

Safeguarding the Principle of Additionality

Key Challenges in Implementation and Recommendations for Strengthening Compliance

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Introduction

The principle of additionality is a *foundational pillar of EU funding architecture*, reflecting the Union's core commitment to solidarity, cohesion, and shared responsibility. It ensures that EU resources enhance—rather than substitute—national, regional, or private investment, by speeding up development and catalysing progress, providing added value.

The principle of additionality has been especially relevant in areas such as cohesion policy and regional development. While the 2014–2020 programming period adopted a more explicit approach to defining and operationalising the concept of additionality, the current period and its accompanying regulations place noticeably less emphasis on it (see Section 1 for details).

This shift raises important concerns about consistency, accountability and the long-term credibility of EU investment instruments of the future. Criticism from the European Court of Auditors has reinforced these concerns in its 2023 assessment, warning that the progressive relaxation of additionality requirements since 2007, culminating in the Commission's decision not to verify additionality during the 2021–2027 period, has *increased the risk of double funding and undermined the control mechanisms intended to prevent EU resources from replacing ongoing national expenditure*.

Against this backdrop, civil society organisations¹ welcomed the fact that the Social Climate Fund Regulation² restores the additionality principle as an explicit requirement. This is essential to restore public trust in EU financial governance. Otherwise, EU funding may be used simply as an uncontrolled substitute for national or regional investments.

Ensuring that funds genuinely comply with the additionality principle remains difficult in practice. The one-year postponement of ETS2 and the discussions on the planned new MFF provide a timely opportunity to revisit both the historical practice and the possible future application of this principle.

¹ <https://climatefairmonitor.eu/partners/>

² <https://eur-lex.europa.eu/eli/reg/2023/955>, Article 1 provide3

1. Lessons learnt during 2007–2013 and 2014-2020

To fully grasp where the additionality principle stands today, it is essential to consider its regulation and application in the previous programming periods.

To ensure compliance with the additionality principle³ during the 2007–2013 programming period regarding the Structural and Cohesion Funds, the European Commission established a structured additionality verification system based on *ex-ante*, *mid-term*, and *ex-post assessments*. *Methodological guidance* was provided by the Commission⁴, which offered detailed instructions on calculating public or equivalent structural spending to avoid any displacement of national investments by EU funds. The Commission worked with Member States to fix a reference level of public expenditure at the start of the period (*ex-ante*), verified continued compliance during the programming cycle (*mid-term*), and conducted a final verification afterwards (*ex-post*). The Commission emphasised that the given methodology served to “provide guidance” on ensuring that EU support acted as a complement rather than a substitute for national expenditure, and mandated that Member States submit evidence-based, comparable statistical data, covering areas financed by the *Structural Funds*, and introduced corrective measures if additionality was not respected. As an example of this verification in practice, the Commission’s 2017 *ex-post Verification Report*⁵ shows that the additionality principle was not merely a formal requirement but a functional safeguard for EU investment during the 2007–2013 period. Although national public investment fell sharply in the wake of the financial crisis, structural expenditure remained broadly consistent with the *ex-ante* commitments, and — after the agreed *mid-term* adjustments — compliance was achieved in all but one Member State. This outcome underscores the value of a structured, multi-stage verification system: *it maintains accountability while allowing controlled adjustments*.

But is also important to note that the Verification Report pointed out⁶ problems with the applied method (comparability of data due to various methods used by Member States to verify additionality and the official statistics available in the EU) and the heavy

³ According to Council Regulation (EC) No 1083/2006, Article 15, “The contribution from the Funds shall not replace public or equivalent structural expenditure by Member States.” <https://eur-lex.europa.eu/eli/reg/2006/1083/oj/eng>

⁴ *Commission Working Document No. 3 (December 2006)*. The New Programming Period 2007-2013. Commission Methodological Paper Giving Guidelines on the Calculation of Public or Equivalent Structural Spending for the purposes of Additionality. https://ec.europa.eu/regional_policy/sources/guidelines/2007/wd3_additionality_en.pdf

⁵ COMMUNICATION FROM THE COMMISSION Ex-post verification of additionality 2007-2013 COM/2017/0138 final <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52017DC0138>

⁶ “The volume of the information to be submitted is a significant burden for Member States and presents verification difficulties for the Commission because of problems of comparability between the various methods used by Member States to verify additionality and the official statistics available in the EU. These are some of the reasons why the verification of additionality for the 2014-2020 period has been substantially simplified and aligned with the economic governance of the EU. Additionality, albeit revised, remains a key element of the architecture of cohesion policy for the 2014-2020 period to encourage growth-enhancing investments..... In addition, the differences in methodologies for calculating structural expenditure across Member States make their comparability difficult and may introduce some significant bias in the assessment by the Commission. The way Member States record and classify expenditure for the purpose of additionality varies considerably from one to another.” https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52017DC0138&utm_source

administrative burden imposed on EU institutions and Member States. Unfortunately, rather than finding a real solution to these methodological problems, the monitoring of additionality was watered down for the next programming period.

The experience of 2007–2013 is a good example to demonstrate how additionality operates as a safeguarding of a horizontal principle — and why its monitoring framework should be reinforced rather than diluted. This structured monitoring framework upheld the credibility of the Cohesion Policy and preserved the EU budget's role as an added value catalyst rather than a mere financial substitute.

For the period 2014-2020, the principle of additionality was regulated in the *Common Provisions Regulation*⁷, with a focus shifted in order to enhance investment for growth and jobs (European Regional Development Fund, European Social Fund). The aim was to ensure that the Funds generate a genuine economic impact, and to prevent that they substitute public or equivalent structural spending by Member States. The level of public expenditure should have reflected the broader macroeconomic context, as indicated in the stability and convergence programmes submitted annually by Member States⁸. The Regulation emphasised the obligation of Member States to maintain their national expenditure in the same sectors as those financed by the EU, thus ensuring that EU funds do not replace existing investments but add value to them.

In the ex-post evaluation of the European Regional Development Fund (ERDF) and the Cohesion Fund⁹, the method of verifying additionality was heavily simplified. Member States committed to maintaining a level of public or equivalent structural expenditure, measured in terms of the gross fixed capital formation of the general government, at least equal to the reference level set in the Partnership Agreement at the beginning of the period. According to this document, a simplified mid-term verification was carried out – however, due to the economic impact of COVID-19, no corrective measures were imposed. The verification indicates that evidence collected for this ex-post evaluation showed a generally strong, positive correlation between cohesion policy funding and public investment in the Member States. Nevertheless, detailed guidance on implementation and verification remains lacking, making its practical application neither straightforward nor easy to assess. This might explain why many companies have received EU funding that they did not really need – either because they would have performed the given investment anyway, or because the given investment wasn't necessary or economically justified.¹⁰

⁷ Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 Article 95 <https://eur-lex.europa.eu/eli/reg/2013/1303/oj/eng>

⁸ under Council Regulation (EC) No 1466/1997.

⁹ https://ec.europa.eu/regional_policy/information-sources/publications/evaluations/2025/ex-post-evaluation-of-the-european-regional-development-fund-erdf-and-the-cohesion-fund-for-the-programming-period-2014-2020_en?utm_source=chatgpt.com

¹⁰ For example, in Hungary, this phenomenon has been described already many years ago. László Szerb, Associate Professor at the Faculty of Business and Economy at the University in Pécs, in the study ordered by the Reformszövetség (Reform Alliance), an influential business circle, stated: “To make things worse, the calls to apply for grants often miss their goal; they do not facilitate finding solutions for the actual problems, while the funds offered generate a demand that the company concerned does not necessarily need. ... In the period between 2003 and 2006, the growth rate of enterprises that received state subsidies did not show any significant difference in comparison to companies that did not receive such grants. In fact, many of the grant-aided firms actually registered negative growth.”

2. Where do we stand now – and concerns

The move to a more flexible, results-based programming model appears to have further diminished the prominence of additionality in the 2021–2027 regulatory framework. The commitment to this principle is only implicit in the current programming period; “additionality” is not specifically defined in a single article but reflected in a more general way. The financial rules applicable to the general budget of the Union¹¹ stipulate that financial instruments must achieve additionality by avoiding the substitution of potential public or private investment. However, it neither defines nor regulates the principle explicitly¹². References to additionality appear only at a general level in evaluation reports¹³, and although added value and additionality are part of the regulative framework¹⁴, no specific methodology for verifying whether the added value is being applied in practice was found.

The implementation of the Recovery and Resilience Fund has drawn the attention of the European Parliament to additionality. In 2022, the Parliament asked¹⁵ Member States to consider cohesion policy and the RRF as a *budgetary and operational tandem*. This was to avoid overlaps in the implementation of the national RFF over the programming and implementation of the cohesion programmes. At the same time, the

(Gazdaságpolitikai javaslatok a Reformbizottság számára a kis- és középvállalatok helyzetének javítására. [Proposals for economic policy to improve the situation of SMEs]. Összeállította: Dr. Szerb László, 2009, www.reformszovetseg.hu/hatteranyag/Realgazdasagi_Munkacsoport/KKV.doc [not accessible any more]

Miklós Hegedűs, managing director of the influential economic consultancy GKI Energy Research and Consulting Ltd., concluded the following: “The subsidies allocated to Hungary’s business sector do not result in any perceptible improvement of the growth potential or the much-coveted competitiveness. It is a hardly refutable suspicion that a large part of the grants arriving in Hungary is just ‘money going down the drain’, and that, even with the best of intentions, they do not contribute to attaining Hungary’s fundamental economic policy goals (growth, regional development, specialized training, etc.) but rather prolong the agony of enterprises that are unfit for survival.” (Ki hol söpörjön? [Who should sweep where?] Világgazdaság, 23.01.2008, <http://www.vg.hu/index.php?apps=cikk&cikk=205138>

A great number of similar assessments are available.

¹¹ The financial rules applicable to the general budget of the Union (Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018) Article 209 <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:32018R1046>

¹² (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32021R1060>

¹³ Mid-term evaluation of the cohesion policy programmes 2021-2027 financed by the European Regional Development Fund (ERDF), the Cohesion Fund and the Just Transition Fund (JTF) https://ec.europa.eu/regional_policy/policy/evaluations/ec/2021-2027_en

¹⁴ “(15) At Union level, the European Semester of economic policy coordination, including the principles of the European Pillar of Social Rights, is the framework to identify national reform priorities and monitor their implementation. Member States develop their own national multiannual investment strategies in support of those reforms. Those strategies should be presented alongside the yearly National Reform Programmes as a way to outline and coordinate priority investment projects to be supported by national or Union funding, or both. They should also serve to **use Union funding in a coherent manner and to maximise the added value of the financial support to be received**, in particular from the Funds, the Recovery and Resilience Facility established by Regulation (EU) 2021/241 of the European Parliament and of the Council ⁽⁹⁾ and the InvestEU Programme established by Regulation (EU) 2021/523 of the European Parliament and of the Council ⁽¹⁰⁾ (the ‘InvestEU Regulation’).” <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32021R1060>

¹⁵ https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=oj%3AJOC_2022_434_R_0006&utm_source

Parliament called on the Commission to ensure that the Member States respect the principle of resource additionality with regard to the cohesion programmes.

In 2023, the *European Court of Auditors* (ECA) raised concerns about the risk of double funding in the 2021-2027 EU budget. The ECA found that the control mechanisms in place are not sufficient to mitigate this risk. *“In cohesion policy, EU added value was assessed under the concept of additionality: the requirement that cohesion policy funds may not replace recurring national expenditure. However, since 2007, the requirement for Member States to demonstrate this has been gradually lifted. In the 2021-2027 period, the Commission will no longer verify additionality when assessing partnership agreements and programmes.”*¹⁶ According to the European Court of Auditors, *“there has been a rationalisation of regional programmes and centralisation of decision-making in several Member States, particularly where the scale of cohesion policy funding has diminished over time. And the additionality principle requiring that EU funding does not substitute for national funding was discontinued for 2021–27.”*¹⁷

As the ECA document summarises it, for Member States with regions covered by the convergence objective (i.e. those whose per capita GDP was less than 75% of the EU average), the additionality principle was required during the **2007-2013 period**, as they were obliged to keep the same level of public or equivalent structural expenditure. *“During the 2014-2020 period, the additionality requirement was deemed to be fulfilled as long as Member States maintained the same level of public structural expenditure throughout the period at national level”*¹⁸. In contrast, as a simplification measure, for **2021-2027**, the Commission no longer requires Member States to demonstrate the additionality of programmes.¹⁹

3. Social Climate Fund and additionality

The Social Climate Fund has brought the additionality principle²⁰ back to the forefront, reversing the gradual dilution seen in recent funding frameworks. In line with the additionality principle, the SCF is structured to ensure that its funding does not substitute recurring national expenditures.

According to the Commission Notice Guidance on the Social Climate Plans²¹, only the part of an existing investment that is scaled up can be financed by the SCF, as well as measures or investments to mitigate the social impacts of the national ETS for buildings and road transport, or a carbon tax. The ambition of a scaled-up measure or investment must exceed that of the original. This can be achieved through quantitative or qualitative changes, increased funding, the redesign of measures and investments, or an increase in timeframe or scope. If the whole material scope and/or all final

¹⁶ https://www.eca.europa.eu/Lists/ECADocuments/RW23_01/RW_RFF_and_Cohesion_funds_EN.pdf

¹⁷ <https://euauditors.medium.com/cohesion-policy-where-has-it-come-from-where-is-it-going-79aa681dd583>

¹⁸ No reference was made to regional expenditure levels. This requirement was verified only for those Member States whose less developed regions covered at least 15 % of their total population, under certain conditions.

¹⁹ https://www.eca.europa.eu/Lists/ECADocuments/RW23_01/RW_RFF_and_Cohesion_funds_EN.pdf, p. 36

²⁰ Regulation (EU) 2023/955, Article 13 <https://eur-lex.europa.eu/eli/reg/2023/955/oj/eng>

²¹ <https://eur-lex.europa.eu/eli/C/2025/1597/oj/eng>

recipients of an existing measure or investment are already eligible under the SCF Regulation, it would need to include another element to comply with the principle of additionality (e.g., cost increase, extending a measure in time). If only part of the scope of the measure or of the final recipients is eligible under the previous scheme, the scale-up could consist of reallocating funds originally designated for the SCF-eligible measures/groups, ensuring additionality for these eligible measures/groups. No methodology for the assessment of compliance has been published so far.

The Commission's guidance²² reinforces the additionality logic: SCF resources can support only the scaled-up share of a measure, ensuring that Member States cannot simply relabel existing schemes. Any national measures already mitigating the social effects of carbon pricing must be significantly expanded to qualify for SCF financing.

The Regulation makes clear that SCF resources are intended to *supplement* — not substitute — existing Union and national climate and social expenditure. It obliges Member States to deploy the Fund exclusively for measures that advance climate objectives under the EU budget, thereby providing an essential safeguard against the diversion of national spending and ensuring no double-financing of actions.

The SCF Regulation requires Social Climate Plans to demonstrate how their measures complement, rather than duplicate, cohesion policy investments by ensuring additionality and clear coordination with other funding instruments. Plans must outline the mechanisms that distinguish SCF support from cohesion policy spending. Close cooperation with managing authorities is deemed essential to prevent any risk of double funding.²³ Although the ex-ante prevention of double funding is regulated for MSs (as an internal control system)²⁴, the overall guidance on assessing and verifying additionality regarding SCF has yet to be provided.

4. Other ambiguities of the implementation of the additionality principle

Some studies²⁵ state that “it is questionable whether this principle has ever actually been obeyed. For example, Varblane (2016) concluded that EU funds replaced the Baltic countries' own funding of higher education research, thereby violating the additionality principle.” It would therefore be worthwhile for the question to be analysed as to whether the principle has been complied with by the MSs, so that part of the national resources could be returned to the financing of regional and cohesion projects. The same study states another important aspect, namely *corruption*: “when the risk of corruption or the less-careful use of EU funds is high, we see a clear rationale for increased national co-financing”.

Experience shows that the practical application of the additionality principle remains complex. Key obstacles — such as comparability of data across Member States, the lack of a unified assessment methodology, and ongoing difficulties in measuring the actual added value delivered by EU funds — are challenges that still need to be

²² <https://eur-lex.europa.eu/eli/C/2025/1597/oj/eng>

²³ <https://eur-lex.europa.eu/eli/C/2025/1597/oj/eng> Section 6.b

²⁴ <https://eur-lex.europa.eu/eli/C/2025/1597/oj/eng> Section 9

²⁵ <https://www.bruegel.org/sites/default/files/wp-content/uploads/2019/06/cohesionpolicyep.pdf>

systematically addressed. There is a serious concern that some funds may be used as a substitute for national or regional investments, rather than as an enhancement.

Independent experts have noted that, although not mentioned in official documents, some Member States have used EU funds as an opportunity to increase national spending on projects with limited — or even questionable — economic, social, or environmental benefits, sometimes contradicting the aims²⁶ of EU funding. This can also be viewed as a violation of the principle of additionality, as it suggests that the Member State could have used its own funds for EU-supported goals instead of financing projects that contradict EU objectives.

5. Where to go from here

While simplification and flexibility of the financial instruments are important efficiency considerations, the integration and coherence of priorities and *long-term objectives* – such as the EU’s urgent climate policy targets and democratic values – may be *jeopardised* if the principle of additionality is downgraded and loses its significance. Moreover, it could be a very important element to measure the real contribution of EU funds (even if its assessment is challenging) and to avoid the development prospects of the assisted areas being lower than the full potential impact of EU funds.

The additionality principle may at times appear to conflict with the need for flexibility in addressing diverse national circumstances. However, experience from the 2007–2013 period shows that this tension can be managed: mid-term validation and adjustment mechanisms allowed programmes to remain both flexible and accountable. This suggests that the monitoring framework should be strengthened, not weakened.

It is clear that a coherent EU-level methodology for verifying additionality should be established to ensure that shared-management funds generate genuine net investment rather than displacing national or regional expenditure. The above detailed experience demonstrates that the practical application of the principle is complex, with challenges such as data comparability across Member States, the lack of a unified assessment approach, and how to measure the actual added value delivered by EU financing continues to pose methodological difficulties.

6. Recommendations

To address the above detailed systemic weaknesses, a new methodology – or a revision of the Commission 2006 methodology²⁷ should be applicable for assessing and monitoring the Member States’ compliance with the principle of additionality in relation to current and future EU funds. This monitoring methodology should reflect lessons learnt from previous programming periods, without overburdening MSs and EU institutions with administrative tasks. The European Commission must create a system that is able and effective to control the entire programming period process, with a monitoring (ex-ante, mid-term, ex-post) method that ensures compatibility with

²⁶ https://www.levego.hu/sites/default/files/Supplement_MFF-Climate-CAAG-final.pdf

²⁷ *Commission Working Document No. 3 (December 2006)*. The New Programming Period 2007-2013. Commission Methodological Paper Giving Guidelines on the Calculation of Public or Equivalent Structural Spending for the purposes of Additionality. https://ec.europa.eu/regional_policy/sources/guidelines/2007/wd3_additionality_en.pdf

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the principle of additionality, including: (i) a common operational definition of additionality applicable across funds; (ii) harmonised requirements obliging Member States to document pre-intervention investment levels using consistent, auditable and comparable data; (iii) indicators and assessment techniques that programmes can adapt while remaining comparable across the EU; (iv) clear parameters for double-funding controls; and (v) a structured verification cycle combining ex-ante assessment, periodic review, and ex-post confirmation. Embedding this framework in programme evaluation plans, supported by guidance on data collection and risk-based verification, would significantly strengthen transparency, reduce substitution risks, and provide a credible basis for demonstrating EU added value in the 2021–2027 period and beyond. In the event of non-compliance, compensatory measures should be taken in the form of withholding EU funds or corrective financial measures, as has already been foreseen in the 2006 methodology.

The European Commission must assess whether the national government subsidised investments and/or measures that contradict the aims of EU funding, and if this occurs, must require repayment of the EU funding concerned. This can be justified by the fact that the national money thus spent could have been used for the same purpose as the given EU funding had it not been used for harmful purposes.

January 2026

The author expresses thanks to the partners of the Climate Fair Monitor (CFM) project for their valuable comments, constructive feedback, and cooperative engagement throughout the development of this analysis (<https://climatefairmonitor.eu/partners/>).

Supported by:



Federal Ministry
for the Environment, Climate Action,
Nature Conservation and Nuclear Safety



European
Climate Initiative
EUKI

on the basis of a decision
by the German Bundestag

Disclaimer: This document has been produced in the framework of the project “ClimateFair Monitor: Towards climate-neutral buildings and road transport” funded by the European Climate Initiative (EUKI). EUKI is a project financing instrument by the German Federal Ministry for the Environment, Climate Action, Nature Conservation and Nuclear Safety (BMUKN). The EUKI call for project ideas is implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH. It is the overarching goal of the EUKI to foster climate cooperation within the European Union (EU) in order to mitigate greenhouse gas emissions.

The opinions put forward in this document are the sole responsibility of the project partners and do not necessarily reflect the views of BMUKN.