

# Briefing note on the involvement of cities in the governance of National Recovery and Resilience Plans (NRRPs)

September 2021

With the approval of most <sup>1</sup>National Recovery and Resilience Plans (NRRPs), member states have started to receive the first instalments of their allocation. The recovery process is now moving from design to implementation. Member states are working on the definition of the governance structures and rules that will be at the basis of resources allocation and the implementation of new projects.

Since already last year cities were actively engaging with national governments and calling to contribute to the design and the future implementation of the plans. As a consultation carried out by Eurocities in December 2020<sup>2</sup> indicated, cities were though not sufficiently included in the design of national recovery plans and they continue to call for a fair role in the delivery of the plans, including more substantial involvement in the governance structures to ensure and boost a territorially balanced recovery.

Eurocities carried out a second network-wide consultation over this past summer to gather final feedback on cities' involvement in the design of the NRRPs, as well as feedback on their expected participation in the implementation. The insights presented below bring together the main takeaways coming from 28 cities across 16 member states.

## Insights on the involvement of cities in the preparation of National Recovery Resilience Plans (NRRPs)

### 1. Most cities have been insufficiently involved in the design of their NRRPs

- a) City contributions clearly confirm the trend identified last year that the consultations in most EU countries have not meant cities have sufficiently been involved. No significant improvement was achieved despite a strong efforts and pro-active attitude from cities and repeated calls from EU institutions to Member states.

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<sup>1</sup> 20 out of 28 NRRPs have been already adopted as of 24 September

<sup>2</sup> See briefing note on the involvement of cities in the preparation of National Recovery Plans and Operational Programmes 2021-2027 available [here](#)

- b) Over 63% of respondents evaluate the process put in place by their government to consult cities as insufficient, with only 5% evaluating it as 'good', 32% as 'sufficient' and none as 'very good'.
- c) All cities identify the lack of a structured dialogue as the main barrier towards a meaningful contribution during the design phase. Other recurrently identified barriers include the absence of a clear feedback mechanism for their project proposals, a lack of political will to include them and time constraints.
- d) The cities who are satisfied with their involvement identify pre-existing political or administrative structures as the main drivers. Mostly, those structures take the form of established dialogues between associations representing cities and regions and the national level.

## **2. A more formal and active role in the implementation process is seen as a precondition to address the barriers towards timely project implementation**

- a) Respondents consider their active involvement in the national governance as the main precondition for the successful local implementation of the NRRPs. Effective coordination between the relevant levels of government has the potential to maximise the impact and quality of recovery in cities. Most respondents are convinced that the lack of formal role for cities would impede a timely and comprehensive detection and removal of barriers to an effective implementation of the NRRPs.
- b) Cities are convinced that their support can help national governments address existing barriers and challenges. Some respondents suggest that overly long procurement procedures might put the timely and efficient execution of projects at risk and recommend implementing simplified EU procurement rules. Others highlight the lack of a strategy to reinforce city administrative capacity and develop appropriate skills to implement new projects in sectors that go beyond traditional know-how.
- c) Cities are seeking an advisory role on the procedures, monitoring mechanisms and structures that will guide project calls and management. As key beneficiaries, they expect the priority themes, selection and resource allocation criteria of projects to better reflect the real needs and capacities on the ground. They also expect a more substantial dialogue on the technical support and human resources that national governments will provide to project bidders and implementers.

## **3. Cities have been seeking active involvement in the implementation phase of the NRRPs but their role in the governance arrangements remains limited**

- a) Cities are actively advocating for representation in the governing bodies of the national recovery plan. So far, most cities (53%) perceive that they have not been sufficiently informed or involved in the discussions concerning NRRPs governance, depriving them of the possibility to assume a substantial role. The majority of cities who have received information on the governance (34%) stated that they will not fulfil any formal role. Only a minority (23%) describes themselves as having a limited role contributing as an observer or in a consultative capacity. No city so far thinks they fulfill a substantial role.
- b) In countries where cities are formally represented in the NRRP governance structure, it is usually local authorities national associations who are assigned a fixed number of seats in the governing body. While cities see this as an important step forward, this indirect

influence over NRRPs governance is not always sufficient to bring forward city-specific needs. Especially compared to the regional level, cities' influence is limited (e.g. Spain, Germany).

- c) 42% of respondents state that the governance arrangements do not reflect the subsidiarity principle, thereby hindering the efficient achievement of NRRP goals. For 34%, the principle has been partly respected, while no city sees it as completely respected.

#### **4. Most National Recovery and Resilience Plans include projects relevant for cities although an urban dimension is often not explicit**

- a) The urban dimension is present in the funding allocations of NRRPs, although it is often not addressed explicitly, and the role of city authorities as implementers is not made evident. The most common investment areas include building renovation, low-emission transportation and digitalisation of public administration.
- b) Respondents highlight that it is common to see investment areas and reforms relevant for cities that are addressed in silos and not correctly connected with each other. In some countries, cities are trying to promote a more coordinated vision for cities and urban policies around the NRRPs in the hope it will result in a better implementation on the ground. Practically, this would mean a stronger coordination of urban investments with national urban policies and between different ministerial departments.

#### **5. Cities don't know yet whether projects proposed will be financed through the NRRP resources dedicated for urban investment**

- a) Most cities have either not yet been informed about the project selection results or have not seen the inclusion of specific projects in the NRRPs.
- b) Respondents expect they will have to apply for project funding through calls at ministerial and regional levels, delaying their implementation and adding another layer of competition and bureaucratic overload. Easy access to project information and calls should be open to everyone.
- c) Cities fear that the lack of an open and transparent dialogue with the bodies responsible for drafting the proposals might result in complex and unsuccessful calls that do not necessarily correspond to the needs on the ground.

#### **6. Cities proposed concrete projects that can put the just and green transition into action**

- a) Cities are aware of their capacity to deliver on the green and digital transition. They expect to play more central roles in sustainable transportation, energy transition, housing renovation and research, digitalisation and education.
- b) The projects proposed by cities for the NRRPs align with their identified strengths and needs, with most projects proposals already at an advanced planning state. 79% proposed public transport projects, 53% proposed projects related to the energetic renovation of housing stock and 47% plan to go forward with the digitalisation of education and public services. Other major sectors included public health (32%) and soft mobility (26%).
- c) By way of example, recurrent projects and areas of intervention include the construction of new tram and metro lines, the energetic renovation of public buildings and improvement of hospital equipment.

## **7. Cities expect the European Commission to actively support them during the project implementation, reinforce their role towards national governments, and coordinate and communicate the pan-European recovery**

- a) Respondents are looking to the Commission for technical support and a platform to exchange on the common challenges associated with the implementation of urban projects at EU level. The necessary support would also include capacity building activities and the identification of best practices.
- b) Cities are equally seeking a more direct communication channel with EU institutions to monitor and report issues such as the proper application of the partnership principle, the subsidiarity principle, and more broadly, cities' involvement in the governing bodies of NRRPs.
- c) Many cities express the interest to contribute to the realisation of EU policy goals through their investments. They see a strong potential for pan-European cooperation to develop innovative and cost-effective solutions to recurring problems, e.g. through common projects and joint procurement. They also expect a stronger role in communicating the added value of EU investment to citizens.

## **Benefits of involving cities directly in the governance of NRRPs**

### **1. Decentralisation driving the local recovery: Ghent**

During the design phase, the city of Ghent had frequent formal and informal contact with the Flemish representation of local municipalities and the central Flemish and Belgian governments. The pre-existing Flemish 'Policy of the big cities', which has shaped urban policy and planning since the early 2000s, created an environment in which the different stakeholders are already conscious of each other's ambitions and concerns. The result is the inclusion of city projects in the NRRP (for example bicycle lanes, neighbourhood policy, digital city halls) and the provision of supplementary regional funding for specific projects.

### **2. Using and building local competencies: Italy**

In Italy, municipalities have been involved in the design phase of the NRRP since the beginning through the National Association of Municipalities (ANCI) with several flagship projects put forward by cities already included. This is expected to continue during the implementation phase. In a meeting with the metropolitan cities, the Italian Prime Minister confirmed cities' role as implementing entities of the NRRP. The national government also acknowledged the role of cities in the monitoring of NRRP execution, relying on their competencies and experience in project implementation and execution.

### **3. Making the best use of NRRP funding and Cohesion Policy: Greece**

Greece 2.0 is Greece's post-pandemic recovery and reform plan. It was designed by Nobel laureate Christopher Pissarides and identified possible structural improvements in the economy. The plan uses combined Next Generation EU and Cohesion Policy 2021-2027 funding to create an integrated roadmap for the recovery and reform of Greece's economy. The Greek government has recognised that cities have years of experience in the efficient use of Cohesion Policy funds. Therefore, the National Cities Association is responsible for linking municipal actors with the government for execution of Greece 2.0. This arrangement, if properly implemented, could allow better coordination in designing NRRP interventions and improve evaluation and monitoring.

## Conclusion

Most cities across the EU have been seeking active involvement in the design of the NRRPs, for instance by submitting innovative project and reform proposals. Very rarely have their inputs been included. Cities will have to bid again for funding through dedicated calls to have access to the resources of the NRRPs. Their involvement in the strategic development of these calls and related procedures would facilitate a leaner process and timely implementation of projects. Cities suggest that stronger coherence between ministerial calls and different EU funding streams could also reduce pressure on their administrations.

Cities are aware of the important role they can play in executing NRRPs and ensuring that these plans make a real difference for citizens. Their proper recognition in the implementation phase – for instance by providing them with a clear role in the governing bodies of NRRPs – is considered crucial for a successful recovery. City administrations are ready to do their part, but they need the correct conditions to work. This includes clear and transparent information to help them identify and compete for relevant funding streams. It also includes the provision of guidance, human resources and technical support to prepare and implement projects at the frontier of innovation for a green, digital and just transition.

### Annex - Cities involved in the consultation

**Austria** Vienna

**Belgium** Ghent

**Cyprus** Nicosia

**Finland** Helsinki, Oulu

**France** Nantes, Rennes Metropole

**Estonia** Tallin

**Germany** Karlsruhe, Leipzig, Mannheim, Munich

**Hungary** Budapest

**Italy** Bologna, Florence

**Latvia** Riga

**Netherlands** Groningen, Rotterdam, Utrecht

**Poland** Warsaw

**Portugal** Braga

**Slovenia** Ljubljana

**Spain** Barcelona, Bilbao, Logrono, Madrid, Terrassa

**Sweden** Stockholm