

Special report

Double funding from the EU budget

Control systems lack essential elements to mitigate the increased risk resulting from the RRF model of financing not linked to costs



EUROPEAN
COURT
OF AUDITORS

Contents

	Paragraph
Executive summary	I-V
Introduction	01-18
Several EU funding programmes support the cohesion objectives	01-05
Legal framework for double funding	06-14
The prohibition of double funding is a fundamental principle of the EU budget	06-07
The RRF's delivery model differs from those of cohesion funding and the CEF	08-10
Under the FNLTC model, double funding can mean the same outputs/results being funded twice	11-14
Avoiding double funding is a responsibility shared between the Commission and the member states	15-18
Audit scope and approach	19-24
Observations	25-98
The current definition of double funding does not account for the specificities of delivery models not linked to costs	25-35
The RRF Regulation uses the traditional cost-based definition of double funding of the Financial Regulation even though RRF funding is not linked to costs	26-29
Combining different EU instruments requires additional controls to mitigate the risk of double funding	30-31
The RRF Regulation does not explicitly provide for zero-cost measures, which increase the risk of double funding for reforms with underlying investments in particular	32-35
The Commission and member states' preventive measures alone are not sufficient to avoid double funding	36-59
Commission guidance was issued late, remains incomplete and directs member states towards cost-based controls	37-43
The Commission's measures at the programming stage were not sufficient to avoid double funding	44-52

Member states avoid combining RRF support with other EU instruments to prevent double funding	53-54
The introduction of the RRF led to an increased need for coordination to prevent and detect double funding	55-59
Member states' controls on the absence of double funding have shortcomings	60-82
Management verifications on double funding are based on actual costs incurred, mainly relying on self-declarations	61-68
The fragmented landscape of IT management systems hampers effective cross-checks for double funding	69-71
Arachne is not widely used to identify risks of double funding in the member states	72-77
Limited audit work on double funding in member states	78-82
The Commission provides assurance on the absence of double funding based on limited evidence	83-98
The Commission's verifications before payment do not specifically target double funding	84-87
Commission audits cover the risk of double funding to some extent	88-91
The Commission had not identified any cases of double funding by the end of our fieldwork or applied reductions in RRF support for system weaknesses	92-93
The Commission bases its assurance on the absence of double funding on limited evidence	94-98
Conclusions and recommendations	99-110
Annexes	
Annex I – Legal provisions on double funding	
Annex II – Governance and control structure for cohesion policy funds, the RRF and the CEF in member states and at the Commission	
Annex III – Approach taken by the member states and the Commission to correcting double funding for cohesion policy funds, the RRF and the CEF	
Annex IV – Relevant ECA publications	

Abbreviations

Glossary

Replies of the Commission

Timeline

Audit team

Executive summary

I The Recovery and Resilience Facility (RRF) was set up in response to the COVID-19 pandemic. This led to the first ever large-scale rollout of EU financial support with no link to actual costs and a greater risk of double funding for the same outputs/results. The expectation was that the RRF funding model would both deliver results efficiently and simplify financial management. However, simplification should not weaken the protection of the EU's financial interests, and the avoidance of double funding is a fundamental principle for the sound financial management of EU funds.

II Our audit assessed whether the systems set up by the Commission and the member states to prevent, detect and correct double funding between the RRF on one hand and the cohesion policy funds and the Connecting Europe Facility on the other were well designed and implemented. In the context of unprecedented amounts from various EU instruments supporting the cohesion objectives, our aim was to contribute to the protection of the EU's financial interests against the risk of double funding.

III Overall, our audit shows that the use of funding instruments based on financing not linked to costs leads to a higher risk of double funding. We conclude that the systems set up and implemented by the Commission and the member states are not yet sufficient to adequately mitigate the increased risk of double funding between the RRF, the cohesion policy funds and the Connecting Europe Facility. Considering the weaknesses in the control environment, double funding can hardly be detected.

IV Control systems lack essential elements to mitigate the increased risk of double funding:

- o Firstly, the definition of double funding set out in the Financial Regulation and used for the RRF does not take account of delivery models not linked to costs. The Commission has not yet sufficiently clarified what types of costs should be considered or how to address the risk of the same outputs/results being declared, and thus funded, twice. The RRF Regulation does not explicitly provide for "zero-cost" measures, which increase the possibility of double funding from the EU budget.

- Secondly, both the Commission and member states have taken measures to prevent double funding, but these alone cannot be sufficient. The Commission's guidance on how to avoid double funding directs member states towards cost-based controls. However, it was issued late and does not specify minimum control requirements. Moreover, it proved difficult for the Commission to assess the additionality of RRF measures because 2021-2027 cohesion programmes were not yet finalised and detailed information was often not available. The Commission's assessment also excluded zero-cost measures, for which member states did not provide cost estimates.
- Thirdly, the member states covered by this audit generally carry out management verifications on double funding based on actual costs incurred. Some of them also carried out only limited audit work on double funding. The challenging control environment is mainly due to a fragmented IT landscape, which prevents effective cross-checks to detect double funding, as well as the limited use of Arachne or other data mining tools and project databases, and difficult data exchange and matching.
- Fourthly, the assurance the Commission is able to provide on the absence of double funding relies on limited evidence. After the end of our audit fieldwork, the Commission identified the first two potential cases of double funding in one member state.

V Against this backdrop, and with reference to the assurance gap we reported in our [special report 07/2023](#), we recommend that the Commission:

- adjust the definition of double funding to the specificities of the “financing not linked to costs” model;
- strengthen the controls on zero-cost measures;
- clarify and strengthen the control requirements for double funding under funding programmes and instruments using financing not linked to costs;
- strengthen coordination between funding programmes and instruments;
- set up and use integrated and interoperable IT systems and data mining tools for all funding programmes and instruments;
- strengthen assurance on the absence of double funding when using financing not linked to costs.

Introduction

Several EU funding programmes support the cohesion objectives

01 The EU finances actions aimed at strengthening economic, social and territorial cohesion among and within member states and reducing disparities between regions¹. The cohesion policy funds (“cohesion”), Connecting Europe Facility (CEF) and Recovery and Resilience Facility (RRF) are the largest EU programmes funding the cohesion objectives.

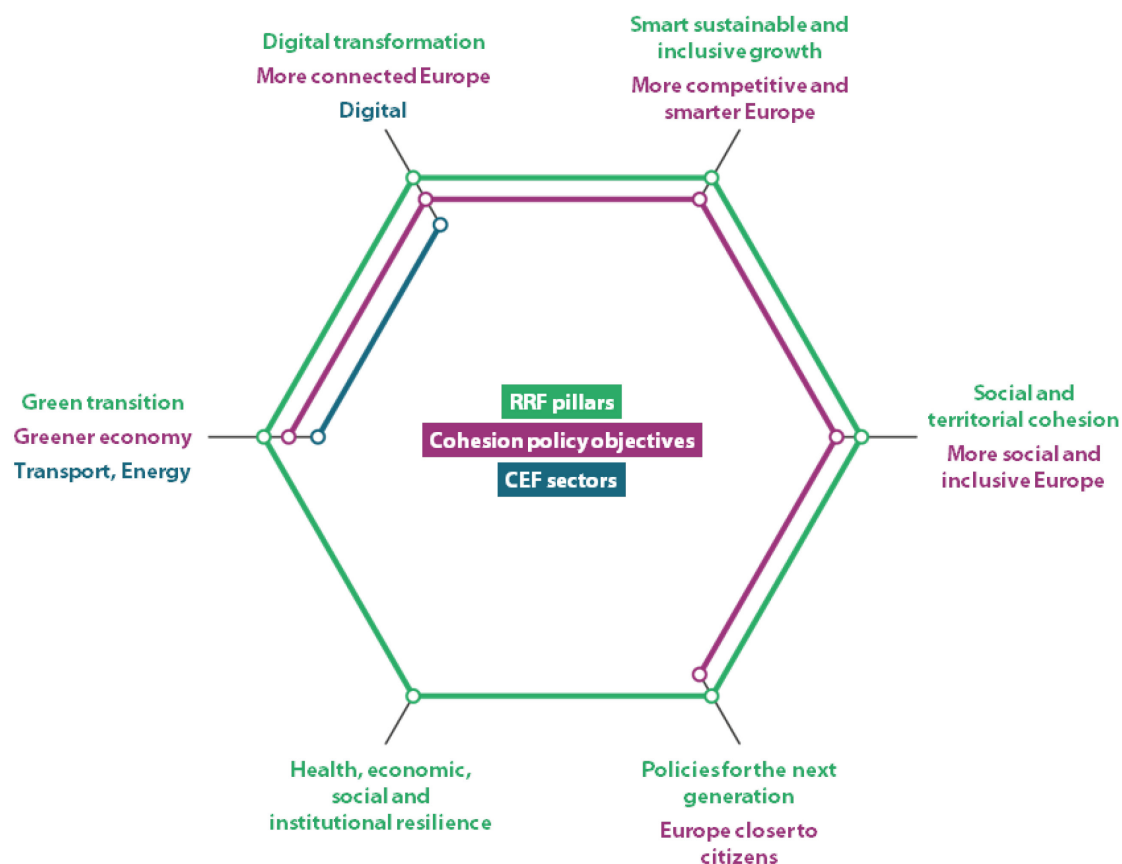
- Cohesion is the EU’s main long-term investment policy. It is implemented through a wide range of projects under multiannual partnership agreements and programmes co-financed by the cohesion policy funds (the Cohesion Fund (CF), the European Regional and Development Fund (ERDF) and the European Social Fund (ESF) / European Social Fund Plus (ESF+)).
- The CEF invests in trans-European networks for transport, telecommunications and energy infrastructure.
- The RRF is a one-off temporary instrument set up in the wake of the COVID-19 pandemic. It provides financial support for the reforms and investments set out in member states’ recovery and resilience plans (RRPs), to address common EU priorities and country-specific challenges that are mainly identified in the context of the European Semester.

02 Although the three funding programmes were designed for specific purposes, they all contribute to the cohesion objectives and support overlapping priorities by financing a wide range of projects in similar policy areas (*Figure 1*). Furthermore, the corresponding regulations call for synergies and coordination between the programmes².

¹ Article 174 of the [Treaty on the Functioning of the European Union](#) (TFEU).

² For the RRF, Article 28 of [Regulation \(EU\) 2021/241](#) (RRF Regulation). For cohesion, Article 5(3) of [Regulation \(EU\) 2021/1060](#) (Common Provisions Regulation – CPR). For the CEF, Article 10(2) of [Regulation \(EU\) 2021/1153](#) (CEF Regulation).

Figure 1 – Overlapping policy areas under RRF, cohesion policy and CEF



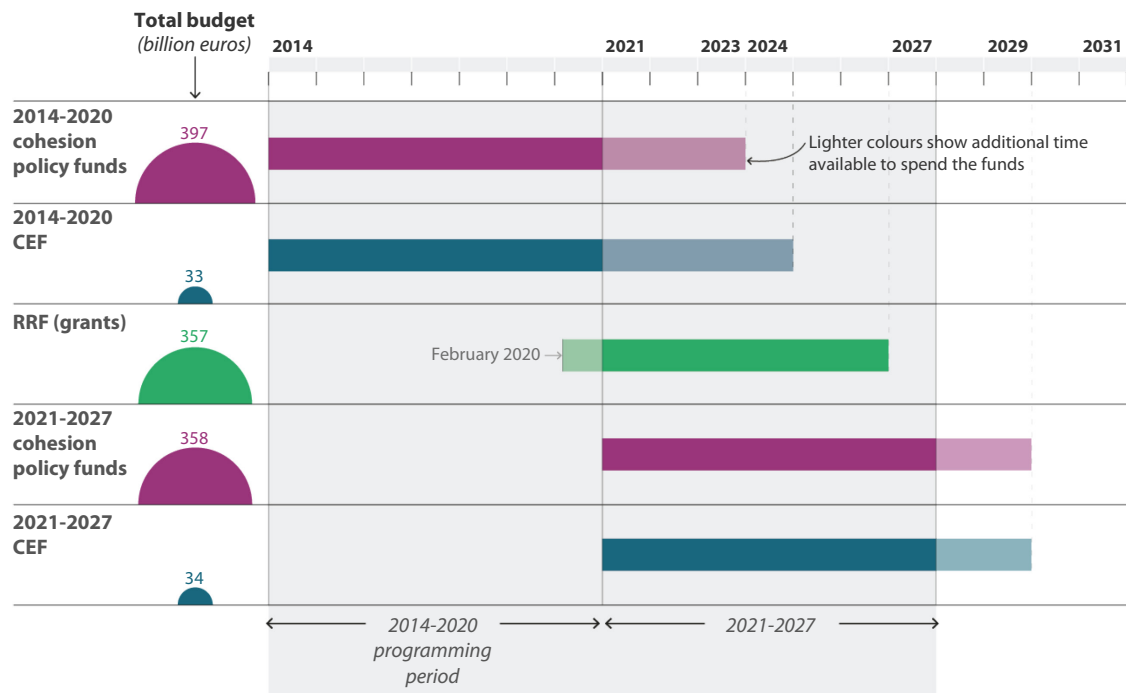
Note: The figure is a simplified representation for illustrative purposes.

Source: ECA.

03 The EU finances the RRF with €648 billion, of which up to €629 billion will be borrowed on capital markets. Up to €357 billion is made available to member states as non-repayable grants. This is on top of cohesion and the CEF, which provide €358 billion and €34 billion, respectively, under the 2021-2027 long-term EU budget (“multiannual financial framework”).

04 The RRF eligibility period, running from February 2020 until August 2026, largely coincides with that for 2021-2027 cohesion and the CEF programmes as well as with the last years of the 2014-2020 period ([Figure 2](#)).

Figure 2 – Budget allocation and eligibility periods for cohesion policy funds, CEF and RRF



Note: The figure is a simplified representation for illustrative purposes. Data for cohesion includes the amounts pre-allocated to member states and REACT-EU (for 2014-2020), and excludes the amounts transferred to the CEF. Data for the CEF includes the contribution from the Cohesion Fund and from Military Mobility (for 2021-2027). The eligibility period for the CEF applies to CEF-Transport; CEF-Energy and CEF-Digital have no pre-defined time limit for spending funds.

Source: ECA, based on Commission data.

05 The EU's financial landscape has evolved over the years and new instruments, including ones outside the budget, have multiplied, resulting in a patchwork construction. The RRF, financed mainly by [NextGenerationEU](#) borrowing, adds to this "galaxy of funds".³

³ [Special report 05/2023](#): "The EU's financial landscape – A patchwork construction requiring further simplification and accountability", paragraphs I-II, 18 and 20.

Legal framework for double funding

The prohibition of double funding is a fundamental principle of the EU budget

06 Avoiding double funding is a fundamental principle for the protection of the EU's financial interests⁴. The absence of double funding is also a pre-requisite for the sound financial management of the EU budget⁵.

07 The Financial Regulation⁶ prohibits double funding for grants directly managed by the Commission. The sector-specific regulations establishing the cohesion policy funds, CEF and RRF recall this obligation. Combining funding from different EU programmes is only allowed provided the same costs are not covered from multiple EU sources. There are no such provisions for indirect management. *Annex I* lists the relevant legal provisions.

The RRF's delivery model differs from those of cohesion funding and the CEF

08 Under cohesion funding and the CEF, EU funding is disbursed by the Commission mainly by reimbursing eligible project costs actually incurred, sometimes using simplified cost options or in rare cases using "financing not linked to costs" (FNLTC) that link EU funding directly to the achievement of pre-defined results or conditions⁷. By contrast, RRF payments to member states are based exclusively on FNLTC and disbursed upon satisfactory fulfilment of milestones and targets for investments and

⁴ Article 1 of [Council Regulation \(EC, Euratom\) 2988/95](#) on the protection of the European Communities financial interests.

⁵ Recital 130 and Articles 36 and 63 of the [Financial Regulation](#).

⁶ Article 191(3) of the [Financial Regulation](#).

⁷ Article 125(1) of the [Regulation \(EU, Euratom\) 2018/1046](#) (Financial Regulation). [Special report 24/2021](#): "Performance-based financing in Cohesion policy: worthy ambitions, but obstacles remained in the 2014-2020 period", paragraphs 06, 90, 93 and 100-101. In this context, we note that the way the FNLTC model is implemented under cohesion policy differs from the way it is implemented under the RRF.

reforms set out in their RRFs⁸. The expectation was that FNLTC would both allow the RRF to deliver results efficiently and simplify financial management⁹.

09 To receive the full grant allocation, member states had to provide cost estimates for the planned reforms and investments in their RRFs, which were assessed by the Commission¹⁰. On this basis, the Council allocated EU funding by adopting a decision for each member state¹¹. However, disbursements to member states are linked neither to the estimated costs of RRF measures nor to the actual costs incurred by final recipients¹². The payment schedule and the amount of each payment are the result of negotiations with each member state that take into account the proportion of milestones and targets as well as their relative importance¹³. Member states must justify that they have satisfactorily fulfilled the milestones and targets related to a payment, but they do not need to provide evidence of the costs incurred to justify payment requests and the Commission does not check these costs¹⁴.

10 Member states do not have to use FNLTC to provide final recipients with RRF support. They can decide to use any form of financial contribution, including the reimbursement of actual costs incurred.

Under the FNLTC model, double funding can mean the same outputs/results being funded twice

11 In our [2023 review](#), we pointed out that achievements may be double-reported since an operation can be financed from both the RRF and cohesion¹⁵. In particular, there is no legal requirement to ensure that performance data is not disclosed twice.

⁸ Article 24(3) of the [RRF Regulation](#).

⁹ Recitals 18, 44, 51 of the [RRF Regulation](#).

¹⁰ Articles 11, 18(4)(k) and 19(3)(i) of the [RRF Regulation](#).

¹¹ *Ibid.*, Article 20.

¹² [Review 01/2023](#), Box 10.

¹³ [Special report 21/2022](#): “The Commission’s assessment of national recovery and resilience plans – Overall appropriate but implementation risks remain”, paragraphs 73-76.

¹⁴ Article 180(3) of the [Financial Regulation](#). Recital 18 of the [RRF Regulation](#).

¹⁵ [Review 01/2023](#), paragraph 83.

12 In cohesion policy, where payments are usually based on the reimbursement of eligible costs incurred, double reporting of the same outputs/results is an issue of performance monitoring but is not necessarily linked to double funding.

13 In contrast, where the FNLTC model is used, as with the RRF, declaring the same outputs/results twice can also result in double funding. FNLTC payments from the EU budget can be triggered by the achievement of various types of performance indicators (outputs/results or milestones/targets). However, these indicators relate to actions for which costs have been incurred. Using the indicators as a basis for payment can lead to double funding either because the costs have already been reimbursed or because they are declared twice under different EU instruments using FNLTC. In principle, therefore, double funding can occur when the same underlying costs of an action are financed twice and/or when the same outputs/results are declared, and thus funded, twice.

14 Consequently, the risk of double funding has both a cost and a performance dimension. This would be the case where, for instance, the construction of 10 wind turbines is financed under cohesion policy while at the same time construction of the same wind turbines is a target under the RRF.

Avoiding double funding is a responsibility shared between the Commission and the member states

15 Cohesion, the CEF and the RRF are implemented not only in parallel, but also under different management modes by the Commission and a multitude of national and regional administrations. This results in multi-layered and partly overlapping governance and control structures:

- Cohesion is implemented under shared management, with the Commission approving programmes and supervising their implementation, while member states or regions are responsible for the day-to-day operation, including the avoidance of double funding¹⁶.
- The RRF is implemented under the direct management of the Commission, with member states as beneficiaries, responsible for implementing the investments and reforms in their RRFs. Member states have the primary responsibility for the protection of the financial interests of the EU, including the prevention, detection

¹⁶ Article 69(1) and (2) of the CPR.

and correction of double funding¹⁷. They may rely on their existing national budget management systems.

- o This is different for the CEF as the Commission manages it directly and also has to prevent, detect and correct irregularities itself, including double funding¹⁸. Member states must validate all applications submitted to the Commission¹⁹.

16 The Commission remains ultimately responsible for implementing the EU budget, whether under direct or shared management²⁰. In particular, it must ensure that the EU's financial interests are protected effectively and obtain sufficient assurance from the member states on compliance with EU and national rules²¹.

17 In practice, for both cohesion and the RRF, the Commission must assess the complementarity between EU funds and verify, through audits, that member states have adequate systems in place and take corrective action when they fail to meet their obligations to prevent, detect and correct double funding and other irregularities. When necessary, it can reduce support and recover amounts unduly paid²².

18 *Annex II* provides more details on the roles and responsibilities of the various actors for cohesion, the RRF and the CEF. *Annex III* presents the approach taken at Commission and member state level to correct cases and systemic weaknesses related to double funding.

¹⁷ Article 22 of the [RRF Regulation](#).

¹⁸ Recitals 51 and 57, Article 13 of the [CEF Regulation](#).

¹⁹ *Ibid.*, Article 11(6).

²⁰ Article 317 of the [TFEU](#). Articles 56 and 62(3) of the [Financial Regulation](#).

²¹ Recital 54 to the [RRF Regulation](#). Recital 55 to the [CPR](#). [Review 01/2023](#), paragraph 107.

²² Articles 11(1)(b), 22(3)(a), 70, 97 and 104 of the [CPR](#). Articles 19(3)(j) and 22(5) of the [RRF Regulation](#).

Audit scope and approach

19 In a context of unprecedented volumes of funding from various EU instruments supporting the cohesion objectives and first ever large-scale disbursement to member states of EU funding with no link to actual costs, the aim of this audit was to contribute to the protection of the EU's financial interests against the risk of double funding. The audit covered the design and implementation of the systems set up by the Commission and the member states to prevent, detect and correct double funding, but was not designed to identify individual cases of double funding. In particular, we examined whether:

- the legal framework clearly defined the concept of double funding for the RRF's FNLTC model;
- the Commission and member states had set up and implemented sufficient arrangements to prevent the risk of double funding;
- the selected member states had set up and implemented adequate systems to detect and correct double funding;
- the Commission had robust systems in place to provide reasonable assurance on the absence of double funding.

20 Our audit work covered both the 2014-2020 and the 2021-2027 periods of cohesion funding (CF, ERDF and ESF/ESF+) and the CEF. For the RRF, we examined the programming and implementation of the grant component up to February 2024. The main auditees were the Commission and a selection of member states. The audit did not examine the risk of double funding with national funds.

21 We reviewed the legal framework and the Commission's guidelines, and interviewed Commission staff and member state authorities implementing cohesion, the CEF and the RRF. We also analysed selected member states' replies and supporting evidence in response to our audit questionnaire addressed to authorities implementing:

- the RRFs and selected cohesion operational programmes (OPs) in Czechia, France and Italy; and
- the RRFs in Malta, Austria, Portugal and Slovakia.

22 In the first group of member states, we selected 14 projects under six CF, ERDF and ESF OPs in the 2014-2020 period, and 16 RRP milestones and targets associated with 15 reforms and investments, for on-the-spot visits. For the second group, we carried out a desk review of 13 milestones and targets associated with 13 measures. We examined national authorities' preventive measures, management verifications and audits covering the risk of double funding, including by testing controls and IT tools. We selected all seven member states using criteria such as progress in RRP implementation, the national or regional architecture of cohesion OPs, use of IT systems, geographical balance, size, previous ECA coverage, and projects, milestones and targets for which we identified a risk of double funding. We also consulted Greek authorities regarding their IT system for the management of EU funds.

23 Moreover, we examined the Commission's checks and audits to detect double funding, including by testing controls, for the selected cohesion OPs and RRP milestones and targets as well as six CEF projects at risk of double funding with the RRF.

24 Finally, this report also draws on other annual and special reports, reviews and opinions we have published ([Annex IV](#)).

Observations

The current definition of double funding does not account for the specificities of delivery models not linked to costs

25 In this section, we examine whether the legal framework defining the concept of double funding is clear, consistent and comprehensive in the context of EU funding programmes and instruments with different delivery models: cohesion and the CEF mainly use a cost-based delivery model whereas the RRF disburses funding based on FNLTC (paragraphs [08-10](#)).

The RRF Regulation uses the traditional cost-based definition of double funding of the Financial Regulation even though RRF funding is not linked to costs

26 The Financial Regulation refers to double funding as a cost-based concept, prohibiting the same costs from being financed twice from the EU budget²³. This provides a good basis for cost-based funding programmes. For instruments based on FNLTC, the Financial Regulation states that certain rules on the prohibition of double funding do not apply²⁴, thereby waiving the obligation to verify double funding based on costs, but without providing further clarification.

27 The RRF Regulation puts forward the same cost-based definition of double funding, even though RRF disbursements do not reimburse eligible costs incurred but reward the satisfactory fulfilment of milestones and targets. The absence of double funding, from a cost-based perspective, means that reforms and investments must not be supported by other EU funds covering “the same cost”²⁵.

28 However, the RRF Regulation does not specify the concept of double funding under the FNLTC model applied by RRF, in particular its performance dimension, i.e. the risk that the same outputs/results are funded twice (paragraphs [13-14](#)), and what

²³ Articles 188 and 191(3) of the [Financial Regulation](#).

²⁴ Article 180(3)(a) of the [Financial Regulation](#).

²⁵ Article 9 of the [RRF Regulation](#).

types of costs should be considered. According to the Commission’s technical guidance, under the RRF, avoiding double funding from a cost perspective may mean:

- *ex ante* estimated costs of reforms and investments in RRFs are not covered by other EU funds (at member state level);
- costs actually incurred to achieve the results of the measures funded by the RRF are not covered by other EU funds (at final recipient level); however, the technical guidance does not specify whether the term “results” refers to the fulfilment of milestones and targets.

The RRF also does not cover the mandatory national co-financing for other EU funds²⁶.

29 This lack of alignment between the provisions on double funding in the Financial Regulation, the RRF Regulation and the Commission guidance has significant implications for member states in determining what constitutes double funding and for setting up effective RRF control systems. As member states still lack clarity regarding how to interpret the RRF Regulation’s double funding provision, there are also uncertainties regarding what controls would address this risk effectively. In any case, verifying that costs actually incurred to fulfil RRF milestones and targets are not covered by other EU funds is only possible at the level of final recipients. Without such verifications, double funding cannot be excluded because the source of funding for the same outputs/results could be the RRF but also other EU instruments.

Combining different EU instruments requires additional controls to mitigate the risk of double funding

30 We have already noted that, in practice, member states have one single project pipeline for investments planned from the EU budget²⁷. As the RRF largely supports the same or similar types of investments as cohesion and the CEF, those initially planned under these funding programmes can be moved to the RRF.

31 The risk of double funding increases when the same investments can be financed under different EU instruments. Cohesion, the CEF and the RRF allow the combination of EU funding sources provided no double funding occurs. Such combinations are possible at different levels depending on the instrument:

²⁶ SWD(2021) 12, p. 42.

²⁷ Review 01/2023, paragraph 5.

- o cohesion policy – for the same operation (project, contract, action or group of projects);
- o CEF – for the same global project under CEF-Transport, but not for individual projects as eligibility rules only allow the selection of projects with the CEF as their sole source of EU funding;
- o RRF – for the same RRP measure. There is, however, uncertainty on whether this is also possible for the same individual project as the RRF Regulation uses the terms “project” and “measure” interchangeably.

The possibility of combining EU funding at different levels further complicates member states’ efforts to mitigate the risk of double funding effectively.

The RRF Regulation does not explicitly provide for zero-cost measures, which increase the risk of double funding for reforms with underlying investments in particular

32 The FNLTC model allows for the dissociation of the amount of funding granted from underlying costs incurred. However, in legal terms, the RRF is a funding instrument that pre-supposes the existence of costs for reforms and investments during implementation. The RRF Regulation required member states to justify the estimated total cost of the measures presented in their RRP²⁸. However, it does not explicitly state that certain measures can have estimated costs of zero. Moreover, member states’ obligation to collect data on the implementation of reforms and investments for audit and control purposes does not distinguish between measures with and without costs²⁹. The possibility of including measures with no estimated costs in RRP^s was set out in 2021 in the Commission’s guidance³⁰.

²⁸ Article 18(4)(k) of the [RRF Regulation](#).

²⁹ Article 22(2)(d)(iv) of the [RRF Regulation](#).

³⁰ [SWD\(2021\) 12](#), p. 14.

33 At the RRP preparation stage, and in agreement with the Commission, member states considered some measures to be zero-cost³¹ and did not provide cost estimates for them. Our analysis shows that around 75 % of reform measures in RRFs are without *ex ante* cost estimates. At the same time, we found cases where member states considered reforms with significant underlying investments and a substantial associated cost to be zero-cost measures under the RRF (**Box 1**).

Box 1

RRF-reform with underlying investments considered zero-cost despite significant costs: example from Malta

In the Maltese RRF, the reform “Promoting remote working in the public service” includes the target “15 office facilities that enable remote work for public service officials across the Maltese Islands operational”. This measure was considered zero-cost because Malta had not put forward any cost estimates. However, the reform required at least 140 workstations to be made operational, an underlying investment that entailed concrete, significant and easily measurable costs. According to the Maltese authorities, these workstations were financed by national funds.

We found a similar case in Austria.

34 Nevertheless, the Commission argues that, by definition, there can be no double funding for zero-cost measures as the RRF does not cover any costs for their implementation, which are fully funded from other sources. The Commission first communicated this view in 2023 in response to a specific case we reported in our 2022 annual report³². In the Commission’s view, double funding can only occur in relation to an RRF measure for which an estimated cost has been provided by the member state.

35 However, as we have previously pointed out, zero-cost measures do not eliminate the possibility of double funding, as RRF disbursements are dependent on the fulfilment of milestones and targets for measures with or without estimated costs. This was the context for the specific double funding case we presented related to a zero-cost measure in our 2022 annual report³³. In practice, the fulfilment of milestones

³¹ 2022 annual report, paragraph 11.29.

³² 2022 annual report, Commission replies to chapter 11, pp. 449 and 454.

³³ 2022 annual report, paragraphs 11.29-11.30.

and targets for measures with zero estimated costs contributes to releasing payments to member states. Conversely, unfulfillment of such milestones and targets entails a reduction of the related payments. Given the nature of the RRF, double funding can be present if the same outputs/results are funded twice, by the RRF and other EU instruments. However, neither member states nor the Commission have carried out any checks on double funding for zero-cost measures. Therefore, the risk of double funding is actually higher for zero-cost measures than for measures with estimated costs.

The Commission and member states' preventive measures alone are not sufficient to avoid double funding

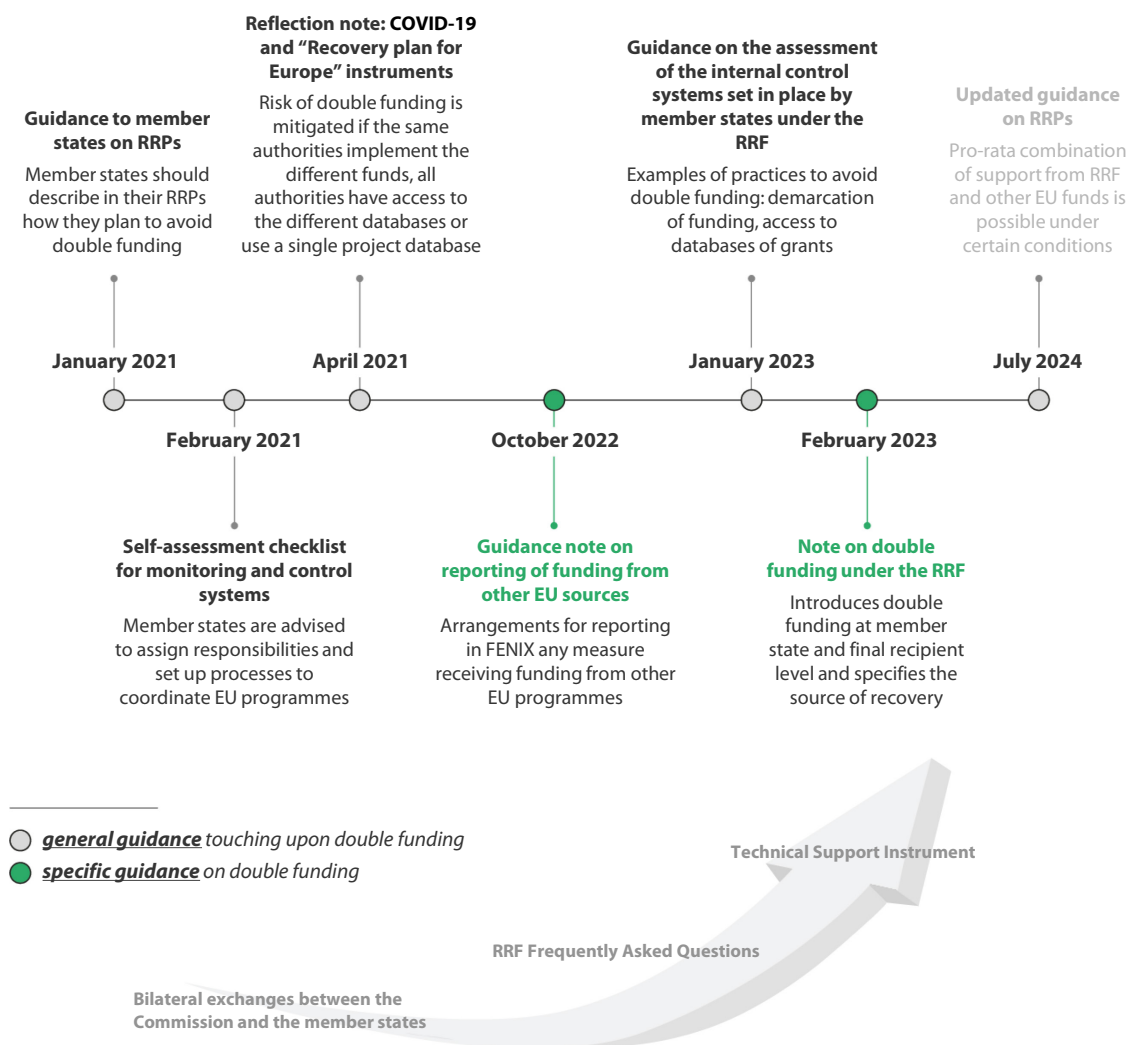
36 Both the Commission and member states are responsible for putting in place and effectively implementing systems that provide reasonable assurance regarding the prevention, detection and correction of double funding (paragraphs **06** and **07**). In this section, we assess the measures taken by the Commission and the member states to prevent double funding.

Commission guidance was issued late, remains incomplete and directs member states towards cost-based controls

37 General Commission guidance in relation to double funding in the RRF was made available in 2021. However, the Commission shared its first specific technical guidance on double funding with member states only in September 2022 and finalised it in February 2023. At this stage, all member states had already submitted their RRFs to the Commission, 25 out of 27 had been adopted by the Council and eight payments (in addition to pre-financing) had been made. The latest guidance was published in July 2024³⁴ (**Figure 3**).

³⁴ C/2024/4618.

Figure 3 – Timeline of guidance provided by the Commission



Source: ECA based on Commission guidance.

38 In its specific technical guidance on double funding, the Commission acknowledged the practical difficulties for member states to avoid double funding under the RRF’s FNLTC model and specified that double funding can occur at two levels:

- at member state level, when support from other EU funds covers costs included in the cost estimates of RRP measures;
- at final recipient level, when the costs incurred to achieve the results of the RRF measure funded are covered by other EU programmes, i.e. the final recipient receives support to cover the same costs both from the RRF and from other EU funds, which is primarily under the responsibility of the member state.

39 The RRF Regulation allows member states to rely on their national control systems³⁵. In its technical guidance of January 2023, the Commission provided examples of practices to avoid double funding under the RRF. However, it did not specify the minimum requirements necessary for effective control systems for double funding in the RRF's new FNLTC context.

40 We previously highlighted that simplification must not be at the expense of accountability³⁶. Out of the 26 authorities in seven member states covered by this audit, 15 considered the Commission's guidance and assistance not entirely sufficient, 16 considered that the guidance was not easily applicable, and 18 considered that it came late.

41 In October 2022, the Commission issued a further technical guidance note on member states' obligation to report twice a year in FENIX, the reporting tool for the RRF, on RRP measures that are receiving or have received support from other EU sources³⁷. Also, apart from its general and specific guidance notes, the Commission set up a "frequently asked questions" platform, held [expert group meetings](#) and had bilateral exchanges with individual member states. Occasionally the Commission also issued audit recommendations that are in essence guidance on technical issues that should have been available *ex ante*. Clarifying technical issues bilaterally poses the risk of member states not receiving the same information.

42 In their bilateral exchanges, the Commission further directed member states towards traditional cost-based controls, at the level of individual cost items, including in recipients' accounts, if necessary ([Box 2](#)). Although such controls are necessary to check that the costs actually incurred to fulfil RRP milestones and targets are not covered by other EU funds (paragraph [29](#)), they also limit one of the expectations for the RRF, which was to reduce administrative burden and the costs of controls. This is an example of conflicting priorities between reducing administrative burden on the one hand and providing assurance through control and audit on the other.

³⁵ Article 22(1) of the [RRF Regulation](#).

³⁶ [Review 05/2018](#): "Simplification in post-2020 delivery of Cohesion Policy (Briefing paper)", paragraph 38.

³⁷ Articles 27 and 28 of the [RRF Regulation](#). Article 1.12 of the operational arrangements.

Box 2**Commission guidance directing member states towards cost-based control systems: examples from Austria and Czechia**

In July 2023, Austrian authorities sought to clarify whether dividing the costs of a project between the RRF and other EU programmes on a pro-rata basis, with support not exceeding 100 % of the estimated total costs, would comply with the ‘no double funding’ requirement under the RRF. During bilateral exchanges, the Commission explained that it would not, and recommended splitting the project into clearly separable elements, which could receive EU funding from the RRF or the other EU programmes but not both. However, the Commission’s guidance of July 2024 does allow the pro-rata combination of support from the RRF and other EU funds under certain conditions.

In Czechia, the Commission’s auditors were unable to conclude that there had been no double funding for 17 schools that had received ESF funding for projects using simplified cost options in the purchase of ICT equipment and were also final recipients of RRF support. They recommended including checks of final recipients’ analytical accounting for projects with simplified cost options in the future.

43 Several member states applied for tailored technical support from the Technical Support Instrument to strengthen their RRP control systems for double funding, which illustrates their need for additional guidance and assistance. Thirteen member states implemented such projects with a total budget of €6.3 million.

The Commission’s measures at the programming stage were not sufficient to avoid double funding**The Commission’s assessment of additionality under the RRF was based on limited information**

44 Investments funded under both the RRF and cohesion must be planned and implemented so that the two instruments complement rather than duplicate each other³⁸. Additionality under the RRF means that reforms and investments may receive support from other EU programmes and instruments provided that such support does not cover the same cost³⁹. Thus, additionality implies the possibility of combining EU funding while respecting the principle of “no double funding”. This can be achieved either by financing different operations that build on each other or by financing

³⁸ Articles 11(1)(b) and 22(3)(a) of the [CPR](#). Article 28 of the [RRF Regulation](#).

³⁹ Articles 5 and 9 of the [RRF Regulation](#).

different elements of the same operation⁴⁰. In both cases, if not carefully done, a risk of double funding may arise.

45 This risk was recognised by the Commission, which therefore aimed to assess, at the programming stage, whether the estimated costs of RRP measures were additional to financing from other EU programmes. To confirm member states' justifications for the total estimated cost of their RRP, the Commission also checked whether they had provided sufficient information showing that the estimates did not include other EU financing⁴¹. However, it had limited means to verify additionality with the 2021-2027 partnership agreements and programmes as they had not yet been finalised for any of the member states covered by our audit. We have previously reported that the Commission's assessment of estimated total costs was appropriate, although the Commission also noted the lack of available information when assessing the RRP and identified shortcomings in relation to costing⁴².

46 Moreover, in its assessment of additionality with other funding instruments, the Commission did not cover measures with zero estimated costs, which further increases the double funding risk, particularly for reforms with underlying investments. During our audit, we found zero-cost measures that addressed requirements already in place to access cohesion funding, and possibly may even constitute cases of double funding in two member states (**Box 3**).

⁴⁰ [Review 01/2023](#), paragraphs 5 and 49.

⁴¹ Articles 18(4)(k), 19(3)(i) and Annex V, criterion 2.9 of the [RRF Regulation](#).

⁴² [Special report 21/2022](#), paragraphs 69, 72 and 118.

Box 3**Zero-cost measure addressing requirements already in place to access cohesion funding: example from Malta**

In its first RRP payment request, Malta reported the fulfilment of a milestone on the adoption of a smart specialisation strategy. Malta did not provide a cost estimate for this measure.

However, member states were already required to have such a strategy to access cohesion funding for research and innovation in the 2014-2020 period (*ex ante* conditionality) and the 2021-2027 period (enabling condition). This milestone therefore unlocks RRF funding for an output that is in any case necessary for cohesion.

According to the Maltese authorities, the costs for preparing this strategy had not been supported through technical assistance under cohesion.

We encountered a similar case of enabling condition contributing to an RRP milestone in Slovakia, in addition to the case we identified in the 2022 annual report and classified as double funding⁴³.

47 For cohesion, the Commission assessed complementarities with other EU instruments during the approval process of 2021-2027 partnership agreements and programmes. For each selected policy objective, member states provided a document mapping the complementarities between cohesion OPs and their RRP, albeit with varying levels of detail.

48 The information from the selected member states often lacked the detail necessary to identify areas of potential overlap between the RRF and cohesion. Without this information, member states run a higher risk of double funding, especially if the demarcation lines between what is covered by the RRF and cohesion are not well-established and there is no continuous monitoring during implementation (**Box 4**).

⁴³ 2022 annual report, paragraph 11.30.

Box 4**No monitoring of demarcation between the RRF and cohesion or of measures at risk: example from France**

In France, the body coordinating cohesion policy prepared a guide on demarcation between the RRP and cohesion. As we have previously noted, this helps to establish the main principles of demarcation but does not remove the need for further coordination and demarcation at regional and project level during implementation⁴⁴. For instance, the guide notes that RRP measures supporting the aeronautics and automobile sectors do not benefit from ERDF financing. However, companies in these sectors can benefit from numerous ERDF schemes under regional OPs, so there is a risk of double funding. So far, there has been no monitoring of the use of demarcation at national, regional or local level or of measures at risk of overlap.

49 The Commission also set up bi-annual reporting in FENIX to receive updates from member states on RRP measures using other EU funding after the RRP's adoption (paragraph 41). Member states are expected to indicate in FENIX only previously unreported funding received by an RRP investment or reform from other EU programmes. Reporting in FENIX includes changes compared to information submitted at RRP adoption and does not specify how the risk of double funding is mitigated. Moreover, in the IT system used to manage the CEF, projects also receiving RRF support are not flagged. In short, even under direct management, the Commission does not maintain a full, up-to-date overview of the additionality of EU funding.

The Commission introduced audit and control milestones for some member states' RRFs following its assessment

50 We previously reported that the Commission's assessment of RRF control systems was comprehensive, but often conditional upon requirements still to be fulfilled⁴⁵. In particular, information on the controls envisaged by member states and on data sources was often limited.

⁴⁴ [Review 01/2023](#), Box 9. Version 3 of the [guide](#) published by the French authorities.

⁴⁵ Article 19(3)(j) and Annex V, criterion 2.10 of the [RRF Regulation](#). [Special report 21/2022](#), paragraphs 106-111. [Special report 07/2023](#): "Design of the Commission's control system for the RRF – Assurance and accountability gap remains at EU level in the new delivery model, despite extensive work being planned", paragraphs 25-27.

51 Our analysis of the Commission's checklists for the assessment of the description of control systems for double funding in RRFs showed that they covered member states' arrangements for cross-checks and for the use of data sources. However, they did not explicitly cover access rights for the multiple administrations involved with a view to enhancing the interoperability of the IT systems used.

52 When the Commission concluded that a member state's control systems would not be effective, it added audit and control milestones, which had to be fulfilled before the first payment request following the Commission's assessment. Of the original RRFs assessed, only Belgium's had a milestone on general arrangements to avoid double funding. For two member states (Hungary and Poland), the Commission also included milestones on the use of Arachne, for, among other, the control and audit of double funding (paragraphs 72-77). After the re-assessment of member states' control systems for the revision of their RRFs to integrate REPowerEU and, for some member states, taking into account the conclusions of its audits, the Commission introduced additional milestones on double funding or adjusted existing ones to cover double funding for seven member states (Belgium, Ireland, Cyprus, Austria, Portugal, Finland and Sweden). However, the Commission had disbursed payments of around €4 billion in RRF support before introducing these milestones. Until they are fulfilled, the corresponding weaknesses in the control systems for double funding will persist and future payments will be blocked.

Member states avoid combining RRF support with other EU instruments to prevent double funding

53 During the audit, we noted that, as a precaution, Czechia, France, Italy and Portugal have avoided combining the RRF with other EU programmes for specific measures. This approach helps to mitigate the risk of double funding (**Box 5**).

Box 5**Mitigating the risk of double funding by avoiding the combination of RRF support with other EU funds: example from Czechia**

The Ministry of Transport applies the principle of “systematic decoupling of resources” by not allowing different EU funding sources to be combined for the same project. The implementing body’s internal IT system does not allow the recording of RRF support in combination with other EU funding. Similarly, the managing authorities for the “Transport” and “Environment” OPs use only cohesion funding.

When the ministry asked the Commission how to split energy savings achieved by investments in the same railway stations financed from both the CF/ERDF (through the national “Environment” OP) and the RRF, the Commission advised that these savings be reported in their entirety, regardless of the specific contribution made by each instrument to the cost of the investments.

Czech authorities decided not to apply this approach and, in 2022, they transferred seven projects from the “Environment” OP to the RRF. The implementation of six of these projects had already started. Moreover, two of them had been completed, and for one the actual eligible costs incurred had been fully reimbursed. Payments made to the railway administration as the beneficiary under the “Environment” OP were recovered.

54 Moreover, when risks of double funding were identified and a clear delineation between EU funds was not possible, the Commission and member states also amended measures in the revised RRFs to avoid combining different EU funding instruments (**Box 6**).

Box 6**Mitigating the risk of double funding by removing projects at risk when revising RRP: example from Italy**

The Bicocca-Catenanuova section of the Palermo-Catania high-speed railway line was included in Italy's RRP and also received ERDF funding. The RRP target covered the construction of 37.4 kilometres, with EU funding from both the RRF and the ERDF.

As in practice it was not possible to separate the two EU funding sources by kilometre built, Italy proposed a pro-rata method to determine the number of kilometres of railway attributable to RRF support after the adoption of the original RRP. This method was not implemented. In the end, to avoid the risk that the same outputs/results are funded twice, the railway section was removed from the revised RRP in December 2023⁴⁶.

The same approach was followed for other railway sections.

The introduction of the RRF led to an increased need for coordination to prevent and detect double funding**The Commission formalised its internal coordination framework only in April 2023**

55 Commission services exchange information on complementarities between EU programmes and on member states' control systems at informal country team meetings. They hold interservice consultations which serve to formally consult other directorates-general on RRP assessments and payment requests, the adoption of 2021-2027 cohesion programmes, as well as CEF calls and final project selection.

56 We previously noted that the Recovery and Resilience Task Force (RECOVER) and DG ECFIN regularly engaged with other directorates-general during the RRP assessment process⁴⁷. However, there are only limited records of such cooperation covering areas of potential overlap with a higher risk of double funding. DG ECFIN signed a memorandum of understanding with DG REGIO and DG EMPL to facilitate the exchange of information on audit matters, but not until April 2023. In accordance with the RRF Regulation, member states must, upon request, provide data on final recipients beyond the **largest 100** for audit and control purposes. However, the

⁴⁶ Council Implementing Decision 16051/23.

⁴⁷ Special report 21/2022, paragraphs 26 and 29.

absence of direct access to the full list of RRF final recipients limits the Commission's capacity to identify potential cases of double funding (paragraph 62).

Coordination between national RRP measures and regional cohesion programmes is particularly challenging

57 The introduction of the RRF also increased the need for coordination at member state and regional level. As there is no legal requirement to set up dedicated coordination structures, each member state defined its own arrangements.

58 As a result, we found that the extent of the cooperation and exchange of project and beneficiary data between RRF and cohesion authorities varies depending on the governance structures within each member state. In several of the member states we reviewed, the same authorities oversee both cohesion and the RRF. However, when different authorities implement RRF and cohesion, the need for external coordination to check for double funding increases (**Box 7**).

Box 7

Challenging coordination between RRP and regional cohesion programmes: example from Italy

In Italy, in parallel to the RRP, there are 58 cohesion programmes for 2021-2027, managed by various national and regional authorities.

For Italy's RRP, the key actors ensuring high-level coordination are the RRP mission structure within the Presidency of the Council of Ministers and the RRF coordinating body within the Ministry of Economy and Finance. In addition, mission units within each ministry are responsible for RRP reforms and investments and progress towards milestones and targets. They supervise the implementation of projects by implementing bodies such as regions, local authorities and other public or private bodies. While in the case of national OPs, the same body can serve as managing authority and RRP mission unit, such as the Ministry for Infrastructure and Transport, for regional OPs, there is usually no direct cooperation between the managing authorities and the central RRP mission units.

We found similar examples of challenging coordination in France.

59 Overall, although the Commission and member states took preventive measures to varying degrees, these alone cannot fully mitigate the risk of double funding and audit and control of RRF measures on the ground remain necessary. The remainder of our report examines these aspects.

Member states' controls on the absence of double funding have shortcomings

60 To complement prevention, member states must put in place management verifications and audits to detect and correct double funding during implementation⁴⁸. In this section, we assess whether their setup and implementation was adequate for a sample of RRF milestones and targets and cohesion projects from the selected member states.

Management verifications on double funding are based on actual costs incurred, mainly relying on self-declarations

61 Cross-checking data on recipients of EU funding and their projects is one of the main management verifications to detect double funding. The use of internal (project financing plan, accounting records) and external data sources (regional, national or EU databases) can identify projects at risk of double funding. Management verifications can take place at different stages:

- *ex ante*, as part of project selection;
- before payment to recipients;
- *ex post*, after project completion.

62 The sector-specific rules require member states to collect and provide access to data on the recipients of EU funds that would enable cross-checks. For cohesion, managing authorities have to collect and store data on each operation electronically, and to publish lists of operations selected for support, including data on beneficiaries and contractors, if applicable⁴⁹. Under the RRF, member states have to collect data on the final recipients of funds, contractors and sub-contractors and on projects to implement RRF measures, including the amounts actually paid to final recipients under

⁴⁸ Articles 74 and 77 of the [CPR](#). Article 22 of the [RRF Regulation](#).

⁴⁹ Articles 49(3), 69(2) and 72(1)(e) of the [CPR](#).

the RRF and under other EU funds⁵⁰. Since March 2023, member states have been providing information about the [100 final recipients](#) receiving the most RRF funding to the Commission⁵¹. This information is also published in an [interactive map](#). However, the Commission cannot verify the reliability of this data due to the limited access rights provided by the RRF Regulation (paragraph [56](#)). Moreover, the detail and structure of this data are not always sufficient to allow cross-checks between databases, which require data matching.

63 Our analysis showed that six of the seven selected member states have set up cost-based control systems to avoid double funding based on checks of expenditure and invoices, similar to cohesion ([Box 8](#)).

Box 8

Management verifications under the RRF similar to cohesion: example from Czechia

In Czechia, double funding is checked *ex ante*, during project selection, and for each payment claim by the recipient. During project selection, authorities cross-check information from the applicant with internal and, to some extent, external sources, such as the national subsidy register, Arachne and the register of cohesion projects. Checks are also conducted before payment to the recipient to ensure that the same invoices, marked with a unique project number, were not previously reimbursed. These checks are cost-based and broadly similar for RRF and cohesion projects.

64 Whenever member states use cost-based controls, we do not expect administrative burden and the costs of control to be reduced because member states have to verify the fulfilment of milestones and targets as well as ensuring the protection of the EU's financial interests. In this context, authorities in Czechia, Italy and Slovakia considered that addressing the risk of double funding under the RRF is at least as complex as for cohesion.

65 The other selected member state relies mostly on *ex ante* demarcation between RRF and cohesion and, in the absence of specific RRF management verifications, only addresses the risk of double funding through existing controls in cohesion ([Box 9](#)).

⁵⁰ Article 22(2)(d) of the [RRF Regulation](#).

⁵¹ Article 1(10) of the [Regulation \(EU\) 2023/435](#) as regards REPowerEU chapters in RRFs.

Box 9**Weak management verifications for double funding under RRP:
example from France**

Each ministry had to provide the RRF coordinating body with a description of its control system, including for double funding. The coordinating body assessed the descriptions, but not the actual functioning of the systems.

Neither the coordinating body nor the ministries implementing the RRP provided any specific instructions for checking double funding. The ministries we visited were not aware of the types of checks carried out by delegated bodies and had not verified any such checks.

Cross-checks with cohesion project data had been carried out for only one of the six selected RRP milestones and targets. The Ministry of Labour, which manages both RRP measures and the national ESF OP, manually checked double funding only for RRP projects considered at risk. It reviewed the costs reimbursed for potentially overlapping ESF projects to ensure they covered activities other than those in the RRP. The verification was carried out only for ESF beneficiaries ("*missions locales*", i.e. local social services hubs) based on the types of costs covered, as the list of RRF final recipients (the young people supported) did not allow cross-checks to identify any duplication.

66 Checks on formal declarations against other information sources and cross-checks between project databases are essential to detect cases of double funding. In Italy, we identified a case where cross-checks by implementing bodies helped to detect erroneous data entries and the use of other EU funding. However, these checks took place after the Commission received the RRF payment request for the related milestone (**Box 10**).

Box 10**Cross-checks for double funding detect erroneous data entries and other EU funding: example from Italy**

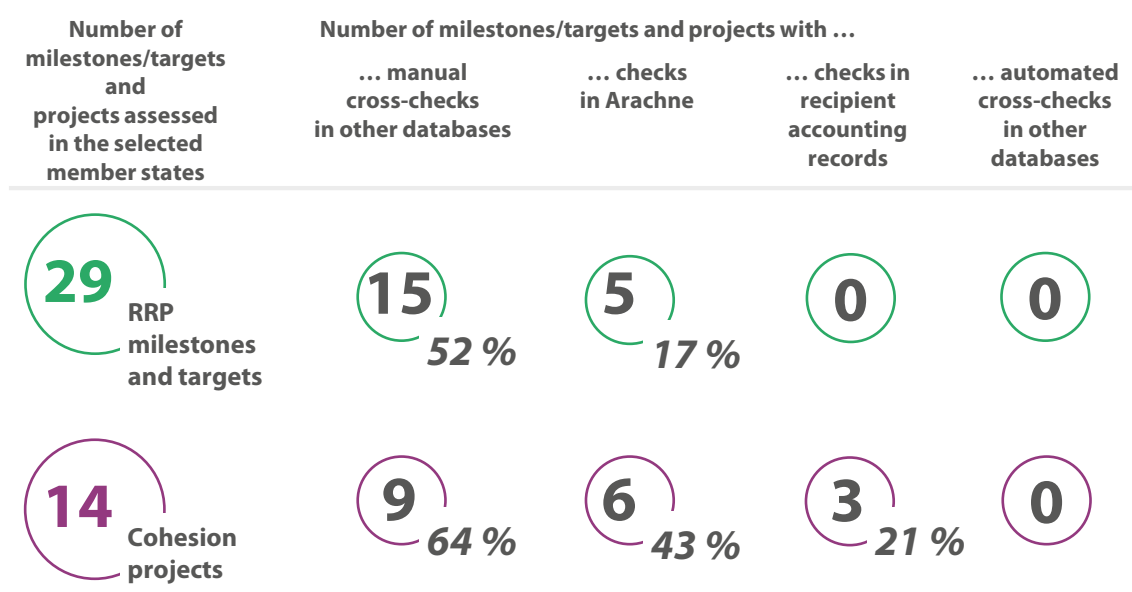
To achieve the Italian RRP milestone “Innovation programme for housing quality”, at least 15 regions and autonomous provinces had to sign agreements to re-develop and increase social housing.

When the responsible ministry requested a declaration on the absence of double funding, the implementing bodies cross-checked data in Italy’s central IT system for the RRF (known as “ReGiS”) against other data sources. These targeted checks took place after the RRF payment request linked to the milestone and before actual payments had been made to final recipients of this measure.

They found errors in the recording of other EU funding in ReGiS for 32 of the 34 projects checked, and failures to record other EU funding for two projects. One project could potentially also be financed through ERDF and the second from another RRP measure. The Italian authorities and the Commission agreed in October 2023, after our audit visit to Italy, to exclude the ERDF-funded project from the achievement of the final RRP target of the measure. This indicates that the project was at risk of double funding.

67 Our analysis also showed that member states’ control systems for double funding rely to a large extent on self-declarations from recipients of EU funds, without cross-checking these with other sources, such as existing databases on EU-funded projects and the Arachne risk-scoring tool. Any cross-checks carried out were done manually (*Figure 4*). Similar issues were also identified by Commission audits.

Figure 4 – Review of member states’ management verifications on double funding



Source: ECA based on evidence received from the selected member states.

68 When payments are based on FNLTC, double funding can occur when the same outputs/results are funded twice (paragraphs 11-14). We found that the selected member states’ control systems did not account for this risk. Management verifications do not check whether outputs financed by cohesion or CEF have been counted towards the fulfilment of RRF milestones and targets, and vice versa. This poses the risk of double funding when the corresponding payment request is submitted to the Commission ([Box 11](#)).

Box 11**Risk of double funding when outputs of CEF and RRF overlap: example from Austria**

The measure “Construction of new railways and electrification of regional railways” in Austria’s RRP includes the milestone “Completion of construction project”. The milestone, due in 2025 and approved by the Council based on a Commission proposal, covers the entry into operation of the entire “Koralmbahn” railway line, including the Styria feeder route to the Koralm-tunnel, even though the RRF covered only around 9 % of the total project costs for the line.

One CEF project also funded works on the Styria feeder route to the Koralm-tunnel, as indicated in Austria’s RRP. As the description of the above milestone is not specific enough to exclude overlap with the CEF-funded project on the Styria feeder route, in particular the Wettmannstätten-Deutschlandsberg section, there is a risk that the result of the same works will be declared, and thus funded, under both the CEF and the RRF.

The fragmented landscape of IT management systems hampers effective cross-checks for double funding

69 Effective management verifications and audits to detect double funding require integrated or interoperable IT tools that allow automated cross-checks between the various local, regional, national and EU databases used to record all EU projects and funding recipients. The 2024 recast of the Financial Regulation will require member states to make information on projects and recipients available electronically to the Commission. This change will be applicable as from the post-2027 multiannual financial framework⁵².

70 We found that member states encountered difficulties whenever they used numerous local IT systems to implement their RRP. With a decentralised setup, automated cross-checks to identify potential double funding are practically impossible because the IT tools are not interoperable. Restricted access rights, the need to consult multiple databases and non-standardised project data also hamper effective cross-checks (**Box 12**).

⁵² Articles 36(2) and (6) and 277(5) of the [Financial Regulation](#) (recast).

Box 12**Fragmented IT systems make detection of double funding more challenging: examples from Czechia and France**

In Czechia, ministries and implementing bodies use their own local IT systems to manage RRP implementation and to identify projects at risk of double funding. However, these systems are not interoperable and provide limited means of performing automated cross-checks.

France's RRP is implemented through central ministries, which delegate responsibilities to public operators or decentralised state services. In contrast, cohesion is predominantly implemented by the regions (there were 37 regional OPs and two national OPs in 2014-2020). The IT systems at regional and national level are not interoperable, and the various bodies do not have access to each others' systems.

71 Greece and Italy have set up centralised IT systems for monitoring RRP milestones and targets and actual costs. This helps them identify red flags for double funding (**Box 13**).

Box 13**Centralised IT systems facilitate detection of double funding: examples from Greece and Italy**

Greece has set up a central IT system (known as “Ergorama”) to monitor the implementation of cohesion, CEF and RRF projects, among others. The same workflows covering the entire project lifecycle and the same requirements for the declaration of costs apply to cohesion and RRP projects. Ergorama is also interoperable with other national systems, allowing it to perform automated checks for duplication of invoices submitted for reimbursement. It also creates reports that can be used to identify double funding, for example on all contracts with the same contractor or on all operations/projects with the same recipient.

Italy’s ReGiS system covers RRF projects and provides links to tools and databases⁵³ which include data on 2014-2020 cohesion projects. Not all managing authorities and audit authorities for 2014-2020 cohesion programmes had access to the ReGiS system at the time of our audit. Since November 2023, however, all managing authorities for 2021-2027 cohesion programmes have to register project data in this system.

Arachne is not widely used to identify risks of double funding in the member states

72 **Arachne** is the Commission’s data mining and risk-scoring tool to support national authorities in their controls and audits to detect irregularities and fraud, including double funding⁵⁴. The Commission developed Arachne for cohesion and subsequently extended it to the RRF. It enriches data on EU-funded projects uploaded by member states from other external databases to identify beneficiaries, contractors, sub-contractors or partners involved in multiple projects.

73 In December 2023, the Commission uploaded data on around 470 000 projects above €10 000 under direct and indirect management to Arachne. Although we did not assess the completeness of this upload, it will allow for the extension of the use of Arachne beyond projects managed by the member states.

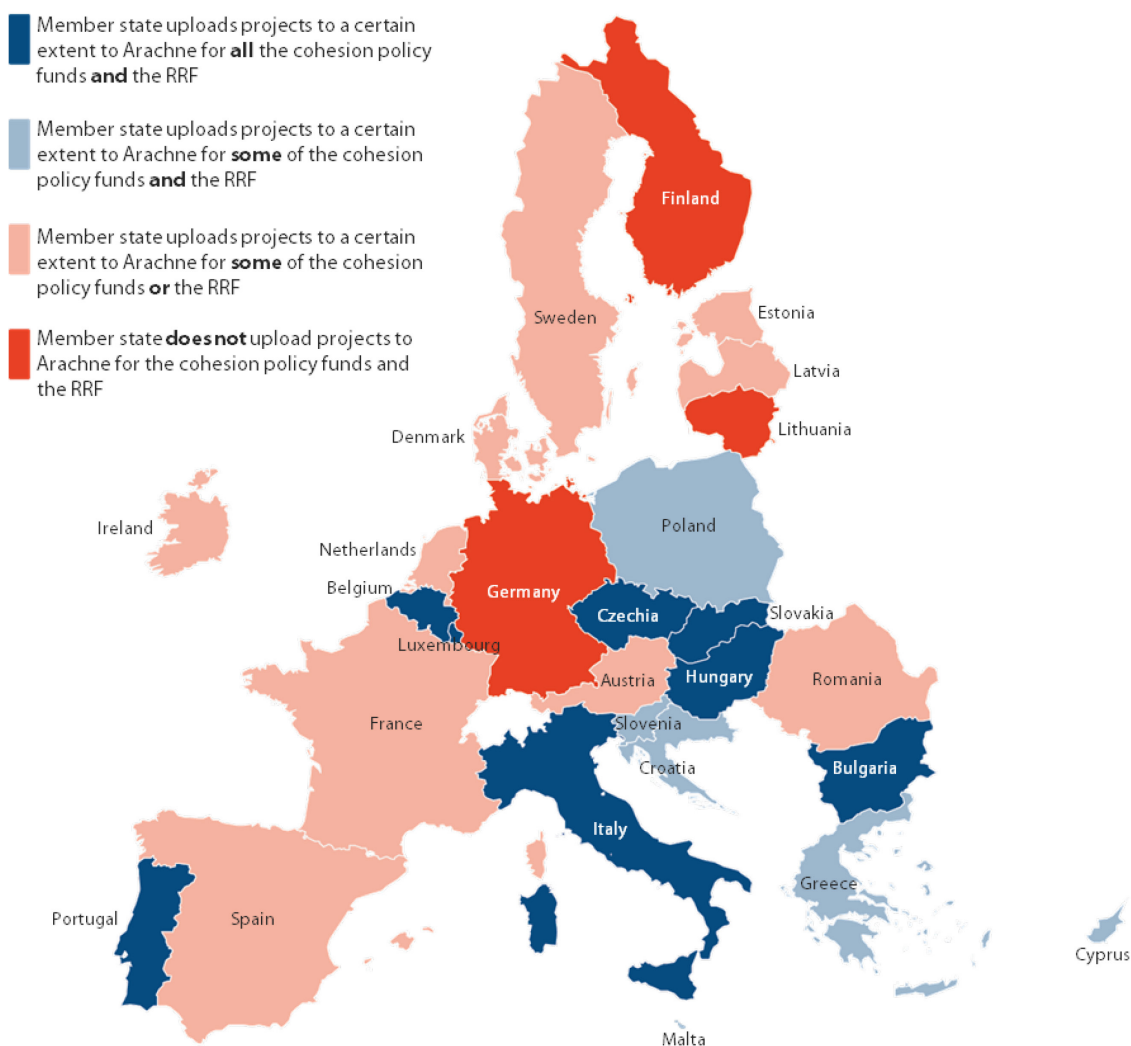
⁵³ [OpenCoesione](#), [PIAF-IT](#), [Banca dati delle Amministrazioni Pubbliche](#).

⁵⁴ Article 32 of the [Interinstitutional Agreement](#) on budgetary discipline. Article 22(4) of the [RRF Regulation](#). Recital 72 of the [CPR](#).

74 Arachne calculates risk scores, including one on “concentration” (i.e. participation in multiple projects), which is a key indicator of the risk of double funding. As of April 2024, Arachne scored 3 % of uploaded cohesion and RRF projects as having a “very high” concentration risk and 22 % of projects as having a concentration risk between “medium” and “high”.

75 However, the use of Arachne by member states is not mandatory under the legal frameworks for cohesion or the RRF. Its usefulness depends heavily on member states voluntarily uploading complete, accurate and reliable project data for all EU programmes. Moreover, to enable the detection of double funding between cohesion and the RRF, member states have to upload project data to Arachne for both instruments. We found that some member states used it for both cohesion and the RRF, while the majority uploaded data only for cohesion but not the RRF, or vice versa, or not at all (*Figure 5*).

Figure 5 – Member states uploading data to Arachne for cohesion and RRF



Note: The Commission does not verify completeness, accuracy and reliability of project data uploaded by member states to Arachne.

Source: ECA, based on Commission data.

76 We identified significant inconsistencies between the data on cohesion projects in Arachne and that in [Kohesio](#), the EU database of cohesion projects. In particular, the number of cohesion projects uploaded to the two databases does not match. There is also no public repository of all RRF projects. Moreover, where it is used, the Commission does not verify the quality of project data uploaded to Arachne by the member states. This limits the usefulness of Arachne and Kohesio in identifying recipients and projects at risk of double funding.

77 Some member states use national IT tools to check for double funding as an alternative to Arachne (e.g. Austria's [Transparenzdatenbank](#)) or to complement it (e.g.

Italy's PIAF-IT). However, these do not calculate risk scores and data collection and access rights are not always comprehensive across all EU funding programmes and member states.

Limited audit work on double funding in member states

78 To provide assurance to the Commission on the absence of double funding, cohesion audit authorities and RRP audit bodies carry out audits of operations and of milestones and targets, as well as system audits.

79 None of the member states covered by this audit modified their approach to auditing double funding at final recipient level with the introduction of the RRF. They do not distinguish between EU funding programmes or target any instruments specifically. Their audit work mainly consisted of manual cross-checks with other project databases. Moreover, the risk that the same outputs/results are funded twice is not covered (*Box 14*).

Box 14

Partial audit checks for double funding under both the RRF and cohesion: example from Czechia

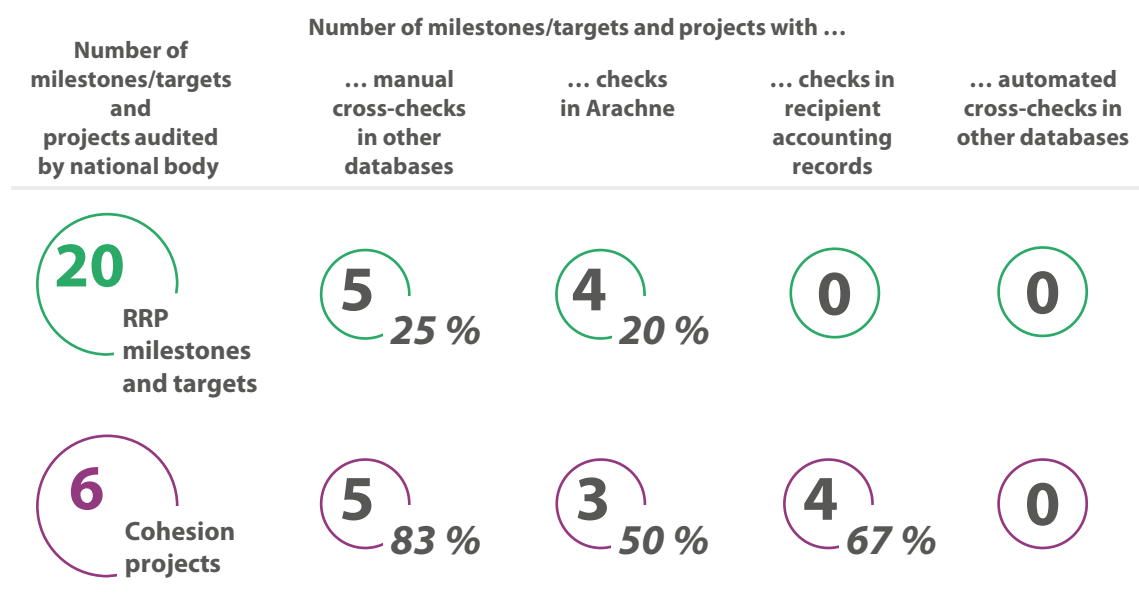
In Czechia, the audit approach on double funding does not distinguish between RRP and cohesion programmes.

The audit authority for cohesion programmes verifies that beneficiaries have not received EU funding for the same projects covering the same costs by manually cross-checking different project databases, and by reviewing beneficiaries' accounting records for other subsidies and possible double funding of invoices under different projects. However, the reliability of output data is only checked for completed cohesion projects and the audit authority does not verify potential overlaps with RRP milestones and targets.

For the RRF, audit work on double funding involves similar checks, with greater emphasis on control systems. In practice, verifications extend to recipients' accounting records only when a risk of double funding has already been identified. However, as there are also no specific audit procedures addressing the risk that the same outputs/results are declared, and thus funded, twice, some cases at risk of double funding may not be identified.

80 By the end of June 2024, none of the member states in our sample had identified any cases of double funding. We reviewed the selected member states' audits for a sample of cohesion projects and RRF milestones and targets. Audit work on double funding was limited and mainly consisted of manual cross-checks with other project databases. *Figure 6* shows the detailed results of our checks.

Figure 6 – Review of member states' audit work on double funding



Source: ECA based on evidence received from the selected member states.

81 All selected member states provided assurance on the absence of double funding. This assurance was mainly derived from their management verifications as well as some audit work. Some examples of limitations in the underlying audit work are presented in *Box 15*.

Box 15**Assurance on absence of double funding based on limited audit work: examples from Malta and Italy**

In Malta, two system audits were ongoing when the first payment request was submitted to the Commission. In view of the lack of completed audit work, the audit body did not provide assurance on the absence of double funding. The RRF coordinating body did, however, confirm the absence of double funding in its management declaration as it considered that the zero-cost reforms included in the first payment request were not at risk. Moreover, the management declaration and audit summary were signed by the director of the coordinating body, which raises questions about conflict of interest and inappropriate segregation of functions.

For Italy, the audit summaries provided assurance on the absence of double funding in relation to milestones and targets from the previous payment request, but not the ones in the payment request they accompanied.

82 Of the selected member states, only France carried out a dedicated system audit on double funding. Overall, the French audit body provided assurance with reservations on the functioning of the RRP control system (qualified opinion), including on the absence of double funding. As the Commission assessed milestones and targets as satisfactory fulfilled, RRF funds were paid out (**Box 16**).

Box 16**Weaknesses found by a dedicated audit on double funding under the RRP: example from France**

Before France submitted its second payment request, its RRF audit body carried out a dedicated system audit on double funding in 2022 as it recognised the high level of risk and considered the control system to be weak. It identified several shortcomings, such as:

- weaknesses in governance and coordination hindering the monitoring of prevention measures;
- heterogeneous and incomplete procedures at the level of the coordinating body and implementing ministries;
- fragmented IT systems without integrated checks;
- insufficient data quality and diverse data categories hindering cross-checks for double funding.

At the time of our audit, none of the recommendations had been implemented.

The Commission provides assurance on the absence of double funding based on limited evidence

83 This section examines the basis on which the Commission provides assurance on the absence of double funding. For this purpose, we examined the Commission’s verifications before payment, including on member states’ management declarations, and its audit work.

The Commission’s verifications before payment do not specifically target double funding

84 Before releasing funds, the Commission must ensure that it obtains sufficient assurance from member states and/or beneficiaries. To do so, the Commission carries out its own verifications.

85 For cohesion programmes, before authorising payments to a member state, the Commission reviews available information on whether enabling conditions are fulfilled, the latest assurance package has been submitted, and the management and control

systems provide the necessary assurance on the legality and regularity of expenditure⁵⁵. However, it does not carry out dedicated checks on double funding.

86 For the CEF, managed directly by the Commission, double funding checks are carried out at the contracting stage and before payment, relying mainly on self-declarations and information provided by beneficiaries. In 2021-2027, CEF projects are subject to an automatic check for similar projects managed in the same Commission database. Cross-checks with other information sources, including Arachne, were carried out in only a few cases. For specific projects without a precise location in the grant agreement, such as the deployment of charging stations for electric vehicles in France and Portugal, the Commission can only check double funding at a later stage during implementation once the exact locations have been determined.

87 For the RRF, the Commission checks double funding before payment only if member states flag potential issues in their management declarations or audit summaries or if its own previous assessments and audits revealed potential issues of double funding affecting the fulfilment of milestones and targets. We previously reported that the RRF Regulation does not consider compliance with eligibility conditions or horizontal principles, including the absence of double funding, a condition for payment⁵⁶. We also found that 12 out of the 14 audit summaries submitted to the Commission which we reviewed for this audit provided only limited assurance on the absence of double funding.

Commission audits cover the risk of double funding to some extent

88 Commission audits for cohesion and the CEF cover double funding with the RRF in the same manner as with any other cost-based EU funding programme, irrespective of the higher risk stemming from the similar policy areas and their different delivery models. The risk of the same outputs/results being declared, and thus funded, twice is not covered.

89 For cohesion, double funding is not a risk factor in the assessment of control systems. The Commission relies mainly on the work of the audit authorities, which we have frequently found to be of limited reliability⁵⁷. In particular, some audit authorities

⁵⁵ Articles 15(5)-(6), 70(1), 91(2), 96, 97 and 98(1) of the CPR.

⁵⁶ [Special report 07/2023](#), paragraphs 29-30.

⁵⁷ [2022 annual report](#), paragraphs 6.44-6.53. [2023 annual report](#), paragraphs 6.45-6.56.

do not systematically corroborate self-declarations provided by the beneficiaries⁵⁸. The Commission only performs its own checks if an audit authority's checks are not satisfactory, or it has identified specific risks. In such cases, it may cross-check project data against other databases to identify similar projects and consult beneficiaries' accounting records. The Commission verifies performance data only for completed projects audited by audit authorities. It has not yet performed any thematic audits on member states' control systems for double funding.

90 For the CEF, the Commission considers the risk of double funding low and it is not a criterion for sampling. Audit work on specific cost items is usually not complemented by cross-checks with external databases.

91 The Commission recognises double funding as a risk to sound financial management under the RRF⁵⁹ and covers it mainly through system audits on the protection of the EU's financial interests. These examine the design and set-up of control systems in the coordinating and implementing bodies and focus on the demarcation between the RRF and other EU funding programmes, coordination between authorities and their arrangements to prevent double funding. System audits are complemented by *ex post* audits on milestones and targets and compliance audits on the work of the audit bodies. Overall, we reviewed 14 Commission audits and found some evidence of cross-checks between project databases to identify double funding for eight of them.

The Commission had not identified any cases of double funding by the end of our fieldwork or applied reductions in RRF support for system weaknesses

92 In May 2024, after the end of our audit fieldwork, the Commission identified two potential cases of double funding in one member state. This limited number of cases identified so far may indicate that the tools available are not sufficiently effective to detect double funding.

93 Under the RRF, the Commission has the right – but no obligation – to reduce and recover the “amount affected” in cases of double funding from the member state

⁵⁸ Review 03/2024: “An overview of the assurance framework and the key factors contributing to errors in 2014-2020 cohesion spending”, paragraph 61.

⁵⁹ DG ECFIN: Audit strategy for the RRF, p. 12-13.

concerned if the latter does not make the correction itself⁶⁰. The Commission clarified in its most recent guidance (July 2024) that this is the amount of the contract(s) or award(s) for which double funding has taken place. Furthermore, by the end of 2023, Commission audits had identified weaknesses in the control systems of several member states in relation to double funding, but the Commission had not imposed any flat-rate reductions in RRF support⁶¹.

The Commission bases its assurance on the absence of double funding on limited evidence

94 For cohesion policy, the Commission provides assurance on the absence of double funding through its declaration on the legality and regularity of expenditure. It obtains this assurance, reflected in a quantified error rate, mainly from member states' audit results. Moreover, the Commission receives audit results on the reliability of performance information from the audit authorities and its own compliance audits, and includes them in its annual activity reports⁶². However, it does not cover performance information in its declaration of assurance⁶³.

95 For the RRF, the Commission provides assurance on the legality and regularity of payments based on a qualitative assessment of control results, without quantifying their financial impact⁶⁴. Its assurance on the legality and regularity of payments does not cover double funding as the condition for payment is the satisfactory fulfilment of milestones and targets⁶⁵. Instead, the Commission provides assurance on double funding by concluding on sound financial management and the protection of the EU's financial interests⁶⁶.

⁶⁰ Article 22(5) of the [RRF Regulation](#). Articles 4(2) and 19(2)(a) of the financing agreement.

⁶¹ Article 22(5) of the [RRF Regulation](#). Articles 11(1) and 19(2)(b) of the financing agreement.

⁶² [2023 annual activity report](#) of DG REGIO, p. 14. [2023 annual activity report](#) of DG EMPL, p. 47.

⁶³ [2013 annual report](#), paragraphs 10.29 and 10.61. [2016 annual report](#), paragraphs 3.44-3.45. [2019 report on the performance of the EU budget](#), paragraphs 1.13-1.23.

⁶⁴ [2023 annual activity report](#) of DG ECFIN, p. 83.

⁶⁵ [2022 annual report](#), paragraph 11.11.

⁶⁶ Article 22(5) of the [RRF Regulation](#). [2023 annual activity report](#) of DG ECFIN, p. 86. [Annexes to the 2023 annual activity report](#) of DG ECFIN, p. 154.

96 The Commission obtains assurance on the protection of the EU's financial interests mainly from member states⁶⁷, complemented by its own audit work. We have previously reported that there is limited verified information on RRF-funded investment projects' compliance with EU and national rules, which impacts the assurance the Commission can provide and results in an accountability gap at EU level⁶⁸. In an ongoing audit, we are currently examining the actions taken by the Commission in this area and the control systems of the member states to ensure compliance with EU and national rules⁶⁹. In relation to double funding, we found that some member states carry out limited audit work and not all member states provide reasonable assurance on the absence of double funding (paragraphs **78-82** and **87**). Moreover, the Commission's own audits focus on the design and set-up of member states' control systems for double funding. For some of these, it also carried out some cross-checks between project databases (paragraph **91**).

97 In addition, for both the RRF and cohesion spending, the Commission does not provide assurance on the absence of double funding that could result from the same outputs/results being declared, and thus funded, twice.

98 We consider that the assurance the Commission is able to provide on the absence of double funding for the different funding instruments covered by this audit is limited. The Commission is not sufficiently transparent about this and, for example, does not issue a reputational reservation qualifying the assurance it provides on the absence of double funding.

⁶⁷ Article 22(2)(c) of the [RRF Regulation](#). Financing agreement, Articles 4(2) and 11(4).

⁶⁸ [Special report 07/2023](#), paragraphs IV, 32-36 and 93.

⁶⁹ [2023 annual report](#), paragraph 11.15.

Conclusions and recommendations

99 Traditionally, most EU funding is provided through grants which reimburse costs actually incurred. Since 2018, the Financial Regulation has allowed EU funding to be disbursed without any link to costs through the “financing not linked to costs” (FNLTC) delivery model. The Recovery and Resilience Facility (RRF) marks the first time this delivery model has been used on a large scale to make payments to member states.

100 Overall, our audit shows that the risk of double funding has increased with the introduction of instruments based on FNLTC and is higher when different EU funding programmes with different delivery models, rules, and governance and accountability frameworks can finance similar measures and actions during the same timeframe. Currently, this risk is even higher because of the unprecedented amounts of EU funding available.

101 We conclude that the systems set up and implemented by the Commission and the member states are not yet sufficient to adequately mitigate the increased risk of double funding between the RRF, cohesion and the Connecting Europe Facility. The RRF was meant to deliver results efficiently and simplify financial management. However, when member states use cost-based controls for instruments using FNLTC, as the Commission also advised, we do not expect administrative burden and the costs of control to be reduced as compared to traditional cost-based instruments. We have previously emphasised that simplification must not be at the expense of accountability. So far, the Commission has not sufficiently clarified how to design control systems that both account for the RRF’s FNLTC delivery model and provide reasonable assurance on the absence of double funding at member state and final recipient level.

102 We observed several practices which helped member states to mitigate the risk of double funding, in particular well-established demarcation and more centralised IT systems. On the other hand, when the control environment relies mostly on self-declarations and a fragmented landscape of national and regional authorities implementing funding programmes and instruments in overlapping policy areas but without interoperable IT systems, double funding can hardly be detected.

103 The traditional cost-based definition of double funding in the Financial Regulation, which is also used in the RRF Regulation, does not account for the new reality of the RRF’s FNLTC delivery model. So far, the Commission has not sufficiently clarified the definition of double funding in the context of the RRF based on FNLTC, in

particular the risk of the same outputs/results being declared, and thus funded, twice and what types of costs should be considered, nor the implications for member states' control systems. Moreover, the Commission and member states have applied RRF zero-cost measures, which were not explicitly provided for in the RRF Regulation and are not subject to any verifications, thus increasing the risk of double funding (paragraphs 26-35).

Recommendation 1 – Adjust the definition of double funding to the specificities of the financing not linked to costs model

The Commission should clarify the definition of double funding, to account for both the costs and the performance dimension when EU funding programmes or instruments release funds through FNLTC delivery models:

- (a) in guidance;
- (b) in its next proposal for the revision of the Financial Regulation.

Target implementation date: (a) by the end of 2024, (b) when proposing the next revision of the Financial Regulation.

Recommendation 2 – Strengthen the controls on zero-cost measures

The Commission should:

- (a) Treat measures considered zero-cost like any other measures in terms of demarcation and controls, especially when they can involve investment costs.
- (b) For future EU programmes or instruments based on FNLTC, no longer accept zero-cost measures where investments or direct costs are involved. For reforms not involving investments or direct costs, consider other alternatives, such as enabling conditions, taking into account the increased risk of double funding for zero-cost measures.

Target implementation date: (a) by the end of 2024 for the RRF, (b) if programming and implementing future EU programmes or instruments based on FNLTC.

104 Both the Commission and member states have taken measures to prevent double funding, but these alone cannot be sufficient to avoid double funding. The Commission guidance on double funding directs member states towards cost-based controls. However, it was issued late and does not specify minimum control requirements (paragraphs [37-43](#)).

105 The Commission's assessment of the additionality of RRF measures proved difficult because 2021-2027 cohesion programmes were not yet finalised and detailed information was often not available. Zero-cost measures were excluded from the assessment of additionality under the RRF and we identified zero-cost measures that addressed requirements already in place to access cohesion funding. At member state level, demarcation between the different EU funding programmes was established with varying levels of detail. In practice, several member states prevent double funding by avoiding the combination of EU funding programmes (paragraphs [44-54](#)).

106 Coordination at Commission level and in the member states has become more important following the introduction of the RRF, due to the web of responsibilities between a multitude of actors, and the data and information flow required to prevent and detect double funding. Cooperation and exchange of information in the member states is particularly challenging if the authorities responsible for national RRF measures differ from those in charge of regional cohesion programmes (paragraphs [55-59](#)).

Recommendation 3 – Clarify and strengthen the control requirements for double funding under funding programmes and instruments using financing not linked to costs

The Commission should provide specific guidance on minimum control requirements for member states aiming to ensure the absence of double funding for the RRF and any other funding programmes and instruments using FNLTC. This should include controls of actual costs incurred at the level of beneficiaries/final recipients.

Target implementation date: by the end of 2024.

Recommendation 4 – Strengthen coordination between funding programmes and instruments

The Commission should:

- (a) strengthen coordination and disseminate good practice on the demarcation between the different funding programmes and instruments in the member states to prevent double funding;
- (b) advocate that all national and regional bodies involved in the control and audit chain for a given member state have access to complete information on recipients of EU funding and projects, so that they can detect double funding;
- (c) ensure that its own services have access to the same data.

Target implementation date: mid-2025.

107 The member states covered by this audit have set up management verifications on double funding based on actual costs incurred. They largely rely on self-declarations and only carry out limited cross-checks in project databases. When cross-checks are carried out by member states, they have detected projects at risk of double funding after the submission of the corresponding payment request to the Commission. We also found a case at risk of the same outputs being declared, and thus funded, twice (paragraphs [61-68](#)).

108 The current set-up makes the detection of double funding a complex task that involves resource-intensive manual verifications, access to a multitude of project databases at national, regional and EU level, and coordination among authorities at different administrative levels. The challenging control environment is mainly due to a fragmented IT landscape with no interoperability between systems that would allow automated cross-checks, as well as limited use of Arachne or other data mining tools and project databases, restricted access rights and difficult data exchange and matching (paragraphs [69-77](#)).

109 None of the member states covered by this audit modified their approach to auditing double funding at final recipient level with the introduction of the RRF, and their audit work mainly consists of manual cross-checks with other project databases. In some instances, they carried out only limited audit work and thus had a limited basis to provide assurance on the absence of double funding. Moreover, the risk of the same outputs/results being declared, and thus funded, twice is not covered (paragraphs [78-82](#)).

Recommendation 5 – Set up and use integrated and interoperable IT systems and data mining tools for all funding programmes and instruments

With a view to identifying potential cases of double funding, the Commission should:

- (a) support and incentivise member states to set up and systematically use integrated and interoperable IT systems within the member state for all funding programmes and instruments;
- (b) interconnect Arachne with other Commission databases of EU-funded projects and their beneficiaries to increase its potential.

These IT tools should be easily accessible to all relevant parties in the control and audit chain.

Target implementation date: (a) by mid-2025, or when proposing the legal framework for the post-2027 period, and (b) by the end of 2025.

110 In May 2024, after the end of our audit fieldwork, the Commission had identified two potential cases of double funding in one member state. As yet, the Commission has not imposed any flat-rate corrections for system weaknesses identified by its audits. The assurance the Commission is able to provide on the absence of double funding for the funding instruments covered by this audit is limited. The Commission is not sufficiently transparent about the limited evidence on which it is based. In addition to the assurance received from member states based on their limited work, the Commission also draws assurance from its own audits, which, for the RRF, have so far, focused on the design of member states' control systems for double funding with only some cross-checks of projects and recipients (paragraphs [84-98](#)).

Recommendation 6 – Strengthen assurance on the absence of double funding when using financing not linked to costs

The Commission should strengthen the assurance on the absence of double funding it obtains from its own audit work and member states' control systems by covering both dimensions – costs and outputs/results – when using the financing not linked to costs delivery model.

Target implementation date: by April/May 2025, when preparing the next assurance declaration.

This report was adopted by the Court of Auditors in Luxembourg at its meeting of 26 September 2024.

For the Court of Auditors

Tony Murphy
President

Annexes

Annex I – Legal provisions on double funding

Legislation	Provision
Articles 188 and 191(3) of the Financial Regulation	<p>Article 188</p> <p><i>“Grants shall be subject to the principles of:</i></p> <p><i>[...]</i></p> <p><i>(d) non-cumulative award and no double financing;</i></p> <p><i>[...]”</i></p> <p>Article 191(3)</p> <p><i>“In no circumstances shall the same costs be financed twice by the budget.”</i></p>
Article 63(9) of the CPR	<p><i>“An operation may receive support from one or more Funds or from one or more programmes and from other Union instruments. In such cases, expenditure declared in a payment application for one of the Funds shall not be declared for [...]:</i></p> <p><i>(a) support from another Fund or Union instrument;</i></p> <p><i>(b) support from the same Fund under another programme”.</i></p>
Article 9 of the RRF Regulation	<p><i>“Support under the Facility shall be additional to the support provided under other Union programmes and instruments. Reforms and investment projects may receive support from other Union programmes and instruments provided that such support does not cover the same cost”.</i></p>
Article 19(1) of the CEF Regulation	<p><i>“An action that has received a contribution under the CEF may also receive a contribution from another Union programme [...] provided that the contributions do not cover the same costs”.</i></p>

Annex II – Governance and control structure for cohesion policy funds, the RRF and the CEF in member states and at the Commission

At national and regional level in the member states	
Cohesion	<p>In the member states, hundreds of national and regional authorities are involved in the programming, implementation, monitoring and audit of cohesion.</p> <p>Managing authorities at central or regional level are in charge of project selection and management verifications. They provide management declarations certifying that expenditure declared is legal and regular, including compliance with the principle of ‘no double funding’, and provide information about project results.</p> <p>Audit authorities issue audit opinions on the effective functioning of the management and control systems of each programme and on the legality and regularity of the expenditure declared to the Commission.</p>
RRF	<p>Each member state entrusts a lead ministry with overall responsibility for its RRP. This ministry serves as the coordinator and single point of contact for the Commission.</p> <p>Other ministries or authorities may be entrusted with implementing projects under a specific RRP component and measure for the fulfilment of milestones and targets, and with ensuring the functioning of the control system, including to avoid double funding.</p> <p>Together with each payment request to the Commission, the coordinator must submit a management declaration confirming that the member state’s control systems provide the necessary assurance that funds have been managed in accordance with all applicable rules, including on the absence of double funding, and the audit body provides an audit summary of the national audits carried out and an overall level of assurance.</p>
CEF	<p>The member state concerned must agree to all project applications submitted by project promoters to calls launched by the Commission. The selection decision is formally adopted by the Commission after a committee consisting of representatives of all member states provided its opinion on the selection of projects to be financed by the CEF.</p>

At Commission level	
Cohesion	<p>The Commission implements cohesion policy through the Directorate-General for Regional and Urban Policy (DG REGIO) and Directorate-General for Employment, Social Affairs and Inclusion (DG EMPL). Their joint audit directorate carries out compliance and system audits, including on the risk of double funding.</p>
RRF	<p>The Directorate-General for Economic and Financial Affairs (DG ECFIN) and Recovery and Resilience Task Force at the Secretariat-General (RECOVER) are responsible for the RRF.</p> <p>The Commission assessed whether the control systems described in the RRFs were expected to be effective in avoiding double funding and whether the estimated costs of measures were not covered by other EU funding. It performs system audits on the protection of the EU's financial interests and audits on milestones and targets.</p>
CEF	<p>The Commission implements CEF through the Directorate-General for Mobility and Transport (DG MOVE), Directorate-General for Energy (DG ENER) and Directorate-General for Communications Networks, Content and Technology (DG CNECT), as well as its European Climate, Infrastructure and Environment Executive Agency (CINEA) and European Health and Digital Executive Agency (HaDEA).</p> <p>CINEA takes into account the risk of double funding <i>ex ante</i> during the evaluation of project applications and before making payments to beneficiaries, and also <i>ex post</i> in audits on the legality and regularity of project expenditure.</p>

Annex III – Approach taken by the member states and the Commission to correcting double funding for cohesion policy funds, the RRF and the CEF

At member state level	
Cohesion	If a case of double funding is identified by a managing authority, the amount unduly paid should be recovered from the beneficiary ⁷⁰ . If a case is only detected by the audit authority, it should also be accompanied by a financial correction ⁷¹ .
RRF	If a member state detects a case of double funding under the RRF, the implementing body should recover the amount unduly paid to the final recipient and report the case in its management declaration to the Commission ⁷² .
CEF	Member states are not involved in addressing cases of double funding.

At Commission level	
Cohesion	In cases of double funding, the Commission may apply payment suspensions or, if corrective action is not taken by the member state, it should apply financial correction in the amount of the ineligible expenditure. It should also apply flat-rate corrections of 5 %, 10 %, 25 % or 100 % of expenditure concerned for serious deficiencies in member states' management and control systems ⁷³ .
RRF	Any case of double funding constitutes a serious breach of an obligation in the financing agreement, for which the RRF grant should be reduced by the "amount affected" ⁷⁴ . For deficiencies in member states' control systems, including weaknesses in controls on double funding, the Commission may apply flat-rate reductions of 5 %, 10 %, 25 % or 100 % to RRF grants depending on the seriousness of the deficiency ⁷⁵ .

⁷⁰ Articles 69(2) and 74(1) of the CPR.

⁷¹ Articles 69(2), 77(3), 103 and Annex XX of the CPR.

⁷² Article 22 of the RRF Regulation. Articles 4(2), 11(1) and (2), and Annex I of the financing agreement.

⁷³ Articles 97 and 104 of the CPR.

⁷⁴ Articles 4(2) and 19(2)(a) of the financing agreement.

⁷⁵ Articles 4(2) and 19(2)(b) of the financing agreement.

At Commission level	
CEF	The Commission recovers ineligible expenditure affected by double funding directly from the beneficiaries ⁷⁶ .

⁷⁶ Recitals 51 and 57, Article 13 of the [CEF Regulation](#).

Annex IV – Relevant ECA publications

Annual reports	
2013 annual report	Chapter 10
2016 annual report	Chapter 3
Report on performance of the EU budget – Status at the end of 2019	
2022 annual report	Chapters 6 and 11
2023 annual report	Chapters 6 and 11
Special reports	
Special report 24/2021	Performance-based financing in Cohesion policy – Worthy ambitions, but obstacles remained in the 2014-2020 period
Special report 21/2022	The Commission’s assessment of national recovery and resilience plans – Overall appropriate but implementation risks remain
Special report 07/2023	Design of the Commission’s control system for the RRF – Assurance and accountability gap remains at EU level in the new delivery model, despite extensive work being planned
Special report 26/2023	The Recovery and Resilience Facility’s performance monitoring framework – Measuring implementation progress but not sufficient to capture performance
Special report 13/2024	Absorption of funds from the Recovery and Resilience Facility – Progressing with delays and risks remain regarding the completion of measures and therefore the achievement of RRF objectives
Special report 14/2024	Green transition – Unclear contribution from the Recovery and Resilience Facility
Reviews	
Review 05/2018	Simplification in post-2020 delivery of Cohesion Policy (Briefing paper)
Review 08/2019	Delivering performance in Cohesion (Briefing paper)
Review 01/2023	EU financing through cohesion policy and the Recovery and Resilience Facility: A comparative analysis
Review 03/2024	An overview of the assurance framework and the key factors contributing to errors in 2014-2020 cohesion spending

Opinions	
Opinion 01/2017	Opinion concerning the proposal for a Regulation of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union
Opinion 06/2018	Opinion concerning the proposal for a Regulation of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, and the European Maritime and Fisheries Fund and financial rules for those and for the Asylum and Migration Fund, the Internal Security Fund and the Border Management and Visa Instrument
Opinion 06/2020	Opinion concerning the proposal for a regulation of the European Parliament and of the Council establishing a Recovery and Resilience Facility
Opinion 04/2022	Opinion concerning the proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) 2021/241 as regards REPowerEU chapters in recovery and resilience plans and amending Regulation (EU) 2021/1060, Regulation (EU) 2021/2115, Directive 2003/87/EC and Decision (EU) 2015/1814

Abbreviations

CEF: Connecting Europe Facility

CF: Cohesion Fund

CPR: Common Provisions Regulation

ERDF: European Regional and Development Fund

ESF: European Social Fund

FNLTC: Financing not linked to costs

OP: Operational programme

RRF: Recovery and Resilience Facility

RRP: Recovery and resilience plan

Glossary

Additionality: Principle that EU funding, particularly through the cohesion policy funds, must supplement rather than replace recurring national spending. Or, in the context of the RRF, the horizontal principle that RRF reforms and investments may benefit from other EU funding provided it does not cover the same costs as RRF support.

Arachne: Data mining and risk-scoring tool developed by the Commission to support managing authorities in the administration and management of the ESI and CAP funds.

Audit authority: An independent national entity responsible for auditing the systems and operations of an EU spending programme.

Cohesion policy: The EU policy which aims to reduce economic and social disparities between regions and member states by promoting job creation, business competitiveness, economic growth, sustainable development, and cross-border and interregional cooperation.

Cohesion policy funds: EU funds supporting economic, social and territorial cohesion across the EU. For the 2014-2020 period: the European Regional Development Fund, the European Social Fund and the Cohesion Fund. For 2021-2027: the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, and the Just Transition Fund. This audit report does not cover the Just Transition Fund.

Common Provisions Regulation: Regulation setting out the rules that apply to eight EU funds, including the four cohesion policy funds. The current regulation covers the 2021-2027 period.

Cost-based reimbursement: Reimbursement of eligible costs actually incurred by the beneficiary, as substantiated by supporting documents.

Direct management: Management of an EU fund or programme by the Commission alone, as opposed to shared management.

Financial Regulation: Main set of rules governing how the EU budget is set and used, and the associated processes such as internal control, reporting, audit and discharge.

Financing not linked to costs: Funding delivery model based on the fulfilment of legal conditions or the achievement of results rather than actual spending.

Management declaration: Statement accompanying a member state's payment request, confirming that the conditions for receiving funding have been met, all

supporting information is complete and accurate, and the member state has obtained assurance that all applicable rules have been followed.

Managing authority: The national, regional or local authority (public or private) designated by a member state to manage an EU-funded programme.

Milestone: Qualitative measure of a member state's progress towards completing a reform or investment in its recovery and resilience plan.

Operational programme: The basic framework for implementing EU-funded cohesion projects in a set period, reflecting the priorities and objectives laid down in partnership agreements between the Commission and individual member states.

Output: Something produced or achieved by a project, such as delivery of a training course or construction of a road.

Performance: A measure of how well an EU-funded action, project or programme has met its objectives and provides value for money.

Recovery and Resilience Facility: The EU's financial support mechanism to mitigate the economic and social impact of the COVID-19 pandemic and stimulate recovery, and meet the challenges of a green and digital future.

Recovery and resilience plan: Document setting out a member state's intended reforms and investments under the Recovery and Resilience Facility.

Result: The immediate effect of a project or programme upon its completion, such as the improved employability of course participants or improved accessibility following the construction of a new road.

Target: A quantitative measure of a member state's progress towards completing a specific reform or investment in its recovery and resilience plan.

Zero-cost measure: RRF measure for which a member state does not provide a cost estimate, and which does not contribute to the estimated total cost of that member state's recovery and resilience plan.

Replies of the Commission

<https://www.eca.europa.eu/en/publications/sr-2024-22>

Timeline

<https://www.eca.europa.eu/en/publications/sr-2024-22>

Audit team

The ECA's special reports set out the results of its audits of EU policies and programmes, or of management-related topics from specific budgetary areas. The ECA selects and designs these audit tasks to be of maximum impact by considering the risks to performance or compliance, the level of income or spending involved, forthcoming developments and political and public interest.

This performance audit was carried out by Audit Chamber II – Investment for cohesion, growth and inclusion, headed by ECA Member Annemie Turtelboom. The audit was led by ECA Member Annemie Turtelboom, supported by Eric Braucourt, Head of Private Office and Guido Fara, Private Office Attaché; Friedemann Zippel, Principal Manager; Cristina Jianu, Head of Task; Marion Boulard and Michele Zagordo, Deputy Heads of Task; Marcel Bode and Tomas Krajtl, Auditors; Christos Aspris, IT Auditor. Paola Magnanelli, Michael Pyper and Fayçal Reghif provided linguistic support. Alexandra Mazilu provided graphical support.



From *left to right*: Paola Magnanelli, Christos Aspris, Friedemann Zippel, Fayçal Reghif, Eric Braucourt, Annemie Turtelboom, Michael Pyper, Michele Zagordo, Guido Fara.

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The Recovery and Resilience Facility (RRF) saw the first ever large-scale rollout of EU funding with no link to actual costs, which was expected to both deliver results and simplification. In this audit, we assessed the Commission's and member states' systems for avoiding double funding between the RRF, on the one hand, and the cohesion policy funds and the Connecting Europe Facility on the other. With unprecedented amounts of EU funding available for the cohesion objectives, we concluded that the use of financing not linked to costs leads to a higher risk of double funding. Considering the weaknesses in the control environment, we found that it is difficult to detect double funding. We make recommendations to help protect the EU's financial interests.

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