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Dear President, Dear Chair,

I would like to thank you for your letter and annexed documents concerning the involvement of local and regional authorities in the implementation of the Recovery and Resilience Facility. We take note of the provisional opinion that the CoR plenary intends to adopt in early December. For your convenience, we have also attached in annex an explanatory note that outlines in more detail how the Commission aims to involve local and regional authorities in the implementation process and how we intend to ensure a fair distribution of funds.

Cooperation with regional and local partners throughout all stages of the drafting and implementation process is integral to the delivery of quality reforms and investments. Broad ownership will be crucial for turning reforms and investments into a reality on the ground. As you know, the regulation on the Recovery and Resilience Facility includes an obligation for Member States to provide a summary of the consultation process with local and regional authorities, social partners and other relevant stakeholders for the preparation and the implementation of the Recovery and Resilience Plan. Member States also need to explain how the inputs of the stakeholders are reflected in the plan. The outline should also mention the type of consultation (conference, bilateral, tripartite etc.), and timing of the outreach efforts and whether stakeholders have been consulted selectively on specific components or whether a general consultation has taken place on a comprehensive draft plan. In its interactions with all Member States, the Commission underlines the importance of stakeholder involvement to make sure that all levels of government have their voices heard. It is very important that regional and local authorities themselves contact and provide input to national authorities in the preparation and implementation of the respective National Recovery and Resilience Plan.

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In this respect we commend Eurocities, CEMR and other umbrella organisations as much as regional representations and municipal organisations for working directly with the Commission at EU and national level to ensure a sufficient standard and frequency of consultations across Member States.

We have not formally assessed the stakeholder consultations undertaken by the Member States. However, we understand social partners have reported a mixed picture when it comes to their impression of the consultation process at national level ranging from regular and detailed consultation to far more limited consultation processes in some countries.

We share this view as some Member States clearly have been thorough, others could have done more, especially as regards the involvement of local and regional partners. This in part reflects the fact that Member States have taken different approaches to public consultation. For instance while some have consulted on the overall plan, others have done so at sectoral or regional level.

Regarding the CoR's proposal to employ the partnership principle, it remains a part of the code of conduct for the European Structural and Investment Funds. It implies a multilevel consultation procedure of stakeholders including public authorities, economic and social partners and bodies representing civil society, including environmental partners, community-based and voluntary organisations. While the partnership principle is not included in the Regulation on the Recovery and Resilience Facility, we subscribe to the CoR's position that stakeholder consultations are very important. Each country has different legal frameworks and common practices related to stakeholder consultations vary significantly.

We should also remember that the active involvement of stakeholders will be vital throughout all the stages of the implementation process and that the submission of the national recovery plans is only the first step on the path towards a sustainable and digital recovery. With many of the plans now adopted, we are currently in the process of focusing on the implementation. As local and regional authorities will be at the forefront of implementation throughout the entire lifespan of the Facility and a successful delivery of the plans can seldom be achieved without their participation, the Commission will pay particular attention that regional and local authorities and other stakeholders have a very prominent place in the consultation mechanisms established by the Member States.

Yours faithfully,



Valdis Dombrovskis

Annex: Note on the involvement of regional and local authorities: implementation and monitoring

ANNEX

Note on the involvement of regional and local authorities: implementation and monitoring

As local and regional authorities will be at the forefront of implementation throughout the entire lifespan of the Facility, the Commission will pay particular attention that regional and local authorities and other stakeholders have a very prominent place in the consultation mechanisms established by the Member States. As we are entering the very outset of the implementation phase and with several of the plans still being worked on, the framework on future cooperation with local and regional authorities on the implementation of the plan is still being conceived. The Commission has taken note of the recommendations for further consultations and lessons learned from stakeholders and their experiences throughout the preparatory phase.

The experience of local and regional authorities with the implementation of projects funded through cohesion, regional and other EU funding will be of crucial importance. The implementation and monitoring of the delivery of the plans would be shortsighted without the presence and involvement of local and regional authorities on the ground.

The Commission vigorously encouraged Member States in the preparatory phase to involve local and regional authorities in the implementation and monitoring of the reforms and investments. While the funds under the RRF are paid to the Member State directly, the measures financed under the RRF can have a strong local dimension, as evidenced by the design of some milestones and targets in approved recovery and resilience plans. For example, the implementation of some measures can include some conditions linked to regional or local considerations and in many plans there are measures that will benefit directly regional or local authorities. This is not only the case in the field of transport, for example to build new railways or urban transport connections and also for purchasing transport equipment, but also in the field of healthcare or social measures with many investments directly benefitting local communities.

While assessing whether the milestones and targets have been satisfactorily fulfilled, the Commission will be very vigilant that all the conditions have been complied with. This will entail as the case may be to verify that the distribution of funds has followed an open and transparent process, based on clear calls for proposals or calls for tenders so that all potential beneficiaries are treated fairly. This is important to ensure that the RRF funds are attributed in line with the needs outlined in the recovery and resilience plans. The Commission will use all the verification tools that it has at its disposal to check that the money spent has contributed to the expected results, including territorial impact in the case of some milestones and targets. Such verification mechanisms do not however only apply to quantifiable investments, but also to reforms that might have a direct impact on a given region or municipality.

For those milestones and targets that entail a geographic dimension, it will be important that a sufficient degree of cooperation with concerned local and regional authorities is ensured in all relevant stages of the implementation process. The Commission will request the necessary evidence on tenders and calls for proposals if this was specifically mentioned in a milestone or target in the Council Implementing Decision. The Commission will also be attentive to make sure that the award of grants to regional authorities follows a fair distribution based on the

conditions set out in the Council implementing decision approving the national plan. National recovery and resilience plans were designed by the Member States and we must take into consideration their regional specificities, territorial organization as much as governance traditions that determine the geographical dimension of their measures.

The Commission will soon put online the RRF Scoreboard that will provide information on the processing of the payment requests from the Member States. Each interested stakeholder and the public at large will be able to follow the implementation of the various recovery and resilience plans with up to date information. The Commission will try to introduce a more territorially oriented method of monitoring when possible. This will however largely depend on the availability of this particular data and most importantly the willingness of Member States to release it. In this respect, we encourage local and regional authorities as much as their respective umbrella organizations to continue in their excellent research and complex data collection that resulted in several in-depth studies on the state of play of stakeholder engagement throughout the preparation phase. These documents and unique perspectives had a profound effect on the amelioration of the consultation process in many Member States and laid the groundwork for future cooperation. These reactions will be as important in the implementation phase as they were during the preparation of the plans and will complement the officially published data.

The Commission is open to any feedback and testimonials of local and regional authorities on their direct experience with the implementation of the given investments and reforms. It is however important that, much like with the preparatory phase, that local and regional authorities reach out directly to the relevant national authorities on the implementation of specific measures. In this respect, the Commission welcomes the work of the Committee of the Regions in that it lends a voice to regional and local authorities regarding the implementation of the Facility. This most importantly pertains to outermost and insular regions that have been statistically affected the most by the economic impact of the pandemic.

The Commission will advocate for the involvement of local and regional authorities in the implementation process and will reflect on the suggestions presented by the Committee of the Regions or local and regional authorities themselves in discussions with Member States. We must ensure that regional and local authorities play their part in the successful delivery of the plans and reap the benefits of the Facility's success throughout its duration and beyond.