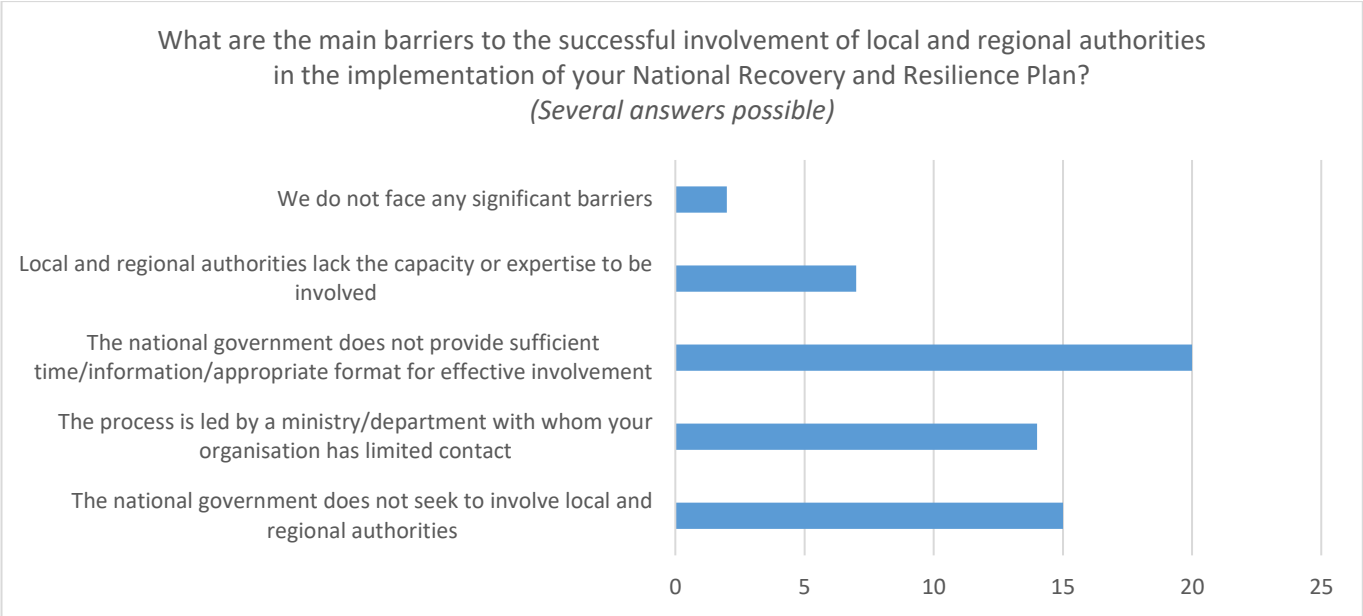
five respondents considered that the NRRP contributes to territorial cohesion "to a large extent". These results are all the more alarming given that cohesion (Art. 175 TFEU) is the legal basis of the RRF regulation and general objective of the instrument.

The results of the consultation are broadly similar regarding the coordination between the RRF and other EU funds. Again, this is consistent with the RRF mid-term evaluation, which highlighted substitution effects to the detriment of cohesion policy are observed in several countries,⁸ with Member States giving priority to implementing the RRF given its shorter timeframe, higher level of support at political level, and greater media attention. Finally, when asked if the NRRP in their country effectively supports cross-border initiatives, most respondents answered either "not at all" or "I don't know", reflecting the low prevalence of such initiatives.

4. Barriers to a successful involvement of LRAs

The following question asked respondents about the barriers to LRAs being successfully involved in the implementation of the NRRPs. As in previous consultations, the results (displayed in Figure 3 below) still show an **extremely low share of respondents reporting no significant barriers to their involvement**, and a very high share reporting barriers linked to national governments' (un)willingness or an inappropriate framework for involvement. It is also noteworthy that an increased number of respondents indicated as a barrier: "The process is led by a ministry department with whom we have limited contact". This result again highlights the "top-down" and centralising nature of the RRF's implementation, especially when compared to Cohesion Policy funds, where over the years Managing Authorities and responsible Ministries have developed trust with stakeholders and processes to implement the Partnership Principle.⁹

Figure 3: Barriers to LRA involvement



The share of respondents indicating **insufficient LRA capacity or expertise** as a barrier is also significantly higher than in the previous consultation. This is **likely linked to the high (or higher than expected) administrative burden of the RRF**, which is another finding of this consultation and one of the noteworthy conclusions of the independent RRF mid-term review. (See Section 6 and Figure 5

⁸ *Ibid.*, pp.11-12

⁹ CoR, Study: *Application of the principles of partnership and multi-level governance in Cohesion Policy programming 2021-2027*. 2021. https://cor.europa.eu/en/engage/studies/Documents/Partnership_2021.pdf

below.) One respondent in particular noted that "At the local level, the complexity of the NGEU regulations has made the execution of projects extremely difficult since this level of administration does not have the necessary human and technical resources".

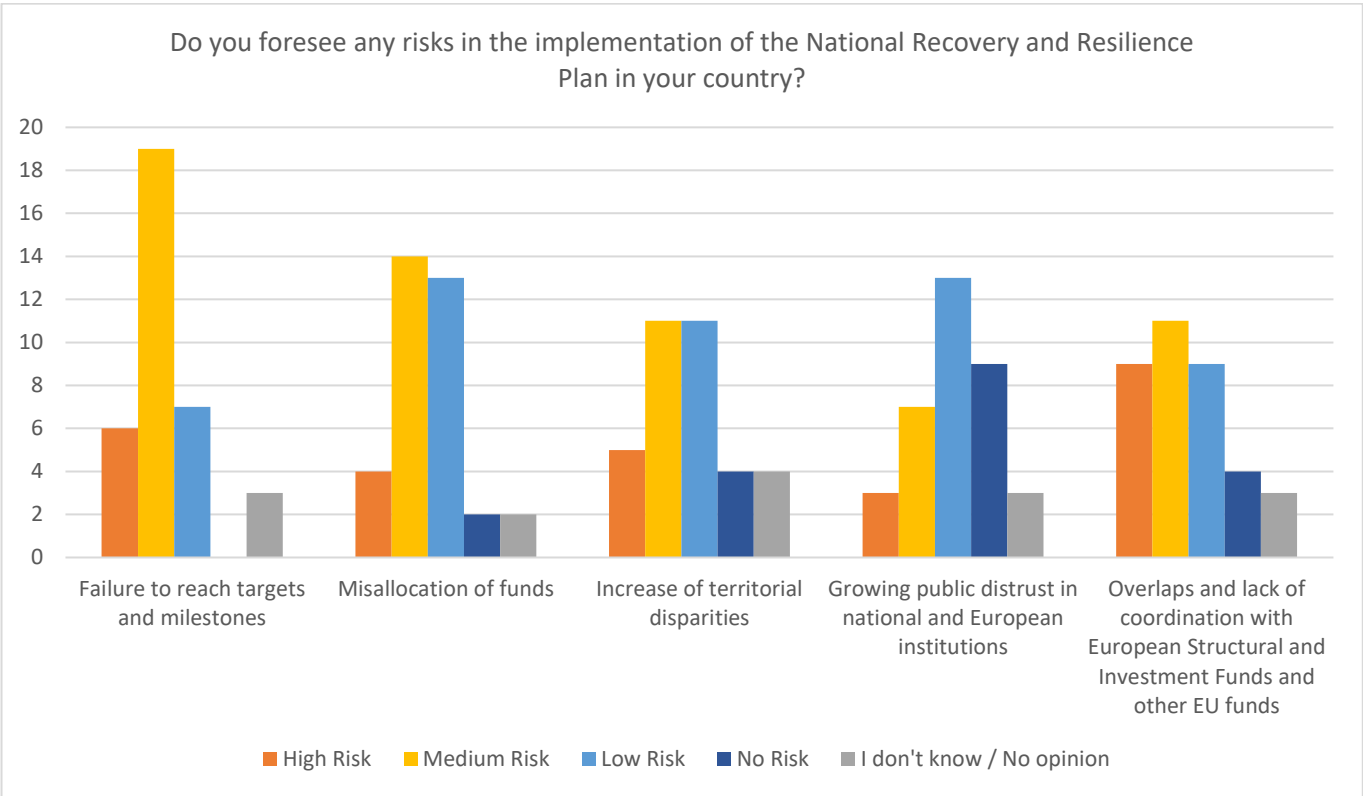
5. Risks in the implementation of the NRRPs

When asked about the risks related to the implementation of the NRRP in their country, the results from this consultation (shown in Figure 4) are very similar to the previous 2022 survey. **Potential overlaps and lack of coordination between the RRF and other EU funds remains the challenge for which the highest share of respondents (one quarter) identify a “high risk”.**

Unlike in the previous consultation, none of the respondents perceived "no risk" of failing to reach targets and milestones. This shift may indicate delayed implementation in certain Member States or perceived challenges in effectively delivering on RRF-funded projects. This result can be contextualised alongside findings from the independent mid-term review of the RRF, which found "increased risks of delays in 2023 and beyond" in the achievement of milestones and targets.¹⁰

Compared to the 2022 consultation, the risk of growing public distrust is however perceived to have diminished notably. The results related to risks of misallocation of funds and increase of territorial disparities are rather mixed, as they were in the previous consultation.

Figure 4: Risks in NRRP implementation



6. The RRF as a delivery mechanism for EU funds

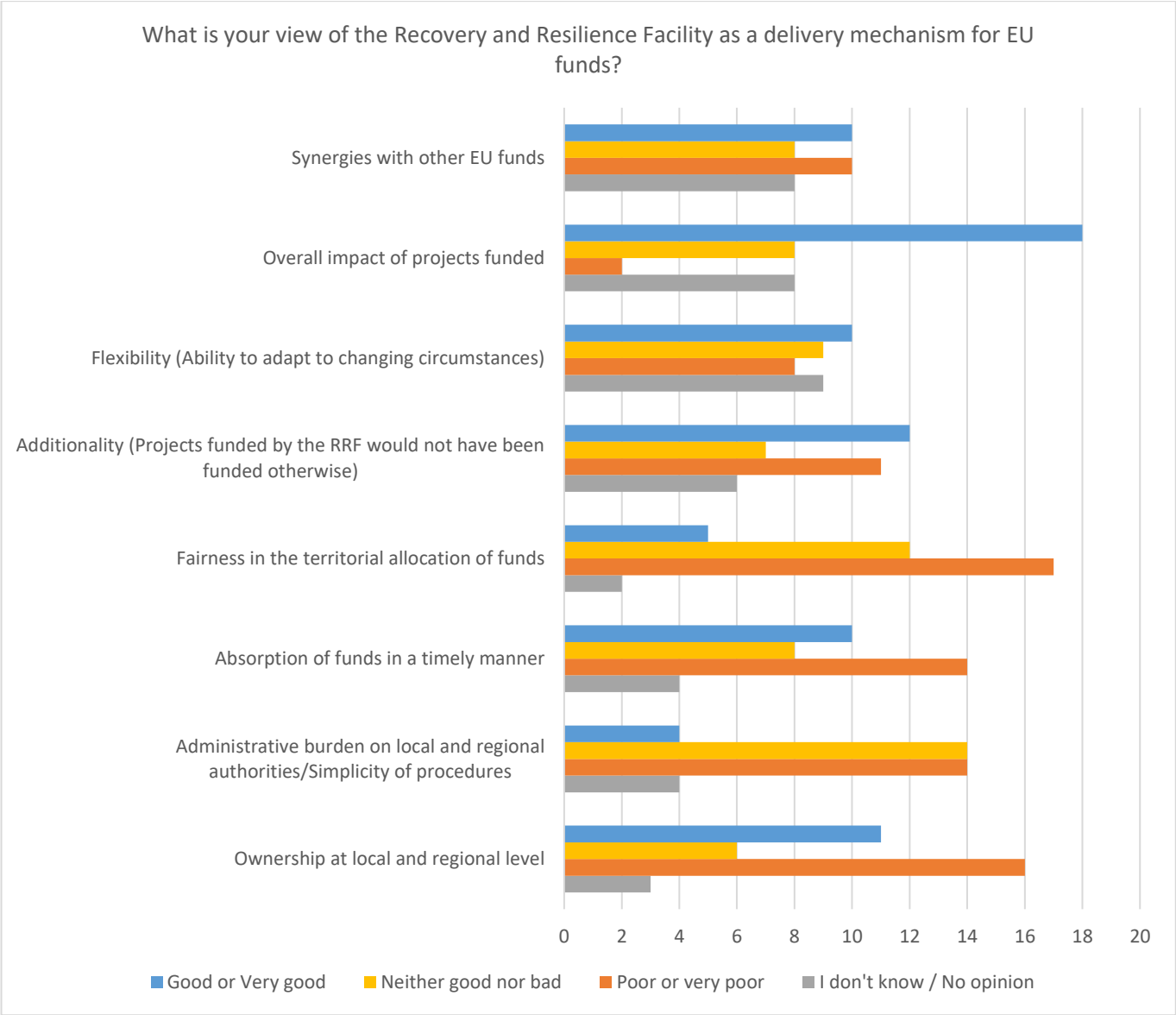
As the European Commission is increasingly highlighting the Recovery and Resilience Facility as a potential inspiration for a delivery model for EU funds in the future – in particular in relation to Cohesion Policy, or as an instrument for "money for reforms" – this consultation also sought to assess the views

¹⁰ Study supporting the mid-term evaluation of the recovery and resilience facility. Op.cit. p.57

of local and regional governments regarding the merits of the RRF as a delivery mechanism for EU funds (see Figure 5). It is worth noting that, unlike in the RFF where LRAs have a very limited role, in the current programming period, they are both beneficiaries and implementers of the Cohesion Policy funds, as cities, provinces and regions are Managing Authorities in some Member States¹¹.

The element that clearly stands out as a positive result is **the overall impact of projects funded, which is seen as "good or very good" by fully half of respondents**, and "poor or very poor" by only a handful. **In contrast, fairness in the territorial allocation of the funds stands out with nearly half of respondents perceiving it as "poor or very poor"**, while only a few see it as "good or very good"

Figure 5: The RRF as a delivery mechanism for EU funds



Regarding synergies between the RRF and other EU funds, the results are strongly mixed, with equal shares of respondents (28%) perceiving these synergies as "good or very good" and "poor or very poor" These ambivalent results are likely due to the varying strategies adopted by different MS in order to

¹¹ CEMR, Cohesion Policy funds 2021-2027 – An overview of the management and implementation of the European Structural and Investment Funds in the European countries. 2023. https://www.ccre.org/img/uploads/piecesjointe/filename/230621_984_EISF_web.pdf

demarcate and coordinate between the RRF and other funds, as highlighted by the independent mid-term review.¹²

Concerning the crucial matter of **additionality (i.e. whether RRF-financed projects would otherwise have taken place or not), the results are again rather mixed**, with similar shares of respondents (around one third) reporting "good or very good" additionality and "poor or very poor" additionality. The independent study on the RRF mid-term review similarly found mixed sentiments regarding additionality.¹³ One consultation respondent acknowledges that most projects in their country's NRRP were already planned beforehand, while another explains that the poor additionality they perceive is linked to the strong time pressure (all investments and reforms have to be implemented by 2026).

The concerns surrounding additionality are particularly noteworthy because the potential economic benefits of the RRF depend to a large extent on its degree of additionality. While EC modelling indicates that investments under NGEU (90% of which consists in the RRF) can lead to a 1.4% gain in GDP in 2026, this is based on an assumption of 100% additionality for grants (i.e. none of the investments would have taken place otherwise).¹⁴ Our consultation results, alongside other research,¹⁵ cast doubt on the solidity of this hypothesis, and thus on the true extent of the RRF's economic impact.

The ownership at local and regional level is also unsatisfactory with significantly more respondents seeing it as "poor or very poor" than "good or very good". A result that can be seen as a logical consequence of the insufficient involvement of LRAs shown earlier in Figure 1 above.

Timely absorption and administrative burden, which were supposed to be key strengths of the RRF, are also disappointing, with again more respondents saying they are "poor or very poor" compared to "good or very good". As for **the RRF's administrative burden/simplicity of procedures, only approximately one in ten respondents perceives it as "good or very good" while close to four in ten see it as "poor or very poor"**. One consultation respondent highlights that the monitoring of milestones and targets "was supposed to be more efficient and accountable than the usual monitoring of expenses", but audit and control mechanisms have put this in jeopardy. The independent RRF mid-term review echoes the consultation's findings, noting that: "While the RRF, especially through its performance-based approach, could in principle be expected to lead to a reduced administrative burden compared to cohesion policy funds, there is currently no conclusive evidence supporting this claim."¹⁶

Respondents' views on the timely absorption of funds are less starkly negative but the share of "poor or very poor" responses is still higher. This could be linked to the large amount of RRF funds available in addition to cohesion funds, coupled with the tight timelines and level of ambition.¹⁷ Respondents' views on other elements of the RRF as a delivery mechanism for EU funds, notably regarding synergies with other funds or the adaptability of the instrument are more mixed, even quite contrasted between respondents evaluating it as "good or very good" and respondents evaluating it as "poor or very poor".

¹² Study supporting the mid-term evaluation of the recovery and resilience facility. Op.cit. pp.166-170

¹³ Ibid. p.219

¹⁴ EC, Commission Staff Working Document: Mid-term evaluation of the Recovery and Resilience Facility. 2024. Ref: SWD(2024)70 final. Annex II. Methodology and Analytical Models Used. p.131. <https://eur-lex.europa.eu/legal-content/FR/TXT/?uri=CELEX:52024SC0070>

¹⁵ See for example: European Parliament, *The European added value of the Recovery and Resilience Facility: An assessment of the Austrian, Belgian and German plans*. Study PE 699.513. April 2022. [https://www.europarl.europa.eu/RegData/etudes/STUD/2022/699513/IPOL_STU\(2022\)699513_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/STUD/2022/699513/IPOL_STU(2022)699513_EN.pdf)

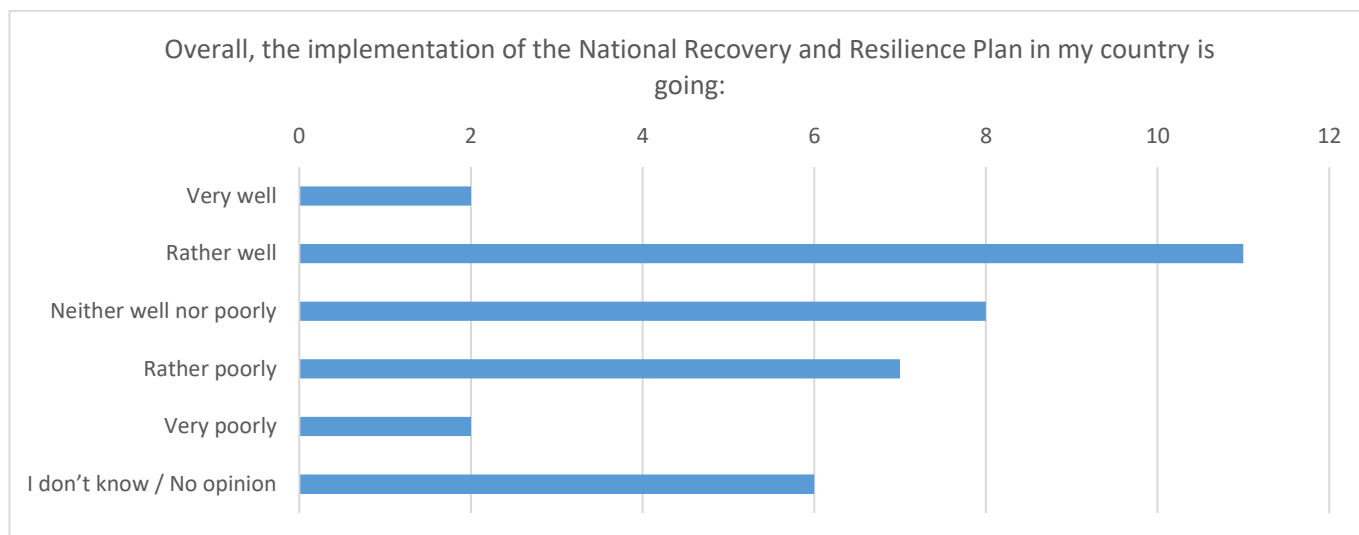
¹⁶ Study supporting the mid-term evaluation of the recovery and resilience facility. Op.cit. p.14

¹⁷ SWD(2024)70 final. Op. cit. p.82

7. Overall evaluation

A similarly mixed picture emerges regarding respondents' views on the overall implementation of the NRRPs in their country (shown in Figure 6). While a plurality of respondents (30%) perceives NRRP implementation as going "rather well", 22% evaluate it as going "neither well nor poorly" and about 20% believe it is going "rather poorly". The share of respondents choosing "I don't know/No opinion" is also relatively high.

Figure 6: Overall views on NRRP implementation



This **significant diversity in respondents' perceptions of the RRF's effectiveness** can be linked to a number of potential explanatory factors. Implementation methods differ across Member States, as does the extent of challenges such as absorption or additionality. Furthermore, the current state of implementation of the NRRPs is very heterogeneous: While 6 countries (Greece, Spain, Croatia, Italy, Portugal and Slovakia) had already reached enough milestones and targets by February 2024 to have received 3 or 4 payments in addition to pre-financing, seven States had received none (Belgium, Ireland, Hungary, the Netherlands, Poland, Finland and Sweden).¹⁸

8. Conclusions

Local and regional governments hold key competences for the majority of priorities outlined as objectives in the Regulation establishing the Recovery and Resilience Facility. This includes supporting the green transition and digital transformation, promoting economic, social and territorial cohesion, or improving resilience, crisis preparedness, adjustment capacity and growth potential. **Achieving these objectives necessitates a collaborative approach through multi-level governance and partnership** and municipalities and regions must have a say in investments and reforms that they will have to implement on the ground. Yet, the results of this third CoR-CEMR consultation demonstrate the **continued low involvement of LRAs in the implementation phase of the RRF**.

While the failure to adequately involve local and regional governments and relevant stakeholders in the elaboration and implementation phases of the Recovery and Resilience Facility has been pointed out across the EU and in several Member States, this third CoR-CEMR survey shows no significant improvement. This is even more striking given the fact that the REPowerEU regulation sought to strengthen the role of LRAs and stakeholders when revising the NRRPs to include a REPowerEU chapter.

¹⁸ Ibid. pp. 21-22

Overall, while the RRF seem to deliver on some of its key objectives (notably supporting the green and digital transition), respondents to this consultation are much more nuanced on the extent to which NRRPs respond to their own challenges as local and regional governments.

The main barriers to LRA involvement identified in the consultation are linked to the national government, with either a lack of willingness to involve LRAs and stakeholders or an inappropriate framework to do so. Therefore, **the existing European regulatory framework for the RRF could be seen as insufficient to ensure an adequate level of LRA and stakeholder engagement**, which is necessary for the plans to effectively respond to their priorities.

Potential overlaps and lack of coordination with the European Structural and Investment Funds remain the highest risk perceived by local and regional governments in the implementation of the RRF. In addition, the fairness in the territorial allocation of funds and the ownership at local and regional level are rated as "poor or very poor" by a high share of respondents. The independent mid-term review of the RRF echoes this "lack of a territorial dimension in the RRF" and notes that it "risks increasing disparities within Member States" and is in conflict with Cohesion Policy objectives.¹⁹

In conclusion, as the European Commission and the co-legislators embark on a reflection to shape regulatory frameworks beyond 2027, a **thorough examination of the Recovery and Resilience Facility's successes and failures is essential**. This evaluation must encompass not only its achievements in steering public investments toward the green and digital transitions, but also **address its noted deficiencies, including its territorial blindness** and inadequate legal framework for the involvement of local and regional authorities, as well as the consequences of these deficiencies on the ownership and overall effectiveness of the instrument.

¹⁹ *External supporting study – Case study on the functioning of the RRF and other EU funds*. Op.cit. p.27