Financing the Digital Transition: Macroeconomic Effects of Digital Investments under the EU Recovery and Resilience Facility

Topic: Navigating the Green Transition: Macroeconomic Impacts, Policy Discontinuity, and the Financing of Industrial Decarbonization
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Accelerating the digital transition is a central pillar of the Recovery and Resilience Facility (RRF) â€“ the EUâ€™s post-COVID recovery instrument for 2020-2026. Across the 27 national plans, based on data available in November 2025, EUR 148.8 billion (circa 0.8% of EU GDP) have been allocated to 676 measures supporting the digital transition. This corresponds to around 23% of total RRF funding, exceeding the requirement of at least 20% of total funding. This study sheds light on the importance and economic impact of these measures.
Digital RRF investments are estimated to generate positive effects across all sectors of the economy, through increased demand for final goods, supply-chain linkages, and productivity gains. Simulation results indicate that by 2030, ten years after the launch of the RRF, the cumulative global macroeconomic impact of these digital RRF investments would reach EUR 345.5 bn, corresponding to a multiplier of around 2.3. This is above the estimated average multiplier for the RRF as a whole, reflecting the concentration of digital investments in high-technology sectors associated with stronger productivity effects.
Finally, the study compares country experiences. In other highly integrated EU economies with leaders in the field - such as Germany, France, Denmark, Sweden, Ireland, Luxembourg, Austria, Belgium and the Netherlands - the economic impacts of digital RRF investments are estimated to be more than double, and in some cases over six times higher than the direct allocation, driven by positive cross-border spillovers from the implementation of other Member Statesâ€™ plans. This highlights the role of the Single Market in amplifying the effects of national investments funded by the RRF.