

Uncertainty Amidst Recovery

2021 Estimates of COVID's impact on local and regional finances



COVID-19's IMPACT on MUNICIPALITIES and REGIONS finances



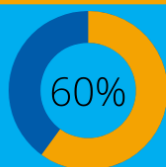
Top areas of increased spending:

- 1) Social care
- 2) Buying protective equipment
- 3) Implementing and enforcing measures decided by national governments



Local and regional finances are under pressure due to:

- Falls in business tax revenue
- Reduced income from fees for public services and spaces



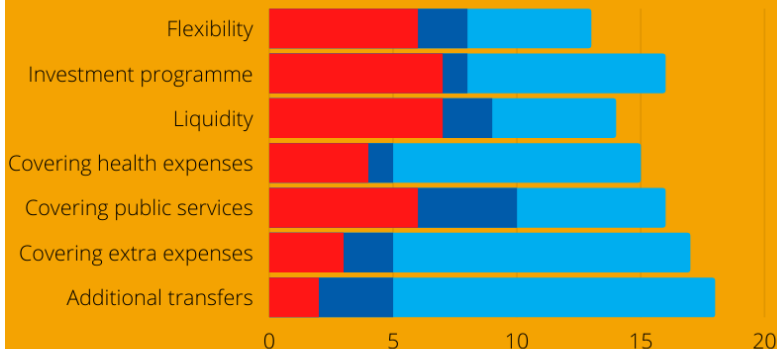
60% of respondents say central government support is **INSUFFICIENT** to cover increased local/regional expenses and revenue losses

Most local and regional governments are planning **MAJOR INVESTMENTS** to make the **GREEN AND DIGITAL TRANSITIONS** a reality



National governments must continue exchanging with local and regional governments to better understand and ensure their capacities to invest for the future

Diversity in support mechanisms by central & regional governments



Information from
15 countries
18 associations representing
local and regional governments

The world changed quickly once COVID had arrived. In the beginning governments and people struggled to make sense of what was happening.

The impact was felt from the EU level to the smallest village. Our local and regional governments were faced with the challenge of holding communities and economies together, yet many had lost significant income. The 'scissor effect' as it became known caused major problems for some. Less income coming in; more expenditure going out. Not a happy state of affairs!

Assistance from the EU level and from national governments helped, but simply wasn't enough.

Lessons have been learnt. This second report is on the impact of the crisis on finances for local and regional authorities and, learning from them, on what could have been done better. What has become clear is that national governments must work with local and regional authorities, through each country's national associations, if lessons learned are to be better understood and applied.

A listening ear can create real partnership. That is what we now need.



Flo Clucas
Councillor of Cheltenham (UK)
CEMR spokesperson on local finances

Context

More than one year after the start of the global health, economic and social crisis, the COVID-19 pandemic is still not entirely behind us. Even as increased vaccination rates across Europe raise hopes, the extent and duration of the impact of this crisis on European local and regional governments (LRGs) is not yet fully understood.

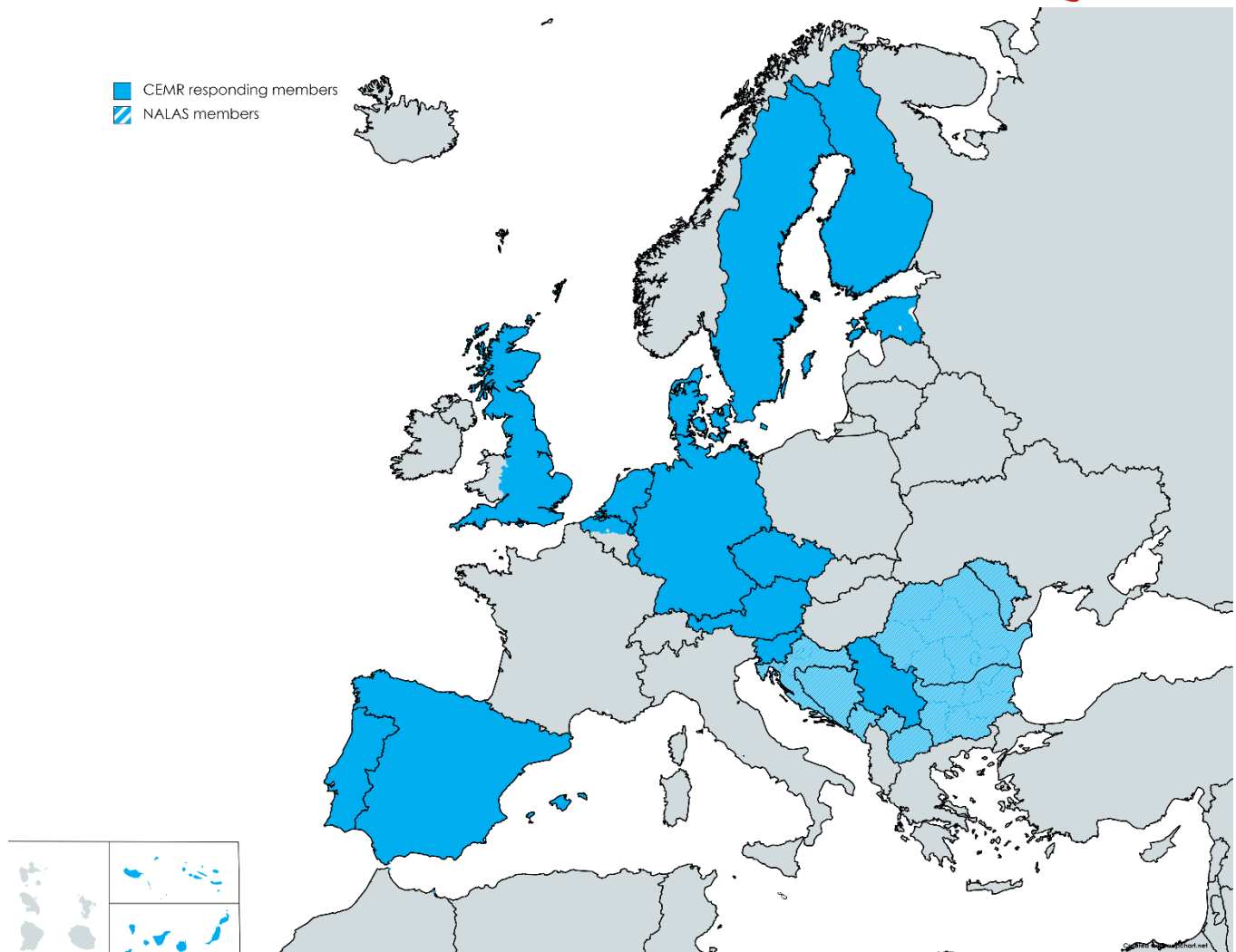
Many other organisations and institutions have already been gathering quantitative data on the impact of COVID-19 on local and regional governments' finances¹. [CEMR's own analysis in summer 2020](#) already identified the very first signs and trends in this area. At the time it was only initial estimates. Although the crisis is far from over, CEMR believed that one year after this first survey, it was time to again gather estimates from national associations of local and regional governments. This enables us to better understand the impact of COVID-19 on local finances and investments, and most importantly,

to know what type of support measures have been put in place at national and European levels. This analysis aims to raise awareness at European and national levels on the difficult financial situation still faced by local and regional governments. It also sheds light on what support and compensation measures can bring some relief, in a context where most countries have been developing national recovery and investment plans.

In May 2021, eighteen regional, national or supra-national associations representing local and regional governments from fifteen European countries participated in the survey: Austria, Belgium (Flanders), the Czech Republic, Denmark, Estonia, Finland, Germany, Luxembourg, the Netherlands, Portugal, Serbia, Slovenia, Spain, Sweden, the United Kingdom (England and Scotland), as well as the Network of Associations of Local Authorities of South East Europe (NALAS)².

¹ See "[Further readings](#)"

² Austrian Association of Municipalities; Austrian Association of Cities and Towns; Association of Flemish Cities and Municipalities; Union of Towns and Municipalities of the Czech Republic; Local Government Denmark; Association of Estonian Cities and Municipalities; Association of Finnish Local and Regional Authorities; Association of German Cities; German Association of Towns and Municipalities; Association of Luxembourg Cities and Municipalities; Association of Netherlands Municipalities; National Association of Portuguese Municipalities; Standing Conference of Towns and Municipalities of Serbia; Association of Urban Municipalities of Slovenia; Spanish Federation of Municipalities and Provinces; Swedish Association of Local Authorities and Regions; Local Government Association; Convention of Scottish Local Authorities



Findings and recommendations

- This update of the 2020 survey confirms the trend now broadly acknowledged of a scissor effect in most countries: local and regional governments had to face an increase of expenditures and a loss of revenue at the same time.
- However, the impact of the current crisis on local and regional government finances greatly varies from a country to the other depending on the level of fiscal decentralisation and existing legal mechanisms to compensate local and regional governments' LRGs losses in times of crisis.
- National governments must continue exchanging with the national associations representing local and regional governments in their country in order to better understand the exact extent of impact on finances but also the impacts on longer term capacities to invest for the future.
- National governments and the EU must remain alert on the situation of local and regional government's finances and public investments as they should play a major role in the long-term sustainable recovery if sufficiently supported. Most local and regional governments are planning major investments to make the green and digital transitions a reality.

COVID-19 LED TO ESTIMATED INCREASES IN LOCAL AND REGIONAL GOVERNMENTS' EXPENSES OF BETWEEN 0.2% AND 4%

Firstly, associations of municipalities and regions were asked to estimate the additional expenses that local and regional governments had to meet in 2020 due to the health crisis and its broader socio-economic impacts. This means unexpected expenses compared to initial budgetary plans for 2020, including non-health expenditures such as social support measures. In absolute value local and regional governments' additional expenditures in 2020 are estimated between €5 million and €10 billion depending on the countries, with an average value of about €2.6 billion.

The case of Estonia – which indicated the lower estimate of €5 million in additional spending – is due to an overall fall in local and regional expenses. However, some specific expenses lines increased due to the crisis. For example, costs for medical supplies and special equipment increased by approximately €4 million, and support for children in foster care by approximately €0.5 million. In the UK, according to the English (LGA) and Scottish (COSLA) associations of local authorities, the two UK nations had to meet additional expenses of respectively €8.3 and €1.8 billion at the local level.

Obviously, the values greatly differ between countries depending on the size and number of municipalities and regions. COVID-19 resulted in estimated **increases in local and regional expenditure** ranging from **0.2%** (Serbia) and **4%** (Portugal) compared with initial budgetary plans. In Austria the increase in spending was estimated at less than 1% and in Flanders (Belgium region) 1.9%.

The overall budgetary increases observed throughout Europe are clearly linked with increased expenses local and regional governments had to bear because of the COVID-19 crisis. We asked what were the biggest areas of increased expenditure for local and regional budgets.

- **Expenses related to social care** (such as support for the population, housing, childcare and poverty reduction) have been highlighted as the most costly of COVID-related expenses for municipalities in 2020. The English Local Government Association (LGA) estimated the additional expenses that covered the increased demand for Adult Social Care, supporting the social care market, as well as the workforce support at €3.1 billion. The Association of Netherlands Municipalities (VNG) highlighted the growing demand for care: while in 2015 the central government devolved powers in the social sector to local governments (youth care, social care, elderly, employment), this came with a significant cut in budget allocations, putting Dutch local and regional governments in a very concerning financial situation today. Higher social spending by local governments has also been identified by the Flemish, Portuguese and Estonian associations.
- The **purchase of protective equipment** for staff under municipalities' responsibility, as well as the implementation of cleaning, disinfection and restriction measures (lockdowns and controls) led to considerable additional expenses for cities, towns and villages, notably in the Czech Republic and, as stressed by NALAS, in South-Eastern European countries.
- To a lesser extent, **additional support to local businesses, associations and cultural institutions** has resulted in a higher expenditure in 2020, in particular in Flanders and Portugal.

Impact of additional sectoral expenses due to COVID-19 crisis on LRGs budget in 2020

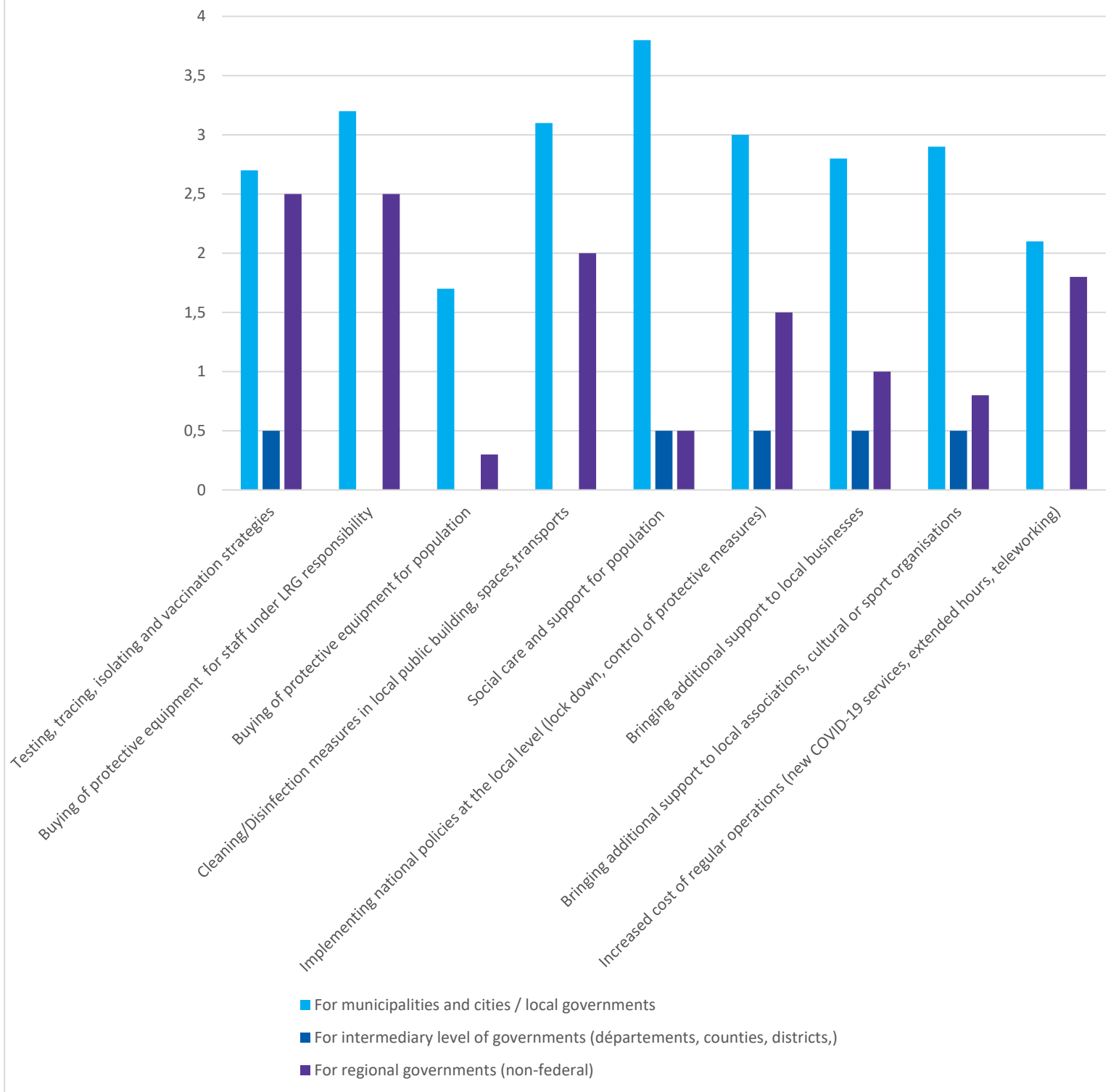


Figure n°1. Associations were asked to rate from 0 to 5 the impact of additional sectoral expenses on the municipal budgets in their country (where 0 means no impact at all and 5 means a very strong impact)

- While in some countries additional local and regional expenses were mainly covered by the local level (Serbia, Netherlands...), in others they were more or less evenly distributed between local and regional governments (eg. Czech Republic)). In these countries in particular, regions have played an important role in the implementation of testing, tracing, isolating and developing vaccination strategies and the purchasing of protective equipment.
- Buying of **protective equipment for the population** seems to have weighed less on local and regional finances. One possible reason for this could be that this was constrained by national or European legal frameworks. Some associations had already raised concerns that the REACT-EU fund only allowed for the purchase of equipment for medical staff but not for the population.
- Among other significant expenses, several national associations pointed to **childcare and education (organisation of tele-learning), transport and mobility, ICT and digitalisation** of municipal services or other health-related expenses (for instance in Portugal municipalities also bought medical ventilators or set up field hospitals). These findings are consistent with the latest NALAS survey, which found that between 40 and 60% of southeast European municipalities expect higher costs of over 10% for the following services: public healthcare, social care and protection, support measures for the local community and local business and disinfection of public spaces and buildings. On average, one third to half of these municipalities expect increased costs of over 20%³.

REVENUE LOSSES OFTEN HAD A MORE SEVERE IMPACT ON LOCAL AND REGIONAL FINANCES THAN DID ADDITIONAL EXPENSES

At the time of the survey (May 2021) most of the associations could not provide precise data on local regional governments' financial losses in 2020. Some could however provide estimated tax income losses, transfers from national governments and losses from decreases in other tariffs and fees revenues.

Our finding indicated that losses in revenue for local and regional governments in 2020 vary **from virtually no losses to losses of €2.97 billion** (estimated in the UK) **or up to 15% of normal annual revenue** in south-eastern countries (NALAS). In Germany, total losses of revenues (without compensations) is estimated over €10 billion.

Tax income losses tend to affect most countries where local and regional governments are responsible for raising their own taxes and/or have higher fiscal autonomy⁴ as no mechanism was in place to compensate in case of crisis. In Sweden there is an estimated €667 million. In Portugal and Austria the associations of cities both identify a 9% fall in usual annual revenue due to COVID-19, which means estimated losses of €360 million in Austria (without Vienna) and €246 million in Portugal. In Germany tax income losses is estimated at €10.2 billion.

³ NALAS Survey, p.45; September 2020

⁴ The "[Country profiles](#)" of the World Observatory on Subnational Governments Finance and

Investments provide detail analysis of fiscal decentralisation in each country

In countries where almost no losses are identified, the reason is that **municipalities' tax revenue is guaranteed by the state**. In such cases, the national government carries the risk of an overall loss in taxes, or the main source of revenue is the transfer from the national government, collecting the local taxes and redistributing to local and regional governments.

Regarding transfers from the national/federal levels to local or regional governments, the year 2020 also showed quite a **dramatic decreases compared with the usual allocations** in some countries, up to 27.89% or €801.79 million (Czech Republic). However, we also note some countries where there was no decrease from state transfer (e.g., Portugal and Scotland) and even countries where transfers actually increased (e.g., in Estonia or Sweden, the latter by €5.4 billion). (More on governments' support below.)

Concerning other types of losses such as losses due to decreased tariffs and fees revenues, the losses vary between 1% (Austria) to 41% (Portugal) of usual annual revenues. In absolute values the average is around €722 million, with the Estonian association of cities identifying €44 million in losses related to kindergarten fees, tickets for transport, events and cultural institutions; to England where €3.39 billion in losses have been identified. Some associations also highlighted that beyond municipalities and regions, losses of revenue and higher costs were also heavily felt by **municipal companies and organisations** (culture, sport, tourism), and this would most likely **translate to municipal budgets at a later stage**.

More specifically we asked associations representing local and regional governments to assess the importance of losses in terms of impact on municipalities' and regions' budgets (Figure n°2). Associations have identified two main sources of revenue being severely affected by the COVID-19 crisis,

which are **local businesses' taxes and fees** and **contributions to local public services**. To a lesser extent, the decreasing revenues from taxes on the hospitality sector and tourism have also hurt municipalities' finances, especially in southeast Europe. At a glance, half of the respondents identified tax income losses as the main cause of local and regional budgetary losses (notably Austria, Czech Republic, and Portugal), while others pointed to the stronger impact of tariffs and fees losses (England, Estonia, Scotland, Serbia).

Some associations warned of the **mid- and long-term effects of these losses**. In fact, a drastic decrease in income taxes in 2020 will only be assessed later this year and the consequences of income losses – both from taxes and fees – will only be visible in municipalities' budgets in the years ahead.

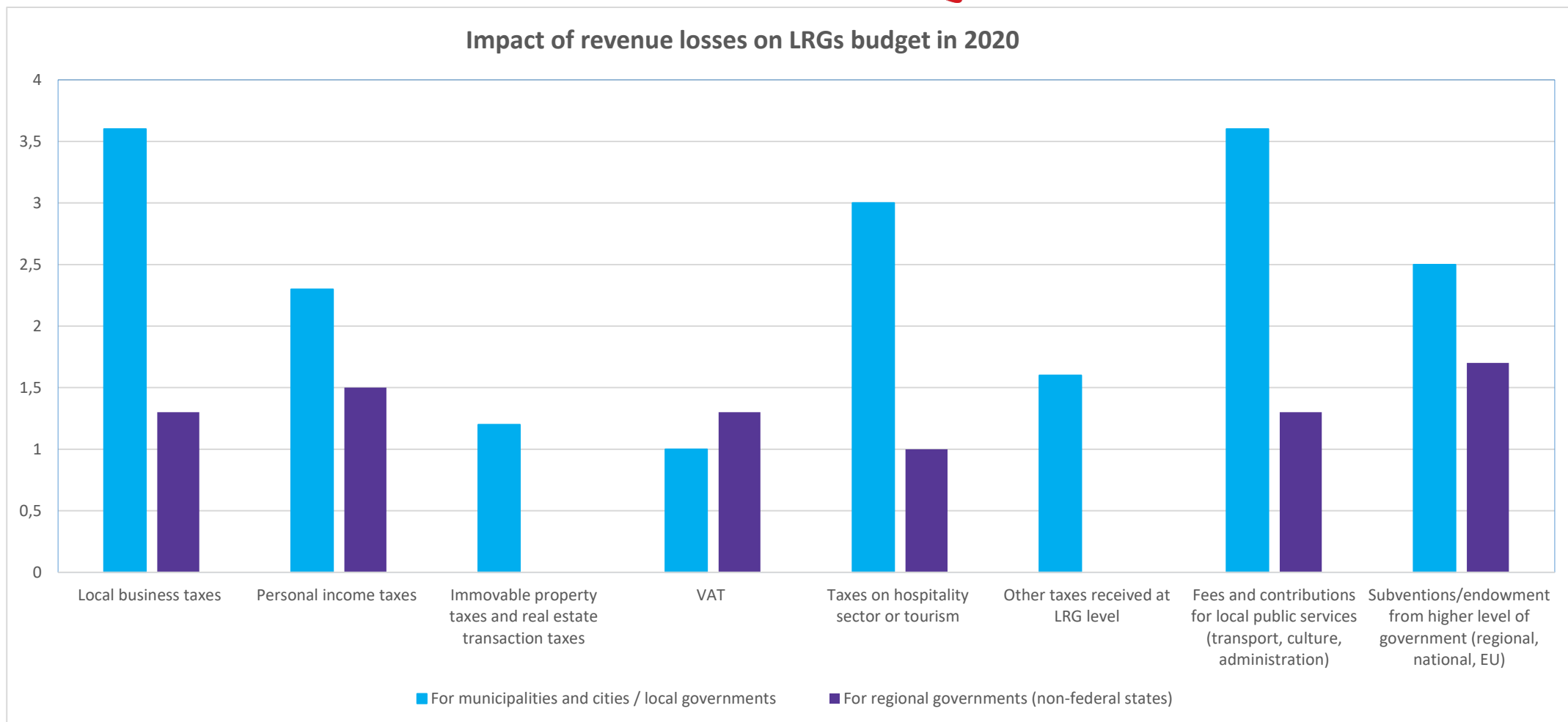


Figure n°2. Associations were asked to rate from 0 to 5 the impact of financial losses from several sources of revenue on the municipal budgets in their country (where 0 means no impact at all and 5 means a very strong impact)

*All taxes and fees are intended as received at local or regional level

WHAT SUPPORT FROM CENTRAL AND REGIONAL GOVERNMENT?

Following this first part confirming the “scissor effect” on local and regional finances (increases in expenditures and losses in revenues), we asked CEMR members to estimate the compensations allocated by central governments to local and regional governments in 2020. Here again the support received varies widely, ranging from €2.9 million to €15 billion, the average being around €2.9 billion in support from national governments. In the Czech Republic for

instance the total amount of €519 million results from the central government support of €48.4 per capita. The Flemish association of cities and municipalities also highlighted that more than the €100 million in support from the central government corresponds to 1% of municipalities’ annual budget. On the other hand, there are also cases where no financial support came from the central government for 2020, this is the case in Portugal for example.

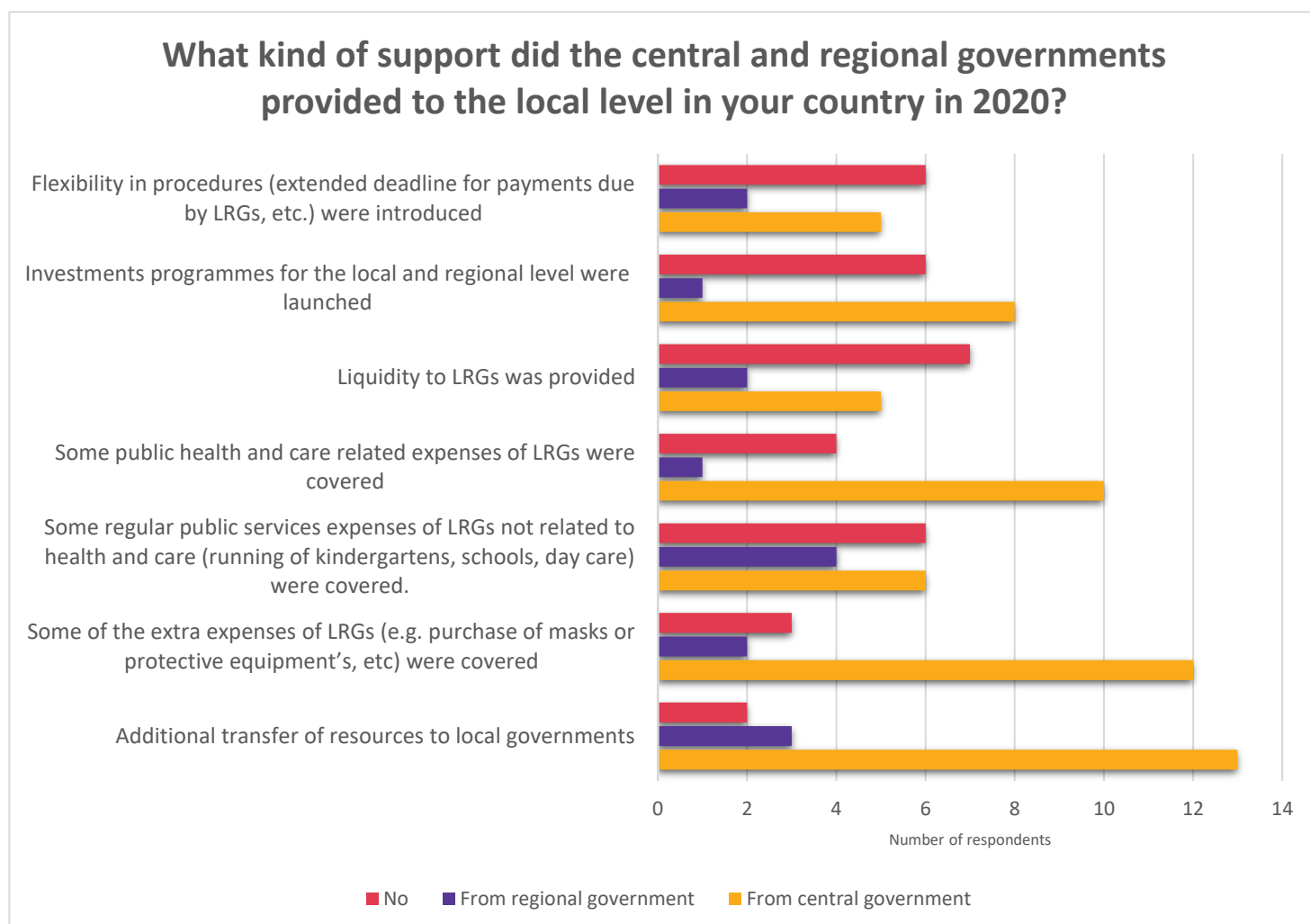


Figure n° 3 LRG associations were asked what kind of support did the central/regional* government provided to the local level (municipalities, cities, counties...) in your country in 2020

As shown in the figure above, the additional **transfer of resources from national governments is the most common** type of support that has been provided to municipalities and regions. But respondents have also highlighted other types of support from central and regional governments to relieve municipalities from the dramatic effects of the COVID-19 pandemic. In particular the purchase of masks, protective equipment and financing of mass testing and healthcare actions provided at the local or regional level could also be covered by the central government.

Less frequent, but interesting to note, is that 8 out of 14 respondents have mentioned the **launch of investment programmes that target the local and regional level**; 6 respondents mentioned additional support in running public services including running of kindergartens, schools and day care; and 5 respondents identified additional support provided as additional flexibility in procedures (e.g. extended deadline for payments due by local governments, suspended payments for

certain period, more flexibility for local government debts), and liquidity provided to local and regional governments. In Austria for instance, the provision of additional liquidity came from shifting funds from intergovernmental transfers normally for investment grants. A few other examples were provided such as support to cover the cost of municipal staff's salaries who could not come to work due to COVID.

On the other hand, it is also striking that respondents from 6 countries answered that no investment programmes for the local level were launched in 2020 (e.g., for building renovation, improving public transport, expanding broadband coverage), neither by the central state nor by the regional government.

From the answers, we can see that most support for municipalities is coming from the central state, but in some countries (Austria, Portugal, Scotland, Germany) **additional support also came from regions.**

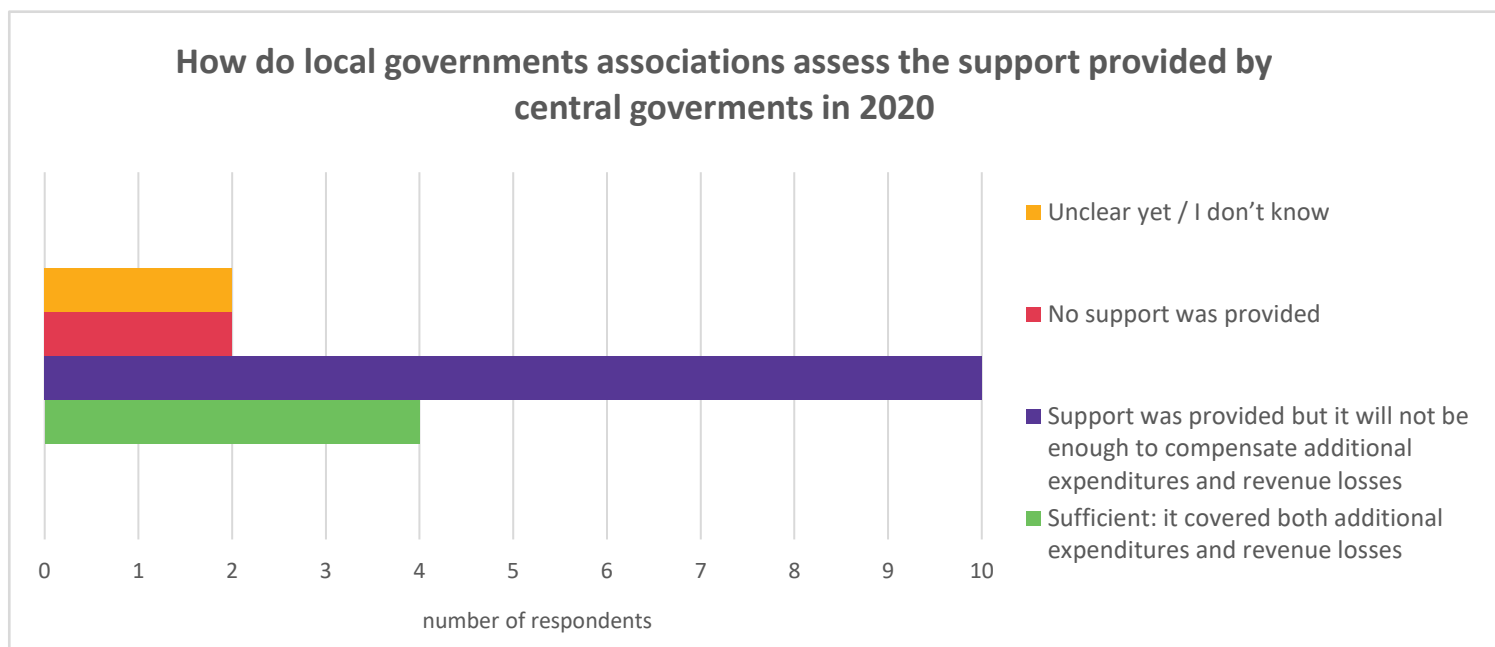


Figure n° 4: LRG associations were asked to assess the support provided by national government in 2020

Although it is still too early to assess whether the compensation allocated by the national governments are enough to cover the past and coming revenue losses caused by the COVID-19 pandemic, the majority of respondents acknowledged that support was indeed provided in the short term, but it **will be insufficient to compensate the budgetary deficits** of local and regional governments in the long run. Yet it is worth noting that the assessment can vary within a country between the municipalities. For instance, the Flemish association of cities and municipalities said that for a small number of municipalities the support was more than sufficient, for most it was sizeable but didn't cover the whole gap and for a small number of municipalities it was much too little. The Czech Association of Municipalities mentioned that the state support for municipalities did not cover 100% of the losses and additional expenditures. All the expenses related to the pandemic had to be covered by the municipalities themselves. At

the end of 2020, after a discussion with the national government, the Czech association managed to reach an increase in the share of shared taxes that are guaranteed to municipalities (from 23.58% to 25.84%). However, this raise was caused by a reduction of personal income tax which is one of the shared taxes from which municipalities receive income. In Estonia and Sweden, the transfers from national to local and regional governments were increased, although there are concerns about substantial tax losses in the coming years for which there will be little or no compensation. That would lead to a cut in municipal investments as well as in spending on culture, sport and social services. Finally, Portuguese municipalities didn't receive any support from the national government to cover any additional expenses made in 2020. For 2021, just €55 million from the EU Solidarity Fund are confirmed to compensate a very small part of those additional expenses (estimated at €200 million).

Flexibility in EU rules

In order to help EU Member States, SMEs and citizens to face the social and economic impact of the crisis, the European Union adopted series of measures to support Member States and specific economic sectors. In particular the flexibility measures can also be in favour of local and regional governments:

- **State aid Temporary Framework** as well as a new temporary **SURE** instrument allowed member states to support businesses and workers
- **Public finances and fiscal policies rules** were relaxed with the activation of the general escape clause of the EU fiscal framework (Stability and Growth Pact) that allow member states to deviate from the usual requirements of balanced budget and debt control (3% deficit ceiling and public debt below 60% of GDP). Local and regional governments investments are constrained by the same rules as they are included in the calculation of national deficit. Therefore the activation of the general escape clause also bring relief at local and regional level and could help foster the needed investment for sustainable recovery if followed by a comprehensive reform of this framework that will better take into account the role of LRGs in European public investments for green and digital transitions. (See [Reviving local public investments – Flexibility is needed in the existing rules of the Stability and Growth Pact](#), CEMR, 2015)
- **Coronavirus Response Investment Initiatives (CRII/CRII+)** allowed to rapidly redirect EU Cohesion funds to support health-care system and small and medium sized enterprises and introduced additional flexibility such as the possibility for transfers between different structural funds, redirection of resources to most affected regions and 100% co-financing from EU budget. This flexibility will continue during the first years of the new programming period with **REACT EU**.

DIFFERENT LEGAL MECHANISMS CAN EXIST TO GUARANTEE THE SUSTAINABILITY OF LOCAL AND REGIONAL GOVERNMENTS' LRGs BUDGETS

In several European countries, **the law formally forbids local and regional governments from going bankrupt**. This is the case, for instance, in Estonia, the Netherlands and Scotland. In other countries, even though not foreseen in the law, the governments do limit the ability of municipalities to go into debt. In the Czech Republic, where bankruptcy for local governments is not foreseen by the law, tax income revenue is guaranteed by law in the form of a percentage, but the government is not obliged to compensate in case of losses.

Serbian municipalities can legally benefit from exceptional transfers and compensations from the national government in case of crisis. The same mechanism exists in Portugal through the "Municipal

In Sweden, the municipal sector's balancing requirements ensure that municipalities and county councils draw up the budget for the next calendar year and make sure that revenues exceed the costs. If deficit nevertheless arise, the negative result shall be balanced by the corresponding surplus over the next three years. In Austria, the European Stability and Growth Pact has limited both the assumption of local government debts and the net growth rate of expenditure. Guaranteed tax revenues from the central government have been agreed for a limited period starting in 2021.

NALAS highlighted the diversity of legal mechanisms in place in southeast European countries. In most cases, a part of local government finance instruments are

Emergency Fund". Credit loans may also be negotiated through the Portuguese "Municipal Support Fund" but none of these two possibilities were used during the COVID-19 crisis. Some respondents also mentioned the existence of equalisation systems.

In Flanders and England no legal requirement exists, although the English Local Government Association highlighted the use in 2020 of **mechanisms including exceptional transfers and compensations from the national government** and in some exceptional cases for a small number of local governments, capitalisation i.e., allowing the use of capital resources for revenue purposes.

anchored to a macroeconomic variable such as percent of GDP, total public revenues, Value Added Tax Revenues, Personal Income Tax revenues, etc. These imply that local governments **would get at least these shares which are foreseen in the law**. In a number of countries there have been extraordinary transfers to local governments to support them for their increased costs. In other places there are legal provisions that state that local revenues (from the unconditional/general purpose grant) cannot be lower than the revenues allocated to them the previous year. However, these are generic rules that do not consider exceptional situations. This crisis shows that there is a need to introduce more clear legal provisions regulating what happens in exceptional circumstances.

Expectations for local and regional finance and investments in 2021: stabilisation or improvement provided national or European support

Associations were asked to indicate their expectations for local and regional finances and investments in 2021. Two of them were still unsure about the situation in the near future (mainly because of uncertainty linked to the evolution of the pandemic), while two respondents appeared quite pessimistic, foreseeing a critical worsening of local finances (with additional losses insufficiently compensated). Four respondents envisage a manageable worsening (with reasonable compensation and optimistic recovery outlook), and six associations expected a stabilisation of local and regional budgets. But even if the situation is stable, some associations do fear a **negative impact in the medium to long term**. In Austria for

instance as of 2021, the central government is providing liquidity for municipalities. However, a considerable part of these transfers must be repaid in the following years, so that substantial financing problems can be expected again in the medium term. Only three national associations appear more optimistic, forecasting an improvement close to pre-crisis level, **notably thanks to massive national or EU support**.

Several associations representing local and regional governments mentioned they are in regular contact and exchange with the central government, sometimes reaching agreement on further support for 2021 and beyond.

Much uncertainty remains concerning the impact of National Recovery Plans on local and regional finances

Another goal of this survey was to get an overview of the inclusion in the National Recovery and Resilience Plans (RRP) of specific measures to financially support local and regional governments or to foster investments at local and regional level. Most associations stressed the uncertainty linked to the specific content of the Plans. This is the case for the Netherlands (whose central government will only submit the RRP in autumn 2021) but also, for instance, the Czech Republic, whose national association was still in talks (at the time of the survey) with the national government on including direct support to local and regional governments. In fact, in most cases it has been indicated that **the Plans only include indirect measures to strengthen municipalities and regions**. This was also the case in Austria, where

associations of local authorities welcomed the inclusion of individual measures also relevant for municipalities (such as the implementation of the Clean Vehicle Directive or the establishment of Community Nurses) but report lack of involvement in the design of the Plans.

On the other hand, five associations confirmed the presence of specific measures to directly support local and regional governments.

While support for and involvement of local and regional governments in the National Recovery Plans varies enormously, associations have clearly and unanimously identified what should be the priority areas in terms of local investments. In fact, as shown

in figure n°5, the most relevant sectors in which National Recovery Plans should concentrate investments at local level are **the green transition and digitalisation** (in line with the priorities of the European Commission). To a lesser extent, associations have stressed the importance of

fostering employment and SMEs' competitiveness, as well as education and social protection measures. Other priority areas mentioned include construction and renovation of municipal buildings and facilities and housing.

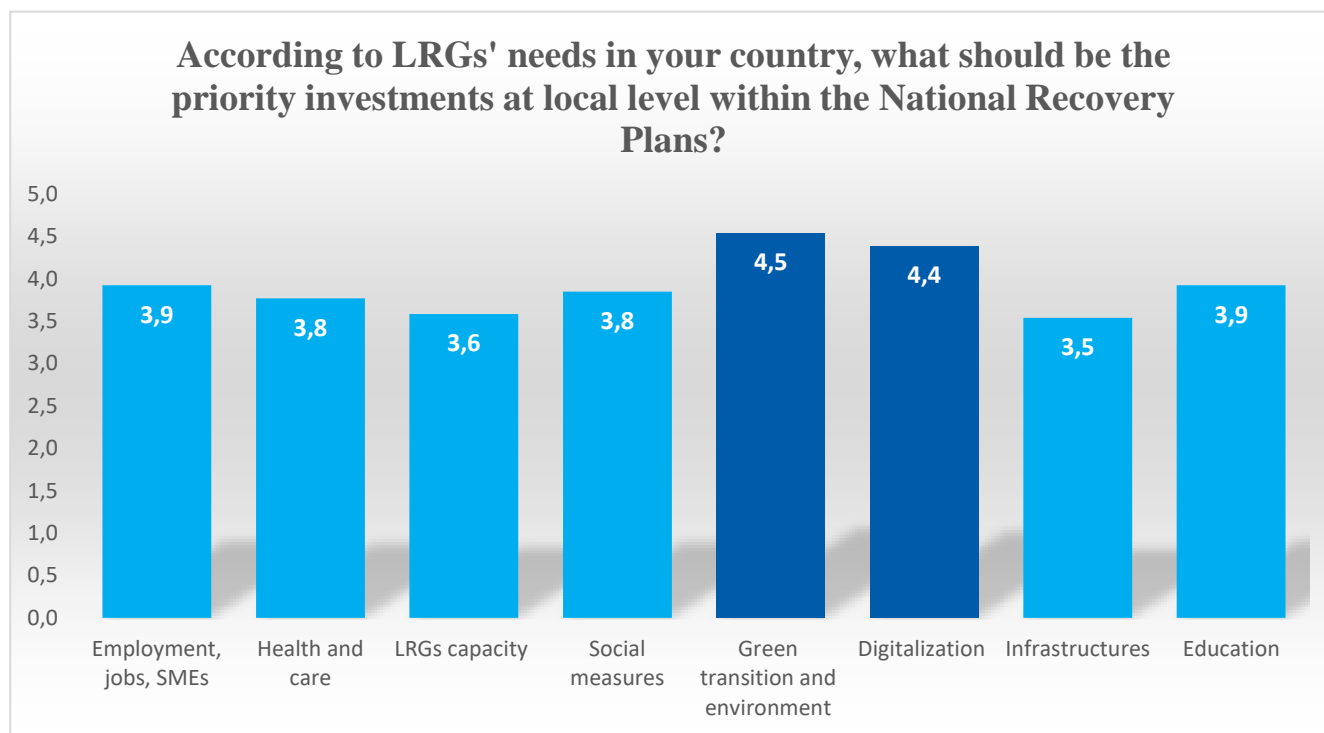


Figure n°5. Associations were asked to rate from 0 to 5 the importance for the local level of sectoral investments included in the National Recovery Plans (where 0 means no importance at all and 5 means crucial)

Conclusions and recommendations

Local and regional governments have proven to be on the frontline of the pandemic crisis, delivering essential services to the population, and putting in place the safety rules decided at national level. Because of this role, they were also severely impacted by the financial and economic consequences of COVID-19.

The financial situation for local and regional governments throughout Europe is highly diverse. In some, municipalities and regions

are strongly affected by the scissor effect, jeopardising the delivery of services and investments in the short and longer term. In others, national governments or legal mechanisms have ensured relative stability. **The existence of clear legal provisions or mechanisms to support local and regional governments' finances in case of crisis** is identified as an added value for stability and is reassuring municipalities and regions regarding their financial perspectives in the coming years.

CEMR encourages national associations and governments to take inspiration from existing support mechanisms that are being in place in other European countries, to find the best possible solutions for local and regional governments. **Anticipating the long-term effects of the economic and social crisis will ensure local and regional governments' financial sustainability.**

It is of the utmost importance that national governments **continue regular exchanges with national associations** representing local and regional governments to better understand the needs and long-term consequences of the current crisis. This is particularly important given that the real impact of the COVID-19 crisis is likely to be revealed only in a mid- to long-term perspective.

The difficulties that many local and regional governments are encountering in delivering on their mandate and providing public services, but also in investing for the future, must be addressed as an absolute priority in the national recovery and resilience plans. This is valid for all – including non-EU countries – but the Recovery and Resilience Facility can be an effective tool to support municipalities and regions in their green and digital transition, **in line with RRF priorities.**

The adoption by the EU of flexibility measures, in particular the general escape clause from the Stability and Growth Pact also contribute to ease the impact of the crisis on local and regional governments. But a reform of the EU economic governance framework should in the future better take into account the contribution of LRGs to sustainable recovery and the need to further foster local and regional public investments for a truly sustainable recovery.

Further readings

- CEMR, [COVID-19's impact on local and regional finances](#), May 2020
- Committee of the Regions, [EU Annual Regional and Local Barometer](#), October 2020
- OECD, [The territorial impact of COVID-19: Managing the crisis across levels of government](#), November 2020
- UCLG, LSE, Metropolis "[The impact of Covid-19 pandemic on subnational finance](#)", January 2021
- OECD/CoR "[The impact of the COVID-19 crisis on regional and local governments - Main findings from the joint CoR-OECD survey](#)", November 2020
- OECD/UCLG [World Observatory on Subnational Governments Finance and Investments](#), 2019

Many thanks to the associations that contributed to the survey:

- Austrian Association of Municipalities
- Austrian Association of Cities and Towns
- Association of Flemish Cities and Municipalities (VVSG)
- Union of Towns and Municipalities of the Czech Republic (SMOCR)
- Local Government Denmark (LGDK)
- Association of Estonian Cities and Municipalities (ELVL)
- Association of Finnish Local and Regional Authorities
- Association of German Cities (DST)
- German Association of Towns and Municipalities (DStGB)

- Association of Luxembourg Cities and Municipalities (SYVICOL)
- Association of Netherlands Municipalities (VNG)
- National Association of Portuguese Municipalities (ANMP)
- Standing Conference of Towns and Municipalities of Serbia (SKGO)
- Association of Urban Municipalities of Slovenia (ZMOS)
- Spanish Federation of Municipalities and Provinces (FEMP)
- Swedish Association of Local Authorities and Regions (SALAR/SKR)
- Local Government Association (LGA)
- Convention of Scottish Local Authorities (COSLA)
- Network of Associations of Local Authorities of South East Europe (NALAS)

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