Performance based financial instruments – lessons learnt from other funds

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Setting the scene - key differences

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Shared Management Funding

- EUR 543bn (including co-financing)
- Programme based, with ex ante conditionalities
- 7 (+2) year implementation period, fostering longer term investment
- **Co-financing requirement, ensuring MS ownership of programmes and also generating leverage**
- Reform role not explicit but inherent in many investment areas
- Element of thematic concentration
- **Payment based on defrayed costs**
- Explicitly foresaw role of financial instruments in regulatory framework
- CPR foresees continuation of FIs over successive implementation periods

Recovery and Resilience Facility

- EUR 723bn (EUR 385bn* loans and EUR 338 grant)
- Based on National Recovery and Resilience Plan
- As recovery instrument, short implementation period – final milestones achieved by mid 2026.
- **No co-financing required**
- Able to finance public administration reforms
- Strict thematic concentration – climate and digital
- **Payments based on achievement of milestones and targets**
- Arguably did not envisage role of financial instruments initially – relying on CPR for inspiration and guidance

* not all requested by MS

What features work best for FIs, how might future policy instruments be aligned?

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Thank you

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