



Recovery and Resilience Facility

Complementarity and synergies with other EU funds

Double funding

RRF Expert Group

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Key principles – Concept of double funding

- Reforms and investments under RRF may receive support from other EU programmes and instruments, provided that such support does not cover the same cost (ref. art. 9 RRF Regulation).
- « Double funding » is different under the RRF compared to other EU programmes:
 - ➔ RRF is a performance-based instrument: payments are linked to fulfilment of M&Ts, and not to actual costs incurred by MS.
 - ➔ Payments under other EU programmes are based on eligible costs.
Cost=« expenditure » (ref. CPR).

Key principles – Concept of double funding

- Under RRF, double funding can occur at **two levels**:
 - ➔ At Member State (i.e. beneficiary) level, if the Member State receives support from other EU funds to cover costs that were part of the cost estimate carried out for the RRP.
 - ➔ At final recipient level, who should not receive support to cover the same costs both from the RRF – through the Member State – and from other Union funds.

Key principles – Design of the RRP

- Member States have the obligation to avoid double funding in the design of their RRP:
 - Existing or planned support from other EU funds must be declared
 - Procedures and arrangements set up at national level for the avoidance of double funding must be detailed
 - EU contribution cannot exceed 100% of a measure's estimated cost.

Key principles – RRF Implementation

- Member States have the obligation to avoid double funding at any stage of RRF implementation, including:
 - ➔ Management declaration of no double funding at each payment request;
 - ➔ List of final recipients of funds
 - ➔ List of any measures for the implementation of reforms and investments indicating the amount of funds paid under RRF and under other EU funds (art. 22);

Key principles – RRP Implementation

- If EU support granted during RRP implementation changes compared to what was foreseen in the RRP :
 - ➔ this needs to be declared in FENIX as soon as the other EU programme is adopted
 - ➔ this is allowed only if it does not cover the measures financed by the RRF and their associated estimated costs

Case 1. Double funding at final recipient level

One of the final recipients receiving € under measure X of RRP also receives support for the same costs from another EU fund → this is **double funding**

Approach:

The recovery of funds takes place either by the other EU fund or by RRF, depending on which programme has included last the measure (either at CID approval for the RRF or in the grant agreement by the other EU fund).

Cases 2a/2b. Final recipient level – Use of EU funds after RRP approval

RRP measure not including use of other EU funds at stage of RRP approval; during implementation, MS finds that beneficiary has received other EU funds for the same costs (to achieve all or part of a milestone/target).

Examples:

- Hospital planned under RRP for € 500m, built with cost € 500m but also receiving other EU funds;
- 500 windmills planned under RRP for € 1bn, built also with EU funds worth € 100m (50 windmills).

Approach:

- ➔ If possible, the MS undertakes additional investments without support from any other EU funding ensuring the RRP target is fulfilled.
- ➔ Otherwise, the other EU funds/RRF have to be recovered in full to ensure no double funding.

Case 3. At Member State level - use of other EU funds to cover lower RRF grant envelope

RRF grant envelope is reduced following 30% adjustment end June 2022; MS wants to use other EU funds to cover for the gap while maintaining the original ambition.

Examples:

- Hospital planned under RRP for € 500m, but RRF grant envelope decreased → MS wants to use other EU funds to cover for the hospital (in full or in part);
- 500 windmills planned under RRP for € 1bn, but RRF grant envelope decreases → MS builds the windmills also with EU cohesion funds worth € 500m (250 windmills).

Approach:

MS are encouraged to implement RRP as approved even if RRF envelope decreases, using other funds.

However, MS can submit **an amended RRP**, ensuring no double funding, by fully removing measures or, if not possible, by lowering the RRP targets (250 windmills instead of 500).

Case 4. At Member State level - Use of other EU funds to compensate for inflation

An RRP measure was not planned to be supported by other EU funds; A Member State wants to use other EU funds to cover for the increase of costs while maintaining the original ambition.

Examples:

- Hospital planned under RRP for € 500m, but costs increased during implementation to € 550m; MS wants to use other EU funds to cover the additional € 50m;

Approach:

The combination with other EU funds must be **clearly defined upfront** & MS should implement their RRP **as approved**, even if costs has increased, as RRF is **financing not linked to costs**.

If the actual costs supported by the RRF increase, the contribution of the RRF does **not** change and the extra costs **cannot be covered ex post** by other EU funds. Here the Commission would need to **recover the additional amount** paid under other EU funds.

If relevant, MS can submit an amended RRP under article 21, ensuring no double funding.

Case 5. At final recipient level – Use of other EU funds planned but costs decrease

An RRP measure was planned to be supported by other EU funds; due to price decrease, costs go below the initial estimate.

Examples:

- Digital connectivity in schools: 1 million PCs for € 500m, other EU funds support another 1 million PCs for € 500m; costs decrease to € 400m for each million PCs;

Approach:

- Once MS reached the RRP target, it receives the related payment, independently from the actual costs;
- The other EU funds will pay either the planned amount of € 500m (in case of Simplified Cost Option) or the actual amount of € 400m (in all other cases);
- MS should ensure no double funding at final recipient level (no final recipient receives more EU support than it is entitled to).

Recovery of funds

In case of double funding:

- if a measure was included in a grant agreement under another EU fund signed **before** the adoption of the CID, the RRF funds should be recovered (as the support from other EU funds should have been declared before and never been included in the estimated costs of the RRP in the first place);
- if a measure was included in a grant agreement under another EU fund signed **after** the adoption of the CID, the other EU funds should be recovered from the MS.

Thank you!

More information: [Commission webpage on the RRF](#)



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