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Europäischer Fonds
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Evaluation of REACT-EU under the 2014-2020 OP ERDF NRW

Executive summary of the final report

18 November 2024

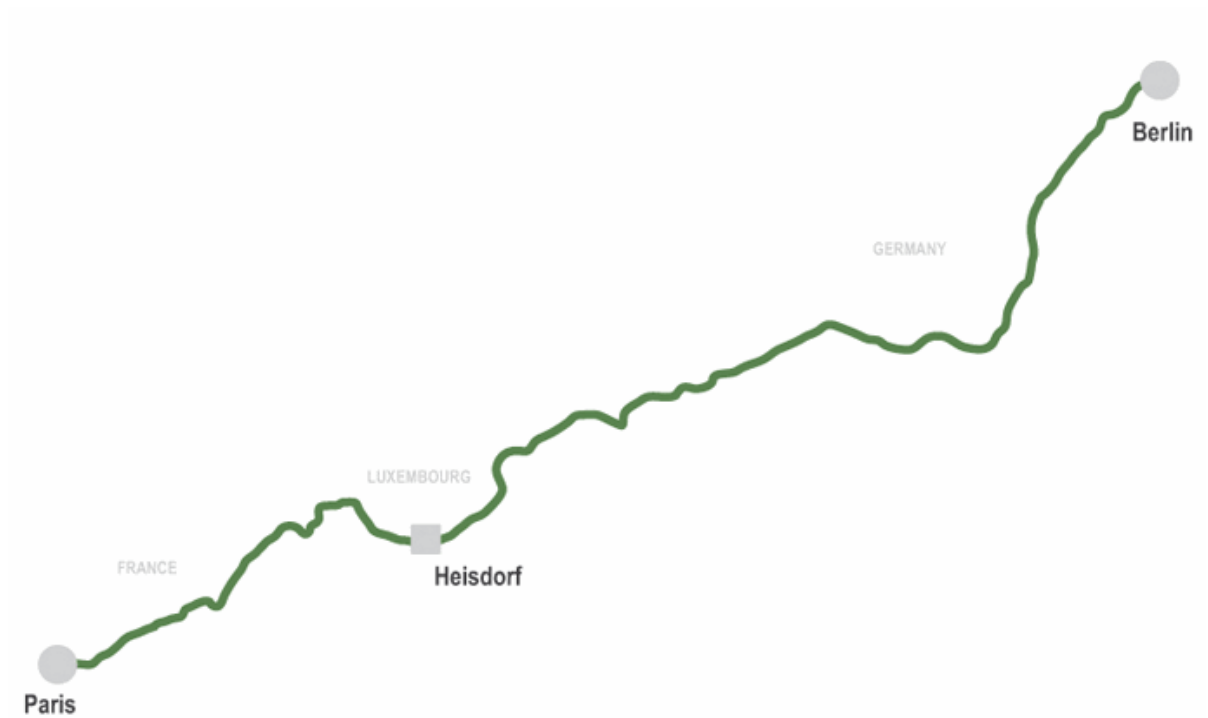
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On behalf of the
Ministry of Economic Affairs, Industry, Climate Action and Energy of the State of
North Rhine-Westphalia

Ministry of Economic Affairs,
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of the State of North Rhine-Westphalia



REPORT



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Introduction

In response to the COVID-19 pandemic, the EU provided additional funding to the 2014-2020 Structural Fund programmes through REACT-EU (*Recovery Assistance for Cohesion and the Territories of Europe*). The aim of this recovery assistance was to provide assistance for fostering crisis repair in the context of the COVID-19 pandemic and its social consequences, and to help preparing a green, digital and resilient recovery of the economy. In North Rhine-Westphalia the structural funds were also increased by REACT-EU and a priority axis for REACT-EU was added to the 2014-2020 Operational Programme ERDF NRW (hereafter: 2014-2020 OP ERDF NRW). The funding priorities of the new priority axis were digital and green transformation.

In accordance with Article 92b (12) of Regulation (EU) No 1303/2013, as amended by the REACT-EU Regulation (EU) No 2020/2221 of the European Parliament and of the Council of 23 December 2020, the ERDF Managing Authority NRW has to carry out an evaluation of the use of REACT-EU funds by 31 December 2024. In accordance with the REACT-EU Regulation, the evaluation assesses the effectiveness, efficiency and impact of the use of REACT-EU funds under of the 2014-2020 OP ERDF NRW.

This document contains the executive summary of the final report of this evaluation. The following pages summarise the main findings of the evaluation for each of the evaluation questions in the areas of effectiveness, efficiency and impact. In addition, this summary concludes with some lessons learned.

Effectiveness

What has been achieved with the funding? What results have been achieved?

Given the urgency and the relatively short implementation period for all projects under the REACT-EU programme, the number of projects approved for almost all measures can be considered appropriate in relation to the funds available. Overall, the number of projects and the high number of institutions/organisations supported indicate that the target groups were effectively reached, and that real and acute needs were met. The results achieved with the funding are very diverse and difficult to summarise. Individual project examples are therefore more appropriate to illustrate the results of REACT-EU funding in each measure.

What is the status of target achievement? Why have targets not been met or exceeded?

In general, we can speak of effective and successful implementation. There are various reasons for the under-achievement or over-achievement in some measures. These include the fact that the targets were difficult to estimate, particularly for new measures such as the funding of digitisation equipment. In addition, not all measures were planned from the start of REACT-EU funding. The funding of micro-projects under the "Promotion of zero-emission commercial vehicles" posed particular challenges as it was not in line with the self-imposed objective of avoiding a large number of beneficiaries.



What were the success factors/obstacles in the context of the funding?

There were a number of external factors that helped or hindered the implementation and achievement of objectives of the REACT-EU funding in NRW. Examples of success factors include

- a favourable time for funding,
- a high level of readiness and motivation of all stakeholders,
- the possibility of 100% financing,
- synergies between measures and with other funding programmes,
- the integration of the various individual measures into the strategic framework for promoting digital and green transformation.

Examples of obstacles were

- the high time pressure in organising calls for proposals and funding guidelines and in implementing projects,
- difficulties in coordination and decision-making at the beginning of the funding,
- human resource constraints for some stakeholders,
- lack of experience with ERDF funding applications among some beneficiaries.

Efficiency

How successful was REACT-EU in responding to short-term needs (in terms of funds spent)?

The planning and implementation periods for the REACT-EU measures were very short compared to standard ERDF measures. The time efficiency can therefore be considered very high, especially as many measures were designed from the outset to be efficient, but were also intended to respond to the specific and diverse needs of different target groups.

Overall, a high disbursement rate was achieved, indicating a high level of implementation efficiency. The disbursement rate is 89.7% of the funds actually made available by the EU. Of the EUR 263 million available, EUR 235.9 million was disbursed. This high disbursement rate contrasts with a relatively low approval rate for some measures, which points to problems in the implementation of these measures and in some cases can be specifically justified. In addition, the intelligent management of the managing authority with close monitoring activities and corresponding reactions had a positive impact on the disbursement rate.

The design of REACT-EU measures has already sought to address the specific needs of target groups affected by the crisis. In particular, schools and other educational institutions, non-profit sports organisations, small and medium-sized enterprises and the general public, who had shown a high demand for local recreational and leisure activities during and after the COVID-19 pandemic, were targeted. The demand for the funding support also confirms the existence of a real need. It is therefore plausible to assume that the REACT-EU measures met acute needs in the short term.

Which processes and procedures were particularly efficient, in which areas were there inefficiencies? What role did digital processes play?

Although there were inefficiencies, it is rather surprising that it was possible to develop mostly efficient processes in a short period of time. Examples of efficient processes are



- the open and democratic approach to the selection and definition of support measures,
- good and effective cooperation between the different bodies of the ERDF system, including the cooperation between the ERDF managing authority and the intermediary bodies and the cooperation with the beneficiaries at local level,
- the speed with which the procedures and funding guidelines were set up in order to provide rapid assistance to the target groups,
- the testing of new selection procedures,
- the focus on promoters and larger interface organisations as beneficiaries,
- close management of implementation to increase absorption of funds.

Impacts

How has REACT-EU contributed to crisis mitigation and preparing the economy for recovery?

REACT-EU measures have had a wide range of impacts, that have already affected the people and organisations involved in the funded projects in this short period of time. REACT-EU funding has thus contributed to the crisis mitigation and recovery of the economy and other social actors in the funded areas in NRW. Data collection and analysis also confirm a high likelihood of long-term contributions to major social change.

A positive aspect is that the impacts of the individual measures did not only address one area of the transformation, but always had an impact on different areas. Due to the diversity of the measures, the detailed impacts of the individual measures can hardly be aggregated, especially with regard to the network of different influencing factors and the characterisation of the impacts. Rather, there is a multiplicity of impacts that affect different target groups to varying degrees.

Was it possible to establish long-term effects and continuity through the funding, e.g. cooperation or follow-up projects?

Overall, it is too early to systematically analyse the continuity of REACT-EU funding. However, due to the existing funding conditions with earmarking periods and corresponding controls in the framework of the funding, it can be assumed that a very high proportion of projects, around 90%, have achieved or are aiming for continuity through further use of equipment, vehicles and infrastructure as well as through follow-up projects.

The analyses have identified a wide range of approaches for follow-up activities, some of which can be explicitly traced back to REACT-EU projects. Examples include the strategic planning and management of digitisation by school authorities, as well as various follow-up projects, scaling up and expansion, and further cooperation and synergies with other activities in the area of green transformation measures, which at least strive for and promote a continuation of the effects.

How do the measures contribute to crisis mitigation in particularly affected sectors (e.g. socially disadvantaged schools, small and medium-sized enterprises)?

In many places, the REACT-EU measures had a positive impact on sectors or target groups particularly affected by the COVID-19 pandemic and its consequences. Overall, impacts can be observed in four areas: (1) schools, educational institutions, cultural institutions, popular sports organisations and other social actors; (2) particularly affected sectors such as tourism and medicine/health; (3) small and



medium-sized enterprises; and (4) municipalities and other public actors in terms of improving the quality of life of the population, especially under pandemic conditions.

How do the measures contribute to the horizontal objectives?

All activities in support of "digital transformation" contribute significantly to equal opportunities, non-discrimination and inclusiveness. These contributions often go hand in hand with improved gender equality. These impacts have been confirmed in the evaluation. In contrast, contributions to sustainable development in terms of climate and environmental protection are to be expected more indirectly from "digital transformation" projects.

All "green transformation" projects are expected to make a very significant contribution to sustainable development in terms of climate and environmental protection. The objective of sustainable development is supported at different levels and from different perspectives. Positive results and impacts thus confirm a significant contribution to this horizontal objective. Individual "green transformation" projects show high contributions to equal opportunities, non-discrimination and inclusiveness, while active contributions to gender equality are rather rare and can only be observed occasionally as side effects.

Learning experiences

What aspects worked well/less well in the specific context of REACT-EU? For what reasons?

The following aspects worked well for REACT-EU:

- high motivation of all stakeholders,
- effective coordination of all stakeholders, including the different competences of the intermediary bodies,
- active and intensive information and guidance work between intermediary bodies and applicants,
- the inclusion of interface organisations as target groups for funding instead of many individual final beneficiaries,
- the broad impact and visibility of ERDF funding, to which new communication measures in particular have contributed.

The following aspects worked less well for REACT-EU:

- initial challenges of coordination with stakeholders inexperienced in ERDF had to be overcome,
- the need to act quickly led to minor implementation errors, which had a negative impact on effectiveness in certain areas,
- short-term project implementation based on real costs and expenditure is only recommended in certain cases due to the effort involved.



What are the lessons for the 2021-2027 funding period and future programmes?

The following lessons can be highlighted:

- The REACT-EU experience in programme planning and implementation provides starting points for changes in future programme planning as well as opportunities for more effective coordination during implementation.
- The challenges of the crisis have had a positive impact on the flexibility of administrative structures and have accelerated initiated changes, which should also be explored for their applicability outside crisis situations.
- REACT-EU has made it possible to test the digitalisation of some processes. Corresponding lessons should be recognised.
- Systematic guidance for beneficiaries is particularly important for inexperienced applicants and resource-poor organisations and municipalities in order to improve their chances of obtaining funding and avoid unnecessary additional work for all parties involved.
- The use of new communication media (e.g. stickers on subsidised equipment) shows ways to contribute to raising awareness of the added value of EU funding.
- Despite the largely positive experiences of the planning and implementation of REACT-EU, the limitations of using the Structural Funds as a crisis instrument are very clear: the measures funded under the ERDF programme generally require longer-term funding in order to have a sustainable impact. Using the ERDF as a short-term crisis instrument contradicts the structural and strategic planning approach. In addition, crisis interventions require streamlined procedures that do not apply to funding instruments governed by the European Structural Fund Regulations.



IMPRINT

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