



**NEXT  
GEN  
EU**

# RECOVERY AND RESILIENCE FACILITY

## HOW THE RRF SUPPORTS BUSINESSES

#NEXTGENEU | FEBRUARY 2024

The Recovery and Resilience Facility (RRF) supports European businesses with substantial investments and important reforms, helping them grow, innovate and successfully compete within and outside of Europe.

Most Member States' Recovery and Resilience Plans (RRPs) (21 out of 27) include measures of **direct support** to companies – more than **EUR 47 billion** are earmarked for that purpose.

Businesses also benefit from **wider RRF measures** such as general measures to support R&I, actions to boost skills, financial instruments for companies, reforms of the business environment or digitalisation of public services.

**1.96 million companies**, mostly SMEs, have received RRF support – either monetary or in-kind – and counting, as Member States progress in implementing their plans.

Close to **600,000 companies** have been assisted specifically to develop or adopt digital products and services, including advanced digital technologies such as automation, artificial intelligence and cybersecurity.

The vast majority of the RRF measures do not require a State aid notification and the ones which are notified are processed as a matter of priority.

The business support measures in the RRFs are tailored to the key challenges of each Member State, as reflected in the country-specific recommendations issued annually by the Council. Member States are in charge of the implementation of their plans, in close cooperation with the European Commission. One major common thread across the plans is the support provided to businesses on their path to the **green and digital transition**.



## 1. THE RRF **DIRECTLY SUPPORTS** EU BUSINESSES

The RRF provides substantial direct support to businesses, in an open and accessible manner. The RRF support spans across multiple sectors: manufacturing, automotive, energy, wholesale and retail, tourism, culture. Many measures are making industry greener, reducing emissions and making industry ready for the climate-neutral future. The RRF is also fostering the take-up of transformative digital technologies to make EU companies more cutting-edge and future-proof.


### FRANCE

- 
- ▶ France provided **subsidies to 3,370 industrial SMEs and mid-cap companies** to acquire fixed assets for new technologies such as robotics, virtual reality, high-performance computing, digitally controlled production and artificial intelligence.

### ITALY

- 
- ▶ Italy provided **grants to more than 5,200 SMEs**, to support their internationalisation (e.g. to access foreign markets) and development of e-commerce.


### DENMARK

- 
- ▶ Denmark introduced an **increased two-year tax deduction** to encourage companies to invest in green and digital solutions (machinery, equipment, software). More than 1,000 companies have already taken advantage of this tax deduction.

### ESTONIA

- 
- ▶ Estonia has already **deployed EUR 103 million** to assist companies in the green transition and **EUR 10 million** in the digital transition.

### AUSTRIA

- 
- ▶ Through the RRF-funded investment premium, Austria incentivised the purchase of more than **20,000 zero-emission vehicles** and the installation of around **125 charging stations** by companies.



## 2. THE RRF STRENGTHENS EU COMPETITIVENESS IN THE LONG TERM THROUGH STRATEGIC INVESTMENTS

The RRF allocates substantial funds towards the areas of strategic importance for the EU, such as the green transition (e.g. with measures on energy independence, renewable energy production, renewable hydrogen production and decarbonisation of industry), digitalisation, R&I and re- and up-skilling of the workforce. This is set to reinforce Europe's long-term competitiveness, sustainability, strategic autonomy and resilience against future economic shocks.

### EUROPEAN UNION



- ▶ The RRFs include investments in cross-border **Important Projects of Common European Interest (IPCEIs)** in the fields of hydrogen technology (up to EUR 5.2 billion funded by the RRF), microelectronics and cloud infrastructure (up to EUR 4.8 billion funded by the RRF). The implementation of these IPCEIs is on course: to take one example, Austria has selected and is implementing eight projects under the Hydrogen IPCEI and six projects under the Microelectronics IPCEI.
- ▶ Through the RRF, Member States are mobilising more than **EUR 47 billion in R&I investments** (almost half of the Horizon Europe budget), in addition to launching R&I reforms.

### SPAIN



- ▶ Spain launched, with the RRF support, **twelve Strategic Projects (so-called PERTEs)** in key areas including renewable energies and energy storage, decarbonisation of industry, circular economy, electric and connected vehicles and production of semiconductors.

### FRANCE

- ▶ With the **'Future Investments Programme'**, France stepped up investment in research and awarded contracts to companies in key strategic fields, such as quantum computing, cybersecurity, 5G and cloud.



### LITHUANIA

- ▶ Lithuania invested EUR 88 million from the RRF funds to develop **four energy storage installations** with a total capacity of 200 MW, contributing to the security and stability of energy supply for citizens and businesses.



### 3. THE RRF PROMOTES **GOOD BUSINESS ENVIRONMENT**

Complying with regulations and administrative formalities is often challenging for companies, especially for SMEs. Through the RRFs, Member States reduce unnecessary administrative burden and improve their business environment.

#### EUROPEAN UNION



- ▶ Member States are introducing various modernisation and simplification reforms, such as establishing public administration **one-stop shops** (e.g. Portugal, Austria, Estonia), streamlining **procedures for obtaining permits and licenses** (e.g. Cyprus), accelerating and improving **insolvency procedures** (Slovakia, Italy) and integrating the **SME Test**, which reduces the regulatory burden, into policy-making (Ireland, Hungary).

#### SLOVENIA



- ▶ Slovenia adopted the **“Debureaucratisation Act”**, which reduces the administrative barriers for business sector and citizens. The Act repealed over 200 laws and bylaws and reduced the Slovenian body of laws by 10%.

#### PORTUGAL



- ▶ Portugal adopted a **reform on regulated professions** to separate the regulation and representation functions in professional associations, reduce the list of reserved activities, end restrictions to ownership and management of business services firms, and allow multidisciplinary business services.

#### FRANCE



- ▶ France introduced the **“ASAP Law”** to **facilitate business development and simplify administrative procedures**, notably by providing legal certainty for situations when environmental regulations change while industrial and construction projects are being assessed.

#### SPAIN



- ▶ Spain enacted the **“Start-up Law”** which establishes a favourable framework for the creation and growth of highly innovative start-ups, notably through tax incentives, as well as for the attraction of foreign entrepreneurs and investors. Spain also introduced legislative measures to simplify procedures for setting up a business.

#### ITALY



- ▶ Italy introduced several reforms to improve its business environment, notably **reducing the time to set up a business** to 4 days.



## 4. THE RRF UNLOCKS FINANCING FOR BUSINESSES

Businesses, especially small companies and start-ups, at times struggle to get financing for their investment needs. This may be due to not having a proven financial track record or investors lacking information to assess the company's credit risk or the value of its intangible assets. The RRF helps address these challenges. Many RRFs set up financial instruments or public schemes which incentivise private investment to help companies obtain financing, in particular to promote innovation and investments in green and digital technologies.



### CROATIA



- ▶ Croatia established a **financial instrument for micro, small and medium-sized enterprises** to encourage their investments in new technologies, modern machinery/equipment, production and service capacity, as well as the pursuit of green transition measures.



### GREECE



- ▶ Greece created a Loan Facility making available more than **EUR 17 billion of RRF loans**, and mobilising additional private funds, to support private investments, notably in the climate and digital transitions. Loan contracts corresponding to more than EUR 3.5 billion of RRF loans have already been signed.



### ITALY



- ▶ Italy established a **financial instrument for start-ups**, with the signature of the agreement between the government and the implementing partner *Cassa Depositi e Prestiti (CDP)* which will leverage private sector investment to provide at least EUR 400 million to support Italy's digital start-up ecosystem.



### CYPRUS



- ▶ Cyprus established an **equity fund** which increases the availability of alternative financing sources, particularly for innovative companies and start-ups.



### LATVIA



- ▶ Latvia set up a **combined financial instrument** (a repayable loan with a capital discount) to encourage businesses to save energy by installing renewable energy technologies, as well as investing in sustainable transport.

## 5. THE RRF INCREASES THE AVAILABILITY OF **SKILLED WORKFORCE**

The RRF addresses one of the main challenges for businesses – the difficulty to find skilled employees. The RRF supports reforms and investments to upskill and reskill the workforce and strengthen life-long learning frameworks, to ensure that enough individuals are equipped with the right skills needed in a rapidly evolving economy.

### BELGIUM

- ▶ Belgium introduced **tax advantages** for companies which provide additional training to their employees.



### GERMANY

- ▶ Germany awarded **funding to at least 70,000 applications** to support apprenticeships in companies.



### LITHUANIA

- ▶ Lithuania adopted **legislation establishing an apprenticeship scheme**, targeting more than 3,800 vocational education and training students, of which 70% in SMEs and at least 40% oriented towards the development of digital skills.



### FINLAND

- ▶ Finland set up a **service centre for continuous learning and employment** to promote the development of skills and to increase the matching between educational courses and the labour market's needs.

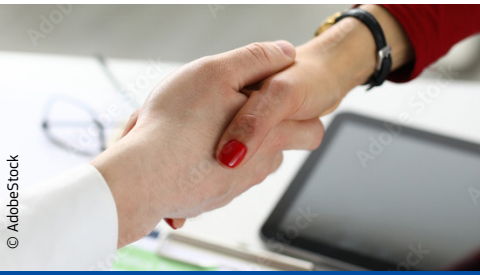




## 6. THE RRF OFFERS **NEW BUSINESS OPPORTUNITIES**

The RRF strengthens the single market by promoting intra-EU collaboration, advancing interoperability and opening up markets for EU businesses. The implementation of the RRFs helps European businesses grasp new business opportunities and many are doing so.

### ITALY, GREECE



- ▶ The RRFs **improve public procurement processes and foster market openness**. Italy introduced a reform to put up for tender a number of public contracts and concessions (e.g. for hydropower, ports, waste, local transport, electric charging). Greece is implementing a comprehensive reform to improve the public procurement framework, including through a series of regulatory and digital interventions and capacity-building for civil servants.

### EUROPEAN UNION



- ▶ The RRFs include a number of **multi-country projects and cross-border initiatives**, which benefit several Member States and encourage collaborations and knowledge sharing. In addition to several IPCEIs, the multi-country projects in the RRFs relate to, among others, electric and rail interconnectors, cross-border 5G corridors, quantum communication infrastructure and high-performance computing. Several cross-border projects will also foster interoperability of EU railways.



- ▶ European companies are seizing the opportunities offered by the RRF implementation in other Member States:
  - In a truly European partnership, Swedish Elekta and Dutch Philips are supplying key components for the installation of a **magnetic resonance linear accelerator for cancer treatment in Malta**, 1 of about 100 such machines worldwide.
  - Airbus develops **low or zero carbon aerospace** technologies in Spain.
  - Austrian company Wienerberger is launching an **innovative decarbonisation project in Western Slovakia**, greening its brick production line.
  - French Eviden was the selected provider for Marenostrom 5, the **new pre-exascale supercomputer inaugurated in Barcelona** - the largest investment made by Europe in a scientific infrastructure in Spain.