BRIFFING

Next Generation EU (NGEU) delivery Sectoral focus



Social and territorial cohesion in the Recovery and Resilience Facility

SUMMARY

While supporting countries' recovery, resilience, future crisis preparedness, and improving their growth potential, the Recovery and Resilience Facility (RRF) has a clear role in promoting economic, social and territorial cohesion in the European Union. This role is emphasised by the legal basis used for establishing the Facility – Article 175 of the Treaty on the Functioning of the EU (TFEU) – the same article that underpins EU cohesion policy measures.

One of the RRF's main objectives, or six pillars, is specifically dedicated to social and territorial cohesion (pillar four). Based on the data provided in the recovery and resilience scoreboard, this briefing gives an overview of the measures and financial expenditure expected to contribute to social and territorial cohesion under the approved national recovery and resilience plans (NRRPs). It also presents the main indicators of progress in the implementation of pillar four and the achievements so far.

All NRRPs include reform and investment contributing to social and territorial cohesion, which represents roughly 45 % of the total RRF resources. Two thirds of this expenditure is expected to support improvements to territorial infrastructure and services, including at local level. For example, investments concern development of sustainable transport (railways, ports, cycle paths), waste and water management, broadband infrastructure, and improving the quality of services provided by public administration.



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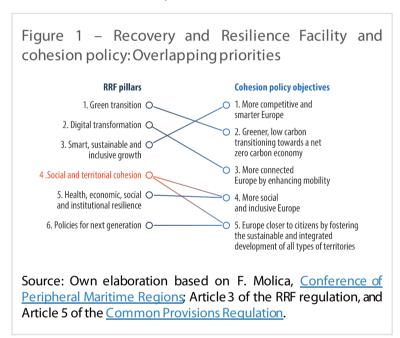


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Social and territorial cohesion as an RRF objective

With a €723.8 billion budget (€338 billion in non-repayable grants and €385.8 billion in loans), the Recovery and Resilience Facility (RRF) is the main element of Next Generation EU (NGEU). This temporary financial instrument was created to help EU Member States to recover from economic crisis in the aftermath of the COVID-19 pandemic. While supporting countries' recovery, resilience, future crisis preparedness, and growth potential, the RFF has a clear role in promoting economic, social and territorial cohesion in the EU. This overall objective is defined in Articles 3(d) and 4(1) of the RRF Regulation, and results from the legal basis used for establishing the RRF – Article 175 of the Treaty on the Functioning of the EU (TFEU) – the same article that underpins EU cohesion policy measures.¹

Due to its legal basis and considerable volume (the grant component of the RRF alone almost equals the seven-year allocation for cohesion funds amounting to €378 billion), ² as well as its governance method, the RRF is often compared to EU cohesion policy and cohesion funds. Their concurrent existence, potential complementarities and synergies, but also contest between the funds and challenges, have been the subject of political and expert discussion, as well as the topic of many studies.³ Although created for a different purpose, the RRF is clearly becoming an important reference point in considerations on the future of EU cohesion policy and its instruments (see section on thematic analyses below).



The RRF priorities are structured around six pillars, representing policy areas of European relevance. Each national recovery and resilience plan (NRRP) should contribute to the pillars, taking account of challenges facing each Member State. simple comparison of RRF and cohesion policy priority areas shows that they largely overlap (Figure 1). The complementarity with cohesion policy is particularly visible in pillar and 'Social territorial cohesion'. The scope of action under this pillar can be linked to cohesion policy objectives four and five: 'More social and inclusive Europe' and 'Europe closer to

citizens by fostering the sustainable and integrated development of all types of territories'.

Scope of action under pillar four: 'Social and territorial cohesion'

Social and territorial cohesion are both very broad policy areas. Article 3 of the RRF Regulation includes the list of the RRF pillars, but does not provide any further indication of measures that can be considered as contributing to pillar four. More information on the scope of action can be found in other parts of the regulation, in the <u>guidelines</u> for the preparation of the NRRPs, and in the European Commission's recovery and resilience <u>scoreboard</u>.

According to point 14 of the preamble to the RRF Regulation, reform and investment in social and territorial cohesion should contribute 'to fighting poverty and tackling unemployment in order for Member State economies to rebound while leaving nobody behind'. Moreover, they 'should lead to

the creation of high-quality and stable jobs, the inclusion and integration of disadvantaged groups, and enable the strengthening of social dialogue, infrastructure and services, as well as of social protection and welfare systems'.

Table 1 – Investment areas under pillar four: Social and territorial cohesion

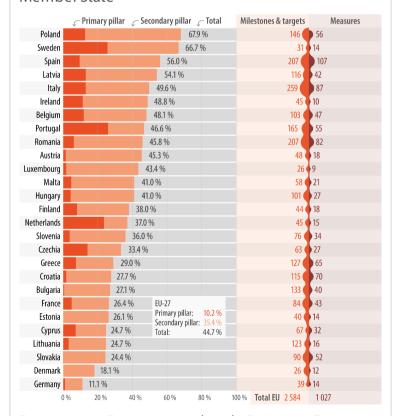
- 1 Territorial infrastructure and services;
- Adult learning, including continuous vocational education and training; recognition and validation of skills, (non-youth) employment support and job creation, including hiring and job transition incentives and support for self-employment;
- 3 Development of rural and remote areas (e.g. islands);
- 4 Social housing and other social infrastructure;
- 5 Social protection, including social services and integration of vulnerable groups;
- Modernisation of labour market institutions, including employment services and forecasting of skills and labour inspectorates; employment protection and organisation; social dialogue and wage setting mechanisms; adaptation of workplaces;
- 7 (Non-youth) employment support and job creation, including hiring and job transition incentives and support for self-employment.

 $Source: \underline{Recovery\,and\,Resilience\,Scoreboard}, European\,Commission, 2023.$

Furthermore, in the guidelines for the preparation of the NRRPs, the European Commission advised that the measures under pillar four should contribute to enhancing cohesion, including at local, regional and national levels, and in the rural and urban areas. Member States should demonstrate that measures will have a social and economic impact across various groups in society, including young people, women and vulnerable groups (such as migrants and their children), in line with the principles of the European Pillar of Social Rights.

Finally, the scoreboard provides a list of eligible actions per pillar. Accordingly, expenditure to and counted reported contributing to social and territorial cohesion under pillar four, has to concern one or more investment areas established by the European Commission (Table 1). The list of eligible actions is broad and includes both investment in 'hard infrastructure', such as territorial infrastructure, social housing and

Figure 2 – Share of expenditure under pillar four: Social and territorial cohesion (primary and secondary), per Member State



Data source: Recovery scoreboard, European Commission (accessed on 15 December 2023).

development of rural areas, and in learning activities, vocational training, and labour market services and institutions.

Expected financial allocations

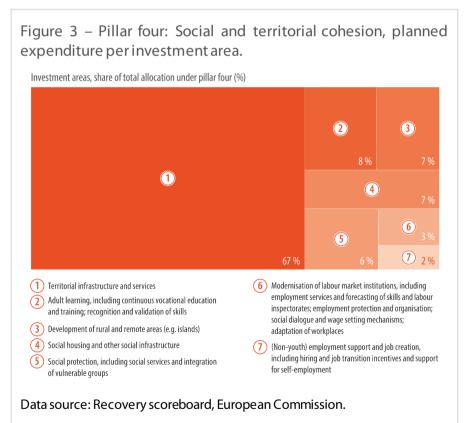
According to the <u>scoreboard</u>, in 27 NRRPs, 1 027 investments and reforms are tagged as contributing to pillar four. ⁴ These represent 44.5 % of the approved RRF grants and loans (i.e. €220.6 billion, according to the <u>Commission's second annual report</u>). This is the third largest contribution, after pillar one on the 'Green transition' (51.1 %), and pillar three on 'Smart, sustainable and inclusive growth' (47.2 %). However, each measure in the calculation was tagged as contributing to two pillars – as the primary and secondary objective of a measure. ⁵ As a result, in the case of pillar four, measures with a primary objective of social and territorial cohesion account for only about 10.2 % of the total RRF resources (i.e. some €50 billion). The remaining 34.4 % (out of 44.5 %) is less directly linked to the objective.

When looking at individual Member States (Figure 2), expenditure under Poland's (67.9%) and Sweden's (66.7%) plans is the most concentrated on the objectives of pillar four (primary and secondary). In the case of Poland, however, only 12.6% of the expenditure has a strong link to social and territorial cohesion objectives. By contrast, a relatively high share of the expenditure is dedicated to pillar four as a primary objective in Sweden's plan, but also in those of Portugal and the Netherlands.

Investment and reform supported

As presented in Figure 3, by far the largest part of the expenditure within pillar four is dedicated investment in territorial infrastructure and services (67%). The rest is divided between six other investment areas, with the smallest share dedicated to (non-youth) employment support and job creation, including hiring and job transition incentives, and support for self-employment (2%).

Looking at individual Member States' NRRPs (see right-hand column of Table 3 in annex), the highest concentration of expenditure on territorial infrastructure and services is found in Romania's (86 % of



pillar four expenditure in the NRRP) and Poland's (83%) plans. However, some countries decided to concentrate their expenditure on development of rural and remote areas (Austria, Denmark and the Netherlands), social protection (Finland), and on social housing and social infrastructure (Luxembourg and Portugal). In Malta's plan, the total expenditure under pillar four is divided beween only two investment areas – territorial infrastructure and services, and modernisation of labour market institutions.

Some examples of measures specifically addressing social cohesion include:

- investment in education of disadvantaged groups and reducing educational deficits caused by the COVID-19 pandemic (Austria);
- creating an adult education voucher system focused on reskilling, upskilling or uptake of new skills related to the green and digital transition (Croatia);
- modernising and simplifying the support system for children with higher care needs, and supporting independent living for people with fewer care needs (Estonia);
- reforming the governance of training provision for upskilling, reskilling and lifelong learning, combined with investment in training programmes that cover the entire labour force, and aim at reducing skill mismatches and supporting the green and digital transition (Greece);
- investing in affordable housing to mitigate the social impact of the crisis on marginalised people (Slovenia).

As far as territorial cohesion is concerned, projects include, for example:

- development of inland waterways in Wallonia to improve overall connectivity in the country, completion of the cross-regional suburban rail network, deployment of charging infrastructure for electric vehicles (Belgium);
- energy-efficient building renovation, and digitalisation and connection of all public health services (Germany);
- investment addressing the infrastructural gap, improving broadband, high-speed railways and regional lines, water and wastewater management infrastructure, ports and 'last mile' connections in the Special Economic Zones (Italy);
- investment upgrading the railway network, promoting safe, sustainable and smart mobility and improving connectivity between regions (The Netherlands);
- reform and investment improving mobility conditions and road safety in urban and rural areas, decreasing green-house gas emission from transport (Romania).

Other examples of measures illustrating the broad scope of action financed by the RRF and contributing to pillar four 'Social and territorial cohesion' are included in Table 3 in annex.

Yet another picture emerges from an overview of the components of each recovery plan (see left-hand column of Table 4 in annex). According to the European Commission's assessment, none of the six components in the Polish plan, only one (out of twelve) in the Bulgarian plan, and one (out of sixteen) in the Slovenian plan, significantly contribute to social and territorial cohesion. At the other extreme is Italy's plan, with 11 of 16 components strongly linked to pillar four. In addition, the importance of investing in cohesion in Italy is demonstrated by the fact that the whole Mission 5 of the NRRP is dedicated to 'Inclusion and cohesion', and that 40 % of the plan's resources is territorially earmarked for the country's southern regions.

Achievements and payments to date

As of 15 December 2023, the Commission has <u>disbursed</u> €22.3 billion (€16.1 billion in grants and €6.2 billion in loans, excluding pre-financing), based on the fulfilment of 292 milestones and targets tagged as contributing to pillar four. This represents 11 % of all milestones and targets linked to social and territorial cohesion.

For each payment made, a description of completed milestones and targets can be found in the Commission's preliminary assessment of countries' payment requests, as well as in the recovery and resilience <u>scoreboard</u>. A few examples among the 292 satisfactorily completed milestones and targets include: construction of a railway station in Lavanttal (as part of the <u>Koralm railway</u> project, on the Baltic–Adriatic axis) in <u>Austria</u>; 12 843 hiring subsidies for recruiting persons with disabilities paid to employers in <u>France</u> (aide à la mobilisation des employeurs pour l'embauche des travailleurs handicapés, <u>AMEETH</u>); finalisation of 24 of 277 planned new dwellings and renovation of 318 homes

to improve social housing stock in the autonomous region of Azores (<u>Portugal</u>); and training in digital skills and provision of information technology equipment to 1 423 senior and disadvantaged persons in <u>Slovakia</u>.

Examples of satisfactorily completed milestones and targets linked to reform include: entry into force of amendments to the Social Assistance Act as part of a reform of the minimum income scheme in <u>Bulgaria</u>; entry into operation of a competence centre for open data and digital transformation in <u>Lithuania</u>; and the entry into force of legislation, and its implementing rules, for the domestic workers voucher system in <u>Romania</u>; as well as the entry into force of measures on equal pay between women and men, and on teleworking in <u>Spain</u>.

Implementation reports and thematic analyses

Common indicators

Fourteen common RRF indicators show the progress on implementation of the RRF. Six of these measure achievements related to pillar four (Table 2). The indicators are updated twice a year in the context of the European Semester (Articles 27 and 29(4) of the RRF Regulation).

Table 2 – Common indicators relevant for pillar four: Social and territorial cohesion, achievements as of 15 December 2023

Common indicator	Achievement
Population benefiting from protection measures against floods, wildfires, and other climate related natural disasters.	5 875 129 people
Additional dwellings with internet access provided via very high capacity networks	17 787 329 dwellings
Number of participants in education or training	6 888 121 participants
Number of people in employment or engaged in job searching activities	688 091 people
Capacity of new or modernised healthcare facilities	18 646 974 persons (maximum number of persons that can use or be served by a healthcare facility per year)
Classroom capacity of new or modernised childcare and education facilities	555 062 persons (maximum number of pupils and students that can use the classrooms per year)

Source: Recovery Scoreboard, European Commission, 15 December 2023.

European Commission reports

The European Commission sums up the progress and achievements in the implementation of the RRF so far, including under each of the six RRF pillars in two annual reports (March 2022 and September 2023), as well as in the review report (July 2022) and the communication on the occasion of two years from the entry into force of the RRF Regulation (February 2023). Concerning pillar four, the most recent annual report states that the NRRPs include a significant number of measures supporting social and territorial cohesion, particularly contributing to the European Pillar of Social Rights.

By far the biggest area of expenditure is on territorial infrastructure and services, amounting to €151.2 billion. All NRRPs included measures strengthening Member States' social protection systems and social housing, accounting for around €28.8 billion. About €17.7 billion is dedicated to

reform and investment in adult learning, vocational training, validation and recognition of skills. The measures in the area of 'non-youth' employment and the modernisation of labour market institutions account for €11.2 billion.

Pillar four in the NRRPs of Ireland, Italy, Poland and Portugal

A <u>study</u> commissioned by the European Parliament's Committee on Economic and Monetary Affairs (ECON) provides a comparative analysis and assessment of initiatives under pillar four outlined in the NRRPs of Ireland, Italy, Poland and Portugal. It concludes that the specific, analysed measures included in those plans are relevant, and contribute to both social and territorial cohesion. The authors assessed the measures under the social dimension of pillar four as both significant and ambitious. They focus on employment, skills, and participation of vulnerable groups, and have been designed to promote a fair, inclusive and sustainable recovery. As for the territorial aspect, the four plans include reform and investment targeting specific locations.

In addition, the authors noted that, due to the horizontal nature of social and territorial challenges, there are positive spill-over effects on pillar four from measures under other pillars, both in terms of policy issues and territory. For example, reform focused on the digital transformation of public administration (pillar two) often result in improving gender equality, and investment in green infrastructure and connectivity gaps (pillar one) is often implemented in the most disadvantaged regions.

Furthermore, the study shows that there is a strong link between pillar four measures and the funding under the EU's cohesion or rural development policy. In some cases, the complementarity is direct. For example, the Polish programme aimed at improving access to day-care facilities for children under three years old (Maluch+) combines infrastructure investment financed from the RRF with training action under the European Social Fund+.

The authors point out two key challenges concerning the long-term effectiveness and sustainability of the measures supported under the RRF, and achieving potential synergies with financing under EU cohesion policy. They emphasise that there is a risk that once the financial support provided under the RRF is exhausted, some measures will not be continued or developed, especially given public budget constraints. As for the link with cohesion policy, a risk of duplication and rivalry may have significant implications for absorption of cohesion funds and for achieving the objectives of cohesion policy. The study particularly highlights the difficulty of ensuring coordination between the NRRPs and Partnership Agreements and Operational Programmes under cohesion spending, as well as weak regional and local participation in the designand delivery of pillar four measures in the RRF.

Relationship between the RRF and cohesion policy, and the debate on post-2027 reform

Another study, recently published by the European Regional Policy Research Consortium (EoRPA), provides a comprehensive analysis of practical issues that arise due to the concurrent existence and implementation of the NRRPs and cohesion policy programmes. Coordination between the two is termed a complex task and analysed as to strategic planning, governance mechanisms, projects generation and selection, implementation, oversight, and coordinating the territorial dimension.

The authors note that the creation of the RRF, with its alternative centralised and performance-based implementation approach, substantial investment power, and high political profile, is among the main challenges articulated in the emerging debate on the future, post-2027 cohesion policy. The RRF is an important, new factor influencing cohesion policy reform. In particular, the immediate challenges are seen in a possible preference for more centralised, national investment instruments based on the RRF approach; possible preference for a seemingly attractive and simpler performance-based budgeting approach – in contrast to the expenditure-based system used in

cohesion funds; and in ensuring the coherence of ever more diverse and fragmented EU funding instruments.⁷

The study concludes with scenarios for policy reform. The authors consider that the RRF model based on the combination of investment and reform is likely to be regarded as a key instrument for supporting the EU's growth strategy post-2027, even if this may lead to part or full nationalisation of cohesion policy funding.

For more information on the ongoing debate on future EU cohesion policy, see the European Commission website: <u>'The future of Cohesion Policy'</u>. An overview of key issues, and views of EU institutions, academia and stakeholders, is available in a recent <u>EPRS briefing</u>.

European Parliament

The above-mentioned issues are prominent in European Parliament debates. In the June 2022 <u>resolution</u> on the first RRF implementation report, with reference to the social cohesion and European Pillar of Social Rights objectives in the NRRPs, the Parliament highlighted the importance of having methodologies in place showing the progress and impact of the RRF on the social and gender equality situation in the Member States. The Parliament called on the Commission to present indicators complementary to those already introduced with the <u>delegated act on social expenditure</u> and applied in the RRF scoreboard, allowing Member States' performance on cohesion to be tracked.

With reference to territorial cohesion, the Parliament expressed disappointment that NRRPs did not include enough cross-border projects, in particular on <u>energy</u>. During the negotiations on the rules for the implementation of REPowerEU, the Parliament's negotiators therefore <u>insisted</u> on improving that aspect of the recovery plans. As a result, at least 30 % of resources has to be devoted to measures with a multi-country dimension or effect.

Furthermore, Members highlight the tensions between the two strands of EU financial support – under the RRF and cohesion policy. On <u>8 November 2022</u>, in an exchange of views with the European Commission in the Committee on Regional Development (REGI), Members expressed concern about the RRF's impact on cohesion policy and cohesion principles. They paid particular attention to the risk of delaying the implementation of cohesion funds, increasing centralisation of the management of the EU funds at the national level, and to the issues concerning stakeholder, local and regional authority participation in the design and implementation of the RRF. Members expressed similar concerns in a <u>resolution on economic</u>, <u>social and territorial cohesion</u> in the EU, adopted earlier in 2022, in the context of the publication of the Commission's <u>8th Cohesion Report</u>.

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Recovery and Resilience Scoreboard, European Commission.

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ANNEX

Table 3 – Components significantly contributing to pillar four: 'Social and territorial cohesion'.

Country	Components significantly contributing to pillar four	Three biggest expenditure areas contributing to pillar four
<u>Austria</u>	1.A Renovation wave	Development of rural and remote areas
	3.B Re-skilling and up-skilling	(44 %)
	3.C Education	Territorial infrastructure and services (27 %)
	4.A Health care	Adult learning (13%)
	4.B Resilient municipalities	, i.a.a.e. i.e.a. i.i.i.i.g (15 /6)
	4.C Art and culture	
	4.D Resilience through reforms	
<u>Belgium</u>	1.1.Renovation of buildings	Territorial infrastructure and services
	2.2.Public administration (49 %)	, ,
	2.3.Fibre optic, 5G and new	Adult learning (20%)
	technologies	Development of rural and remote areas (14 %)
	3.2.Modal shift	(,
	4.1.Education 2.0	
	4.2.Training and employment for vulnerable groups	
	4.3.Social infrastructure	
	4.4. End of career and pensions	
	5.1.Training and labour market	
<u>Bulgaria</u>	11. Social inclusion	Territorial infrastructure and services (71 %)
		Development of rural and remote areas (18%)
		Adult learning (9%)
<u>Croatia</u>	1.3 Improving water management and waste management	Territorial infrastructure and services (79 %)
	4.1 Improving employment measures and the legal framework for the modern labour market and the economy of the future	(Non-youth) employment support and job creation, including hiring and job transition incentives and support for self-employment (8%)
	4.2 Improving the pension system through increased pension adequacy	Social protection, including social services and integration of vulnerable
	4.3. Improving welfare systems groups (4 %)	groups (4%)
<u>Cyprus</u>	1.1 Resilient and effective health system, enhanced civil protection	Territorial infrastructure and services (41 %)

	2.1 Climate neutrality, energy efficiency and renewable energy penetration	Development of rural and remote areas (23 %)
	3.1 New growth model and diversification of the economy	(Non-youth) employment support and job creation, including hiring and job transition incentives and support for self-employment (9%)
	4.1 Upgrade infrastructure for connectivity	
	4.2 Promote e-government	
	5.2 Labour market, social protection, social welfare and inclusion	
Czechia	2.10 Affordable housing reform	Territorial infrastructure and services
	3.2 Adaptation of school programmes	(51 %)
	3.3 Modernisation of employment services and labour market development	Adult learning, including continuous vocational education and training recognition and validationskills (21 %)
	·	Social housing and other social infrastructure (14%)
<u>Denmark</u>	1. Strengthening the resilience of the healthcare system	Development of rural and remote areas (58 %)
	3. Energy efficiency, green heating and carbon capture and storage	Territorial infrastructure and services (34 %)
		(Non-youth) employment support and job creation, including hiring and job transition incentives and support for self-employment (5%)
<u>Estonia</u>	6. Healthcare and social protection	Territorial infrastructure and services (57 %)
		Social protection, including social services and integration of vulnerable groups (29%)
		Adult learning, including continuous vocational education and training recognition and validationskills (10%)
<u>Finland</u>	P1C1: Transformation of the energy system	Social protection, including social services and integration of vulnerable
	P1C2: Industrial reforms and investments in support of the green and digital transition	groups (35%) Territorial infrastructure and services (30%)
	P1C3: Reducing the climate and environmental impacts of the building stock P1C4: Low-carbon solutions for	Modernisation of labour market institutions, including employment services and forecasting of skills and labour inspectorates; employment
	communities and transport	protection and organisation; social
	P1C5: Environmental sustainability and nature-based solutions	dialogue and wage setting mechanisms; adaptation of workplaces (13 %)

P3C1: Employment and labour market P3C2: Upskilling and continuous learning P4C1: Strengthening access to social and healthcare services and increasing cost-effectiveness C1. Buildings renovation Territorial infrastructure and services **France** (72%)C2. Ecology and biodiversity Adult learning, including continuous C3. Infrastructure and green mobility vocational education and training C8. Employment, Youth, Disability, recognition and validation skills (12%) **Professional training** (Non-youth) employment support and C10. REPowerEU job creation, including hiring and job transition incentives and support for self-employment (5%) Germany 3.1. Digitalisation of education Territorial infrastructure and services (80%)4.1. Strengthening social inclusion Social housing and other social infrastructure (14%) Adult learning, including continuous vocational education and training recognition and validation skills (4%) Greece 1.1 Power up Territorial infrastructure and services (40 %)1.2 Renovate Adult learning, including continuous 1.4 Sustainable use of resources, climate vocational education and training resilience and environmental recognition and validation skills (23%) protection Development of rural and remote areas 2.2 Modernise (15%)Increasing job creation and participation in the labour market 3.2 Education, vocational education, training, and skills 3.4 Increase access to effective and inclusive social policies 4.6 Modernise and improve resilience of key economic sectors Hungary 2. Highly qualified, competitive Territorial infrastructure and services workforce (72%)3. Catching-up settlements Social protection, including social services and integration of vulnerable groups (11%)

P2C1: Digital infrastructure

vocational education and training recognition and validation skills (8%) Ireland 1. Advancing the green transition Territorial infrastructure and services 2. Accelerating and expanding digital reforms and transformation Adult learning, including continuous vocational education and training 3. Social and economic recovery and job recognition and validation skills (32%) creation Development of rural and remote areas (22%)Italy Territorial infrastructure and services M1C1. Digitalisation, innovation and security in the public administration (71%)M2C1. Circular economy and Social housing and other social sustainable agriculture infrastructure (8%) M2C3. Energy efficiency and renovation Social protection, including social of buildings services and integration of vulnerable groups (7%) M2C4. Protection of land and water resources M3C1. Investments in the rail network M4C1. Strengthening the provision of education services: from crèches to universities M5C1. Employment policies M5C2. Social infrastructure, households, the community and the third sector M5C3. Special interventions for territorial cohesion M6C1. Local networks, facilities and telemedicine for local healthcare Innovation, M6C2. research and digitalisation of the national health service Territorial infrastructure and services Latvia 3. Inequality (68%)4. Health Adult learning, including continuous vocational education and training recognition and validation skills (10%) Development of rural and remote areas (9%)Territorial infrastructure and services Lithuania C1 - A resilient and future proof health (60 %)C4 - Quality and accessible education Adult learning, including continuous for the whole life-cycle vocational education and training recognition and validation skills (19%)

Adult learning, including continuous

	C7 - More opportunities for everyone to actively build national well-being	(Non-youth) employment support and job creation, including hiring and job transition incentives and support for self-employment (19%)
Luxembourg 1. Skilling, reskilling and upskilling 3. Increasing the supply of affordab and sustainable public housing	3. Increasing the supply of affordable	Social housing and other social infrastructure (63 %)
	and sustainable public housing	Territorial infrastructure and services (17 %)
		Modernisation of labour market institutions, including employment services and forecasting of skills and labour inspectorates; employment protection and organisation; social dialogue and wage setting mechanisms; adaptation of workplaces (17 %)
<u>Malta</u>	5. Enhancing quality education and fostering socioeconomic sustainability	Territorial infrastructure and services (69 %)
		Adult learning, including continuous vocational education and training recognition and validation skills (31 %)
<u>Netherlands</u>	C2: Accelerating digital transformation	Development of rural and remote areas (78 %)
C3: Improving the housing market and sustainably built environment	(Non-youth) employment support and job creation, including hiring and job transition incentives and support for self-employment (11%)	
		Adult learning, including continuous vocational education and training recognition and validationskills (6%)
<u>Poland</u>	None of the six broad components of the Polish plan contributes significantly	Territorial infrastructure and services (83 %)
	to pillar four.	Development of rural and remote areas (8 %)
		Social housing and other social infrastructure (3%)
<u>Portugal</u>	 National health service Housing 	Social Housing and other social infrastructure (35%)
	3. Social responses	Territorial infrastructure and services (31 %)
	4. Culture6. Qualifications and skills15. Sustainable mobility20. Digital school	Adult learning, including continuous vocational education and training recognition and validation skills (14%)

<u>Romania</u>	8. Tax pension reforms 10. Local fund	Territorial infrastructure and services (86 %)
	33. Social reforms	Social protection, including social services and integration of vulnerable groups (9%)
		Social housing and other social infrastructure (3%)
<u>Slovakia</u>	C6 Accessibility, development and quality of inclusive education	Territorial infrastructure and services (57 %)
	C7 Education for 21st Century	Social protection, including social
	C8 Increase in the performance of Slovak higher education institutions	services and integration of vulnerable groups (33 %)
		Adult learning, including continuous vocational education and training recognition and validation skills (9%)
<u>Slovenia</u>	C4 K3: Social housing	Territorial infrastructure and services (49 %)
		Development of rural areas and remote areas (18%)
		Social protection, including social services and integration of vulnerable groups (17 %)
<u>Spain</u>	14. Modernisation and competitiveness of the tourism sector	Territorial infrastructure and services (62 %)
	30. Long-term sustainability of the public pension system within the framework of the Toledo Pact	Adult learning, including continuous vocational education and training recognition and validationskills (13%)
		Development of rural areas and remote areas (12%)
<u>Sweden</u>	C4: Broadband roll-out and digitalisation of public administration	Territorial infrastructure and services (50 %)
		Adult learning, including continuous vocational education and training recognition and validationskills (25 %)
		Social Housing and other social infrastructure (14%)

Source: Commission Staff Working Documents and the recovery and resilience scoreboard, 2023.

Table 4 – Examples of investments supported by the RRF under pillar four: Social and territorial cohesion, initial cost estimates included in the NRRPs

Example of projects and RRF contribution	Description of projects
Austria	
Community nursing (different locations) RRF resources: €54.2 million	The project aims at establishing a network of local <u>community</u> <u>nursing</u> . They will provide low-threshold, close-to-home and needs oriented care for elderly people. At least 150 community nurses shall be posted nationwide by the end of 2024. As of September 2022, 115 funding agreements were signed, providing financing for 275 community nurses (184 full-time equivalents), 94 e-cars and 37 e-bikes were provided to the nurses.
Belgium	
EU Biotech School and Health Hub of the Walloon Region RRF resources: €25 million	The project consists in construction and equipping of a training centre of 5 500 m² located in the BioPark in Gosselies (Hainaut). The centre will focus on developing skills for further development of the biotech/biopharma sector and on delivering training programmes. The infrastructure will serve students, jobseekers, researchers and firms of all sizes. Construction works started in December 2022 and are planned to be completed in 2025.
Croatia	
Disaster risk reduction programme RRF resources: €158 million	The goal of this investment is to improve flood protection measures for 20,000 citizens. It comprises of a flood risk reduction programme that will focus on reduction of flood risks of the largest Croatian rivers of the Danube River basin, the revitalisation of freshwater systems, including regeneration and protection of the Mirna River area, Vransko Lake and Trakoscan Lake, as well as the removal of invasive species in the protected Neretva Delta.
Estonia	
TERVICUM health centre in the city of Viljandi RRF resources: €72 million	The RRF supports the construction of TERVICUM, a new, modern county health centre in the city of Viljandi. The construction is underway, and Viljandi TERVICUM should be in operation by the end of December 2025.
Italy	
Autonomy patterns for people with disabilities (different locations) RRF resources: €500 million	The project aims at increasing the autonomy of people with disabilities. It consist in renovation of home spaces, provision of ICT devices to disabled people, and training on digital skills. The overall objective is to reach at least 5 000 people with disabilities across the whole country by the end of March 2026.
Spain	
National transport network: advancing on European Corridors RRF resources: €2 987 million	The RRF contributes to the development of the high speed <u>railway</u> <u>network</u> within the Atlantic and Mediterranean Corridors. As a result, at least 1 400 km of the network should be completed by 30 June 2026.

Source: European Commission, Map of projects supported by the RRF (accessed on 15 December 2023).

ENDNOTES

- In addition to the RRF, part of the remaining NGEU resources also supports the EU cohesion objectives by dedicating €50.6 billion to the Recovery Assistance for Cohesion and the Territories of Europe (REACT-EU) via the European Regional Development Fund (ERDF) and European Social Fund+ (ESF+), €10.9 billion to the Just Transition Fund (JTF), and €8.1 billion to rural development via the European Agricultural Fund for Rural Development (EAFRD). For more see: A. D"Alfonso et al., Economic and Budgetary Outlook for the European Union 2023, Study, EPRS, January 2023.
- The amount programmed under cohesion policy, the Just Transition Fund and Interreg goals. Data source: European Commission, Cohesion data 2021-2027.
- See for example: EU financing through cohesion policy and the Recovery and Resilience Facility: A comparative analysis, European Court of Auditors, Review 01, 2023; The recovery plan for Europe and cohesion policy: an initial assessment, EPRC Paper 20/1, 1-3 July 2020; J. Bachtler, C. Mendez, Navigating stormy waters: crises and cohesion policy beyond 2027, EoRPA Report 32/3, October 2023; D. Haase, Background information for the CONT public hearing on 'Cohesion policy investments and Next Generation EU recovery fund: state of play of the monitoring and controls', Briefing, Policy Department for Budgetary Affairs, 31 January 2023; Cohesion and NextGenerationEU: concord or clash?, European Court of Auditors Journal No 1/2022; W. Petzold, The 2021 reform of EU cohesion policy in context of the negotiations on the Multiannual Financial Framework, in: EU policymaking at a crossroads, ed. S. Münich, H. Heinelt, Edgaronline, 2022.
- Unless otherwise specified, the data presented in the briefing is based on the recovery and resilience scoreboard and was retrieved on 15 December 2023. At that time, the scoreboard reported on the content of the NRRPs approved initially by the Council, except for the plans of Estonia, France, and Luxembourg which were amended on 6 June 2023, 11 July, and 10 January 2023 respectively.
- ⁵ Therefore, the sum of the contributions to the six pillars amounts to 200 %, and not to 100 %, of the RRF funds allocated to Member States.
- J. Bachtler, C. Mendez, Navigating stormy waters: crises and cohesion policy beyond 2027, <u>EoRPA Report 23/3</u>, October 2023.
- According to J. Bachtler and C. Mendez, in most of the Member States, the management of the NRRPs and cohesion policy programmes is split between different ministries or agencies. A more coordinated and centralised management is for example in Poland, Portugal and Spain.

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