RECOVERY AND RESILIENCE FACILITY

Mid-term evaluation: Strengthening our Union through ambitious reforms and investments

23 February 2024
EESC
The RRF: an unprecedented instrument

13 Member States have requested loan support:
BE CZ CY EL ES HR HU IT LT PL PT RO SI.

75% of available loans were committed under the RRF by the end of 2023.

Recovery and Resilience Facility
EUR 647.7 bn committed

Grants
EUR 356.7 bn

Loans
EUR 291 bn

Reforms and Investments
- Lasting impact
- Addressing country-specific recommendations
- In line w/ EU priorities
- Contribution to the 6 pillars of the RRF

27 Plans

40% Green

26% Digital

for all: do-no-significant-harm principle

13 Member States
75% of available loans
27 Plans
## Context and purpose of mid-term evaluation

<table>
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<tr>
<th>Legal requirement</th>
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<td>• Article 32(1) of the RRF Regulation</td>
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<th>Evaluation package</th>
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<tr>
<td>• Communication from Commission to the European Parliament, the Council, the European Economic and Social Committee and Committee of the Regions</td>
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<td>• Staff Working Document presenting the 'mid-term evaluation of the RRF' findings, with annexes</td>
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<td>• External evaluation study</td>
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<th>Mid-term Evaluation</th>
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<td>• At the half-way point of RRF lifetime: too early to fully assess the impact of the measures supported by the RRF, but useful to take stock of implementation so far.</td>
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<th>Lessons learnt for performance-based instruments</th>
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<td>• RRF mid-term evaluation also provides useful lessons for the design of potential future performance-based instruments.</td>
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Internal and external sources used for the evaluation

**Open Public Consultation**
- Publication of the [call for evidence](#) on the Commission’s Better regulation portal. ([November – December 2022](#))
- 12 weeks [open public consultation](#) on the [Have your say](#) platform ([16 March – 8 June 2023](#))

**Independent external study** led by a [consortium of consultants](#) (CEPS-ECORYS, CSIL and Wavestone) – ([March-October 2023](#)).

**Inter-service group composed of 26 DGs** supervising the evaluation at all stages
What did the external study entail?

- **8 case studies**
  1. **Green transition** (Energy efficiency),
  2. **Digital transition** (Digitalization of health),
  3. **Smart, sustainable and inclusive growth** (Supporting SMEs),
  4. **Social and territorial cohesion** (Active labour market policies),
  5. **Health, and economic, social and institutional resilience** (Justice reforms),
  6. **Policies for the next generation** (Early childhood education and policies) +
  7. **Cross-border**
  8. **Comparison other EU funds**

- **Country specific analysis**
- **Literature review**
- **Macroeconomic simulations, Cost-benefit analysis**
- **Consultation of relevant stakeholders (interviews and targeted surveys)**
  - **EU institutions** (Commission, European Parliament, Council)
  - **Member States’ authorities** and coordinating bodies, regional and local authorities
  - **Social partners at EU level**, Unions, Business organisations, NGOs
Visible progress at the halfway point of the RRF
The RRF supports the EU economic recovery

- **Impact on spreads**: Considerable narrowing of EU sovereign bond spreads further contributing to reducing fiscal pressure
- **Funds disbursed quickly**: EUR 56.6B in pre-financing disbursed in 2021 and 2022

- **Public investment preserved**: Public investment from 3.0% in 2019 to 3.3% in 2023
- **NGEU effect on GDP**: NGEU potential to increase EU real GDP by up to 1.4% in 2026 compared to no-NGEU scenario (Commission QUEST model)
- **Unemployment**: initial RRF disbursements lowered EU unemployment by around 0.8 percentage points compared to no-RRF scenario (Commission QUEST model)
Visible progress on the RRF implementation

- Over 1150 milestones and targets satisfactorily fulfilled by 1 February 2024
- EUR 225 bn disbursed to support EU economies
- RRP revisions had impact on pace of implementation in the first half of 2023 before catching up again
REPOnwerEU to accelerate the green transition

• **EUR 60 bn** to speed up the green transition through the REPowerEU chapters (40bn new loans and 20 bn new grants)

• **Reforms** to facilitate permitting and deployment of renewables

• **Investments in all key sectors for the transition**
  
  • Energy production from renewables and strengthening of electricity grids
  • Electricity storage
  • Energy efficiency
  • Decarbonisation of industry
  • Skills
Combination of reforms and investments

RRF is a unique EU instrument delivering on both reforms and investments and contributing to the implementation of Country Specific Recommendations addressed to Member States in the context of the European Semester.

- ITALY implemented reforms of their civil and justice system
- CYPRUS adopted reforms tackling corruption and protecting whistle-blowers
- CROATIA, ROMANIA and ITALY are implementing reforms of the public administration

Reforms create synergies for the implementation of all types of investments (EU, national and private)
The RRF is strengthening the Single Market via enabling reforms

Reforms to improve the quality and efficiency of public procurement in their RRPs.

- **The Spanish plan** contains a reform, now implemented, to address the need for a consistent public procurement framework ensuring transparency, effective control mechanisms, interconnection of public procurement databases among all levels of Government, and coordination across government levels.

Reforms to ensure regulatory requirements for professional services are balanced to prevent disproportionate barriers in the single market.

- **The Croatian plan** contains a reform to boost productivity in the Croatian economy through the continuation of the liberalisation of the services markets. The reform includes the simplification or total removal of at least 50 regulatory requirements for professional services.

Reforms to limit late payments

- **The Italian plan** contains a reform to reduce late payments by public administrations and health authorities.
The RRF accelerates EU priorities

Implementing multi-country and cross-border projects

- The RRF supports investments with a significant cross-border impact
- Importance of multi-country projects further strengthened in the amendment of the RRF Regulation.

Enhancing energy efficiency in buildings

- Over EUR 102 bn invested through the RRF with reforms to tackle administrative barriers

Digitalisation of public administration

- More than EUR 48 bn invested through the RRF

Contribution to the Pillar of Social Rights target of 78% employment by 2030

- With support from the RRF, over 1.3 million people have either found employment or engaged in job searching activities in 13 MS
Lessons learned
The RRF: the first major performance-based instrument at EU level

- Effective monitoring of RRP implementation through milestones and targets
- Faster disbursements rewarding progress towards results and actual performance on the ground
- Increased predictability and accountability → concrete results to be achieved set out clearly in advance
- Combination of reforms and investments → more coherent intervention in line with EU and national priorities
Lessons learned to ensure swift implementation

1. Sufficient flexibility in design and implementation
2. Close involvement of regional and local authorities, social partners, civil society and other stakeholders
3. Adequate administrative capacity of Member States and implementing bodies
Conclusion
The RRF is an effective response to the unprecedented economic and societal impact of the pandemic.

The RRF has proven to be a key tool to boost Member States’ delivery on the European Semester’s country-specific recommendations.

All elements are in place to ensure that Member States deliver on their commitments by 2026.

The evaluation at the half-way point provides useful lessons for future performance-based instruments.
Thank you!