



27 April 2022

**Implementation of the Recovery and Resilience Facility:
The Perspective of Local and Regional Authorities**
Results of the CoR-CEMR targeted consultation

Key findings

- The involvement of local and regional authorities (LRAs) in the preparation of the National Recovery and Resilience Plans (NRRPs) appears low overall, in particular regarding the governance of the process (coordination, timelines, etc.), which remains often a top-down one, which subnational governments have little opportunity to influence.
- Comparison with the results of our 2021 consultation suggests that national governments did use the past months/year for providing information to, and seeking dialogue with, LRAs. However, these exchanges seem to have had little to no impact on the final version of the NRRPs.
- Respondents are broadly positive about the NRRPs' capacity to support the green and digital transition but more ambivalent regarding other policy objectives, such as territorial cohesion.
- Regarding implementation of the NRRPs, only a very small share of LRA respondents declare having an appropriate role in monitoring, or being sufficiently taken into consideration on the basis of their competencies. Ownership of the plans is worryingly low among respondents.
- The principal barriers to a successful involvement of LRAs in NRRP implementation identified by respondents are a lack of willingness on behalf of the national government, and a format or timeframe that does allow for effective involvement. These were also the key barriers identified in last year's consultation and they have not been addressed. Only a very small share of respondents report lacking capacity to play a role or not facing significant barriers.
- In this context, consultation respondents identify a strong risk of failure to reach targets and milestones in the NRRPs. Risk of misallocation of funds is also highlighted by a significant share of respondents. The interplay between the NRRPs and other European funds is still unclear for many respondents and this is an important source of uncertainty for LRAs at this stage.
- A large majority of respondents deems that enhanced dialogue between the European level and local/regional level representatives, as well as an early warning mechanism, would be useful with regards to monitoring NRRP implementation at EU level.

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

1. Background

Two years after the outbreak of the COVID-19 pandemic, its disruptive consequences are still being felt. The EU's response has been the largest economic support plan in its history, the Recovery and Resilience Facility (RRF)¹, which is now in its implementation phase. Almost all Member States have presented their National Recovery and Resilience Plans (NRRPs), in which they outline priorities for investments and reforms to be implemented before 2026 thanks to RRF support.

Local and regional authorities have been at the forefront of the pandemic response and their role will be equally crucial in the recovery efforts. However, a previous consultation² conducted last year 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 of the National Recovery and Resilience Plans.

One year later, the CoR and CEMR launched a second consultation with the aim of investigating the role that local and regional authorities are playing in the implementation phase of the plans. Once again, this consultation was targeted towards associations of local and regional governments and authorities (LRAs) 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 26 organisations representative of a variety of subnational government levels across 19 EU Member States: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czechia, Estonia, Finland, France, Germany, Hungary, Ireland, Italy, Latvia, Lithuania, Netherlands, Portugal, Slovakia, and Slovenia. These Member States represent a variety of size, income, geography, constitutional organisation and administrative culture that is broadly representative of the EU as a whole. The following sections outline the main results of this targeted consultation, which was carried out between mid-January and late March 2022.

2. Preparation of the national Recovery and Resilience Plans

The first question asked referred to the preparation process for the NRRPs, and the extent to which national associations representing local and regional governments had been involved by their national government. Respondents were asked to report on their participation in different stages of the NRRPs preparation process and on the steps taken by the national governments to meaningfully engage them in the identification of priorities, investments and reforms to be included in the plans.

The involvement of LRAs appears to be low overall, though in a differentiated way depending on the elements (Figure 1). The lowest level of involvement reported by respondents is in the governance of the process (coordination, timelines, etc.) with a plurality of surveyed organisations reporting being "not at all" involved. Unfortunately, this shows a similar outcome by comparison with the result of the survey in 2021. For the definition of the Plans' overall objectives, more than one third of respondents report

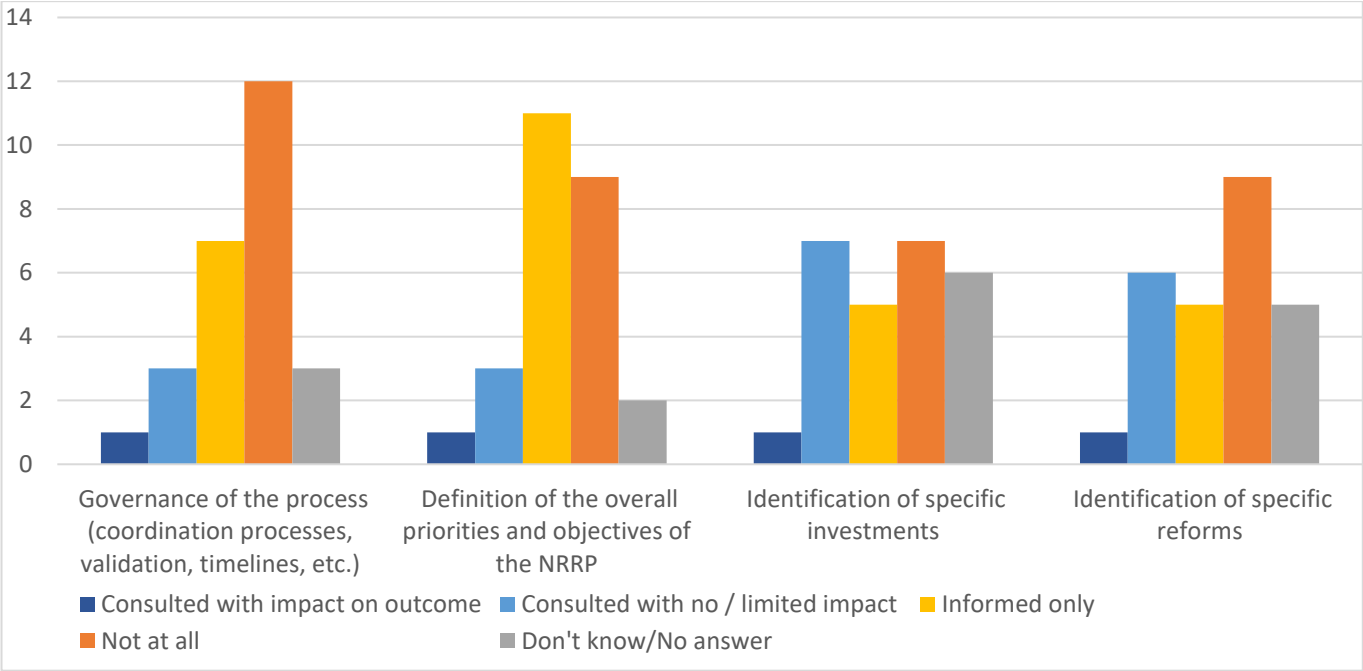
¹ More information on the RRF is available online: https://ec.europa.eu/info/business-economy-euro/recovery-coronavirus/recovery-and-resilience-facility_en

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.

Available online: <https://memportal.cor.europa.eu/Handlers/ViewDoc.ashx?pdf=true&doc=COR-2021-00131-00-00-TCD-TRA-EN.docx>

having been informed only. As regards the identification of specific reforms and, even more so, specific investments, the consultation produced mixed results, with more respondents reporting being "consulted" albeit still largely with no or limited impact.

Figure 1: To what extent have you or your members been involved by your national government in the preparation of the National Recovery and Resilience Plan (NRRP)?



Comparing this with the previous CoR-CEMR targeted consultation on the topic,³ whose results were published in January 2021, leads to the identification of some potential trends. Regarding the definition of the overall priorities and objectives, the share of respondents indicating that they were "not at all" involved was significantly higher in 2021 than it is now, while the share of respondents claiming to have been "informed only" was significantly lower at the time, than it is now. For the identification of specific investments, the share of respondents indicating that they were "not at all" involved was also significantly higher in 2021 than it is now, while the share of respondents "consulted with no/limited impact" is much higher now than it was for the previous survey. For both overall objectives and identification of specific investments, however, the share of respondents indicating having an impact on the outcome is actually lower in 2022 than it was in 2021. Thus, it would appear that the time between the two targeted consultations seems indeed to have been used by central governments for providing information to, and seeking dialogue with, LRAs. However, these exchanges seem to have had little to no impact on the final version of the plans submitted to the European Commission. The exception, in this case, is the governance of the process, for which answers in 2021 and 2022 remain very similarly distributed. This could indicate that little has happened in this regard since the last consultation and that the process remains essentially a top-down one, which subnational governments have little opportunity to influence.

3. Content of NRRPs

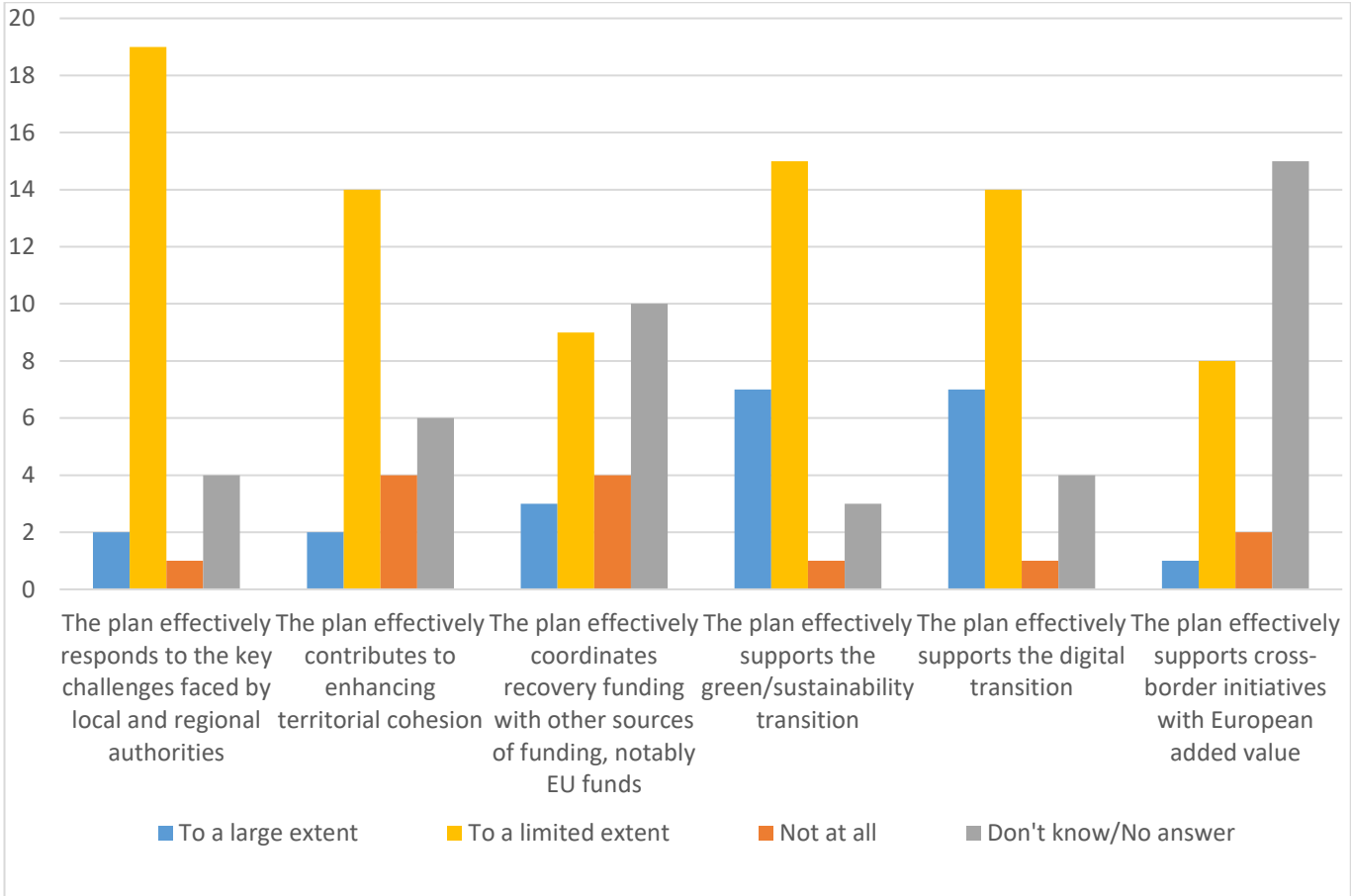
Turning to the content of the NRRPs, respondents were asked their views on the plans' capacity to support a number of different aims and objectives (see Figure 2). Respondents' answers are rather

³ *Op. cit.* See in particular figure 2.

balanced, with a minority indicating "to a large extent" or "not at all" for any of the objectives, and a large share selecting "to a limited extent". The main relevant differences reveal that a considerably higher number of participants believe that the plans contribute "to a large extent" to the green and digital transition than to other objectives.

This could be easily linked to the fact that the RRF Regulation mandates a minimum share of investments to be directed towards the green and digital transitions (37 and 20% respectively)⁴, whereas other stated objectives such as cohesion do not have such quantitative indicators.

Figure 2: To what extent do you agree with the statements below regarding the National Recovery and Resilience Plan of your country?



The share of "Don't know" and no answers is very high for the statements related to support for cross-border initiatives, likely reflecting the fact that many LRAs are not aware of such support in the NRRPs. The share of such responses is also comparatively high for the question related to coordination between recovery and other funds, which may be linked to the fact that for many LRAs, the interplay between the NRRPs and other sources of funding remains unclear at this stage (see Figure 7), which could lead to absorption issues or inefficient spending.

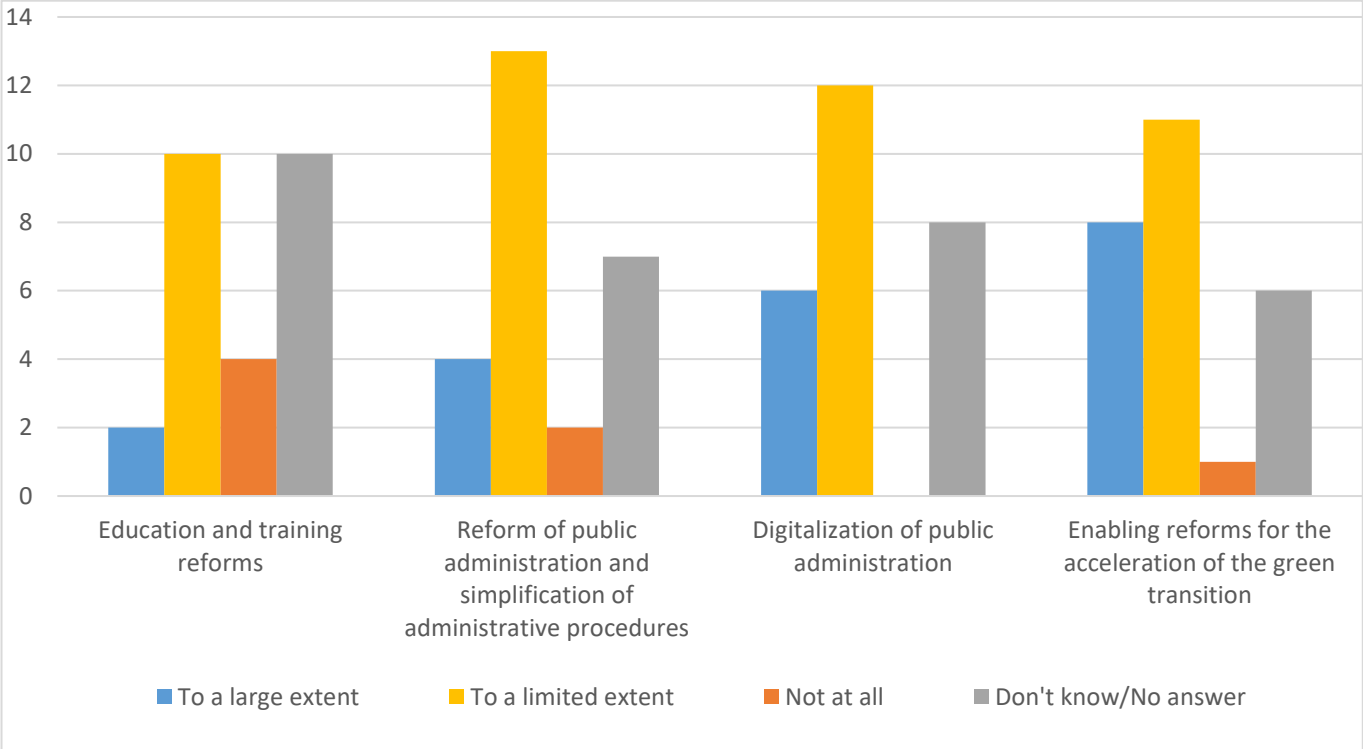
Respondents were then asked about the reforms contained in the NRRPs, and specifically, whether they were deemed beneficial for LRAs (see Figure 3). Again, the most encouraging results are related to the

⁴ Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility

Available online: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32021R0241>

twin green and digital transitions. Most of the surveyed organizations believe that the plans will contribute to accelerate the green transition and the digitalization of public administration.

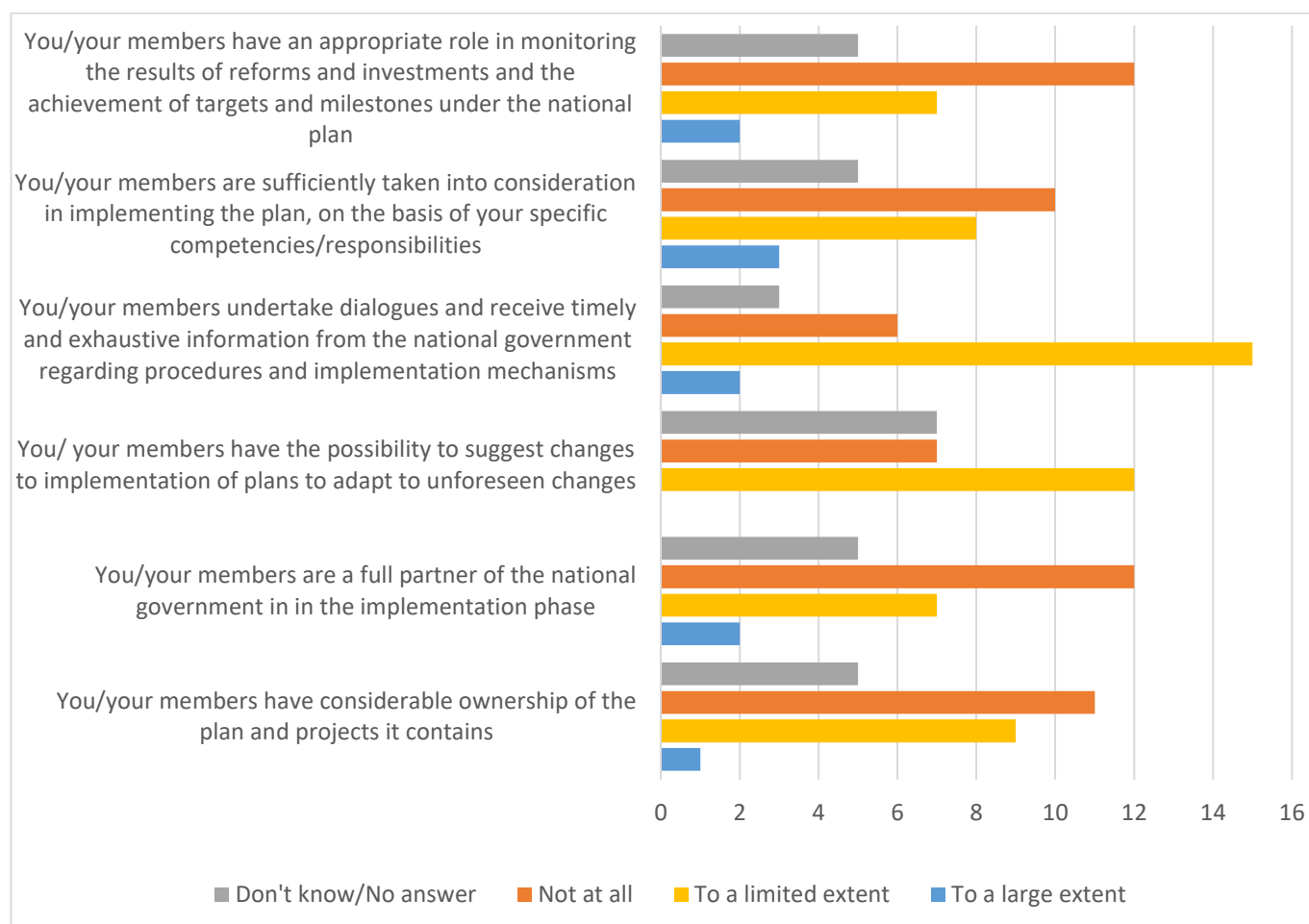
Figure 3: To what extent are the reforms contained in the National Recovery and Resilience Plan beneficial for Local and Regional Authorities in your country?



4. LRAs' role in implementation of the NRRPs

With regard to the role of local and regional authorities in the implementation of the NRRPs, respondents' views are rather pessimistic (Figure 4). Only a very small share of respondents declared having an appropriate role in monitoring, or being sufficiently taken into consideration on the basis of their competencies. Results are similar for the questions related to the status of full partnership with the national government in the implementation of the NRRPs. Ownership of the plans and projects they contain is correspondingly and worryingly low among respondents.

Figure 4: Turning to the implementation phase, to what extent do you agree with the following statements?

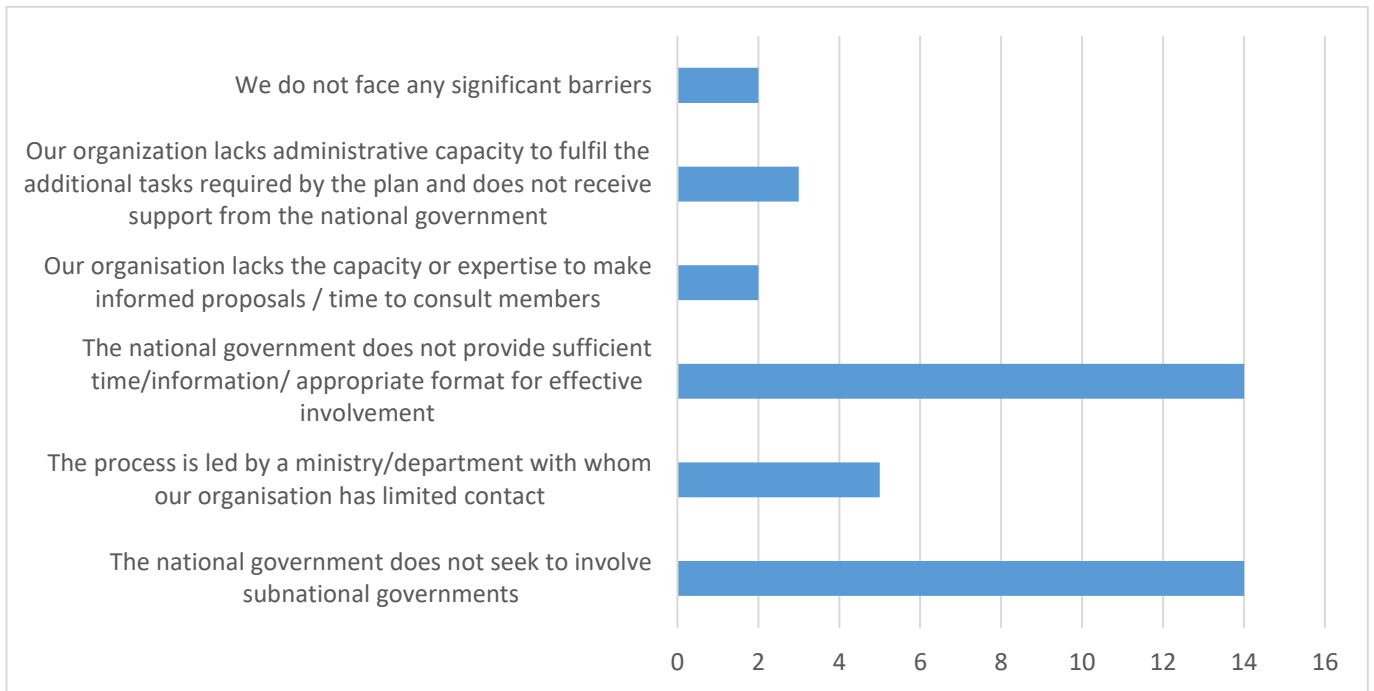


5. Barriers to a successful involvement and potential risks

Respondents were then asked about the barriers to a successful involvement in the implementation of the NRRPs (see Figure 5). Tellingly, the principal barriers, identified by more than half of respondents, are a simple lack of willingness on behalf of the national government, which **does not seek to involve subnational government, and a format or timeframe that does allow for effective involvement**. These were also the key barriers identified in last year's consultation with regards to involvement in NRRP preparation.⁵ This suggests that similar processes – and therefore similar problems – are at play both in preparation and in implementation and that they have not been addressed so far. Only a very small share of participants report lacking capacity to play a role or not facing significant barriers.

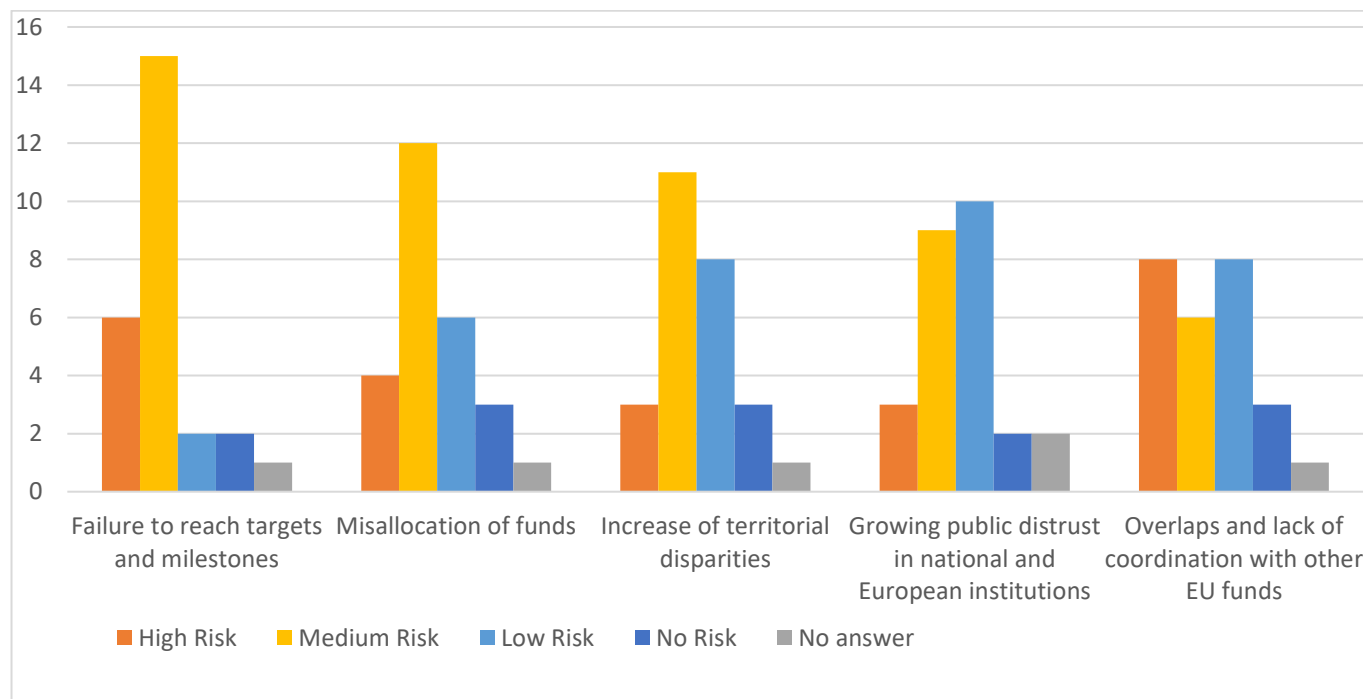
⁵ *Op. cit.* See in particular figure 3.

Figure 5: What are the main barriers to a successful involvement of your association or your members in the implementation of your National Recovery and Resilience Plan?



According to respondents, these barriers to involvement coincide with significant risks in relation to the implementation of the NRRPs (see Figure 6). The main risk identified is related to the objectives of the plans themselves. The number of respondents indicating a high or medium risk of "failure to reach targets and milestones" in the plans is more than five times higher than the number of respondents indicating a low risk or no risk of this happening. Respondents also foresee significant risks of misallocation of funds with their number indicating a high or medium risk of this being twice as high as the number indicating a low risk or no risk. Moreover, more than half of participants to the consultation identify a high or medium risk of increased territorial disparities and overlaps and lack of coordination with other EU funds. These results shed light on the potentially worrying scenarios that may materialise if the lack of involvement of LRAs is not properly addressed moving forward with the implementation of the plans.

Figure 6: On the basis of your expected level of involvement, do you foresee any risks for the implementation of the National Recovery and Resilience Plan in your country?



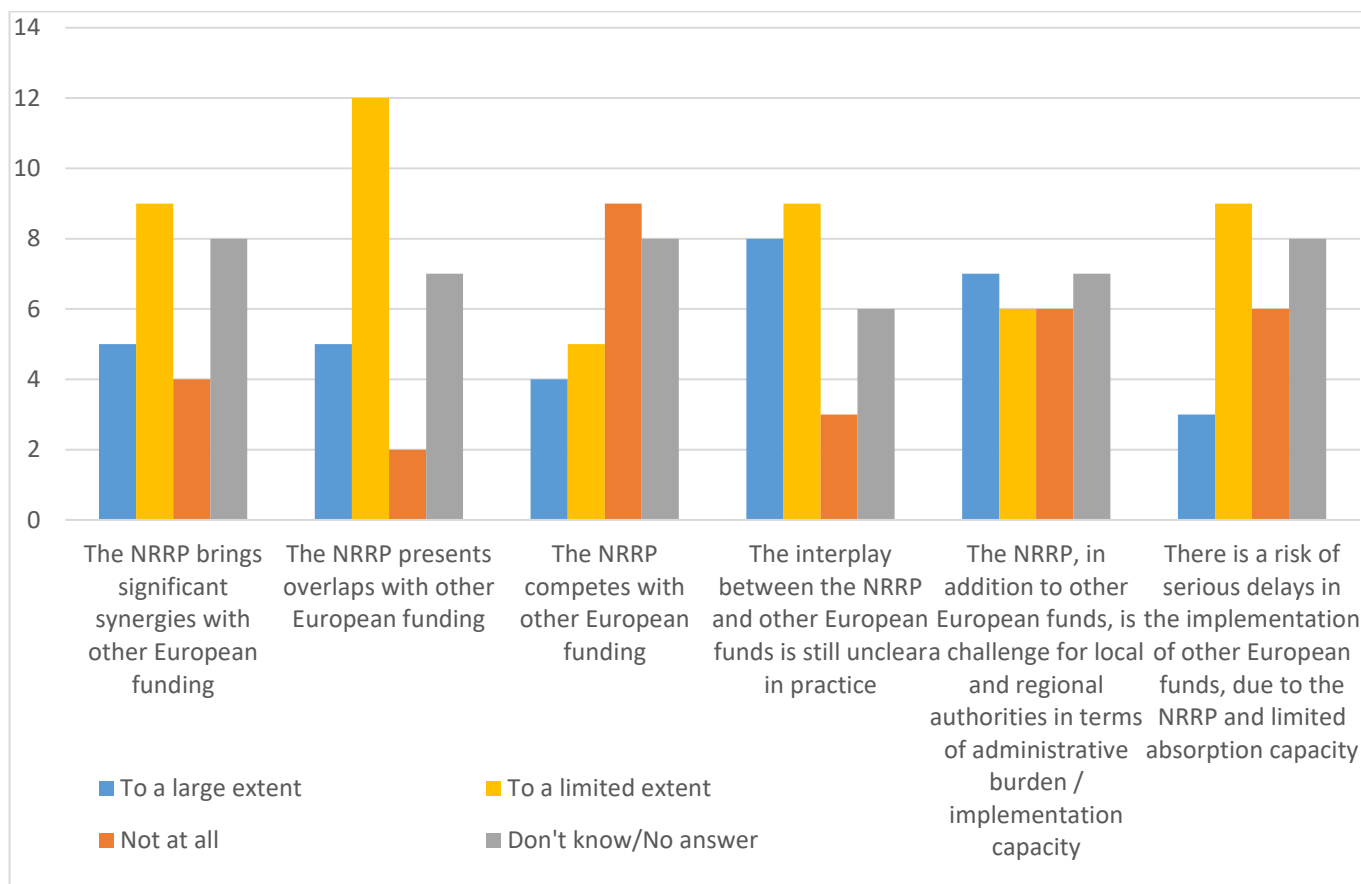
6. RFF and other EU funds

With regards to the interplay between the NRRPs and other EU funds (see Figure 7) the picture drawn by the responses to our targeted consultation is rather mixed. For example, with regards the statement "The NRRP brings significant synergies with other EU funding", similar numbers of respondents agree "to a large extent" and "not at all", reflecting perhaps the particular approach taken by Member States to this element in their NRRPs. Past analysis of NRRPs undertaken for example by the Conference of Peripheral Maritime Regions (CPMR) has shown that the requirement to explain the coherence between RRF and other funds was addressed to very different degrees by different Member States.⁶ Among the 6 statements proposed, the one with which the highest number of respondents agree "to a large extent" is that the "interplay between the NRRP and other European funds is still unclear in practice". In addition, a comparatively high number of respondents indicate that they "Don't know" the answer to all the questions below, highlighting the fact that this element is clearly an important source of uncertainty at this stage.

⁶ CPMR, *Analysis on the National Recovery and Resilience Plans*, Technical Note. June 2021.

Available online: <https://cpmr.org/wpdm-package/cpmr-analysis-on-the-national-recovery-and-resilience-plans/?wpdmdl=29176&ind=1623856583975>

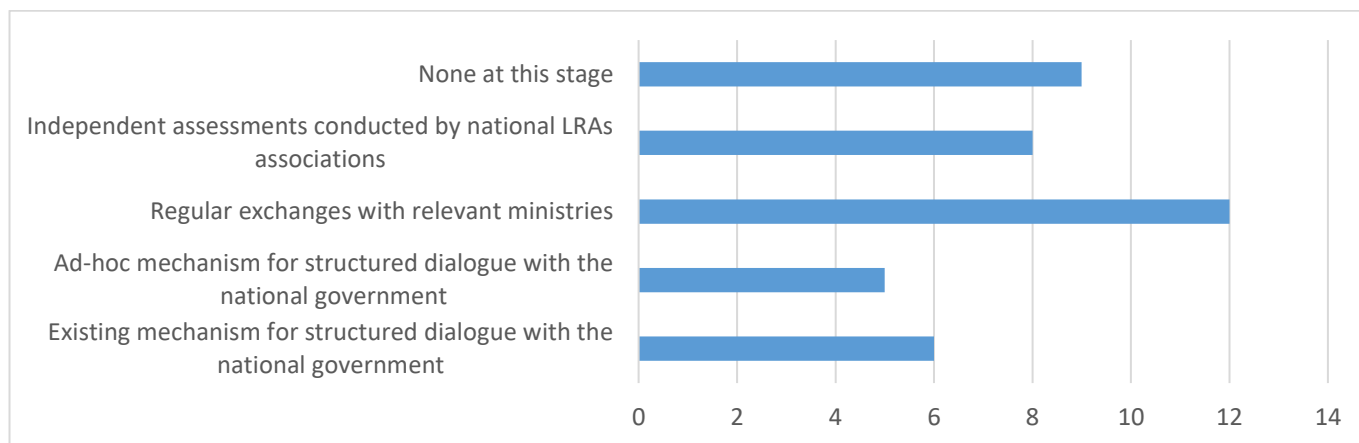
Figure 7: In relation to the interplay between the National Recovery and Resilience Plan (NRRP) and other European Funds (including the Cohesion Fund, ERDF, etc.), do you agree with the following statements?



7. Monitoring

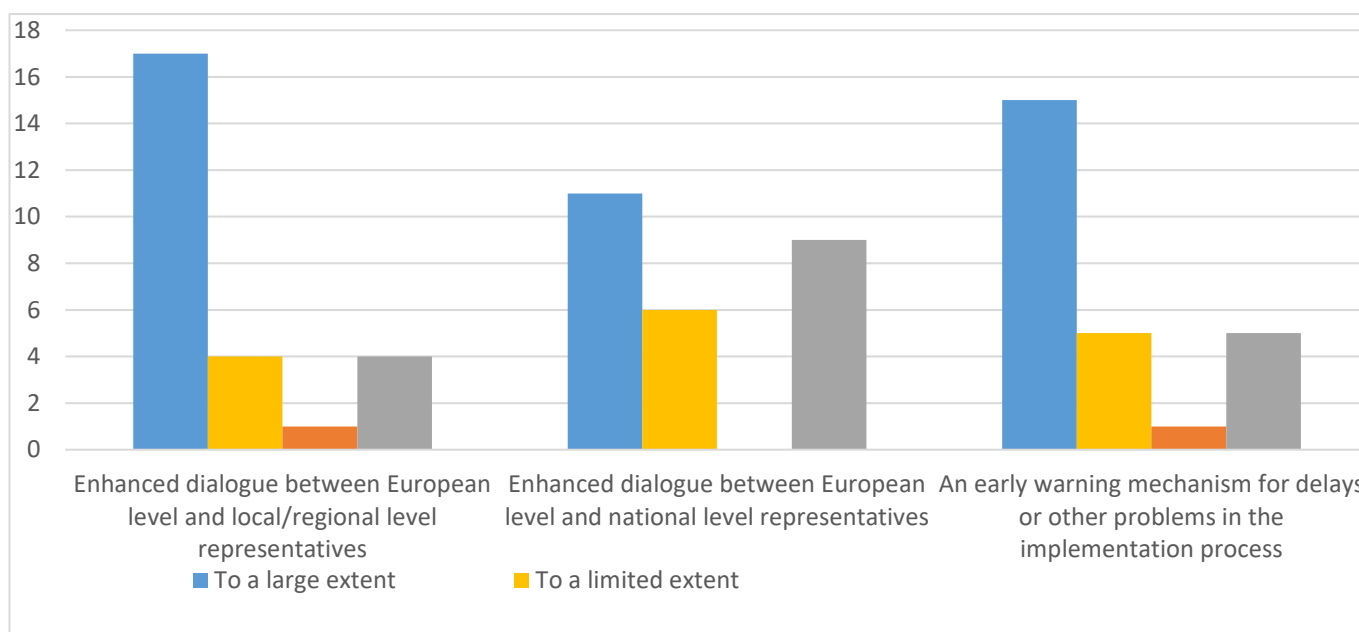
Turning to monitoring (see Figure 8), only around a quarter of respondents state that they will use an ad-hoc mechanism for structured dialogue with the government to monitor the implementation of the NRRP. The most common mechanism appears to be regular exchanges with the relevant ministries. A sizable share of respondents does not yet know if or how they will undertake monitoring of NRRPs implementation. One respondent highlights the notable difference between the NRRP and ESIF in this regard pointing out that LRAs have a formal role in a monitoring committee for ESIFs but this is not the case for the RRF. Another respondent states that even at national level the monitoring mechanism is not yet clear, which prevents the definition of a role for LRAs. This issue presents a clear risk for transparent assessment of the plans in the coming months.

Figure 8: What kind of mechanism will you use to monitor the implementation of the National Recovery and Resilience Plan in your country?



In response to different proposals mechanism would be useful "to a large extent" in monitoring at EU level the implementation of the NRRPs (see Figure 9). Respondents are also supportive of enhanced dialogue between European level and national level representatives, although somewhat less so.

Figure 9: To what extent would the following proposals be useful for monitoring at EU level the implementation of the National Recovery and Resilience Plans?



8. Conclusions

Findings of this consultation provide a snapshot of the role that local and regional authorities play in the different phases of the recovery process and an early indication of how the NRRPs contribute to addressing territorial needs for investments and reforms, especially towards the goals of sustainable and digital transition. The picture drawn by the consultation shows that in most cases no institutionally defined role has been assigned to LRAs in the implementation of the plans at national level. The governance process remains for the most part an untransparent one, managed by central governments and as a result, the sense of ownership that LRAs report is understandably limited. Despite the considerable range of competencies, knowledge and responsibilities that are needed to effectively

achieve the milestones and carry out the projects outlined in the plans, it appears that local and regional authorities continue to not play their full part in the implementation of the NRRPs.

Another striking result to consider is that a majority of local and regional respondents believe that the plans respond to their key challenges and contribute to territorial cohesion only to a limited extent. This is particularly noteworthy in light of the fact that social and territorial cohesion is one of the six pillars of the RRF regulation. In conclusion, it does not come as a surprise that on the basis of their expected level of involvement, most respondents report high or medium risks of failure to reach targets and milestones, misallocations of funds and increase of territorial disparities.