



REGIONS FOR EU RECOVERY

Benchmark study on the
implementation of the
Recovery and Resilience Facility
at the regional level

Main Results



This study has been drawn up by the Ministry for Foreign Action and Open Government of the Government of Catalonia, in collaboration with Regions for EU Recovery.

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R4EUR BENCHMARK ON RRF IMPLEMENTATION EXECUTIVE SUMMARY

This report presents the results of a survey carried out during the first quarter of 2022 among members of Regions for EU Recovery, an initiative that brings together more than 30 European regions from ten Member States that aim to strengthen the role of regions in the European Union decision-making related to the post-COVID recovery.

The main conclusion is that most regions consider that the multilevel governance and subsidiarity principles have not been respected in the implementation of the Recovery and Resilience Facility, and in turn, regions are not properly involved in the transformational reforms financed by this Facility.

Survey results indicate that participating regions can be classified into two categories.

First, regions that were involved by the central governments since the beginning in the design of National Recovery Plans and, thus, successfully addressed territorial specificities in its implementation (Åland, Flanders, and Lower Austria).

Second, regions that were not involved since the beginning of the design and later in the implementation of the Recovery and Resilience Facility and, as a consequence, existing problems produced by their exclusion have worsened. These challenges vary in each Member State. For instance, for French regions, it is the competition between available funds that creates confusion in the beneficiaries and risks of overlaps; for Spanish ones, it is the little room allowed for regions to plan and prioritize policies; whereas for Italian regions the main challenges are technical assistance and support to stakeholders.

Regarding the **design of projects** financed by the Recovery and Resilience Facility, less than half of the regions surveyed negotiated the projects directly. Most of the regions do not have a central role in the design of the calls, although they participate in calls organised by national governments. Even though most regions report that Recovery and Resilience Facility calls are transparent and published in a single portal, some territories such as Emilia-Romagna, Valencia, and Catalonia stress that the multiplicity of convening bodies makes it difficult for potential beneficiaries to keep up with the funding opportunities.

In terms of **synergies between Recovery and Resilience Facility and other EU funding**, given their different functioning, timing and governance, the main issues are the risks of overlaps. Therefore, in terms of strategic orientation and implementation, continued interaction and coordination are needed between cohesion policy and RRF.

Concerning the **centralisation or decentralisation** of the implementation of the Recovery and Resilience Facility, most regions —except Åland, Flanders, Lower Austria, and Lazio— believe that the multilevel governance and subsidiarity principles have not been respected. This results in regional specific territorial economic and social needs have not been considered in Recovery and Resilience Facility strategic plans and calls according to most regions. On this matter, most regions highlight that high level of detail of centralised calls limits the exercise of their competences.

Even more concerning, except for Åland and Flanders, regions report a lack of real involvement in the implementation of the reforms financed by the Recovery and Resilience Facility.

Almost all regions —except for Åland, Helsinki, Lower Austria, and Lombardy— have reinforced their **resources** to cope with the challenge of absorption and efficiency in the management of the various funds. Most territories express that it is still too early to assess the impact of Recovery and Resilience Facility. Nevertheless, they report lack of access to the necessary tools to monitor the projects financed by this fund.

In order to address the main concerns outlined above and maximise the effectiveness of these funds, different participating regions suggest some **recommendations to the European Commission and Member States**.

First, the European Commission should ensure that fundamental principles such as multilevel governance and subsidiarity are consistently respected and implemented. In this regard, cohesion policy should not stand alone but interact and coordinate with the various new instruments including the Recovery and Resilience Facility.

Second, requirements should be simplified and further information and guidance must be provided to regional authorities. The European Commission should really take regions into account and help them increase their role in the implementation of these funds. In this respect, it should communicate directly with regions on Recovery and Resilience Facility, as well as quickly adopt cohesion Regional Programs and leave sufficient room for regional needs and appropriate shaping of funding schemes. Regions are the closest administration to citizens, hold most of the competences to achieve territorial goals, and are the core actors of European cohesion policy.

Third, there is a need to implement a strong monitoring system that could be adapted at the regional level. Regions need clearer rules for the execution of funds. Moreover, they also demand common guidelines and tools such as access to the official database of beneficiaries to avoid double funding.

Regions also take note of the radical reorientation in EU energy policy, and reiterate their willingness to contribute to the discussion on energy-related investments, in order to reduce the European dependency on Russian fossil fuels, gain efficiency and boost renewables.

Finally, regions express concern regarding the growing trend in the paradigm shift from Cohesion Funds, regionally managed, toward larger centralised allocations, which are programmed and implemented at national level.

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BACKGROUND

Regions for EU Recovery (hereinafter R4EUR) is an initiative of more than 30 regions from ten different Member States that are strongly committed to undertaking joint efforts to strengthen the role of regions in EU decision-making related to the post-COVID recovery. In early 2021, before the presentation of National Recovery Plans (hereinafter NRP), the members of the initiative sent a letter to the leaders of EU institutions asking for a more prominent role of regions in the design of the NRP in the framework of the Next Generation EU (hereinafter NGEU) Funds. Most regions were not actively involved by Member States in this very first step and had been mere observers in the design process. A survey carried out among members of R4EUR confirmed this reality.

During the first quarter of 2022, and in the phase of implementation of the NGEU funds, R4EUR carried out a survey to set a **Benchmark on the implementation of the Recovery and Resilience Facility** (hereinafter RRF) at a regional level.

Questions were asked around 4 main areas:

- A.** Design of projects to be financed by RRF
- B.** Synergies and complementarities
- C.** Centralisation / Decentralisation
- D.** Regional Governance RRF, Recovery Assistance for Cohesion and the Territories of Europe (hereinafter REACT-EU) and European Regional Development Fund (hereinafter ERDF) / European Social Fund (hereinafter ESF).

17 regions from nine Member States answered the survey (From December 2021-February 2022):

Austria	Lower Austria (AT)
Belgium	Flanders (BE)
Croatia	Varaždin (HR)
France	Occitanie (FR)
	Nouvelle-Aquitaine (FR)
Finland	Åland Islands (FI)
	Helsinki – Uusimaa (FI)
Germany	Bavaria (DE)
	Baden-Württemberg (DE)
Italy	Emilia-Romagna (IT)
	Lombardy (IT)
	Lazio (IT)
Spain	Catalonia (ES)
	Basque Country (ES)
	Valencia (ES)
	Balearic Islands (ES)
Slovakia	Bratislava region (SK)

Presentation of Partnership Agreement and ERDF/ESF Programs to the European Commission. Most regions presented the Partnership Agreement (hereinafter, PA) on European Structural and Investment Funds (ESIF) to the European Commission during the last quarter of 2021. Italian regions presented the PA in the first quarter of 2022 and the Spanish Government in the second quarter of 2022. There is a similar situation in presentation of ERDF/ESF regional programs to the European Commission (hereinafter EC).

Presentation of Partnership Agreement with the EC

10			
9	Baden-Württemberg		
7	Lower Austria		
6	Nouvelle Aquitaine		
5	Bavaria		
4	Helsinki-Uusimaa		Balearic Islands
3	Occitanie	Lazio	Catalonia
2	Åland	Lombardy	Basque Country
1	Bratislava Region	Emilia-Romagna	Valencia
	October - December 2021	January - March 2022	April - June 2022

GENERAL IDEAS

1. Almost all R4EUR respondents have reinforced their capacities to cope with the challenge of a massive funds absorption in a short time. Accordingly, European Commission should help regions by **simplifying requirements, clearing rules, boosting complementarity, and providing further guidelines to regions.**
2. Most of the respondent regions reported that the multilevel governance and subsidiarity principles have not been respected in the implementation of the RRF. Consequently, European Commission should ensure a **better multilevel governance system and communicate directly with regions** on RRF.
3. In most cases, RRF has been implemented centrally by each Member State but European regions hold most of executive competences to achieve territorial goals, which implies the need of a step forward by European Commission in order to achieve better partnerships among States and regions. The benchmarking evidence indicate that an **adequate partnership will smooth regional disparities** and achieve maximum benefit from RRF.
4. The Russian invasion of Ukraine is forcing a radical shift in the EU energy policy, as stated by the EU Commission proposal REPowerEU (8th March 2022). Following this proposal, a change in priorities might take place **in favour of energy-related investments from RRF and Structural Funds**, to reduce the European dependency on Russian fossil fuels, gain efficiency and boost renewables. In this scenario, regions should have a voice and be able to participate in the decision-making and implementation. The regional view can improve the effectiveness of these measures and ensure synergies with other policies displayed in the territory. There is a risk that the energy transition undermines cohesion, by causing unwanted social costs or widening the urban-rural gap. Thus, coordination in this area of national and regional policies and with regional and local authorities appears to be necessary.
5. Regions express **concern regarding the growing trend in the shift of paradigm from Cohesion Funds (regionally managed) toward larger centralised budgets** which are programmed at national level. Whereas RRF is one example, the same applies to the Just Transition Fund, the Brexit Adjustment Reserve, and most likely, any eventual funds created ad hoc for the consequences of the war in Ukraine.

RESULTS

These are the **main results** of the survey.

A. Design of projects financed by RRF

This section asks questions on the involvement of regions in the design and preparation of calls and projects financed by RRF.

- Åland Island and Flanders have their own share of RRF pre-allocated and manage it entirely.
- Lower Austria manages the RRF funds according to its competences and priorities. It has been involved in the design of the calls for the projects financed by RRF.
- In Bratislava region, no calls have been published yet (at the date of filling the survey).
- In Baden-Württemberg, there is no information about RRF calls at the date of filling the survey.
- **Only a third of regions negotiate directly the projects financed by RRF.** (Graph 1)

Graph 1. Region negotiates directly RRF intervention

13			
12			Baden-Württemberg
11			Lazio
10			Lombardy
9			Balearic Islands
8			Nouvelle Aquitaine
7			Catalonia
6			Basque Country
5			Valencia
4	Flanders		Bavaria
3	Lower Austria		Helsinki-Uusimaa
2	Åland		Occitanie
1	Bratislava Region		Emilia-Romagna
		Yes	No

- A majority of the regions that answered the survey do not have a role in the design of RRF calls, but participate in RRF calls organised by national governments. (Graph 2)

Graph 2. Participation in RRF Calls

10					
9		Baden-Württemberg			
8		Flanders			
7		Lower Austria		Balearic Islands	
6		Lazio		Catalonia	
5		Lombardy		Basque Country	
4		Nouvelle Aquitaine		Valencia	
3		Bavaria		Helsinki-Uusimaa	
2		Emilia-Romagna		Occitanie	
1		Bratislava Region		Åland	
		Yes		No	

- **Half of the regions are supporting stakeholders and/or local authorities** to participate in national calls, specifically Spanish and Italian regions, Flanders, Bratislava region and Helsinki-Uusimaa.
 - This support is in the form of information and dissemination of the calls and projects, regular meetings with relevant stakeholders and/or municipal associations, creation of specific offices of support, among other actions.
- **A majority of regions report that RRF calls are transparent and published in a single portal**, and clearly mention ‘EU financing’.
 - Some of these portals:
 - <https://italiadomani.gov.it/it/home.html>
 - <https://planderecuperacion.gob.es/como-acceder-a-los-fondos/convocatorias>
 - <https://www.economie.gouv.fr/plan-de-relance#>
 - <https://www.businessfinland.fi/en/campaign-sites/sustainable-growth-program-forfinland>

However, Emilia-Romagna, Valencia Region and Catalonia stress that there is a multiplicity of convening bodies, which makes it difficult for the potential beneficiaries to keep up with the financing opportunities. This is particularly harmful for small entities and Small and Medium Enterprises (hereinafter SMEs), which may lack the administrative capacity to properly follow disaggregated information. In turn, this multiplicity may also lead to double funding.

- **Most regions consider that deadlines to participate in RRF calls are correct. However:**
 - Spanish regions and Lombardy consider that deadlines are short or too short. Valencia, Basque Country and Catalonia also highlight that the national calls published so far are unbundled, micro-targeted, and written in an excessively bureaucratic and complex language.
 - In addition, some regions point out that it would be desirable to have a planning of the programmed calls, or even allow longer deadlines to increase the participation of SMEs and smaller municipalities with a shortage of human resources.

B. Synergies and Complementarities

This section examines 1) The possibilities/challenges to find synergies between the different sources of EU funding, notably, the new instrument RRF and the ‘traditional’ EU funds. It also examines 2) How each region deals with the issue of double funding, as well as 3) Regional strategies to avoid eventual delays in using European Structural and Investment Funds (hereinafter ESIF) because of their complexity compared to NGEU.

B.1. Synergies between RRF and other EU Funding

Difficulties to build synergies:

- **Occitanie and Nouvelle-Aquitaine** report difficulties to find synergies, because there is no overview of available funds, which causes an overlapping. The calls do not specifically mention if they are financed by the RRF funds or national resources — 60% of the French Recovery Plan (*France Relance*) is financed by national resources. The State allocates the RRF and the national spending afterwards. Therefore, it increases the risk of overlaps and it confuses the stakeholders that could be potentially financed by Structural Funds (sometimes with a more interesting rate).

Strategies to build synergies:

- **Lazio** region has a unitary economic policy which integrates the national and diverse European funding sources for every intervention co-financed by the EU, the Italian Government and internal resources, in order to integrate them efficiently and effectively.
- **Emilia-Romagna** seeks to build complementarities through a Strategic Programming Document (DSR in Italian), the regional cohesion programs and the territorial integrated strategies.
- In **Lombardy**, the programs for ERDF and European Social Fund Plus (hereinafter ESF+) 2021-2027 operate in synergy and complementarity with the Italian National Recovery and Resilience Plan (*Piano Nazionale di Ripresa e Resilienza* - PNRR) and its implementation tools in the areas directly related to the priorities of the two programs. For example, for ESF+, with Mission 4. Education and research and Mission 5. Inclusion and cohesion of the NRP, in particular the GOL Program-Employability Guarantee for Workers.

- **Flanders** reports that managing authorities of the Structural Funds look carefully at the coordination with the thematic/central EU programs. Both in terms of strategic orientation and implementation, continued interaction and coordination are needed between cohesion policy and the new instruments (including RRF).
- **Bavaria** reports that ESF+ and RRF pursue different funding approaches, the distinction is made by implementing various types of measures or focusing on other target groups. Concerning ERDF: PA and each Operational Program (hereinafter OP) should contain a paragraph on the relationship between Structural Funds and RRF. Already in the preparation period, there have been exchanges between the federal level (dealing with RRF) and the Länder (dealing, in principle, with cohesion programs) in order to avoid overlaps and double funding.
- **Baden-Württemberg.** The ERDF programme is programmed as an integral part of the funding landscape of Baden-Württemberg and is therefore geared towards coherence and synergies with the other EU and national programmes in the priority areas of the ERDF programme. The cooperation between the programmes is strengthened by a systematic exchange of program managers. A delineation of contents is described in the ESF operational programme.
- **Balearic Islands** report that the information received until now indicates the need to avoid competition between different EU funds, and specifically, between RRF and Structural Funds. The complementarity between both instruments is given by the priorities of each instrument, fixed by the EC and the Spanish Government in both cases.
- **Valencia region** considers that good coordination and complementarity are needed to jointly boost the positive impacts of EU funding. EU Regulations and national laws on the management system of the Spanish National Recovery Plan (*Plan de Recuperación, Transformación y Resiliencia, PRTR*) are strict on this regard, stating that complementarity should only take place if sound control systems avoid double funding/overlapping.

B.2. Avoiding potential delays in using European Structural and Investment Funds (ESIF)

Regions are speeding up the programming of Structural Funds in order to avoid delays:

- **Lazio region.** Following its unitary policy, reports that, despite the misaligned timing, it is trying to complete the framework for both the Structural Funds programming 2021-2027 and the implementation of plans arising from the NGEU. The drafts of the ERDF and ESF OPs which are about to be notified to the EC, have been set enhancing synergies with the tools of the NGEU.
- **Bavaria.** The new funding period of ERDF is very complex and it will be one year shorter than the 2014-2020 funding period. However, it will be key that the EC quickly adopts operational programs and leaves sufficient room for regional needs and appropriate shaping of funding schemes.
- **Baden-Württemberg.** Implementation of the ERDF Programme 2021-2027 started as planned, parallel to and independent of the funding from REACT-EU. The 2021-2027 ESF calls aim at different target groups or start after the end of REACT-EU.

- **Nouvelle-Aquitaine.** There is already competition between Structural Funds and RRF. The conditions to have access to RRF subsidies are a lot simpler than the Cohesion Funds and React-EU. However, their knowledge of the territory and their competences in managing EU funds allowed Nouvelle-Aquitaine to quickly display REACT-EU and build the 2021-2027 programs.
- **Valencia.** It is too early to comment on delays or lack of absorption since regional operational programs 2021-2027 are not in place yet. The regional administrative units in charge of managing EU structural, cohesion and agriculture funds have gained wide experience in managing European funding. Procedures have been adapted and improved over the years. **A concern in this regard is the lack of human resources and the need to provide them with specific training on the new requirements of the RRF regulations.** On the other hand, the activities of publicity and communication targeted to potential beneficiaries (stakeholders, private sector, individuals, among others) will have to be reinforced. There is a need to explain the different opportunities of EU funding, as well as their requirements and objectives in order to maximise its absorption. In the case of the RRF, the national government and ministries in charge of the components are primarily responsible for the dissemination activities on the PRTR.

B.3. Double funding and RRF monitoring at the state level

- In most countries, the Ministry of Finance is responsible for the monitoring of RRF at the national level.
- **No Member State has set up an *ad hoc* national task force to avoid double funding.**
- **Most regions report that their Member States have provided guidelines to avoid double funding.** (Graph 3)

Graph 3. National guidelines to avoid double funding

8			
7	Lower Austria	Baden-Württemberg	
6	Balearic Islands	Lazio	
5	Nouvelle Aquitaine	Lombardy	
4	Catalonia	Bavaria	
3	Basque Country	Helsinki-Uusimaa	
2	Valencia	Emilia-Romagna	Flanders
1	Occitanie	Bratislava Region	Åland
	Yes	No	N/A

- However, Spanish regions consider these guidelines insufficient and stress the need to have common indications and tools to avoid double funding (i.e. access to the official database of beneficiaries).
- Baden-Württemberg informs that a meeting with national and regional representatives took place in 2021 to avoid double funding. Effective coordination mechanisms ensure that the same eligible expenditure is not co-financed by any other EU programme or EU instrument. The regions have been informed about target groups and possible calls in 2021. Effective mechanisms are in place to avoid inadmissible cumulation of funding.

C. Centralisation/Decentralisation

Governance of the NRRP in each region/Member State

- **Bratislava Region.** Governance has not been decided yet, but several ministries and potentially also regions might be part of the governance structure.
- **Åland,** the same authority in the Government of Åland has the contact with the national authority in the Ministry of Finance of Finland.
- **Emilia-Romagna,** governance is organised into 2 different levels of management. The central level (government) ensures supervision and coordination. The implementation of the measures and investments is ensured by each central administration (Minister) in charge of a specific investment and the Implementing body, such as regions and local authorities which are directly involved in the implementation of projects.
- **Occitanie and Nouvelle-Aquitaine** each ministry manages the calls related to their specific competences. Then, the projects financed are communicated to the General Secretary of European Affairs (SGAE) that stand under the direct authority of the Prime minister. Before communicating to the EC, the SGAE consolidates all the information to fit with the milestones and targets fixed by the EC.
- **Bavaria and Baden-Württemberg.** The coordinating office in the Federal Ministry of Finance and the specialised Federal Ministries of the Federal Government are responsible for the effective implementation of the plan. The Coordination Unit in the Federal Ministry of Finance is the central functional contact for the EU Commission (“Coordinator”). In particular, it serves as the coordinating body for monitoring progress on milestones and targets, for monitoring and - if necessary - implementing control and audit measures, and for providing reporting and applications for payments under the Build-up and Resilience Facility. It coordinates reporting on the milestones and milestones and targets, the relevant indicators, but also for qualitative financial information and other data. In addition, it is coordinating the reporting to the Commission including sending requests for payments, and is accompanying the process, identifying potential adjustment needs. In the Ministries that are responsible for the implementation of the measures, central coordination units have been identified, and dedicated units have already been designated as primary contact points. The disbursement of funds for the measures of the the German Recovery and Resilience Plan (GRRP) to the final recipients is generally made on the legal basis of general funding guidelines of the Federal Government for the respective measure (General Administrative Regulations) and on the basis of individual funding decisions

(administrative acts) in favour of the final recipients. GRRP payments are made within the framework of the federal budget. All GRRP measures are budgeted in the federal budget and in the federal financial planning.

- **Catalonia, Valencia, Basque Country and Balearic Islands.** [Governance](#) is structured in 5 units of coordination. 1) Commission for Recovery, Transformation and Resilience, headed by the President of the Government and including all the Ministries; 2) Technical Committee, made up of a maximum of twenty members with competencies and experience in the management of European funds and other profiles necessary for the management of the Plan, which provides technical and legal support to the Commission; 3) Monitoring Unit, dependent on the Presidency of the Government; 4) Authority responsible for the Mechanism for Recovery and Resilience, attributed to the General Secretariat of European Funds of the Ministry of Finance and Function Public, which acts as the point of contact and coordination of the Plan with the Commission European Union for the purpose of monitoring its execution; and 5) Control authority of the Mechanism for Recovery and Resilience, which falls on the General Intervention of the State Administration.
- **Lower Austria.** Governance is achieved by cooperation between the Ministry of Finance and other competent Ministries

For most regions (except Åland, Flanders, Lower Austria and Lazio), the multilevel governance and subsidiarity principles have not been respected in the implementation of RRF.

- **Occitanie and Nouvelle-Aquitaine** report that there was no real involvement of the regional and local authorities in the preparation of the national plan and the State do not take into account the mechanisms implemented by the Regions with REACT-EU. There is just a project by project approach to avoid double financing. A part of the French plan has been given to the regions (not coming from the RRF) in complementarity of usual State/Region contract. Good coordination of national and regional programs would have been more effective.
- **Helsinki-Uusimaa** reports that RRF funding and decision-making is very centralised
- **Baden-Württemberg** informs that the German Länder were not involved in the drafting of the German Recovery and Resilience Plan (GRRP) at an early stage and the regional perspectives of the far-reaching economic transformation processes could therefore only be mapped to a limited extent. Thus, at the Conference of Finance Ministers on 3 December 2020, the Länder were informed for the first time that a complete draft of the GRRP already existed. The Federal Government did not comply with the subsequent request of the Finance Ministers to involve the Länder in accordance with the Commission's intention, but sent the draft to the Commission on 23 December 2020.
- According to **Spanish regions**, the management system has been imposed by the central government, with hardly any participation of regional and local authorities. This new system poses significant administrative challenges that had to be solved and implemented in an extraordinarily short time (between September and December 2021) without having full information or proper training. Some of the requirements might become costly administrative burdens as they must be fulfilled at every management level, even by final beneficiaries.

- **Valencia** and **Balearic Islands** clarify that the regulatory framework and also the Plan itself respect the principles of multilevel governance and subsidiarity (the main instrument for the multilevel governance is the so- called “Sectorial Conferences”, headed by the sectoral Ministry in charge of the specific PRTR Component, and involving the regional Ministries in charge of that sector). But when it comes to decision making on funds allocation, criteria and objectives, it is the Central Government who makes its own decision, respecting the agreements undertaken with the EC. Thus, the perception is that regional authorities have not had the chance to decide or effectively intervene in the planning of the Components and Measures included in the PRTR.
- **Catalonia** also stresses that in its territory, the centralisation of heretofore regional competences has resulted in some calls for proposals contradicting regional policies already in place, which may limit the absorption of funds, and may result in RRF funds being allocated to projects that are not transformational.

Most regions report that **specific economic and social needs of their region are not taken into account** in RRF strategic plans and calls. (Graph 4)

Graph 4. Specific economic and social needs of the region taken into account in RRF calls

9				
8			Baden-Württemberg	
7			Lombardy	
6			Balearic Islands	
5	Lower Austria		Catalonia	
4	Lazio		Basque Country	
3	Nouvelle Aquitaine		Valencia	Flanders
2	Bavaria		Helsinki-Uusimaa	Åland
1	Occitanie		Emilia-Romagna	Bratislava Region
	Yes		No	N/A

Except for Åland and Flanders, **regions report a lack of real involvement in the implementation of reforms financed by RRF**. These reforms usually involve national laws or broad scope strategies.

A majority of regions report that RRF calls are based on uniform criteria for all regions.

Most regions consider that the **high level of detail of RRF centralised calls limits the exercise of their competences**:

- French regions report difficulties in identifying whether the call is financed by RRF funds or national funds, thus resulting in competition between the national plan and the Cohesion Fund managed by the regions.
- Spanish regions report that the high level of detail of RRF calls leaves little to no room for flexibility to regions even in their exclusive areas of competence.
- Åland reports that the three projects in their territory are very detailed because the EC asked for a lot of information. These projects are developed by the Åland Government.
- Lazio informs that, generally, NGEU projects are very detailed. In some Missions/components/Investments, the objectives to be granted following the pre-set targets are exactly declinated and quantified. In others, the projects' details are defined through procedures which imply calls and announcements, therefore more specified when the funds are assigned by the competent Ministry.
- Emilia-Romagna considers that the exercise of constitutional competences is limited by the centralised governance of the national plan.

D. Regional governance RRF, REACT and ERDF/ESF

- **Almost all regions have reinforced their capacity/staff to cope with the challenge of absorption and efficiency in the management of the funds**, except for Åland, Helsinki, Lower Austria and Lombardy.
- Spanish and Italian regions have set up their regional task force to coordinate internally.
 - Emilia-Romagna set-up a central task force and local ones to support local authorities and to improve the participation of the stakeholders in the implementation of RRF.
 - Valencia Region has organised a specialised “Office for Recovery” (Decree 161/2021) within the General Directorate for the Coordination of the Government Action (Ministry of Presidency).
 - Basque Country set up in February 2022 the Directorate for Cohesion Policy and European Funds under the Vice-Ministry of Economy and European Funds as well as an interdepartmental Commission for the information and monitoring of the funds from the Recovery, Transformation and Resilience Plan.
 - Nouvelle Aquitaine and Occitanie have initiated a process with the state administration.
- **Most regions report that they do not have the necessary tools to monitor/follow up on projects financed by RRF.**
- **Most regions report that it is still too early to assess the impact of RRF on their regions.**

E. Suggestions from different regions to the EC to ensure a successful implementation

- The EC could ensure that proper multilevel governance is implemented and that the subsidiarity principle is respected, also by requiring that the PA and each OP include measures to ensure complementarities of Cohesion Fund with the RRF. Both in terms of strategic orientation and implementation, **continued interaction and coordination will be needed between cohesion policy and the various new instruments (including RRF).**
- **The EC should help increase the role of regions** by simplifying requirements, reinforcing subsidiarity and providing further information and guidance to regional authorities. Further clarifications — by both the EC and the national government — on which activities that could be eligible under any of the EU funds would be needed, as well as on how to ensure complementarity.
- One proposal to avoid joint implementation annuities between the cohesion instruments and those of the Recovery and Resilience Plans, would require delaying the entry into force of Structural Funds programmes and being able to apply the n+3 rule of the 2014-2020 period to these programmes.
- The EC could propose to extend the deadline for the implementation of 2014-2020 OP supported by React-EU.
- EC should communicate directly with regions on RRF
- The EC should quickly adopt operational programs and leave sufficient room for regional needs and appropriate shaping of funding schemes.
- Regions need common guidelines and tools to avoid double funding (i. e. Access to the official data base of beneficiaries).
- There could be intermediate conferences with the regional administrations to evaluate the interventions and improve the performance.
- There is a need to implement a strong **monitoring system** (e.g. Recovery and Resilience Scoreboard) that could be adapted also at the regional level.
- Regions need clearer rules for the execution of funds. Some important doubts remain unresolved. Are we facing a new framework with milestones and objectives or are we adding this type of management to the ‘traditional’ European funds system (eligible expenses/expense certification)? What will happen if a region meets its milestones and goals but others do not, so the national goal remains unfulfilled? How will reimbursements work in cases of partial breaches? Regional roles are in many cases non-sufficiently defined, but insular and local roles are far more vague, and in many cases, these administrations will assume responsibilities executing RRF.

FINAL CONCLUSIONS

The survey shows that there are **two main groups of regions**:

Regions where the implementation of RRF has corrected initial deficiencies on the design phase of National Recovery Plans: notably Åland, Flanders and Lower Austria.

Regions where the implementation of RRF without proper involvement of regions has arisen risks of overlaps, double funding and increased the already existing problems caused by the lack of involvement of regions in the design of National Recovery Plans.

Since the RRF has been centrally implemented, each Member State has done it differently. Thus, **each region faces different challenges**:

For French regions, it is the **competition between the available funds** and the confusion created by the fact that the National Recovery Plan is financed both by national and EU funding and this is not specified.

For Spanish regions, the centralisation of RRF and the high level of detail of RRF calls mean that, in most cases, there is **little room for regions to plan and prioritize policies and projects**. The opportunities that the RRF bring are many. Nonetheless, centralised management of RRF may limit both the absorption of RRF funds and the transformational impact of the projects funded by the RRF.

For Italian regions, the design phase did not include them. The implementation phase does involve regions, but the enormous amount of resources requires that **technical assistance and support be available for the stakeholders that are called to implement the measures**.

For the Bratislava region, at the moment of filling the survey, there were not many opportunities related to RRF. The Multilevel Governance principles are not respected and a stronger territorial approach could help avoid double funding.

For the Uusimaa region, the management of RRF is very centralised leaving little space for intervention.

For Baden-Württemberg and Bavaria, a better involvement of regional authorities in the design phase and the implementation phase could ameliorate the process.

Reforms financed by RRF usually involve national laws or broad scope strategies. Except for Åland and Flanders, regions report a lack of real involvement in the implementation of reforms financed by RRF. Regions hold most of the competences to achieve territorial goals and are the core actors of European cohesion policy (as the 8th Cohesion Report shows). Their policies and multilevel governance are key to achieving territorial cohesion and sustainable regional development. However, in some countries, the Recovery and Resilience Plans are undermining the principle of subsidiarity and partnership thus putting at risk the success of the measures and the sustainability of the recovery.

Regions are speeding up the programming of Structural Funds in order to avoid delays. In addition, almost all regions have reinforced their units to cope with the challenge of absorption and efficiency in the management of the funds. Most regions report that the management System of the RRF at the regional level has been imposed in a relatively short time, without full information nor training.

A majority of regions report that RRF calls are based on uniform criteria for all of them. Most Regions consider that the high level of detail of RRF centralised calls limits the exercise of their competences. Considering their pursued goals, allocation of RRF financing should have considered the severity of the crisis and the employment vulnerability at regional level.

All regions agree that it is too soon to assess the impact of RRF in their territories, and they underline the need to access specific tools (i.e. beneficiaries' database).

LIST OF ABBREVIATIONS

- **EC:** European Commission
- **ERDF:** European Regional Development Fund
- **ESF:** European Social Fund
- **ESIF:** European Structural and Investment Funds
- **NGEU:** Next Generation EU
- **NRRP:** National Recovery and resilience Plan
- **OP:** Operational Programme
- **PA:** Partnership Agreement
- **R4EUR:** Regions for EU Recovery
- **REACT-EU:** Recovery Assistance for Cohesion and the Territories of Europe
- **RRF:** Recovery and Resilience Facility

