

# Recovery and Resilience Facility (RRF) mid-term evaluation

CONTRIBUTIONS OF  
'REGIONS FOR EU RECOVERY'  
(R4EUR) INITIATIVE



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## CONTRIBUTIONS OF 'REGIONS FOR EU RECOVERY' (R4EUR)

The Recovery and Resilience Facility (RRF) is the EU's main instrument to mitigate the socio-economic impact of the measures adopted during the Covid-19. According to the RRF Regulation (Art. 32), the European Commission (EC) has organised a consultation to conduct a mid-term review of the Recovery and Resilience Facility and is preparing the evaluation report.

This evaluation aims to assess the RRF's implementation at the halfway point: effectiveness, efficiency, coherence and relevance of its progress in achieving the RRF objectives and its EU added value.

The **'Regions for EU Recovery' (R4EUR) initiative**, created in 2020, gathers more than 30 European Regions from 9 Member States (Austria, Belgium, Finland, France, Germany, Italy, Poland, Slovakia, Spain). It aims to strengthen the role of Regions in the EU decision-making related to the post-Covid-19 recovery and transformation.

In view of the upcoming **2024 European elections**, and the need to respond to existing **major challenges** (EU enlargement, climate and demographic changes, digitalisation, ...), the R4EUR initiative aims to contribute to the RRF mid-term review. Additionally, the contributions contains feedback on the design of the cohesion policy post-2027 and the current review of the EU economic governance.

**The 'Regions for EU Recovery' (R4EUR) initiative, created in 2020, gathers more than 30 European Regions from 9 Member States.**

Following the survey carried out during the drafting of National Plans and published in 2020, the R4EUR initiative presents now the **results of this second survey** (15 Regions from 8 member states), aimed to analyse the implementation of National Plans and the possible implications and impact on the future of Cohesion Policy after 2027. This document is based on the conclusions and suggestions of the R4EUR benchmark (June 2022) along with key takeaways gathered so far as per the RRF implementation in most R4EUR Regions.

The R4EUR confirms the necessity to adopt the principle of the **multilevel governance** in the actual implementation of the RRF and the post-2027 EU policies and instruments, by involving **all political levels** in order to guarantee more efficiency in planning, programming and integration of funds. The effective implementation of the **subsidiarity principle**, the place-based approach and interregional cooperation are key.

The survey shows different share of RRF funds managed by Regions, which though are not involved in the preparation of those calls and projects. The **“observer role” of Regions should be transformed** into a more proactive and participated; that would facilitate implementation, accelerate deployment and rise accountability.

Considering the future of Cohesion policy after 2027, survey confirms the opportunity to **explore different ways of improving performance**, though starting from existing instruments. and keeping attention to a territorially oriented approach.

It is essential to involve **Regions as a political actor** and to integrate the regional dimension in reforms, particularly in Economic Governance and EU Semester in order to align policy, reforms and investment priorities and to speed up their implementation.

Brussels, December 2023

# Recovery and Resilience Facility (RRF) mid-term review

## EXECUTIVE SUMMARY

This report presents the main highlights of the Recovery and Resilience Facility (RRF) implementation found so far and a contribution to the post-2027 EU policies. It also includes the results of a survey (15 Regions from 8 member states) carried out in October - November 2023 among the members of the 'Regions for EU Recovery' (R4EUR) initiative.

The main takeaways are as follows:

### 1) Political consequences of the growing trend in the paradigm shift in the EU governance

- The RRF is accentuating the already ongoing trend of **double-recentralisation** (in most countries to which R4EUR Regions belong), even in Regions with legislative powers.
- The creation of new instruments leads to administrative burden and risk of overlaps with structural funds, impede the development of synergies and overlooks the attention to the territories.

→ THUS, THERE IS A NEED TO:

- Effectively implement the multilevel governance approach across all EU policies and instruments bearing Regions as political actors.

### 2) The multilevel governance and subsidiarity principles have not been respected while Regions are not either properly involved in the transformational reforms financed by the RRF nor included in the planning and implementations of the RRF plans

- Regions contribute to EU **priorities** and respond to **EU challenges** by linking them to the real socio-economic needs at regional level, with a territorial approach. The Regions face, however, difficulties in doing so as this approach cannot be properly implemented through national recovery plans due to mismatches that it creates.
- Most R4EUR Regions have an **"observer" role** in the RRF implementation and no significant role in designing national calls and plans.

→ THEREFORE, THERE IS A NEED TO:

- Promote mechanisms to allow a better governance and alignment of the RRF and regional objectives by prioritising transformative projects of the regional ecosystems. As well as to allow for sufficient room for regional needs by prioritising transformative projects of the regional ecosystems and appropriate shaping of funding schemes.

### **3) Risk of both overlaps among the RRF and other EU funds (synergies) and missing opportunities to implement the RRF.**

- In a number of R4EUR Regions a myriad of convening bodies makes it difficult for potential beneficiaries (particularly municipalities and small and medium sized companies - SMEs) to identify RRF opportunities.

→ THEREFORE, THERE IS A NEED TO:

- Develop clearer rules on the execution of RRF funds and common guidelines (eligibility, complementarity, ...).

### **4) The Recovery and Resilience Facility (RRF) and the post 2027 EU policies**

The results of the second survey, carried out in October-November 2023, aiming to analyse the implementation of National Plans and collect inputs for the future of Cohesion Policy after 2027, cover three main topics:

A) **CONCERNING THE IMPLEMENTATION OF THE RRF PLANS**, THE SURVEY SHOWS THAT:

- The role of most R4EUR Regions is rather that of “**observer**” of the implementation of the RRF funds with the exception of the Belgian Federal Government and Åland Islands.
- For those R4EUR Regions directly managing RRF projects, 75% of partners rate 7 to 8 (out of 10, 10 being most difficult) **the difficulty level in managing such projects** in comparison with managing structural funds. The beneficiaries of the RRF funds, which encounter the **most difficulties** in accessing and managing the funds are in order, municipalities, followed by SMEs.

→ THE SURVEY CONFIRMS THE NECESSITY TO:

- **Fully involve Regions in the current implementation of the RRF plans** in order to facilitate the deployment by all different beneficiaries and achieve effectiveness and efficiency of the projects.
- **Full coordination of Regions with national and EU institutions** throughout the whole financing period.

B) CONCERNING **THE RRF AND FUTURE DEVELOPMENT OF COHESION POLICY POST 2027**, THE SURVEY SHOWS:

- All Regions underline that the **regional management of cohesion has to be preserved**.
- On the **possibility to streamline in the cohesion post-2027 the performance-based like RRF approach**, **40% of the Regions consider that the performance-based approach could be beneficial** if adopted by cohesion policy, whereas **40% of R4EUR partners do not agree with this approach** being adopted in cohesion policy, pointing out (e.g.) that this could lead to an unfair treatment of Regions.
- 86% of all R4EUR partners agree that the **simplified cost options (SCO)** could help managing authorities in ameliorating performances.
- On the **drafting of the REPowerEU chapter**, **80% of R4EUR partners report no involvement at all or weak**.

→ THE SURVEY CONFIRMS THE NEED TO:

- **Explore different ways of improving performance in the future cohesion policy. There are existing consolidated instruments.**
- **Involve regional governments in all possible changes of the future cohesion policy.**
- Establish clear rules/sticking to the **proportionality principle** and allow for a certain flexibility.

C) AS REGARDS **THE FUTURE OF EU ECONOMIC GOVERNANCE**, THE SURVEY SHOWS A CLEAR CONSENSUS AMONG PARTICIPATING REGIONS. THEY ALL AGREE THAT THERE IS A NEED TO EFFECTIVELY **INVOLVE REGIONS AS POLITICAL ACTORS** IN THE PREPARATION OF THE NATIONAL REFORM PROGRAMS (EU SEMESTER) AND THE NATIONAL MEDIUM-TERM FISCAL-STRUCTURAL PLANS.

Overall, the survey can be summed up in one sentence:

- The Regions must also be involved as political actors in the European Semester process.

# 1

## Political consequences of the growing trend in the paradigm shift in the EU governance

- The RRF is accentuating the already ongoing trend of **double-recentralisation** (in most countries to which R4EUR Regions belong), even in Regions with legislative powers: on the one side directly managed EU funds assigned to Member States and on the other side, also EU funds of regional nature (Cohesion) have been devolved for management to Member States.
- The creation of new instruments creates administrative burden and risk of overlaps with structural funds, impede the development of synergies and overlooks the attention to the territories.

### ACTIONS PROPOSED TO THE EUROPEAN COMMISSION:

- ✓ To effectively implement the multilevel governance approach across all EU policies and instruments.
- ✓ To integrate the regional dimension in the reform of the economic governance, foresee a deeper territorial analysis of the European economic outlook and involve Regions in the preparation of the National Reform Programmes and their implementation alongside their Member States.
- ✓ To ask the Member States to ensure greater parliamentary oversight of the RRF at national level as well as at regional level (regional parliaments) to guarantee a better regional participation and an effective multilevel governance within given that the adoption of the European Semester to oversee the RRF lacks democratic legitimacy.

## 2

### The multilevel governance and subsidiarity principles have not been respected while Regions are not either properly involved in the transformational reforms financed by the RRF

- R4EUR Regions contribute to **EU challenges and priorities** by linking them to real socio-economic needs at regional level, with a territorial approach. The Regions face, however, difficulties in doing so as this approach cannot be properly implemented through national recovery plans due to mismatches that it creates.
- The reforms financed by the RRF (originally designed to transform the EU) do not involve some Regions of the R4EUR initiative, who best know the socioeconomic reality and the actors that can lead the transformation of the EU.
- While Regions hold most competences to achieve territorial goals and best know the socioeconomic reality and the actors that can lead the transformation of the EU, most R4EUR Regions have had **no significant role** in the design of national plans and the drafting of the calls. As a result highly detailed centralised calls limit Regions' competences and in some cases are not aligned or even contradicting with regional policies. Calls also stick to uniform unrealistic criteria that could limit the absorption of funds.

#### ACTIONS PROPOSED:

- ✓ To promote mechanisms to allow a better governance and alignment of the RRF and regional objectives, and also, for Regions that consider it relevant, smart specialisation strategies, so that projects respond to regional needs and Regions appropriately shape also funding schemes. To include the Regions in the preparation of the REPowerEU chapter and in the possible redrafting of the national Plans (when foreseen).
- ✓ To make better use of existing methodologies, instruments and authorities of cohesion policy to accelerate implementation of RRF plans.
- ✓ To ensure specific transparency obligations of Member States (so far not included in the RRF regulation).
- ✓ To allow for sufficient room for regional needs by prioritising transformative projects of the regional ecosystems and appropriate shaping of funding schemes. It includes adjusting the distribution of funds to current circumstances (e.g. to incorporate current inflation increases to RRF calls so that they are realistic) in order to meet the RRF objectives.

**Regions of the R4EUR initiative contribute to EU challenges and priorities by linking them to real socioeconomic needs at regional level, with a territorial approach. They face, however, difficulties in doing so as this approach cannot be properly implemented through national recovery plans due to mismatches that it creates.**



- ✓ To implement a reasonable monitoring system including **regional data** on the implementation of the RRF (accountability public funds & coordination with EU funds).
- ✓ To create a Forum with Regions in order to discuss and evaluate RRF interventions that are successfully implemented by the Regions.
- ✓ To evaluate: a) the territorial impact; b) the added-value and transformative value of RRF funded projects; and c) the effective contribution of RRF to the cohesion of the EU.

# 3

## **Risk of both overlaps among the RRF and other EU funds (synergies) and missing opportunities to implement the RRF**

- In a number of R4EUR Regions a myriad of convening bodies makes it difficult for potential beneficiaries (particularly small and medium sized companies - SMEs) to identify RRF opportunities.
- Special mention must be made to France: competition among available funds and confusion due to no mention if the co-funding comes from the national RRF plan or the national recovery plan.

### ACTIONS PROPOSED TO THE EUROPEAN COMMISSION:

- ✓ To foster the sharing of practices that ensure better coordination and complementarities between the RRF and cohesion policy (Regions core actors) and also, for Regions that consider it relevant, smart specialisation strategies.
- ✓ To develop clearer rules on the execution of RRF funds and common guidelines (elegibility, complementarity, ...).
- ✓ Make the conditions for accessing funds more adjustable - particularly for small companies: facilitating the administrative procedure, adding flexibility in the deadlines for project implementation, reducing the required guarantees for small and medium sized enterprises, reducing the administrative burden, etc.
- ✓ To ensure transparency on the implementation of the RRF and the flow of funds to the real economy in a proportional manner without establishing additional bureaucratic requirements.
- ✓ To facilitate the access the official data base of beneficiaries to avoid double funding.
- ✓ To evaluate with a higher score RRF projects that will be implemented in synergy with other cohesion funds.
- ✓ To provide technical assistance and support to stakeholders implementing measures.

# 4

## The implementation of the Recovery and Resilience Facility (RRF) and implications for the post 2027 EU policies

After almost 2 years since the approval of the first National Recovery and Resilience Plans, and following the survey carried out in 2020 during the drafting of National Plans, the R4EUR initiative presents here the results of this second survey, carried out in October-November 2023, aimed to analyse the implementation of National Plans and collect inputs for the future of Cohesion Policy after 2027. 15 Regions from 8 member states have taken part in this second survey.

THESE ARE THE MAIN RESULTS OF THE SURVEY

A) IN SUMMARY, **CONCERNING THE IMPLEMENTATION OF THE RRF PLANS**, THE SURVEY SHOWS THAT:

- The role of most R4EUR **Regions** is rather that of **"observer"** of the implementation of the RRF funds, with the exception of the Belgian Federal Government and Åland Islands.
- In terms of RRF domestic funds assigned to each regional territory (considering all beneficiary entities), the "observer" role of Regions remains mostly the same for half of R4EUR have been allocated from 0 Euro to a maximum of 250 mEUR.

A special mention is to be made to France: there is no mention if the co-funding comes from the national RRF plan or the national recovery plan.

- For those R4EUR Regions directly managing **RRF** projects, 75% of partners rate 7 to 8 (out of 10, 10 most difficult) **the difficulty level in managing such projects** in comparison with managing structural funds.
- Even if not directly involved, 7 Regions have developed a **system to monitor RRF fund implementation on their territories** in order to support their beneficiaries, to enhance synergies, avoid double funding and foster territorial policies.
- The beneficiaries of the RRF funds that are **mostly encountering difficulties** in accessing and managing the funds are in order, municipalities, followed by SMEs.
- Most R4EUR partners (**57%**) **report the non-existence of rules to avoid overlaps** in place at national level and/or regional.

THE SURVEY CONFIRMS THE NECESSITY TO:

- **Fully involve Regions in the current implementation of the RRF plans** to achieve effectiveness and efficiency of the projects. This in turn contributes to achieve and measure the desired social, economic and territorial impact of such funds.
- **Full coordination of Regions with national and EU institutions** throughout the whole financing period. This would avoid confusion among potential beneficiaries, overlaps with cohesion policy and risks of double-funding and unnecessary administrative burden and complexity.
- **Foster transparency** on the use of funds and thus ensure visibility of the EU action.

## B) CONCERNING THE FUTURE DEVELOPMENT OF RRF AND COHESION POST- 2027, THE SURVEY SHOWS THAT:

- In regards to the future development of RRF and cohesion post- 2027, all Regions underline that the regional management of cohesion should be preserved.
- On the question **whether or not** there should be **the possibility** to streamline the **performance-based like RRF approach** (here understood as a system where payments are subject to achievement of milestones/targets instead of specific financial reporting of expenses), the results are the following:  
**40% agree** with such an approach, whereas 20% of R4EUR partners consider it is too early or not clear at all if administrative burden would be reduced in case this approach would be developed in cohesion policy.  
Another **40% of R4EUR do not endorse this approach**, pointing out (e.g.) that this could generate a variety of **heterogeneous milestones across the EU**, thus increasing complexity and reducing comparability in the system, or even leading to an unfair treatment of Regions.
- To better integrate a performance-based approach in cohesion policy without further raising administrative burden to beneficiaries, 41% of R4EUR partners agree that RRF like input-output **approach could work with a stronger control role on the managing authorities** at regional level and conditioned to clear rules and strong co-creation and preparation. 25% of partners prefer the **Performance framework applied in the cohesion period 2014-2020** with additional resources assigned to high performing Regions, while others consider it too early to draw conclusions on the RRF performance-based approach.
- 86% of R4EUR partners agree that the simplified cost options (SCO) could help managing authorities in ameliorating performances.
- On the drafting of the REPowerEU chapter, 80% of R4EUR partners report no involvement at all or weak.

THE SURVEY CONFIRMS THE NECESSITY TO:

- **Explore different ways of ameliorating performance in the future cohesion policy.** There are existing consolidated instruments such as the performance framework of the period 2014-2020 and the use of “Simplified cost options” (SCO) or “financing not linked to costs” (FNLTC) that could be further developed.
- All possible changes of cohesion policy require a process of involvement of Regions, a careful preparation of operational models, and a special attention to a territory-oriented approach.
- Establish clear rules / sticking to the proportionality principle / and allow for a certain flexibility (e.g. in the targets definition and fulfilment).

**C) AS REGARDS THE FUTURE OF EU ECONOMIC GOVERNANCE, THE SURVEY SHOWS A CLEAR CONSENSUS AMONG PARTICIPATING REGIONS. THEY ALL AGREE THAT THERE IS A NEED TO EFFECTIVELY INVOLVE REGIONS AS POLITICAL ACTORS IN THE PREPARATION OF NATIONAL REFORM PROGRAMS (EU SEMESTER) AND THE NATIONAL MEDIUM-TERM FISCAL-STRUCTURAL PLANS.**

This would help to align policy, reforms and investment priorities (EU, national, regional) – considering Regions as a political actor – and speed up their implementation; be more efficient at all policy levels and optimize current (limited) funding (EU, national, regional).

The unique case of the **Flemish Reform Programme** is to be cited: Flanders requests the European Commission to establish regional specific recommendation. Its satisfactory results contrast with the other R4EUR Regions, which so far do not participate in the EU economic governance.

ACTIONS PROPOSED TO THE EUROPEAN COMMISSION:

- ✓ Involve the Regions as political actors in the European Semester process.

# Annex 1

## Results of the survey

Following the survey carried out during the drafting of National Plans and published in 2020, the R4EUR initiative presents now the results of this second survey, aimed to analyse the implementation of National Plans and the future of Cohesion Policy after 2027.

QUESTIONS HAVE BEEN ASKED AROUND 3 MAIN AREAS:

- A) Current implementation of the Recovery and Resilience Facility (RRF)**
- B) Future development of RRF and cohesion post 2027**
- C) The future of EU Economic governance and the role of Regions**

15 REGIONS FROM 8 MEMBER STATES HAVE CONTRIBUTED TO THE SURVEY:

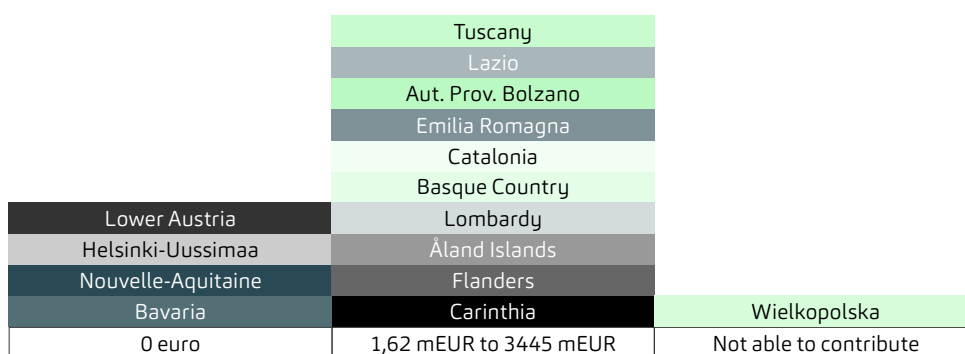
<b>Austria</b>	Carinthia
	Lower Austria
<b>Belgium</b>	Flanders
<b>Finland</b>	Åland Islands
	Helsinki - Uusimaa
<b>France</b>	Nouvelle-Aquitaine
<b>Germany</b>	Bavaria
<b>Italy</b>	Emilia Romagna
	Lazio
	Lombardy
	South Tyrol
	Tuscany
<b>Poland</b>	Wielkopolska
<b>Spain</b>	Basque Country
	Catalonia

THESE ARE THE MAIN RESULTS OF THE SURVEY

A) IN SUMMARY, **CONCERNING THE IMPLEMENTATION OF THE RRF PLANS**, THE SURVEY SHOWS THAT:

- Share of national RRF directly managed by R4EUR Regions (in mEuro). 28% of R4EUR partners report that they directly **manage 0 Euro**; while 71% of R4EUR partners manage between 1,62 mEUR and 3445 mEURO so far. Moreover, a Polish region – Wielkopolska – could not contribute so far, since the polish National Recovery and Resilience Plan has been approved but not implemented yet.

Graph 1. Share of national RRF directly managed by R4EUR Regions (in mEuro)



- Share of national RRF directly managed by R4EUR Regions (in %). 28% of R4EUR partners manage 0% of domestic RRF funds; 64% of R4EUR partners manage from 0,01 % to 1,6 % of the total national Plan. **Only 1 partner directly manages 38% of domestic RRF funds.** A Polish region – Wielkopolska – cannot contribute so far.

Graph 2. Share of national RRF directly managed by R4EUR Regions (in %)



- RRF domestic funds assigned to each region (including all different entities). 21% of R4EUR partners have been assigned 0 Euros; 28% of R4EUR partners from 10 to 250 mEUR; 7% R4EUR partners 950-1000 mEUR; 35% of R4EUR partners manage more than one billion, from 1657 mEUR to 15 611 mEUR. A special mention must be made to France: there is competition among available funds and confusion since there is no mention if the co-funding of a project comes from the RRF plan or the national funds. A Polish region – Wielkopolska – cannot contribute so far.
- Major beneficiaries of RRF funds. Municipalities/local Authorities are the most benefiting beneficiaries (in 71% of R4EUR partners), followed by: Regional administrations/Transport sector (in 50% R4EUR partners); the Health sector (in 42% of partners); the Universities & Research Centres/Enterprises (in 35% of R4EUR partners); and National institutions on regional territory/ Non-profit sector (in 14%).

Graph 3. Major beneficiaries of RRF funds

	Lower Austria					
	Lazio					
	Aut. Prov. Bolzano					
	Tuscany	Lower Austria				
Lower Austria	Catalonia	Aut. Prov. Bolzano	Lower Austria			
Lazio	Basque Country	Tuscany	Aut. Prov. Bolzano	Lower Austria	Tuscany	
Basque Country	Emilia Romagna	Emilia Romagna	Tuscany	Catalonia	Catalonia	
Åland Islands	Lombardy	Carinthia	Emilia Romagna	Emilia Romagna	Emilia Romagna	
Carinthia	Flanders	Flanders	Åland Islands	Carinthia	Åland Islands	Carinthia
Flanders	Bavaria	Bavaria	Flanders	Flanders	Flanders	Carinthia
Bavaria	Municipalities/ Local authorities	Transport sector	Health sector	Enterprises	Universities / Research centers	National institute / Non profit sector

- RRF monitoring systems developed. 50% of R4EUR partners have developed and implemented such systems; 50% of R4EUR partners have not developed such systems as in most cases they do not manage RRF projects. A Polish region – Wielkopolska – cannot contribute so far.
  - *Flanders (Flemish Resilience)*
  - *Lombardy ([www.regione.lombardia.it/wps/portal/istituzionale/HP/pnrr](http://www.regione.lombardia.it/wps/portal/istituzionale/HP/pnrr))*
  - *Emilia Romagna (<https://pnrr.regione.emilia-romagna.it/>)*
  - *Basque Country (<https://www.euskadi.eus/next-generation-eu/web01-a2ogafon/es/>)*
  - *Catalonia ([fonseuropeus.gencat.cat](http://fonseuropeus.gencat.cat))*
  - *Tuscany (<https://pnrr.toscana.it/dashboard>). A unique project code gathers all data for any project, considering any funding source ('Champion of the Community of practice' - DG REGIO Community of Practice, REGIO Peer2Peer Communities) on NRRP - Cohesion Policy)*
  - *Lazio (Named INFRAMOB, it will be published early 2024)*



Nouvelle-Aquitaine does not manage RRF projects and underlines the difficulty of monitoring RRF. In fact, France has decided to blend its RRF funds (around 40 billion euros) in a larger national plan (100 billion euros in total) named “France Relance”. In order to avoid the risk of double funding the regional authority meets regularly with the national administration and analyses project by project. Nevertheless, it is still difficult to know which projects are financed by RRF until the State submits the request of payment to the European Commission. Even if the national administration had put forward a dedicated website (France relance) the different values and data do not allow to have a clear view of the RRF resources invested in each territory.

- For those R4EUR Regions managing directly RRF projects, encountered difficulty level in comparison with managing structural funds (in a scale 1 to 10, 10 being most difficult).

**25% of R4EUR partners find that at this stage the comparison is not easy** due to many factors: RRF is a quite new instruments with new governance mechanisms; new requirements such a performance-based approach, DNSH and extremely tight timeframes (design and implementation). The difficulty in the management of projects often relates to the rules and procedures established at national level.

**75% of R4EUR partners rate the difficulty level from 7 to 8** due to the following reasons: Regions were not involved in project design; implementation problems due to cross-cutting requirements (DNSH, ..) and bureaucracy (the latter is a barrier to SMEs & small municipalities); top-down and unclear rules and reporting procedures; new RRF information system not interoperable with the one related to cohesion funds (e.g. difficulties presented by the COFFEE tool – in the Spanish case - require twice the human resources to manage it than for cohesion); constant changes in the regulatory framework that is to be retroactively implemented based on new manuals/guides/models/instructions; too centralized management leading to bottlenecks in regional administrations (& SMEs) and requiring them much higher administrative efforts than those managed at national level; no long term planning or very little knowledge about upcoming calls; short and difficult to meet deadlines; the big number of calls difficult finding information about them; RRF calls are not appealing as they cover topics already covered by other existing programs.

*Graph 4. Difficulty direct management of projects (RRF vs Structural funds)*

	Lazio
	Aut. Prov. Bolzano
	Catalonia
	Basque Country
Flanders	Emilia Romagna
Carinthia	Lombardy
Too early to evaluate	7 to 8*

(\*1 to 10, 10 most difficult)

- Stakeholders facing major difficulties when implementing RRF projects are Municipalities (53% R4EUR partners) and SMEs (23%).

There is a need to: streamline bureaucracy of administrative processes and reduce bureaucratic burden to access funds; optimise all available human/administrative resources to facilitate and accelerate implementation.

- Rules in place at national level and/or regional to avoid overlaps result **in only 35% of R4EUR partners**, while 57% of R4EUR partners report the non-existence of such mechanisms. In some cases, national indications regarding the risk of overlaps and double funding are very general and make references to other practices (such as cohesion funds provisions).

The case of French Regions is particularly striking, as they have to analyse project by project through regular meetings between the national and regional administrations to avoid double funding/overlaps risks.

*Graph 5. Existing rules in place at national/regional level to avoid overlaps*

	Lower Austria	
	Carinthia	
	Tuscany	
	Lombardy	
Lazio	Helsinki-Uusimaa	
Aut. Prov. Bolzano	Catalonia	
Åland Islands	Basque Country	
Flanders	Emilia Romagna	
Bavaria	Nouvelle-Aquitaine	Wielkopolska
Yes	No	Not able to contribute

- RRF implementation - Regional examples on synergies
  - Nouvelle-Aquitaine registers competition in projects between RRF funds and cohesion policy (traditionally supported by cohesion policy). Especially for projects addressed to SMEs (the French government uses RRF through the "Industry of the Future" scheme), or to rural areas through "The local investment support grant" (DSIL).
  - Synergies are better guaranteed in the case of Flanders. Based on **Flemish Resilience** plan, Flanders played a major role in shaping the National Recovery and Resilience Plan. Flanders participated actively in all inter-federal consultation structures and always had a seat at the table in consultations with the European Commission. This has resulted in a well-established Flemish RRF-ownership which was further strengthened by the **Flemish Reform Programme** that includes a state of play of the Flemish RRF-projects (investments and reforms). This regional ownerships also resulted in a speed implementation of the Flemish RRF-projects (more information available at the **website Flemish Resilience**).
  - Since 2020 the Basque Government has been calling for a different RRF governance to streamline the national programme and avoid difficulties in the implementation of some projects arising mainly from a failure to take into account the regional needs and demands concerning issues such as 0–3-year-old classrooms, fiber optics in industrial areas, ...
  - In Italy a large number of Italian RRF measures corresponds to those foreseen in EU cohesion regional programmes (e.g. energy communities, support to municipalities for service provision, energy efficiency of public and private buildings and firms ...). Given that the timing and content of the RRF calls is not known in advance, the responsibility falls of the Regions, to plan cohesion funds to avoid the risk of double funding.

## B) THE DEVELOPMENT OF RRF AND THE FUTURE COHESION POST 2027

- A performance-based approach, like the one adopted in the RRF (i.e. whereby resources are paid when milestones and targets have been attained and not after a financial reporting of the expenses) could be beneficial to reduce administrative burden in the Cohesion policy?

**40% of R4EUR partners agree with this performance based approach**, highlighting though that: the management has to remain in the regional authorities in order to align and respond to local needs; there is the need to stick to the principle of proportionality; clear rules must be set out; **performance orientation requires careful preparation** and operational models, including sound cost estimation methods and meaningful funding and partial payment criteria for financing and partial payments; the performance based approach is useful if it reduces administrative burden.

Further, 20% of R4EUR partners consider it is too early or not clear if the administrative burden would be reduced as the RRF involves greater and growing bureaucracy. Thus, a first step towards reducing the administrative burden should be exploring options for simplification. Further, the concept of shared management within cohesion is key and should be preserved in the future.

Finally, **40% of R4EUR partners do not agree with this RRF performance based approach to be streamlined in the future cohesion policy**, pointing out: the need not to double the general logic of cohesion policy and RRF (this would lead to an enormous increase of bureaucracy); the respect of competences and legislative powers depending on the national constitutional background. Very heterogeneous types of milestones across the EU would increase complexity and reduce the comparability in the system, or even lead to an unfair treatment of Regions. Presenting costs to be reimbursed means more security in the absorption of EU money, an important element as per limited regional budgets. In order to simplify and accelerate implementation of cohesion policy, there is the need to work towards reinforcing, extending and scaling up existing instruments, such as 'simplified cost options' (SCOs) and 'financing not linked to costs' (FNLTC); and provide for a degree of flexibility in the application of performance-based mechanisms (e.g. in the definition and fulfilment of conditions/targets).

- How to better integrate the performance-based approach in cohesion policy without further raising administrative burden to beneficiaries?

41% of R4EUR partners suggest RRF like input-output approach could work with a stronger control role on the regional managing authorities; and 25% of R4EUR partners prefer the Performance framework as in the cohesion period 2014-2020 with additional resources assigned to high performing Regions.

In addition, some other suggestions for raising performance are: developing rather project-focused approaches (e.g. financing not linked to costs); increasing the menu of investment choices eligible for financing; training for small municipalities.

It is also highlighted: the need for a change of mindset towards qualitative criteria (project content), which requires a greater trust between funding provider and recipient. A region suggests that giving managing authorities more freedom to choose investment priorities could be organised by creating a **more differentiated framework and territorially oriented approach and replacing traditional programs by "coordinated territorial strategies"** involving all administration levels (EU, national, regional and local) and exploiting further synergies/complementarities.

- If Regions consider that simplified cost option (SCO) could help managing authorities in ameliorating performance. **86% of R4EUR partners agree** with this solution as it would attract a larger number of potential beneficiaries and thus improve quality and geographic distribution of projects, reduce administrative burden and allow to focus on objectives. They also point out that: it would be useful to get more off-the-shelf options provided by the European Commission in an early stage of programming and setting up the administration and control system. Even if this innovative form of financing may not be suitable for all areas and investments, SCO requires careful preparation of operational models, including robust cost estimation methods and meaningful funding and partial payment criteria.

*Graph 6. Could simplified cost options (SCO) help the managing authorities in ameliorating performance?*

Emilia Romagna		
Nouvelle-Aquitaine		
Lower Austria		
Carinthia		
Tuscany		
Lombardy		
Helsinki-Uusimaa		
Wielkopolska		
Lazio		
Aut. Prov. Bolzano		
Åland Islands		
Flanders		
Bavaria	Basque Country	Catalonia
Yes	No	N/A

- Involvement of Regions in the preparations of the REPowerEU chapter and the redrafting of the national plans. **46,6% of R4EUR partners report that they have not been involved at all; 33,3%** of R4EUR partners have been **involved weekly**; and 14% of R4EUR partners have been fully and satisfactorily involved.

*Graph 7. Involvement of Regions in preparing REPowerEU chapter and redrafting national plans*

Aut. Prov. Bolzano			
Tuscany			
Catalonia	Lazio		
Basque Country	Lombardy		
Helsinki-Uusimaa	Wielkopolska		
Emilia Romagna	Carinthia		Åland Islands
Bavaria	Nouvelle-Aquitaine	Lower Austria	Flanders
Not involved	Weekly involved	Preparation and drafting process	Fully and satisfactorily involved

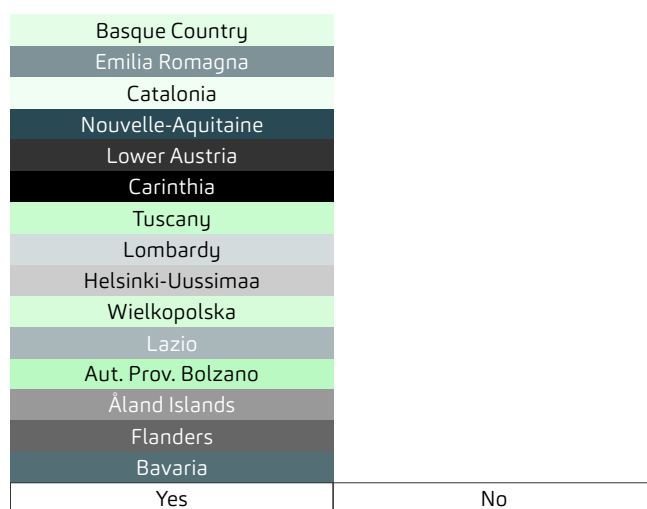
**C) THE FUTURE OF EU ECONOMIC GOVERNANCE AND THE ROLE OF REGIONS IN THE PREPARATION OF THE NATIONAL REFORM PROGRAMS (EUROPEAN SEMESTER) AND THE FUTURE NATIONAL MEDIUM-TERM FISCAL-STRUCTURAL PLANS.**

- **100 % of R4EUR Regions** report the **need for an effective involvement of Regions** as political actors.

Most of the Regions, with the exception of Flanders, are not or weakly involved in the drafting of the National Reforms programmes, and would like to be further involved in the drafting of the national medium-term fiscal-structural plans. That would respond to the actual need to jointly (all policy levels) take big challenges into consideration (EU enlargement, climate and demographic changes, digitalization, ..) while starting with a correct analysis of the situation (national and regional strategic planning). A stronger involvement would be based on a detailed analysis of the territorial diversities.

- A suggestion advocates for a political code of conduct to involve Regions by including regional representatives in the national negotiating delegations with the European Commission. Another one underlines the urgent need to abandon the macroeconomic conditionality in the post-2027 period as a repressive approach whereby the European Structural Funds (and other EU funding) become hostage of national decisions, to the detriment of the Regions.
- Best practice: The unique case of Flanders (since 2011 it has drawn up its own annual Flemish Reform Programme as part of the Belgian National Reform Programme) confirms not only the potential of this regional governance approach (tailor-made response to the CSRs and state of play of the Flemish RRP-projects), but also how it benefits the strategic priorities of the EU and the Member States (e.g. in the framework of the RRP). Flanders is urging the European Commission to include **region-specific recommendations** (European Semester) to develop the conditions to enable the region to adopt a tailored response involving the relevant stakeholders.

*Graph 8. Need for an effective involvement of Regions as political actors in the preparation of national reform programs (EU Semester) and the national medium-term fiscal-structural plans*



# Annex 2

## Best practices identified

The following cases to deploy RRF to potential beneficiaries have been identified among participating regions to the survey.

### Emilia-Romagna

A regional monitoring system gathers data on each RRF funded project on the regional territory. The projects are displayed on the regional map. The portal shows that in June 2023, the entities of Emilia-Romagna region have benefitted from around 6,8 bill euros. More information on the link: **Piano nazionale di ripresa e resilienza - PNRR (regione.emilia-romagna.it)**

### Basque Country

The General Grants Register of the Basque Country provides access to information on beneficiaries, contractors and subcontractors of all grants financed with RRF funds.

### Flanders

Based on **Flemish Resilience** plan, Flanders played a major role in shaping the National Recovery and Resilience Plan. Flanders participated actively in all inter-federal consultation structures and always had a seat at the table in consultations with the European Commission. This has resulted in a well-established Flemish RRF-ownership which was further strengthened by the **Flemish Reform Programme** that includes a state of play of the Flemish RRF-projects (investments and reforms). This regional ownerships also resulted in a speed implementation of the Flemish RRF-projects (more information available at the website **Flemish Resilience**).

### Tuscany

The case of Tuscany to create synergies and complementarities between RRF and Cohesion policy moves from a 'mirror' programming process (also to counterbalance what is missing in the national recovery plan) also involving the monitoring, communication and evaluation phases, as well as support to controls.

Through the Unique Project Code (CUP), data on RRF funded projects are gathered (240 information fields) as it will be done for Cohesion programmes managed by the Region. This is fundamental to coordinate and align projects, no matter what funding source supports them.

The organisational structure, the three interdepartmental working groups and the collaboration with local institutions, as an expression of the coordination role of the Region on and with its territory, make the difference guaranteeing knowledge spreading and an effective and efficient implementation of public funds (EU, national and regional).

The case of Tuscany has been identified as good practice by the DG REGIO Peer2Peer Communities (NRRP - Cohesion Policy) and the Public Administration Department of the Italian Presidency of the Council of Ministers.

### Catalonia

Catalonia has developed an **interactive map** that publishes Catalan beneficiaries of Catalan and national RRF funded calls. In addition, the same portal contains the **Manager Section** which gathers guides, regulations and relevant information of RRF funds.

Further, it publishes the monthly ISNEXT reports, which monitor the activity related to RRF funds in Catalonia.