



Plenary sitting

A9-0171/2022

8.6.2022

REPORT

on the implementation of the Recovery and Resilience Facility
(2021/2251(INI))

Committee on Budgets
Committee on Economic and Monetary Affairs

Rapporteurs: Eider Gardiazabal Rubial, Siegfried Mureşan, Dragoş Pîslaru

(Joint committee procedure – Rule 58 of the Rules of Procedure)

Rapporteurs for the opinions (*):
Dragoş Pîslaru, Committee on Employment and Social Affairs
Canfin Pascal, Committee on the Environment, Public Health and Food Safety

(*) Associated committees – Rule 57 of the Rules of Procedure

CONTENTS

	Page
EXPLANATORY STATEMENT	3
MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION.....	4
OPINION OF THE COMMITTEE ON EMPLOYMENT AND SOCIAL AFFAIRS	26
LETTER OF THE COMMITTEE ON THE ENVIRONMENT, PUBLIC HEALTH AND FOOD SAFETY	38
LETTER OF THE COMMITTEE ON INTERNATIONAL TRADE	40
OPINION OF THE COMMITTEE ON BUDGETARY CONTROL	43
OPINION OF THE COMMITTEE ON CULTURE AND EDUCATION	54
LETTER OF THE COMMITTEE ON CONSTITUTIONAL AFFAIRS	62
INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE.....	67
FINAL VOTE BY ROLL CALL IN IN COMMITTEE RESPONSIBLE.....	68

EXPLANATORY STATEMENT

Aim and timing of the report

Article 16 of Regulation 2021/241 establishing Recovery and Resilience Facility (RRF) stipulates that the Commission shall present to the European Parliament (EP) and the Council a review report on the implementation of the Facility by 31 July 2022. The purpose of this EP implementation report is to provide EP's input to this review as regards its views on the progress of the RRF implementation.

Background

The RRF, as set up by Regulation 2021/241, aims at providing financing to Member States, through grants and loans, to finance reforms and investments, helping citizens and economies to cope with the COVID-19 impacts and setting up the basis for sustainable recovery. Financing from the Facility requires meeting specific conditionalities, set out in Article 18 of RRF Regulation. Member States are required to present a coherent set of reforms and investments in a national Recovery and Resilience Plan (NRRP) in order to receive financing from the RRF. The Commission assesses the plans focusing on their relevance, effectiveness, efficiency and coherence¹, and proposes their adoption to Council through Council implementing decisions (CID). The RRF is a performance-based instrument and the payments are conditional upon the achievement of milestones and targets, as agreed in CID.

The role of the European Parliament

The EP pays particular attention to the scrutiny and oversight of the RRF. To this end, it established a number of channels for regular exchange of views with the Commission and for transmission of information in line with Articles 25 and 26 of RRF Regulation.

¹ *Relevance*: (a) contribution to all six pillars; (b) contribution to effectively addressing all or a significant subset of challenges identified in the relevant CSRs; (c) contribution to strengthening the growth potential and job creation and to the implementation of the EPSR; (d) ensuring that no measure does significant harm to environmental objectives; (e) contribution to the green transition, including biodiversity, and whether they account for at least 37 %; (f) contribution to the digital transition, and whether they account for at least 20 %, including a security self-assessment.

Effectiveness: (g) whether NRRPs are expected to have a lasting impact; (h) ensuring an effective monitoring and implementation of NRRPs.

Efficiency: (i) whether the estimated total costs of the NRRPs are reasonable; (j) whether the arrangements are expected to prevent, detect and correct corruption, fraud and conflicts of interests.

Coherence: (k) whether NRRPs contains measures for the implementation of reforms and public investment projects that represent coherent actions.

MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on the implementation of the Recovery and Resilience Facility (2021/2251(INI))

The European Parliament,

- having regard to Article 175 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility² (RRF Regulation),
- having regard to Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council of 16 December 2020 on a general regime of conditionality for the protection of the Union budget³ (Rule of Law Conditionality Regulation),
- having regard to its resolution of 20 May 2021 on the right of information of the Parliament regarding the ongoing assessment of the national recovery and resilience plans⁴,
- having regard to its resolution of 10 June 2021 on the views of Parliament on the ongoing assessment by the Commission and the Council of the national recovery and resilience plans⁵,
- having regard to its resolutions of 7 April 2022 on the conclusions of the European Council meeting of 24-25 March 2022, including the latest developments of the war against Ukraine and the EU sanctions against Russia and their implementation⁶, and of 19 May 2022 on the social and economic consequences for the EU of the Russian war in Ukraine – reinforcing the EU’s capacity to act⁷,
- having regard to Commission Delegated Regulation (EU) 2021/2106 of 28 September 2021 on supplementing Regulation (EU) 2021/241 of the European Parliament and of the Council establishing the Recovery and Resilience Facility by setting out the common indicators and the detailed elements of the recovery and resilience scoreboard⁸,
- having regard to Commission Delegated Regulation (EU) 2021/2105 of 28 September 2021 supplementing Regulation (EU) 2021/241 of the European Parliament and of the Council establishing the Recovery and Resilience Facility by defining a methodology

² OJ L 57, 18.2.2021, p. 17.

³ OJ L 433 I, 22.12.2020, p. 1.

⁴ OJ C 15, 12.1.2022, p. 184.

⁵ OJ C 67, 8.2.2022, p. 90.

⁶ Texts adopted, P9_TA(2022)0121.

⁷ Text adopted, P9_TA(2022)0219.

⁸ OJ L 429, 1.12.2021, p. 83.

- for reporting social expenditure⁹,
- having regard to the opinion of the European Economic and Social Committee of 20 October 2021 on the Annual Sustainable Growth Strategy 2021¹⁰,
 - having regard to the Commission communication of 24 November 2021 entitled ‘Annual Sustainable Growth Survey 2022’ (COM(2021)0740),
 - having regard to the Commission communication of 24 November 2021 entitled ‘2022 Draft Budgetary Plans: Overall Assessment’ (COM(2021)0900),
 - having regard to the Commission staff working document of 24 November 2021 entitled ‘Analysis of the euro area economy’, accompanying the document ‘Recommendation for a Council Recommendation on the economic policy of the euro area’ (SWD(2021)0362),
 - having regard to the opinion of the European Committee of the Regions of 1 December 2021 on the implementation of the Recovery and Resilience Facility¹¹,
 - having regard to the Commission’s first annual report on the implementation of the Recovery and Resilience Facility (COM(2022)0075), published on 1 March 2022,
 - having regard to the Commission communication of 8 March 2022 entitled ‘RepowerEU: joint European Action for more affordable, secure and sustainable energy’ (COM(2022)0108),
 - having regard to the joint analysis of the European Committee of the Regions and the Council of European Municipalities and Regions (CEMR) on the involvement of municipalities, cities and regions in the preparation of the national Recovery and Resilience Plans, and the results of their targeted consultation of 27 April 2022 entitled ‘Implementation of the Recovery and Resilience Facility: the perspective of local and regional authorities’;
 - having regard to its resolutions of 10 March 2022 on the rule of law and the consequences of the ECJ ruling¹², and of 5 May 2022 on ongoing hearings under Article 7(1) TEU regarding Poland and Hungary¹³,
 - having regard to the recovery and resilience scoreboard and its thematic analyses as well as the presentations to Parliament¹⁴,
 - having regard to the Commission Notice of 12 February 2021 entitled ‘Technical guidance on the application of ‘do no significant harm’ under the Recovery and Resilience Facility Regulation’ (C(2021)1054),

⁹ OJ L 429, 1.12.2021, p. 79.

¹⁰ OJ C 155, 30.4.2021, p. 45.

¹¹ OJ C 97, 28.2.2022, p. 21.

¹² Texts adopted, P9_TA(2022)0074.

¹³ Texts adopted, P9_TA(2022)0204.

¹⁴ https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/

- having regard to its research services’ analyses and briefings on the RRF¹⁵,
 - having regard to Rule 54 of its Rules of Procedure, as well as Article 1(1)(e) of, and Annex 3 to, the decision of the Conference of Presidents of 12 December 2002 on the procedure for granting authorisation to draw up own-initiative reports,
 - having regard to the opinions of the Committee on Employment and Social Affairs, the Committee on Budgetary Control and the Committee on Culture and Education,
 - having regard to the letters from the Committee on the Environment, Public Health and Food Safety, the Committee on International Trade and the Committee on Constitutional Affairs,
 - having regard to the report of the Committee on Budgets and the Committee on Economic and Monetary Affairs (A9-0171/2022),
- A. whereas the Recovery and Resilience Facility (RRF) is the main building block of the NextGenerationEU (NGEU) stimulus package;
 - B. whereas EUR 672.5 billion in grants and loans are being made available to finance national measures designed to alleviate the economic and social consequences of the COVID-19 pandemic (hereinafter ‘the pandemic’); whereas Parliament initially advocated for a higher share of grants in the RRF;
 - C. whereas RRF funding supports key policy areas such as the green transition, digital transformation, economic, social and territorial cohesion, institutional resilience and crisis preparedness, as well as children and the youth, including education and skills;
 - D. whereas Russia’s invasion of Ukraine on 24 February 2022 has led the EU to impose unprecedented economic sanctions; whereas the conflict generated by Russia has led a high number of Ukrainian citizens to leave Ukraine and to travel to and settle in the EU; whereas the military invasion will generate economic and social consequences across the European continent, in particular in eastern European countries, including in relation to the urgent need to decrease energy dependency on imported fossil fuels;
 - E. whereas the EU is suffering difficulties in accessing certain critical raw materials with possible consequences for the implementation of the RRF;
 - F. whereas the pandemic has had a devastating effect on the economic and social situation of people and businesses in Europe; whereas the EU economy saw a significant contraction during the pandemic; whereas EU businesses, and particularly small and medium-sized enterprises (SMEs), were affected by the pandemic with negative consequences for the growth and competitiveness of the EU as well as for their productivity and capacity to create jobs; whereas the EU single market is the main driver for growth in the EU and should be strengthened and protected from the negative effects of the pandemic, while at the same time investments in research and innovation should be promoted; whereas some countries once again saw an above-average rise in unemployment during the pandemic; whereas women, young people, older people,

¹⁵

<https://www.europarl.europa.eu/thinktank/en/research/advanced-search?textualSearch=RRF&startDate=01%2F07%2F2019&endDate=&firstCameToPage=false>

persons with disabilities and large families are more at risk from this development; whereas the EU health sector was pushed to its limits during the pandemic and its resilience has been seriously tested and affected; whereas the youth unemployment rate remains higher than the overall unemployment rate; whereas the youth have a higher risk of poverty and social exclusion, as well as a considerable risk for their access to quality jobs;

- G. whereas the constant development of digital skills, as well as the development of skills with economic potential such as green or entrepreneurial skills, is key for a competitive, healthy, inclusive and future oriented European labour market and should create access and opportunities for every European to quality jobs; whereas the same applies to vocational education, trade skills and life skills; whereas the EU needs to overcome any skills mismatch in order to make effective use of its human capital; whereas access to proper digital infrastructure and training on digital skills should be available to all in order to avoid widening the gap between people on digital literacy and ensure equal opportunities for all in the education system and in the labour market;
- H. whereas, to be eligible for financing, the National Recovery and Resilience Plans (NRRPs) must include reforms and investments that fall within the scope of the six pillars of the RRF Regulation, and that respect its general and specific objectives, horizontal principles and the 11 assessment criteria set out in the RRF Regulation;
- I. whereas dialogue and transparency between the EU institutions and the Member States is crucial for the optimal implementation of the RRF;
- J. whereas the Commission, which is responsible for monitoring the implementation of the RRF, must regularly inform Parliament of the status of the assessment of the NRRPs, and how the targets and milestones have been implemented by the Member States, including their contribution to the progress of meeting the green and digital targets; whereas the Commission is required to take Parliament's views into account;
- K. whereas the Member States must set up and maintain robust control systems and conduct the necessary audits to ensure the protection of the financial interests of the Union throughout the entire life-cycle of the RRF;
- L. whereas the Commission's annual reports on the rule of law serve to identify rule of law challenges and help Member States find solutions with support from the Commission and the other Member States;
- M. whereas the Regulation provides the possibility for a Member State to make a reasoned request to amend its NRRP within the period of implementation, where objective circumstances justify such a course of action;
- N. whereas democratic control and parliamentary scrutiny over the implementation of the RRF is only possible with the full involvement of Parliament and the consideration of all its recommendations at all stages, and whereas Parliament will continue to scrutinise the implementation of the RRF;
- O. whereas the Commission will present a review report on the implementation of the RRF to Parliament and the Council by 31 July 2022;

Mitigating the social and economic impact of the crisis

1. Highlights that the RRF is an unprecedented instrument of solidarity and a cornerstone of the NGEU instrument, ending in 2026, as the main tool in the EU's response to the pandemic to prepare the economies of the EU to face new challenges;
2. Recalls that the EU's response to the pandemic has been determined, coordinated, comprehensive, timely and solidarity-based, leading to extensive use of existing instruments and deploying additional financing instruments; further recalls that Member States have taken sizeable fiscal measures in response to the pandemic and in support of the recovery (5.2 % of gross domestic product (GDP) in 2021 and 2.8 % of GDP in 2022);
3. Highlights the stabilising effect of the RRF for Member States at a time of great economic uncertainty, containing the crisis and mitigating its negative economic and social consequences and supporting governments in maintaining investment levels while responding to immense pressure on national budgets;
4. Furthermore underlines the RRF's instrumental role in fostering economic, social and territorial cohesion, preventing the fragmentation of the internal market and the deepening of macroeconomic divergences;
5. Welcomes the fact that even if the economic effects of the RRF cannot be fully disentangled from other developments, it seems fair to conclude that, so far, the RRF has had positive effects on GDP and that its effective implementation will be key for the EU's economic growth; highlights the RRF's role in protecting the fiscal space of Member States from the substantial economic shock of the pandemic; recognises that while the main impact on GDP growth is expected to occur over the following years, the RRF has already helped to cushion EU economies and citizens from the most acute impacts of the pandemic and is positively contributing to the EU's recovery and resilience, including economic and social cohesion, jobs, productivity, competitiveness, research, development and innovation, and a well-functioning internal market with strong SMEs; stresses that significant divergences exist among Member States with regard to economic, social and institutional resilience, which impact the uneven recovery dynamics; points out that the RRF catalyses the green and digital transitions and plays a paramount role in enhancing the sustainable transition and the well-being of people for a resilient, fair, inclusive, competitive and future-proof economy in relation with the implementation of ambitious reforms and investments;
6. Observes the sizeable impact of the NGEU instrument as estimated by the Commission, the ECB and the IMF, notably with an increase of GDP growth of up to 1.5 percentage point higher than without NGEU investment, when implemented effectively;
7. Notes, furthermore, that the Commission forecasts that RRF grants will fund 24 % of total recovery support measures in 2022; highlights the positive macroeconomic spillover effects and the potential of well-targeted reforms and investment; points out that the RRF grants will continue to provide substantial fiscal support to Member States and can thus enable them to pursue structural reforms and investments with long-lasting effects on the recovery and resilience of their economies and societies; calls on Member States to make the best use of this opportunity;

8. Points out that a successful and transparent implementation of the RRF would contribute to making EU economies and societies more sustainable, inclusive, and resilient, more competitive in the long term, more strategically autonomous and better prepared for current and upcoming challenges; stresses that a successful implementation of the NRRPs will foster economic and social convergence and territorial cohesion, and reduce social inequalities;
9. Believes that in order for the RRF to achieve its general objectives and support the EU in bouncing back from the crisis, and to maximise the long-term impact on the EU economy and society, it is imperative that Member States implement the agreed reforms and investments thoroughly and in a timely manner; recalls that the RRF is a performance-based mechanism, whereby funding is disbursed only upon completion of the related milestones and targets related to measures; recalls that the participation of local, regional and national authorities and those responsible for developing those policies is crucial for the success of the RRF, as stated in Article 28 of the RRF Regulation;
10. Warns that the RRF will only mitigate the social and economic impact of the crisis if funds are effectively absorbed and spent, so that they reach the real economy and people; calls on Member States to take the appropriate decisions regarding administrative structures and human resources dedicated to ensuring the timely expenditure of RRF funds;
11. Underlines that the pandemic has highlighted the need to increase the strategic autonomy of the Union in key supply chains and critical infrastructures and services; notes that the RRF investments in the green transition and digital transformation should contribute to increasing EU strategic autonomy and independence, notably to reducing its dependence on imported fossil fuels; notes that according to the Commission, the RRF is expected to give a major boost to the implementation of the EU industrial strategy and thereby further develop EU industries;
12. Emphasises that the packages of reforms and investments, particularly growth-enhancing ones under the RRF, should also generate EU added value; notes that according to the Commission, the EU-wide GDP effects are around one third larger when explicitly accounting for the spillover effects from individual country measures; emphasises that the packages of reforms and investments under the RRF should also contribute to the implementation of the European Pillar of Social Rights and the priorities of the European Green Deal and the digital agenda, and to the promotion and mainstreaming of gender equality and equal opportunities for all;
13. Calls upon the Commission to assess whether there has been unnecessary duplication of investments in the NRRPs of neighbouring Member States and to assist Member States in avoiding unnecessary overlap;

14. Deplores the fact that women¹⁶, children¹⁷, young people, the elderly and vulnerable groups have been the most impacted by the COVID-19 crisis; recalls the need to ensure inclusiveness so that the EU leaves no one behind, and that it tackles gender-specific socio-economic impacts on its path to recovery, and that a number of gender-specific consequences of the crisis are not addressed by the NRRPs; welcomes the improvement of the accessibility and the quality of care facilities, but deplores that they remain too limited;
15. Reiterates the importance of the six pillars in providing the Member States with a structure to propose and implement reforms and investments that tackle the green and digital transitions, the economy, productivity and competitiveness, social and territorial cohesion, health and institutional resilience, and measures for children and young people; highlights that all Member States are required by the RRF Regulation to include in their national recovery and resilience plans measures that address all pillars; deplores the fact that not all Member States chose to respect the pillar structure of the Regulation which would have allowed for easier monitoring;

Financing aspects of the RRF

16. Notes that in the 26 NRRPs that have been submitted so far, Member States have requested a total of EUR 337.5 billion in grants out of the EUR 338 billion available; notes furthermore that not all Member States, in their current NRRPs, have requested the full amount of grants available to them as referred to in Article 11 of the RRF Regulation;
17. Is concerned, however, that only seven Member States have requested loans amounting to a total of EUR 166 billion out of the EUR 385.8 billion available for loans, leaving a considerable amount available should Member States require loans at a later stage; is preoccupied that the limited interest for the loan component may lead to lost opportunities and prevent the RRF from reaching its full potential; underlines that should Member States whose NRRPs have been already approved wish to request loans, it will require amending respective NRRP, where relevant with the additional set of reforms and investments, milestones and targets, without rolling back measures already implemented; encourages Member States to use full potential of the RRF, including loans, to counter the effects of the pandemic and upcoming challenges;
18. Tasks the Commission with analysing the reasons why the Member States have not requested loans to the full extent of their allocation, which could prevent the RRF from reaching its full potential; recalls that a Member State may request loan support at the time of the submission of a recovery and resilience plan or at a different moment in time until 31 August 2023;
19. Recalls that, under Article 21 of the Recovery and Resilience Facility, objective circumstances allow a Member State to make a reasoned request to the Commission to

¹⁶European Parliament, Directorate-General for Internal Policies, Policy Department for Citizens' Rights and Constitutional Affairs, *COVID-19 and its economic impact on women and women's poverty – Insights from 5 European Countries*, May 2021.

[https://www.europarl.europa.eu/RegData/etudes/STUD/2021/693183/IPOL_STU\(2021\)693183_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/STUD/2021/693183/IPOL_STU(2021)693183_EN.pdf)

¹⁷ Eurochild, *Growing up in lockdown: Europe's children in the age of COVID-19*, 17 November 2020. <https://www.eurochild.org/resource/growing-up-in-lockdown-europes-children-in-the-age-of-covid-19/>

make a proposal to amend or replace the approved plan; recalls that if the Commission considers that the reasons put forward by the Member State justify an amendment of the NRRP, it shall assess the amended NRRP in accordance with Article 19 and put forward a proposal for a Council implementing decision according to Article 20 of the Regulation; recalls that such a request for amendment entails an assessment and approval procedure identical to the first assessment and approval procedure, invites Member States to take carefully into account a risk of delaying the implementation of the overall NRRPs; notes that, so far, no Member State requested to amend or replace the approved plan; encourages the Member States to make use of Article 21 in the RRF Regulation, notes that the potential increase of costs of NRRPs due to the significant inflation may result in Member States' requests to update NRRPs;

20. Notes that the development of Member States' GDP is currently forecast to differ from the Commission's autumn 2020 forecast, leading to expected changes in the grant amounts available to Member States for the second 30 % funding window of the RRF; points out that significant changes in the allocated grant portion may require amendments to NRRPs;
21. Highlights that support from the RRF shall respect the principle of additionality as referred to in Article 9 of the RRF Regulation; looks forward to more granular and disaggregated data allowing for a better understanding of the additionality impacts of the RRF; urges the Member States to provide detailed, transparent and timely information to the Commission in order to ensure effective reporting of the impact of the RRF; reiterates the importance of the Recovery and Resilience Scoreboard in providing basic information for citizens on the overall progress in the implementation of the RRFs; calls on the Commission to increase the level of transparency and data visualisation in the Scoreboard, and for more detailed reporting, focusing on outcome and impact indicators rather than output, as well as ensuring a qualitative analysis of the reforms and investments proposed;
22. Notes that only eleven operational arrangements have been signed between the Commission and Member States so far; calls on the Commission and the Member States to sign operational arrangements as soon as possible and requests that the Commission communicate those arrangements to Parliament; additionally, urges all Member States to publish their operational arrangements, financing and loan agreements in a timely manner, in order to ensure better transparency and reinforce accountability;
23. Observes that 20 Member States have received pre-financing of up to 13 % of their total allocation, that one Member State has not requested pre-financing and that seven, have so far requested first payments from the RRF, while one Member State has requested the second payment;
24. Reiterates that delays in the implementation of the Facility and NRRPs should not slow down the recovery process following the pandemic or diminish the level of resilience of the Union;
25. Recalls that the RRF Regulation provides for the possibility to include in the NRRPs measures started from 1 February 2020 onwards and that some Member States have made use of this possibility;
26. Welcomes the early dialogue between the Commission and the Member States in the

preparation of payment requests and the Commission's readiness in assessing payment requests; encourages it to continue thoroughly assessing whether milestones and targets are complied with, in a timely manner, consulting relevant experts where needed; urges the Commission to ensure the fast deployment of payments and to closely monitor the implementation of reforms and investments;

27. Recalls the need to proceed swiftly with the introduction of a basket of new own resources to cover in full the repayment of the NGEU instrument and notably the RRF, by 2058 at the latest, in accordance with the roadmap set out in the interinstitutional agreement concluded in December 2020 by Parliament, the Council and the Commission; takes note of the issuance of 'European Green Bonds' to finance the share of climate-relevant expenditure in the RRF; notes that the first offerings of green bonds by the Commission were largely oversubscribed;

The RRF's role in mitigating the consequences of the Russian invasion of Ukraine

28. Highlights the need to enhance the contribution of EU funding instruments, notably the RRF, to tackle current challenges including those caused by the unprovoked and unjustified Russian military aggression and invasion of Ukraine;
29. Is concerned that this aggression against Ukraine and the justified sanctions that the EU has taken as a response against Russia and Belarus will seriously impact the economic and social recovery and resilience strategy of the Union; notes that their impact on Member States is heterogeneous; is concerned about uneven effects on the EU economy, the entailing economic and social consequences and even further increasing social inequality, in particular caused by increased energy and food prices; emphasises that inflation can also potentially lead to a negative change in the expected outcome of the RRF and estimated costs of the Member States' NRRPs; expects the determination, unity and speediness of the EU response to this new crisis to continue;
30. Stresses, once again, its call for further sanctions including a full and immediate embargo on various Russian energy imports and the abandonment of the related infrastructure in accordance with its resolution of 7 April 2022, and for a plan to continue ensuring the EU's security of energy supply, which will inter alia require a recalibration of European energy policy, taking into account the differing degrees of energy dependence on Russian fossil fuel imports across Member States;
31. Is concerned that the current situation in Ukraine is having a heavy impact on energy prices and emphasises the need to strengthen energy independence and security, to diversify energy sources, including through EU energy sources, and to accelerate the energy transition; stresses the role of the RRF in the rollout of REPowerEU and underlines that the loans available under the RRF could be used to a large extent to supplement the REPowerEU initiative and to advance investments in the energy transition, including the development of clean energy; expects the RRF, therefore, to contribute significantly to EU energy sovereignty through energy efficiency, diversification and investments in the just green transition;
32. Welcomes, in this regard, the various measures in NRRPs aimed at enhancing the energy transition and energy security and measures enhancing strategic autonomy, reducing Member States' dependence on imported fossil fuel energy, and accelerating the diversification of energy sources, energy efficiency and the development of clean

energies; highlights that cross-border projects, the improvement of the interconnection of European energy networks and the full synchronisation of the power grids throughout the EU should be promoted to enhance synergies and cooperation between EU countries and reflect common concerns and shared priorities;

33. Urges the Member States, in case they do not intend to use the full amount of their maximum allocation of RRF loans, to officially inform the Commission; calls on the Commission, where relevant, to come forward with a proposal for the targeted amendment of the RRF Regulation to incentivise the optimal use of the resources available under the RRF, including by proposing a reallocation of the loans to other Member States facing additional challenges as a consequence of the Russian invasion of Ukraine and by allowing Member States to request loans higher than 6.8 % of their gross national income (GNI), with a particular view to mitigating the economic, social and energy consequences of Russia's invasion of Ukraine for the EU, and the side effects of EU restrictive measures against Russia and Belarus;
34. Acknowledges the need for measures to help refugees from Ukraine, notably with accommodation, social and child care, education, healthcare and housing, helping to alleviate their socio-economic situation; stresses, therefore, that an increased level of investment in this regard must be ensured;

National recovery and resilience plans (NRRPs)

35. Welcomes the fact that 24 NRRPs have been approved and observes that as of early February 2022, one Member State had not yet put forward its NRRP; further notes that two NRRPs are pending assessment by the Commission; urges the countries with NRRPs pending assessment to engage in constructive discussions with the Commission in order for the plans to become ready for approval without further delay; calls on the Commission to apply diligently the RRF Regulation to ensure compliance with the 11 assessment criteria as set out in the Regulation, when assessing the remaining plans;
36. Notes the fact that the Commission's assessments concluded that all approved NRRPs address all six pillars of the RRF and satisfactorily fulfil all assessment criteria as set out in the RRF Regulation and represent a balanced package of reforms and investments; considers that Member States could have better aligned their NRRPs to the six RRF pillars and the requirements of the RRF Regulation;
37. Reminds the Commission that compliance with the rule of law and with Article 2 TFEU are prerequisites to have access to the fund and that the rule of law conditionality mechanism is fully applicable to the RRF; calls on the Commission and the Council to refrain from approving the draft NRRPs of Poland and Hungary as long as concerns regarding the observance of the rule of law, the independence of the judiciary and the prevention and detection of and fight against fraud, conflicts of interest and corruption persist in those countries, and in particular, expects the three conditions for disbursing the RRF funds to Poland mentioned by the Commission President on 19 October 2021 to be fulfilled; reminds Member States that the failure to fully comply with the provisions of the RRF Regulation and the subsequent delays in the approval of the NRRPs seriously affect the capacity of local and regional authorities to adequately tackle the impact of the pandemic on their communities, businesses and citizens and can lead to a long-term worsening of the local and regional economic situation;

38. Recalls that no measures should be financed under the RRF if they are contrary to the EU values enshrined in Article 2 of the Treaty on European Union; urges the Commission to monitor very carefully the risks to EU financial interests in the implementation of the RRF and any breach or potential breach of the principles of the rule of law and to take immediate action if the financial interests of the EU could be harmed; calls on the Commission, therefore, in accordance with Rule of Law Conditionality Regulation, to be particularly strict with the Member States in complying with the protection of the financial interests of the Union, as enshrined in Article 22 of that Regulation;
39. Recalls, furthermore, that the observance of the rule of law and the sound financial management of EU funds are to be evaluated continuously throughout the lifecycle of the RRF and that the Commission must refrain from disbursing funding and, where applicable, recover funds, in case such conditions are no longer fulfilled;
40. Notes that the Commission's assessment states that all approved NRRPs expect to reach the green target of at least 37 % set out in the RRF Regulation and that the overall climate expenditure of all approved NRRPs reaches almost EUR 220 billion; points out, however, that external reviews of the spending identify lower figures with regard to green spending; highlights in this regard that the milestones and targets associated with climate-related measures should have been defined in such a way as to ensure that the implemented measures are as climate-supportive as announced; underlines that the NRRPs should contribute to the green transition, including biodiversity; notes existing concerns as to whether all relevant measures effectively contribute to the achievement of the objectives;
41. Recalls that the NRRPs need to be consistent with the National Energy and Climate Plans (NECPs) and the updates thereof under Regulation (EU) 2018/1999¹⁸; calls on the Commission to assess the contribution of the investments earmarked for the green transition under the NRRPs to the achievement of the new 2030 climate and energy targets set out in the respective revised NECPs;
42. Recalls that the RRF should contribute to the mainstreaming of biodiversity action in Union policies; notes that several NRRPs contribute to biodiversity but insists that Member States could have used the RRF more to improve biodiversity;
43. Warns against the risk of 'greenwashing' in the implementation of NRRPs, particularly as regards some measures tagged as contributing to green spending requirements, including those on energy-efficient building renovation;
44. Notes that all approved NRRPs expect to achieve the digital target of at least 20 % set out in the RRF Regulation, while some Member States have even allocated more than half of their RRF funds to measures qualifying for the digital target, and that the overall digital expenditure of all approved NRRPs reaches almost 29 % or EUR 130 billion; welcomes the strong focus in NRRPs on supporting SMEs and the digitalisation of public services, including the health sector, and digital skills, digitalisation of business, connectivity, digital research and development and advanced technologies; notes that two thirds of Member States included a security self-assessment for investments in

¹⁸ OJ L 328, 21.12.2018, p. 1.

digital capacities and connectivity in their NRRPs;

45. Reminds the Commission and the Member States that according to the RRF Regulation, investments in digital technologies should respect the principles of interoperability, energy efficiency and personal data protection, allow for the participation of SMEs and start-ups, and promote the use of open-source solutions; stresses that digital procurement calls must be carefully designed, notably to ensure access for SMEs to relevant public investment;
46. Notes that several NRRPs contain investment proposals for 5G connectivity; recalls that Member States should ensure coherence and complementarity in the deployment of 5G connectivity, mobile broadband and infrastructure in all areas so that no one is left behind;
47. Underlines the importance that the NRRPs dedicate almost 50 % of total expenditure or EUR 203 billion to measures to benefit the well-functioning of the single market, improving the business environment and promoting private investments; reiterates the importance of the private sector in the successful implementation of the RRF; urges the Member States to facilitate private investments in connection to the RRF-funded projects by lifting all unnecessary obstacles that would prevent SMEs from accessing the relevant RRF funding, and to this end, calls on the Commission to provide detailed analyses of the access of the private sector to RRF funding; asks Member States to implement the NRRPs according to a transparent schedule to allow the private sector to plan their activities and projects according to the relevant measures;
48. Notes that the Commission estimates social spending in the NRRPs to account for around 20 % of the grants and loans requested; observes that this expenditure focuses on employment incentives for specific disadvantaged groups, reforms of employment protection legislation and labour contract regulation; recalls that the social consequences of the pandemic have been manifold and have unevenly and disproportionately burdened lower income and vulnerable groups while at the same time reinforcing the need for public services; regrets that social investment measures have been rather limited to social infrastructure and that only some NRRPs contain measures for the development of proper care services and temporary support measures;
49. Supports the Commission's aim, through the RRF, of building a more resilient and inclusive labour market, while noting that relevant measures should promote high-quality employment;
50. Points out that all approved NRRPs so far address social and employment challenges, including through measures for improving labour market participation, promoting upskilling and reskilling, and modernising labour market institutions and services, as well as social protection and healthcare systems; regrets that some Member States are lagging behind in strengthening the social dimension of their plans;
51. Underlines the importance of reforms and investments in health, economic, social and institutional resilience to increase crisis preparedness and crisis response capacity, which account for more than 17 % of total NRRP allocations, representing EUR 76 billion; highlights that according to the Commission, under this RRF pillar, Member States have to implement 789 measures linked to 1 900 milestones and targets; emphasises that COVID-19 has demonstrated the importance of improving the

resilience of public institutions to shocks;

52. Notes that approved NRRPs envisage expenditure on healthcare-related measures of EUR 37 billion, which corresponds to 8 % of total NRRP expenditure; observes that the highest contribution is earmarked for renovating and expanding hospital infrastructure, followed by strengthening primary care and prevention, digital transition in healthcare and long-term care; expects these healthcare-related measures to contribute to increasing the capacity and resilience of healthcare systems and their preparedness for future crises; is concerned that many Member States did not include sufficient measures to make mental health care accessible and affordable for all age groups, and highlights that mental health should represent an integral part of the EU's socio-economic recovery from the pandemic and an occupational health priority; is concerned that some Member States did not include sufficient measures to tackle long-standing public healthcare challenges;
53. Observes that public administration modernisation features prominently in many NRRPs, with approximately EUR 1.8 billion expected investment in the enhancement of the public administration; stresses that NRRPs could contribute to increasing the capacity of public administrations to manage European funds effectively at national, regional and local levels; underlines that the benefits of reforms go beyond their associated costs, which should lead to concrete positive impacts for citizens;
54. Notes that approved NRRPs envisage expenditure dedicated to children and young people, including early childhood education and care, youth unemployment and skills, of EUR 49 billion, which corresponds to approximately 11.5 % of total NRRP expenditure; notes that the amount represents a first step in ensuring that coordinated measures dedicated to the next generation are being implemented in all 27 Member States; is concerned that many NRRPs do not properly reflect the ambitions set by the European Child Guarantee and that they reflect only partially those of the reinforced Youth Guarantee; deplores the fact that two Member States chose not to include in their plans measures specifically dedicated to children and the youth but preferred to present measures that foster skills and digital skills for all citizens;
55. Observes that almost all approved NRRPs contain investment in digital education, making up approximately 30 % of the total spending on education; welcomes the focus on the modernisation of education infrastructure and equipment in the Member States;
56. Notes that in total, so far, Member States have put forward 228 measures with a focus on supporting children and the youth; notes that 74 % of the measures focus on general, vocational and higher education and training capacity, as well as accessibility, affordability, quality and inclusiveness, including digitisation and infrastructure; further notes that 14 % of the measures deal with early childhood education and care, early school leaving and child poverty; notes that 12 % of the measures focus on tackling youth unemployment through job creation, hiring, job transition incentives and support for self-employment; emphasises that Parliament has asked the Member States to dedicate at least 2 % of the budget of each NRRP to culture and 10 % to education; notes that 16 Member States have included culture-related measures in their NRRPs; believes that Member States could have used the RRF more to support those sectors;
57. Calls for the Commission to continue monitoring the implementation of the six pillars

and ensuring that granular data is made available in the RRF scoreboard; asks the Commission to facilitate more regional methods of monitoring implementation through the scoreboard and welcomes monitoring initiatives at EU and national level that enhance the monitoring of RRF implementation; notes positively that several Member States provide data at regional level and invites the other Member States to provide data at regional level;

58. Underlines that the RRF must not be used to substitute recurring national budgetary expenditure, unless duly justified; notes that the Commission has only approved NRRPs to cover the initial costs of setting up and launching reforms; reminds the Member States that the RRF must be implemented in a way that it does not undermine their own responsibility for the management of public finances; calls on the Commission to provide details on the assessment of compliance with this horizontal principle and any related justification;
59. Points out that the principle of ‘do no significant harm’ was evaluated for each measure by the Commission in accordance with its technical guidance; stresses that the application of the ‘do no significant harm’ criteria as developed in the Commission’s guidance note must prevent environmentally harmful measures; asks the Commission to disclose the submitted ‘do no significant harm’ assessments and stresses that the Commission should carefully examine and monitor the full respect of this principle during the implementation phase; notes that in order to comply with the principle, some Member States had to improve certain measures; notes that compliance with the principle further entailed initial inconsistencies between the requirements of the Commission and those of the European Investment Bank and the European Investment Fund for the countries that provisioned their InvestEU envelopes with RRF funds, which may have led to delays in the implementation process;
60. Observes that a large majority of NRRPs include a specific section explaining how the plan addresses gender-related concerns and challenges; notes that NRRPs contain measures focusing on the participation of women in the labour market and the reduction of the gender pay gap, but expresses disappointment that they fall short of including a dedicated explanation as to how the plan addresses gender-related concerns and challenges; underlines the importance of high-quality public care services to alleviate the burden of unpaid care work which is currently largely covered by women with negative consequences on GDP; asks the Commission to provide a study to check the extent to which the RRF contributes to creating jobs in sectors where one gender is predominantly represented and the accompanying measures contribute sufficiently to increasing the presence of the least represented gender in those sectors;
61. Notes that 20 Member States provide for cross-border projects in their NRRPs, mostly focusing on infrastructure, such as rail or electricity connections, hydrogen, quantum technology, 5G connectivity, cloud capabilities and innovation hubs; is disappointed that NRRPs did not include a higher number of cross-border projects in order to enhance spill-over effects and contribute to EU added value; notes that 20 Member States foresee cross-border projects such as Important Projects of Common European Interest in their NRRPs mostly focusing on infrastructure; calls on the Member States to clarify the role for relevant stakeholders in the roll-out and implementation of the multi-country projects, where relevant; believes that further cross-border measures should have been included in the NRRPs in order to enhance its spill-over effect and to boost

its EU added value;

62. Notes, in particular, the importance of cross-border projects related to energy transmission across Member States; believes that in the current context, NRRPs would have benefitted more from further cross-border projects, particularly in the field of energy; stresses that these investments are crucial for achieving energy sovereignty and the green transition; underlines that the current situation shows how crucial is the diversification of the EU's energy sources and the proper functioning of the internal market for electricity between Member States; calls for the improvement of the interconnection of European energy networks and for the full synchronisation of the power grids throughout the EU; stresses, furthermore, the importance of increasing efforts to improve energy efficiency in order to limit the expected growth of electricity demand;
63. Observes that one Member State proposed to transfer structural funds to its NRRP, that only two Member States plan to provision their InvestEU envelopes with RRF funds and that only three Member States intend to incorporate the costs of technical support in their NRRPs; regrets that the provision to transfer RRF funds to the InvestEU national compartments has not been used to its full potential; recalls that synergies among different EU funds are essential for a proper recovery and the consolidated resilience of the Union and reminds Member States that the use of this provision contributes to enhancing synergies;
64. Recalls that according to the RRF Regulation, the recovery and resilience plans must also be consistent with the information included by the Member States in their Partnership Agreements and operational programmes under Union funds; reiterates that this provision is not only important to avoid double-funding or overlapping of objectives, but also to ensure a coordinated approach and maximise the benefits of EU funding; requests that the Commission provide an analysis of how this coordination is ensured; notes that the adoption of the NRRPs has led in some instances to delays in the adoption of Partnership Agreements and is concerned about the consequences of these delays; calls on the Commission and the Member States to avoid further delays in the preparation and adoption of Partnership Agreements and calls for these delays to be addressed swiftly;
65. Highlights that synergies and coherence between the RRF and other Union funding programmes are essential in order to ensure a proper recovery and the consolidated resilience of the Union; calls on the Commission and the Member States to foster synergies between NRRPs and other Union funding programmes, in particular Partnership Agreements; questions how the Commission has encouraged Member States to foster synergies with NRRPs of other Member States;
66. Reminds Member States that the NRRPs are expected to contribute to effectively address all or a significant subset of challenges identified in the relevant country-specific recommendations, including fiscal aspects thereof and recommendations made pursuant to Article 6 of Regulation (EU) No 1176/2011¹⁹ where appropriate, addressed to the Member State concerned, or challenges identified in other relevant documents officially adopted by the Commission in the context of the European Semester; notes the Commission assessment that all NRRPs address at least a significant subset of

¹⁹ OJ L 306, 23.11.2011, p. 25.

challenges identified in the relevant European Semester recommendations but that not all challenges are addressed;

67. Recognises the positive impact of necessary tax reforms in the Member States that are included in some national plans, while deploring that none of the Member States concerned with country specific recommendations (CSR) on aggressive tax planning, tax avoidance, tax evasion and money laundering have addressed those challenges in their NRRPs;
68. Calls on the Commission to adequately evaluate the fulfilment of all milestones and targets, including those related to CSRs in the NRRPs in the disbursement phase of the Facility and to reduce proportionally payments, based on the importance of the milestones and targets, whether agreed milestones and targets are not satisfactory met, including not rolling back on previously achieved milestones and targets; furthermore, calls on the Commission, if necessary, to make use of the provisions of the Regulation, allowing it to recover grants or ask for early repayment of loans in case of breach of the obligations of Member States under the financing agreements;
69. Notes that, according to the Commission assessment, all Member States received an A rating for almost all criteria provisioned in the RRF Regulation; recalls that, according to the Commission assessment, all Member States received a B-rating for the criteria that evaluates whether the estimated total costs of the NRRPs are reasonable; calls on the Commission to ensure that costs are plausible and that proper cost analysis is being conducted in order to tackle fraud and corruption; urges the Commission to thoroughly assess the satisfactory fulfilment of milestones and targets before accepting payment requests, and to ensure that previously achieved milestones and targets have not been reversed;

Transparency, monitoring and control mechanisms

70. Stresses the importance of transparency and sound procedural management throughout the procurement processes and practices; calls, in this respect, on the Member States to ensure equality and fairness, and particularly access for all, including micro, small and medium-size enterprises, in the procurement process;
71. Urges Member States to launch public procurement for the implementation of measures in a timely fashion in order to ensure their completion in line with the calendar of milestones and targets;
72. Stresses that transparency is key for a strong monitoring system of the NRRPs that would allow meaningful public engagement; reiterates its regret that the Council refused the creation, supported by Parliament and the Commission, of an online platform where final beneficiaries would be publicised; observes that by the nature of the instruments used, the control focuses on the achievement of results and outputs rather than the verification of costs; notes that this approach can simplify implementation and contribute to the achievement of the desired outcome; warns that, without the proper monitoring, it could make the detection of abuse of EU funds more difficult; urges the Commission, nevertheless, to take the appropriate measures to ensure early detection of abuse of EU funds; calls on it to monitor rigorously any possible occurrence of double funding and, if such occurrences are confirmed, to proceed with the recovery of funds without delay;

73. Calls on the Commission to inform the budgetary authority about the use of the IT systems set up by the Commission for Member States to report the relevant information on the implementation of the NRRPs;
74. Urges the Member States to collect and record data on final recipients and beneficiaries of Union funding in an electronic standardised and interoperable format and to use the single data mining and risk scoring tool provided by the Commission; urges the Commission to insist on the use of the integrated and interoperable monitoring system including a single data mining and risk scoring tool (ARACHNE) for all RRF spending, and to ensure that ARACHNE is interoperable with all relevant software and datasets to keep the administrative burden as low as possible; furthermore, reiterates the importance of digitalising all reporting, monitoring and audit;
75. Recalls that Member States should collect and ensure access of data on beneficial owner(s) of the recipient of the funds and beneficiaries of the programme and reiterates the importance of ensuring the transparency of final beneficiaries, without providing an extra burden on the reporting; calls on the Commission and the Member States to publish periodically up-to-date data on final beneficiaries and on transferred funds, for the sake of public trust and transparency; calls on the Commission to establish an integrated, interoperable, and easy to use system which contains information on all EU co-financed projects, beneficiaries and beneficial owners, contractors and sub-contractors and which is able to aggregate all amounts received by the same beneficiary or beneficial owner;
76. Reminds the Commission that in the evaluation of NRRPs and payment claims it can be assisted by experts and invites it to make full use of this provision, where relevant, particularly if it lacks the in-house capacity to thoroughly scrutinise the plans or the fulfilment of milestones and targets; raises doubts about the Council's sufficient capacity to analyse NRRPs properly or payment claims and calls to ensure that they are adequately assessed;
77. Urges the Commission to ensure that the evaluation of the milestones and targets achieved by the Member States as part of their NRRPs will be based on a comprehensive and transparent assessment of the milestones and targets in all their dimensions, in particular their quality;
78. Recalls that Member States are required to set up robust control and audit systems in order to guarantee the protection of the financial interests of the Union and to prevent and tackle fraud, corruption and conflicts of interest and secure transparency, and that the Commission is responsible for assuring that these systems are in place and fully functioning before the first payments are approved; recalls that payments are to be disbursed upon achievement of milestones and targets;
79. Notes that the Commission largely relies on Member States to thoroughly audit NRRP implementation; urges the Commission to ensure effective monitoring, audit and enforcement of the full implementation of these requirements and to monitor ongoing compliance with any such measures through the entire lifecycle of the RRF; calls on the Commission to ensure a strong mechanism for regular auditing of Member States' control systems;
80. Reiterates the important role of the European Court of Auditors, the European Public

Prosecutor's Office, the European Anti-Fraud Office, the European Union Agency for Law Enforcement Cooperation (Europol) and the European Union Agency for Criminal Justice Cooperation and other relevant EU bodies and agencies in supporting Member States and the Commission in protecting the financial interests of the Union during the implementation of the NGEU, and calls on these institutions and bodies to make full use of their prerogatives under the RRF Regulation and other relevant legislation to prevent, detect, correct and investigate fraud, corruption and conflicts of interest in order to scrutinise thoroughly all RRF spending; recalls that those EU bodies and agencies should be endowed with the adequate resources to fulfil their tasks; calls on the Commission to cooperate with these institutions and bodies and to ensure that adequate control capacities are in place and that Member States grant them full access to all relevant information to exert their prerogatives;

81. Welcomes the NGEU Law Enforcement Forum as well as the Operation Sentinel, which in a cooperative manner shall help to prevent and counter threats against NGEU funds and, more broadly, against the financial well-being of the Union, and map vulnerabilities in national allocation systems;
82. Reiterates the importance of the Commission undertaking a continuous, including ex-post, monitoring of the RRF expenditure, implementation and management data, ensuring full transparency together with the Member States in order to analyse the results of the RRF, and identifying and addressing any weaknesses in this regard;
83. Reminds that in the framework of the discharge procedure to the Commission, in accordance with Article 319 TFEU, the RRF shall be subject to reporting under the integrated financial and accountability reporting referred to in Article 247 of the Financial Regulation, and, in particular, separately in the Annual Management and Performance Report;

Governance, transparency and visibility of RRF implementation

84. Reaffirms Parliament's role in scrutinising the implementation of the RRF, in particular through five plenary debates held in 2021, two adopted resolutions, four Recovery and Resilience Dialogues held with the Commission in 2021, 20 meetings of the dedicated working group on the scrutiny of the RRF, parliamentary questions, and the regular flow of information and ad hoc requests for information from the Commission; recalls that Article 25 of the RRF Regulation requests that the Commission transmit relevant documents and information simultaneously and on equal terms both to Parliament and the Council; notes the slow start of the proper process of document flow and the difficulties Parliament encountered regarding access to information received by the Commission and transmitted by the Member States; welcomes the fact that better communication procedures have since been put in place and calls for this information flow to be maintained;
85. Invites the Commission to follow an open, transparent and constructive approach during the Recovery and Resilience Dialogues and to observe the provision of Article 26(1) as regards regular interactions with Parliament; recalls that the interinstitutional cooperation established through the RRF should become a minimum standard in all funding programmes;
86. Invites national parliaments and relevant stakeholders, in accordance with national legal

frameworks, to follow Parliament's example and scrutinise the implementation of their NRRPs in an open, transparent and democratic way;

87. Regrets that in all Member States, local and regional authorities, civil society organisations, social partners, academia or other relevant stakeholders were not sufficiently involved, in the design and the implementation of the NRRPs, in accordance with the national legal framework, and calls for their involvement based on clear and transparent principles, in the implementation of the NRRPs to the maximum extent possible under the national legislation;
88. Recalls that local and regional authorities, civil society organisations, social partners and the other relevant stakeholders are at the forefront of the local implementation of NRRPs and reminds the Commission and the Member States that proper involvement and coordination with local and regional authorities, civil society organisations, social partners and other relevant stakeholders in the implementation and monitoring of the plans is decisive for the success of the recovery in the Union and is essential for the effectiveness and broad ownership of NRRPs; invites the Commission to explore ways to establish a dialogue with representatives at the EU level of the relevant RRF stakeholders;
89. Calls on the Member States to ensure clarity in the distribution of responsibilities and adequate management systems of RRF funds to take into consideration the specific needs of the citizens at regional and local levels, while respecting the principles of non-discrimination and equal treatment; recalls that implementation of NRRPs' measures shall respect all relevant laws in accordance with national legal frameworks;
90. Expects the review report on the implementation of the RRF prepared by the Commission to provide extensive data and analysis on the contributions of NRRPs to the implementation of the European Pillar of Social Rights, including the gender impact of NRRPs and their effective contribution to gender equality, as well as their support for SMEs and strategic autonomy;
91. Calls on the Commission to assess whether the legally specified spending targets of 37 % green spending and 20 % digital spending are likely to be reached as planned during the implementation phase of the RRF and, where relevant, calls on the Member States to take the steps deemed necessary to achieve those targets where they anticipate that they may be missed, with the support of the Commission where necessary;
92. Expects the review report on the implementation of the RRF prepared by the Commission to provide information on the bottlenecks, where relevant, that prevent the adequate implementation of NRRPs;
93. Welcomes the launch in December 2021 of the recovery and resilience scoreboard, which will allow every citizen to monitor the implementation of the RRF; notes that, in line with the delegated act on common indicators, Member States must report on several indicators, including for the implementation of the European Pillar of Social Rights and SMEs supported; invites the Commission to improve and enhance the capabilities of the scoreboard to ensure a high degree of visibility and accountability for the RRF; welcomes the fact that the scoreboard contains gender-disaggregated data for indicators expressed with a headcount;

94. Urges the Commission to enforce the provision that Member States should provide the data necessary to report on progress with regard to the six pillars of the RRF regulation and thereby enable every citizen to monitor the implementation of the RRF; deplores the fact, however, that Member States have been reluctant to provide more granular data to feed into the recovery and resilience scoreboard; notes that more granular data would have allowed citizens to better hold their governments accountable;
95. Emphasises that one of the aims of the RRF Regulation is to contribute to the achievement of EU social objectives and highlights the importance of having methodologies in place for displaying progress on its implementation and how this contributes to the European Pillar of Social Rights; is concerned that the delegated act on social expenditure and on the resilience scoreboard will not be sufficient to track and report on the social and gender dimensions and impacts of the RRF; calls on the Commission to better reflect the tracking of the implementation of the 20 principles of the European Pillar of Social Rights through complementary social and gender indicators included in the thematic analysis of the scoreboard;
96. Calls on the Commission to present complementary indicators included in the thematic analysis of the scoreboard to track Member States' performance on biodiversity and cohesion and competitiveness;
97. Recalls that according to the RRF regulation, the Commission must implement information and communication actions relating to the Facility; encourages the Commission, through its representation offices in the Member States and in cooperation with the European Parliament Liaison Offices in the Member States, to launch events in the Member States that promote the scoreboard and present the different analyses conducted by the Commission, including on the six pillars; encourages the Commission to publish detailed analysis of the positive effects of the RRF by highlighting good practices in the implementation of the national NRRPs and recommendations for overcoming implementation obstacles and improving the effective use of the funds;
98. Points out that national public administrations face a considerable challenge in absorbing all RRF funding in such a short space of time; urges the Commission to actively support Member States in absorbing those funds, so that RRF funds are successfully disbursed across the Union;
99. Remains committed and intends to make full use of the range of possibilities offered by the RRF Regulation to assess, scrutinise and promote the RRF, including through events and activities including at local, regional and national level;
100. Welcomes the initiative of the EU ombudsman to prepare good practice principles for government transparency in the use of recovery funds;
101. Notes that Member States' NRRPs report on their communication strategies; deplores, however, the fact that without a clear standard, such communication campaigns are envisaged to be very different, thus limiting the visibility of the RRF and EU funding overall; welcomes the fact that most Member States have followed the Commission's recommendations by designing specific websites where RRF-related information is displayed, but regrets the fact that there are major differences in the details of the information made public on them;

102. Calls for further harmonisation of the information available to citizens on national implementation and on national RRF-related communication strategies in order to foster transparency and accountability, thus reinforcing ownership of implementation; invites the Commission to recommend a harmonised approach and standard for displaying information on the implementation of the RRF at national and regional level, and asks Member States to adhere to this standard or explain their deviations from it;

Lessons learned from the RRF so far

103. Reiterates the importance of a successful implementation of the RRF by the Member States in order to ensure the long-term impact on the EU's economy and society; highlights that the review of the EU economic governance framework will be the opportunity to draw lessons from successes but also shortcomings of the RRF; urges the Commission to explore and to present different scenarios on how lessons learned from the design and implementation of the RRF could inspire the review of the EU's macro-economic governance framework, in particular with regard to achieving more transparency, democracy, involvement, coordination and oversight;
104. Underlines that the RRF demonstrated the importance of a strong involvement of the European Parliament, together with the Council, in defining the EU common priorities, the response to the new challenges and the design of underlying political guidelines and governance mechanisms, as well as in scrutinising the implementation for a strong European ownership; reaffirms that Parliament should be on an equal footing with the Council in scrutinising the implementation of the Facility and calls on the Commission to ensure that equal treatment for both institutions would be applied in future EU initiatives; highlights the importance of delegated acts in enhancing the democratic accountability and legitimacy of the process;
105. Notes positively that the EU support, provided to reforms and investments in the form of packages together with incentives, played an instrumental role in reinforcing the national ownership of the RRF and the European Semester based on common EU priorities; furthermore, highlights that meaningful social and territorial dialogues with a high level of involvement of local and regional authorities, social partners and civil society organisations, within the national legal framework, is essential for national ownership, successful implementation and democratic accountability and that these should be strengthened and more diligently applied and could inspire future initiatives and mechanisms in the EU and its Member States;
106. Recognises, based on the good example of the RRF, as part of the NGEU, the strong added value of a common, modern and effective EU response that can be mobilised quickly to cope with crises and new challenges;
107. Calls on the Commission to fully take into account Parliament's views in the upcoming review report on the implementation of the RRF, which the Commission shall present to Parliament and the Council by 31 July 2022; calls on the Commission to also take into account the input of all relevant stakeholders in that report;

o

o o

108. Instructs its President to forward this resolution to the Council, the Commission, the European Court of Auditors, the European Economic and Social Committee, the European Committee of the Regions and the governments and parliaments of the Member States.

29.4.2022

OPINION OF THE COMMITTEE ON EMPLOYMENT AND SOCIAL AFFAIRS

for the Committee on Budgets and Committee on Economic and Monetary Affairs
on the implementation report on the Recovery and Resilience Facility
(2021/2251(INI))

Rapporteur for opinion (*): Dragoş Pîslaru

(*) Associated committee – Rule 57 of the Rules of Procedure

SUGGESTIONS

The Committee on Employment and Social Affairs calls on the Committee on Budgets and Committee on Economic and Monetary Affairs, as the committees responsible, to incorporate the following suggestions into its motion for a resolution:

- having regard to Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility (RRF)²⁰,
 - having regard to Commission Delegated Regulation (EU) 2021/2106 of 28 September 2021 on supplementing Regulation (EU) 2021/241 of the European Parliament and of the Council establishing the Recovery and Resilience Facility by setting out the common indicators and the detailed elements of the recovery and resilience scoreboard²¹,
 - having regard to the Recovery and Resilience Scoreboard,
 - having regard to Commission Delegated Regulation (EU) 2021/2105 of 28 September 2021 supplementing Regulation (EU) 2021/241 of the European Parliament and of the Council establishing the Recovery and Resilience Facility by defining a methodology for reporting social expenditure²²,
 - having regard to the Commission report of 1 March 2022 on the implementation of the Recovery and Resilience Facility (COM(2022)0075),
 - having regard to the armed conflict in Ukraine and the refugee crisis faced by the Member States, in particular those on the EU's external border with Ukraine,
- A. whereas the COVID-19 pandemic has significantly affected the EU's economy and society; whereas the COVID-19 pandemic is placing a heavy burden on people in the EU, particularly on women and vulnerable groups such as persons with disabilities, children, young people and older people, and especially on frontline workers and their families, whose everyday lives, working lives and livelihoods are affected;
- B. whereas, according to the Recovery and Resilience Scoreboard, Member States have put forward 228 measures with a focus on supporting children and young people; whereas 74 % of the measures focus on general, vocational and higher education and training capacity, as well as accessibility, affordability, quality and inclusiveness, including digitisation and infrastructure, the performance of education and increasing capacity in higher education; whereas 14 % of the measures deal with early childhood education and care, early school leaving and child poverty; whereas 12 % of the measures focus on tackling youth unemployment through job creation, hiring, job transition incentives and support for self-employment;
- C. whereas the RRF created an unprecedented structure under the NextGenerationEU recovery instrument, making available EUR 338 billion in grants and EUR 385.8 billion

²⁰ OJ L 57, 18.2.2021, p. 17.

²¹ OJ L 429, 1.12.2021, p. 83.

²² OJ L 429, 1.12.2021, p. 79.

in loans²³; whereas the RRF is expected to mitigate the economic and social impact of the COVID-19 pandemic through reforms and investments and to positively contribute to the EU's economy and society, making them more sustainable, inclusive, resilient and better prepared for the green and digital transitions, while also ensuring that these transitions are socially fair and just;

- D. whereas the RRF will drive Member States' reforms and investments in line with the EU's priorities as set out in its six pillars; whereas social and territorial cohesion and policies for the next generation are two of the six pillars of the RRF; whereas contributing to upward economic and social convergence, restoring and promoting sustainable and inclusive growth, competitiveness of SMEs, research, development and innovation, fostering high-quality sustainable employment creation and contributing to the implementation of the European Pillar of Social Rights are among the objectives included in the RRF Regulation; whereas these objectives should be achieved through a comprehensive package of reforms and investments that ensure equality and access to opportunities and social protection, protect vulnerable groups and improve the living standards of all, and promote social impact investments as well as quality employment contracts, decent wages, collective bargaining and social protection coverage, while also tackling gender-specific socio-economic issues on the path to recovery;
- E. whereas Member States should keep investing in a sustainable transition in order to maintain the recovery from the pandemic;
- F. whereas a large number of reforms and investments aim to improve territorial infrastructure and services provided at local level; whereas these measures can also boost the local economy, national competitiveness and institutional resilience;
- G. whereas the methodology for reporting on social expenditure in Member States' recovery and resilience plans should ensure all reforms and investments with a primary social dimension are associated to one of nine social policy areas under the four broader social categories set out in the delegated act; whereas additionally all measures of a social nature that include a focus on children and young people, or on gender equality, should be flagged in order to ensure specific reporting on expenditure under the RRF on these areas;
- H. whereas poverty including in-work poverty is on the rise again in the EU; whereas according to the Organisation for Economic Co-operation and Development (OECD), a fiscal response worth 0.5 % of GDP targeting support for the most vulnerable could substantially mitigate the economic impact of this current crisis without substantially adding to inflation; whereas inflation can potentially lead to a negative change in the expected positive outcome of the RRF; whereas young people have experienced a significant decrease in personal income and a higher risk of poverty and social exclusion; whereas an increasing number of young adults are now relying on the parental home to protect them from poverty, but 29 % of households with three generations are at risk of poverty and 13 % are severely deprived²⁴; whereas the consequences of the Russian invasion of Ukraine are placing a heavy burden on households due to the increase in prices of basic necessities including energy, transport

²³ https://ec.europa.eu/info/business-economy-euro/recovery-coronavirus/recovery-and-resilience-facility_en

²⁴ European Parliament resolution of 17 December 2020 on a strong social Europe for Just Transitions. OJ C 445, 29.10.2021, p. 75.

and food, and services; whereas integrating refugees in this economic context requires the mobilisation of public and social services;

- I. whereas the COVID-19 pandemic has exacerbated the demographic trends that already represented a challenge to the EU before the pandemic; whereas the pandemic has deprived young people of opportunities related to training or employment; whereas in 2022 and 2023, 3.4 million jobs are expected to be created, therefore making it essential to ensure that young people take part of these new employment opportunities; whereas the youth unemployment rate in the EU, while showing initial signs of recovery by mid-2021, still stood at 17.4 % in the second quarter of 2021, nearly triple the unemployment rate of the population aged 25-74;
- J. whereas the digital skills indicator shows that only 56 % of people in the EU have at least basic digital skills; whereas, according to the EU's digital objectives, the basic digital skills indicator should increase to 80 % by 2030²⁵; whereas the constant development of digital skills, as well as the development of skills with economic potential such as green or entrepreneurial skills, is key for a healthy, inclusive and future-oriented European labour market; whereas the same applies to vocational education, trade skills and life skills; whereas 40 % of employers cannot find people with the right skills to fill their vacancies²⁶ and need to take stock of the potentially large volume of existing unrecognised and underutilised skills in the labour market; whereas current social security rules do not allow workers whose Member State of employment is different from their Member State of residence to telework from a Member States other than that of their employer;
- K. whereas the release of funds under the RRF is contingent on the satisfactory fulfilment of relevant milestones and targets of reforms and investments by Member States as set out in their recovery and resilience plans (RRPs); whereas Article 16 of the Regulation requires the Commission to present a review report on the implementation of the RRF to Parliament and the Council by 31 July 2022; whereas this report should assess the extent to which implementation of the recovery and resilience plans is in line with the six pillars and contributes to the general objective of the Regulation; whereas evaluation of the implementation of the RRF is needed to implement lessons learned and to update the structures currently in place; whereas implementing lessons learned from the pandemic can contribute to strengthening recovery and resilience;
- L. whereas the consultation and involvement of EU stakeholders varies significantly between countries and regions; whereas local and regional authorities play a key role in implementing national recovery and resilience plans (NRRPs); whereas local and regional authorities are responsible for one third of all public expenditure and more than half of public investment in the EU²⁷, a large portion of which is in policy areas that are central to the RRF;
- M. whereas the NRRPs of four Member States have still not been approved by the Commission;

²⁵ European Commission, Digital Economy and Society Index 2021, p. 15.

²⁶ <https://ec.europa.eu/social/main.jsp?catId=1146>

²⁷ OECD, Key data on Local and Regional Governments in the European Union (brochure), 2018. Available at: <https://www.oecd.org/regional/EU-Local-government-key-data.pdf>

1. Highlights that the COVID-19 crisis has impacted vulnerable groups the most and that it has already left many people, particularly women and young people, unemployed, in precarious employment or without access to vocational education, traineeships or apprenticeships; stresses the need to adapt labour market policy and social protection instruments to support those groups that are particularly disadvantaged on the labour market, such as young people, women, persons with disabilities, people with a low level of qualifications and older people; recalls the importance for the EU of leaving no one behind;
2. Calls on the Commission and the Member States to fight against unemployment and to ensure that young people, especially those not in employment, education or training (NEETs), receive an adequate, paid and high-quality first working experience and access to training; condemns the practice of unpaid internships as a form of exploitation of young workers and a violation of their rights, and calls on the Commission and the Member States, in collaboration with Parliament and with respect for the principle of subsidiarity, to propose a common legal framework to ensure fair remuneration for traineeships and apprenticeships in order to avoid exploitative practices, including unpaid internships;
3. Welcomes the RRF as a key instrument and a unique opportunity for the EU to emerge stronger from the COVID-19 crisis; notes the Commission's view that most Member States have satisfactorily drawn up NRRPs in a short space of time; points out that in the context of a new challenge for the EU and the world, namely the war in Ukraine, funds should reach the Member States as soon as possible; welcomes the early disbursement of EUR 56.6 billion in pre-financing by the Commission to 21 Member States in order to ensure the frontloading of financial support to address the crisis and its impacts; emphasises nevertheless that in several Member States the NRRPs are only part of broader national recovery plans, and points to the need to draw lessons on the shortcomings that have been identified and for an exchange of best practices between Member States, local and regional authorities, social partners, civil society organisations, youth organisations and other relevant stakeholders, as well as for a comprehensive approach at European level, in order to overcome the crisis and make the EU economy more robust, resilient and competitive for the future;
4. Stresses that the Russian invasion in Ukraine will have negative and asymmetrical effects on the EU economy, its Member States and particularly EU households in the context of the ongoing energy crisis; is concerned about the social consequences of the energy crisis and the risk it poses to social equality; stresses that the RRF will play a crucial role in the future development of the EU's economic and social policies, including the acceleration towards the energy transition that will lead to more independence; calls on the Commission to reassess the potential amount of EUR 220 billion in RRF loan support that is currently not requested by the Member States; encourages Member States to make use of the potential funding available to support the needs of refugees, in particular their educational, care, social and labour market integration, in advance of the request deadline for loan support in mid-2023; calls on the Commission to reflect on a more flexible framework for the allocation of these loans to Member States with approved plans in the context of the Russian aggression against Ukraine;
5. Highlights that the COVID-19 pandemic shifted many work activities to an online or

hybrid environment, which could help people from remote or rural areas to find better opportunities in the labour market and thus prevent brain drain from these areas to bigger cities or abroad; recalls that there is RRF funding expressly available for the development of education, training and skills, particularly digital skills with a special focus on vulnerable groups; calls on the Member States to ensure such investment in people, in particular through up- and re-skilling and requalification of the workforce as well as through reintegration of the unemployed, including of workers who lost their jobs during the pandemic;

6. Stresses the need to transform and modernise education and training in the light of the digital and green transitions, enhancing the acquisition of digital skills and education in particular and promoting vocational education and training and lifelong learning; welcomes the fact that reforms and investments proposed by many Member States to support digital objectives exceed the requirement of at least 20 % of total allocations in each NRRP, amounting to EUR 117 billion or 26 % of the total; stresses in particular the importance of investments in digital skills and digital literacy development for workers and citizens and digitalisation of businesses including SMEs that promote sustainable economic growth and strengthen competitiveness and promote productivity in the long term, as well as of improving connectivity infrastructure, particularly in rural areas, to reduce the digital divide; further encourages Member States to support quality infrastructure (including digital infrastructure) in remote and rural regions in order to enhance opportunities, attract young people and contribute to combating brain drain;
7. Notes that, according to the Commission estimates provided to the European Parliament working group on the Recovery and Resilience Facility, Member States included in their plans measures dedicated to children and youth worth EUR 49.21 billion, representing approximately 11.5 % of the total budget of the 22 recovery and resilience plans currently approved; calls on the Commission and the Member States to fight against youth unemployment and to ensure that young people, especially from vulnerable and disadvantaged environments, receive adequate, paid and high-quality jobs and first working experiences, and that both children and young people have access and opportunity related to education, health, nutrition and housing; is concerned that many NRRPs do not properly reflect the ambitions set by the European Child Guarantee and that they reflect only partially those of the reinforced Youth Guarantee;
8. Notes that social expenditure in the NRRPs includes employment incentives for specific disadvantaged groups, reforms of employment protection legislation and labour contract regulation; stresses that Member States should focus on reforms and investments to support quality job creation and the transition to new sectors and occupations, in line with the European Skills Agenda, the European Green Deal and the EU's new updated Industrial Strategy²⁸; emphasises that 10 NRRPs contain measures to improve the training, development and working conditions of civil servants by facilitating flexible working arrangements and implementing a better pay system in the public service, and that the modernisation of recruitment processes and the effectiveness of judicial systems are found in 13 NRRPs; stresses that reforms and investments should also target older people in the spirit of lifelong learning and promoting social inclusiveness, digital skills, green skills and especially financial literacy; regrets that only some NRRPs contain

²⁸ Commission communication entitled 'Updating the 2020 New Industrial Strategy: Building a stronger Single Market for Europe's recovery' (COM(2021)0350).

measures for the development of proper care services and temporary support measures; calls for Member States to create or strengthen public and affordable high-quality care and education for children, persons with disabilities, the elderly and people with long-term care needs;

9. Welcomes the fact that measures supporting social and territorial cohesion amount to EUR 193 billion of estimated expenditure including EUR 17.4 billion for adult learning, employment support and modernisation of labour market institutions, EUR 45.6 billion for accessibility, especially for persons with disabilities, affordable housing, early childhood education and care, and EUR 37 billion for healthcare resilience²⁹; regrets that social investment measures are rather restricted towards social infrastructure and do not allow the development of proper care services, housing and temporary relief measures; calls on the Commission and the Member States to support legislative and policy initiatives aimed at reducing inequalities and ensuring decent working conditions for all, with a particular focus on teleworking, the right to disconnect, mental well-being at work, occupational health and safety, ensuring quality and safe jobs for all, in particular for essential workers, promoting and strengthening the role of the social partners and collective bargaining; calls for constructive cooperation between the Commission, Parliament and the Member States with a view to adopting the directives on improving working conditions in platform work, on adequate minimum wages and pay transparency, and enforcement mechanisms in the European Union;
10. Notes that, according to the Commission's estimates provided to the European Parliament working group on the Recovery and Resilience Facility, the total expenditure on healthcare-related measures is estimated at EUR 37 billion; welcomes the opportunity for investment in health and long-term care systems which are essential in the context of demographic change; recalls the detrimental effects of the COVID-19 crisis on people's mental health and regrets that Member States did not include measures to make mental health care accessible and affordable for all age groups, especially early ages, initiatives that promote sport, leisure and culture, and measures to address health inequalities through the provision of adequate support to vulnerable groups; recalls that those living alone, those with lower socio-economic status and those who were unemployed³⁰ had higher rates of mental distress, and that the mental health of young people has worsened significantly, with the incidence of mental ill-health almost doubling in several Member States compared to pre-crisis levels; highlights that mental health should represent an integral part of the EU's socio-economic recovery from the pandemic and an occupational health priority, in particular in educational and workplace environments;
11. Believes that the social milestones and targets that have been set out are insufficient; points out the particular importance of indicators related to the implementation of the European Pillar of Social Rights principles of quality employment, upward social convergence, equality of and access to opportunities and social protection, education and skills, and investment in access and opportunities for children and young people, in line with the objectives of the Child Guarantee and Youth Guarantee; calls on the

²⁹ https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/assets/thematic_analysis/5_Health.pdf

³⁰ OECD Tackling the mental health impact of the COVID-19 crisis: An integrated, whole-of-society response <https://www.oecd.org/coronavirus/policy-responses/tackling-the-mental-health-impact-of-the-covid-19-crisis-an-integrated-whole-of-society-response-0c9afa0b/>

Commission to closely monitor Member States' investment in this area via the Semester cycle and the national reform programmes in line with the RRF, while involving Parliament, the social partners and civil society organisations in the monitoring and evaluation of the national recovery and resilience plans;

12. Welcomes the fact that the Commission has already received its first payment requests under the RRF; urges the Commission to ensure the fast deployment of payments and to closely monitor the implementation of reforms and investments; notes that regions that were already lagging behind in their development before the outbreak of the pandemic are at risk of suffering from an even greater development gap in employment, educational attainment, business support, green transition and digitalisation, mobility or other key policy areas; highlights that measures to enhance the civil service also reduce regulatory and administrative burdens, improve public procurement procedures and contribute to the effectiveness of public administration; invites the Commission to actively support local and regional authorities that have experienced problems absorbing EU funds in the past in addressing these problems, so that the NRRPs can be successfully implemented across the EU;
13. Stresses that Member States should ensure complementarity between the RRF, the European Social Fund Plus and other relevant EU programmes; calls for coordination with the other programmes funded by the NextGenerationEU recovery package (e.g. Recovery Assistance for Cohesion and the Territories of Europe (REACT-EU)) and for alignment between existing and new programmes funded by NextGenerationEU concerning ambitions for a green and digital transition and effective implementation by local and regional authorities of the recovery programmes; calls for clear coordination between NRRPs and European Structural and Investment Funds (ESIF) programmes; calls for the synergies between NRRPs and ESIF programmes to be included as part of the Commission's annual reports on the implementation of the RRF and to be subject to scrutiny by Parliament;
14. Urges the Commission to verify that the social partners were properly consulted by Member States during the drafting of the NRRPs, in accordance with national rules and practices; urges the Commission to verify the proper implementation of the social objectives of the country-specific recommendations in the NRRPs, so as to mitigate the employment impact of the crisis and ensure the social protection of workers, in particular workers in non-standard forms of employment;
15. Calls on the Commission to use the social component of the RRF to promote entrepreneurship and talent, focusing especially on young people, as a means of developing the single market;
16. Reminds the Commission that the rule of law conditionality mechanism is an essential component of the RRF; calls on the Commission to refrain from approving the NRRPs of Member States as long as concerns regarding the observance of the rule of law and the prevention and detection of and fight against fraud, conflicts of interest and corruption persist in those countries, and to ensure that all the measures set out in their plans comply with the EU values enshrined in Article 2 of the Treaty on European Union;
17. Notes the steps taken by the Commission in order to ensure full transparency in

implementing of the RRF, such as making the operational arrangements concluded with the Member States available on the dedicated RRF website; reiterates the obligation to regularly update Parliament on the progress of the RRF and the implementation of the NRRPs, given its role in scrutinising the implementation of the RRF; reiterates the importance of the Recovery and Resilience Scoreboard as a performance-reporting tool to monitor the implementation of the RRF generally as well as Member States' individual recovery and resilience plans and to enhance transparency for the general public; asks the Commission to update the monitoring of the implementation of the six pillars, to ensure that granular data is made available in the RRF scoreboard and to properly reflect the role of local and regional authorities; urges the Member States to provide detailed information to the Commission in order to ensure the effective reporting of the impact of the RRF; calls on the Commission to better reflect the tracking of the implementation of the 20 principles of the European Pillar of Social Rights through complementary social indicators included in the thematic analysis of the scoreboard;

18. Stresses the importance of mainstreaming gender equality and equal opportunities for all throughout the implementation of NRRPs; notes that many NRRPs include explanations of how they address gender-related concerns; observes that some NRRPs contain measures focusing on the participation of women in the labour market and the reduction of the gender pay gap; notes, however, that the extent to which such measures are covered varies greatly and could be improved for a number of Member States; notes that the delegated act on social expenditure and on the resilience scoreboard will not be sufficient to track and to report on the gender dimension and impacts of the RRF; calls on the Commission to consider coming forward with complementary gender indicators, notably with a view to tracking the gender impacts of the NRRPs;
19. Points out that there is a need for strong parliamentary oversight of the Commission and governments during the process; deplores the fact that national parliaments, regions and local authorities, as well as civil society organisations, including youth organisations, have had limited involvement in designing national plans; regrets the fact that the RRF Regulation does not contain a formal assessment criterion when it comes to the involvement of local and regional authorities, social partners, civil society organisations, youth organisations and other relevant stakeholders and how their input is reflected; recalls that stakeholders are at the forefront of local NRRP implementation and asks the Commission and the Member States to ensure that they are properly and deeply involved in the implementation of the plans in accordance with their national legal frameworks, and that there is effective coordination between the relevant levels of government;
20. Reiterates the importance of successful implementation by the Member States in order to ensure the long-term impact on the EU's economy and society; urges the Commission to explore how the lessons learned from the creation and implementation of the RRF could be used in the review of the EU's macro-economic governance framework, in particular with regard to establishing a more transparent and democratic coordination process and better cooperation between the European institutions, as well as with national governments and stakeholders; considers that the RRF could serve as a model for an instrument that is made available in crises of similar severity, and that can be accessed more quickly; stresses, however, that the weaknesses of the RRF should be corrected in the new instrument, including by setting more ambitious social goals and

firmly establishing the sustainable development of prosperity and wellbeing;

21. Underlines that the RRF aims to contribute to the implementation of the European Pillar of Social Rights, introducing better policies for the next generation; considers that clear methodologies for displaying progress on the implementation of the recovery and resilience plans are crucial regarding in order for the delegated acts on the Recovery and Resilience Scoreboard and on social expenditure to comply and be in line with the aims of the Regulation;
22. Is pleased to note that several Member States provide data at regional level and invites the other Member States to provide data at regional level; calls on the Commission to update its monitoring of the implementation of the six pillars and to ensure that granular data is made available in the RRF scoreboard and that the European Parliament is regularly updated, to continue and enhance its role in scrutinising the implementation of the RRF;
23. Welcomes the share of RRF social expenditure under the four social categories of employment and skills (20.4 %), education and childcare (33 %), health and long-term care (32 %) and social policies (14.6 %) for the NRRPs endorsed thus far; calls on Member States to ensure ambitious social objectives in their investments and reforms;
24. Underlines that the social expenditure methodology must follow the structure of the European Pillar of Social Rights and analyse the contribution to each one of the 20 principles; stresses that common indicators must include indicators reflecting all the social areas included in the RRF that allow an assessment of its performance; calls on the Commission to come forward with complementary social indicators tracking notably the implementation of the 20 principles of the European Pillar of Social Rights through the NRRPs;
25. Calls on the Commission and the Member States to speed up the implementation of energy resilience projects and to identify sustainable solutions to mitigate the impact of rising energy prices on the population;
26. Concludes that the design and implementation of the RRF offer important lessons and can serve as inspiration for reforming the European Semester; calls on the Commission to effectively integrate the social dimension into the Semester process;
27. Recalls that respect for the rule of law is an essential precondition for compliance with the principles of sound financial management and that RRF funds are subject to the Conditionality Regulation³¹.

³¹ Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council of 16 December 2020 on a general regime of conditionality for the protection of the Union budget. OJ L 433I , 22.12.2020, p. 1.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	28.4.2022
Result of final vote	+: 27 -: 17 0: 10
Members present for the final vote	Atidzhe Alieva-Veli, Dominique Bilde, Gabriele Bischoff, Vilija Blinkevičiūtė, Milan Brglez, Sylvie Brunet, Jordi Cañas, David Casa, Ilan De Basso, Margarita de la Pisa Carrión, Özlem Demirel, Klára Dobrev, Jarosław Duda, Estrella Durá Ferrandis, Lucia Ďuriš Nicholsonová, Rosa Estaràs Ferragut, Nicolaus Fest, Loucas Fourlas, Cindy Franssen, Helmut Geuking, Elisabetta Gualmini, Alicia Homs Ginel, France Jamet, Agnes Jongerius, Radan Kanev, Ādám Kósa, Stelios Kympouropoulos, Miriam Lexmann, Elena Lizzi, Sara Matthieu, Giuseppe Milazzo, Sandra Pereira, Kira Marie Peter-Hansen, Dragoş Pişlaru, Manuel Pizarro, Dennis Radtke, Guido Reil, Daniela Rondinelli, Mounir Satouri, Monica Semedo, Michal Šimečka, Beata Szydło, Eugen Tomac, Romana Tomc, Marie-Pierre Vedrenne, Marianne Vind, Maria Walsh, Stefania Zambelli, Tomáš Zdechovský
Substitutes present for the final vote	Alex Agius Saliba, Konstantinos Arvanitis, Romeo Franz, Eugenia Rodríguez Palop, Veronika Vrecionová

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

27	+
NI	Daniela Rondinelli
PPE	Loucas Fourlas, Cindy Franssen, Stelios Kypouropoulos, Maria Walsh
Renew	Atidzhe Alieva-Veli, Sylvie Brunet, Jordi Cañas, Dragoș Pîslaru, Monica Semedo, Marie-Pierre Vedrenne, Lucia Ďuriš Nicholsonová, Michal Šimečka
S&D	Alex Agius Saliba, Gabriele Bischoff, Vilija Blinkevičiūtė, Milan Brglez, Ilan De Basso, Klára Dobrev, Estrella Durá Ferrandis, Elisabetta Gualmini, Alicia Homs Ginel, Agnes Jongerius, Manuel Pizarro, Marianne Vind
The Left	Konstantinos Arvanitis, Eugenia Rodríguez Palop

17	-
ECR	Giuseppe Milazzo, Beata Szydło, Veronika Vrecionová, Margarita de la Pisa Carrión
ID	Dominique Bilde, Nicolaus Fest, France Jamet, Guido Reil
PPE	David Casa, Jarosław Duda, Rosa Estaràs Ferragut, Helmut Geuking, Radan Kanev, Dennis Radtke, Eugen Tomac, Romana Tomc, Tomáš Zdechovský

10	0
ID	Elena Lizzi, Stefania Zambelli
NI	Ádám Kósa
PPE	Miriam Lexmann
The Left	Özlem Demirel, Sandra Pereira
Verts/ALE	Romeo Franz, Sara Matthieu, Kira Marie Peter-Hansen, Mounir Satouri

Key to symbols:

+ : in favour

- : against

0 : abstention

31.3.2022

LETTER OF THE COMMITTEE ON THE ENVIRONMENT, PUBLIC HEALTH AND FOOD SAFETY

Mr Johan Van Overtveldt
Chair
Committee on Budgets
BRUSSELS

Ms Irene Tinagli
Chair
Committee on Economic and Monetary Affairs
BRUSSELS

Subject: Opinion on Implementation report on the Recovery and Resilience Facility
(2021/2251(INI))

Dear Chairs,

The coordinators of the Committee on the Environment, Public Health and Food Safety (ENVI) decided on 30 November 2021 that ENVI would provide an opinion on the Implementation report on the Recovery and Resilience Facility (2021/2251(INI)) in the form of a letter. Therefore, as ENVI Chair, let me provide you with ENVI's contribution in the form of resolution paragraphs, which was adopted by ENVI at its meeting¹ of 31 March 2022 and which hopefully will be taken into account by your committees:

Yours sincerely,

Pascal Canfin,

¹ The following were present for the final vote: Pascal Canfin (Chair), Bas Eickhout (Vice-Chair), César Luena (Vice-Chair), Dan-Ștefan Motreanu (Vice-Chair), Anja Hazekamp (Vice-Chair), Mathilde Androuët, Maria Arena, Bartosz Arłukowicz, Margrete Auken, Simona Baldassarre, Marek Paweł Balt, Aurélia Beigneux, Monika Beňová, Hildegard Bentele, Sergio Berlato, Alexander Bernhuber, Malin Björk, Simona Bonafè, Delara Burkhardt, Sara Cerdas, Mohammed Chahim, Tudor Ciuhodaru, Nathalie Colin-Oesterlé, Esther de Lange, Christian Doleschal, Marco Dreosto, Cyrus Engerer, Cornelia Ernst, Eleonora Evi, Agnès Evren, Pietro Fiocchi, Raffaele Fitto, Malte Gallée, Andreas Glück, Nicolás González Casares, Catherine Griset, Jytte Guteland, Teuvo Hakkarainen, Martin Hojsík, Jan Huitema, Yannick Jadot, Adam Jarubas, Petros Kokkalis, Athanasios Konstantinou, Ewa Kopacz, Joanna Kopcińska, Peter Liese, Sylvia Limmer, Javi López, Fulvio Martusciello, Liudas Mažylis, Joëlle Mélin, Tilly Metz, Silvia Modig, Dolors Montserrat, Alessandra Moretti, Ville Niinistö, Ljudmila Novak, Grace O'Sullivan, Jutta Paulus, Stanislav Polčák, Jessica Polfjård, Nicola Procaccini, Frédérique Ries, Manuela Ripa, María Soraya Rodríguez Ramos, Sándor Rónai, Rob Rooken, Silvia Sardone, Christine Schneider, Günther Sidl, Ivan Vilibor Sinčić, Linea Søgaard-Lidell, Tomislav Sokol, Maria Spyraiki, Nicolae Ștefănuță, Nils Torvalds, Edina Tóth, Véronique Trillet-Lenoir, Petar Vitanov, Alexandr Vondra, Mick Wallace, Pernille Weiss, Emma Wiesner, Michal Wiezik, Tiemo Wölken, Anna Zalewska.

SUGGESTIONS

- Stresses that the evolution of the COVID-19 pandemic has shown us the importance of achieving a resilient, equitable and fair economic recovery for all based on the pillars of the Recovery and Resilience Facility (RRF) Regulation and particularly on the Union climate, environmental, including halting and reversing biodiversity loss, and energy targets and the objective of making the Union climate neutral by 2050 at the latest;
- Considers the RRF as a crucial tool to address key structural challenges and investment needs and supporting the transformation of the European economy to make it truly sustainable, competitive and more resilient;
- Underlines the importance of ensuring that the measures supported by the Facility and included in the National Recovery and Resilience Plans (RRPs) of the individual Member States ‘do no significant harm’ and account for an amount that represents at least 37% of the recovery and resilience plan’s total allocation to the green transition, including biodiversity, or to addressing the challenges resulting therefrom,; Stresses that this massive green investment shock at European level to the reduction of the climate friendly investment gap over the next years.
- Calls on the Commission to apply the highest transparency standards when assessing the RRP and their implementation; reminds that the information transmitted by the Commission to the Council or any of its preparatory bodies in the context of the implementation of the RRF Regulation shall simultaneously be made available to the European Parliament, subject to confidentiality arrangements if necessary;
- Stresses the relevance of monitoring the implementation of the measures included in the RRP in light of the respect of the ‘do no significant harm’ defined in the Taxonomy regulation and enshrined in the RRF Regulation;
- Welcomes that Member States have overall allocated almost 40% of the spending in their plans to climate measures across the 22 recovery and resilience plans approved so far¹; calls on the remaining Member States to swiftly present their plans and meet the necessary conditions, and underlines the importance to start their implementation;
- Regrets that according to initial assessments, recovery measures in the industry sector of the RRP are not fully aligned with climate mitigation and the transition to a circular economy given that only 20% of this spending will accelerate the green transformation further notes that part of the ‘funding share went broadly into supporting industry at large without any incentives towards their necessary green transformation’²;
- Underlines that the measures included in the approved National Plans approved do not enable to meet the increasing demand for electricity; stresses therefore the importance to increase efforts in energy efficiency in order to limit the expected growth of electricity demand as well as the importance to improve the interconnection and proper

¹ Recovery and Resilience Scoreboard (https://ec.europa.eu/info/business-economy-euro/recovery-coronavirus/recovery-and-resilience-facility_en#scoreboard); Brueghel datasets ‘European Union countries’ recovery and resilience plans’ ()

² Green Recovery Tracker. EU Recovery: How green is recovery spending in different sectors ([Microsoft Word - GRT_2021_FACTSHEET_20211221.docx \(website-files.com\)](#))

functioning of the internal market for electricity between Member States; recalls that, in order to contribute to a fully sustainable decarbonisation, electrification shall primarily be focused on renewable energy sources;

- Stresses the importance of decreasing strategic dependencies from third countries, despite the strong trade and economic ties that may join the EU to them; calls to significantly reduce energy dependence, in particular on Russian gas, oil and coal, by, inter alia, diversifying energy sources, unbundling gas storage, and increasing energy efficiency and accelerating the speed of the clean, safe and sustainable energy transition; further stresses that the acceleration of the deployment of the Green Deal will strengthen our Union and reduce its dependency from third countries;
- Calls for an increased effort in the mobility sector in the RRFs in order to promote affordable zero-emissions mobility for all; stresses the strategic importance of investment in infrastructures for e-mobility in order to implement an effective decarbonisation of the mobility sector; underlines in this regard the importance to make Europe a global leader in sustainable battery production and use;
- Welcomes the Commission’s Recovery and Resilience Scoreboard as a tool for monitoring the implementation of the RRF;
- Calls on the Commission to include in its review implementation report foreseen by 31 July 2022 a detailed analysis of all the green transition, including biodiversity, measures included in the RRFs; recalls that the report should assess if the measures in the recovery and resilience plans contribute to the green transition, including biodiversity, or address the challenges resulting therefrom as expected, and whether they account for an amount that represents at least 37 % of the RRFs; underlines the importance of assessing to what extent the RRF green spending is contributing in the different Member States to the achievement of national targets defined in EU legislation, in particular with regard to energy and climate targets and circular economy targets; further stresses that all measures included in the RRFs must respect the Do no significant harm guidelines published by the European Commission;
- Welcomes the issuance of ‘European Green Bonds’ to finance the share of climate-relevant expenditure in the RRF; notes that the first offerings of green bonds by the Commission were largely oversubscribed; underlines again that the green bonds issuance should assure that the funds raised are allocated fully to projects that respect the “do no significant harm” criteria as referred to in the Taxonomy regulation;
- Underlines the need to use the RRF as a mean to ensure that Members States deploy the reforms needed to accelerate the Green transition;

11.3.2022

LETTER OF THE COMMITTEE ON INTERNATIONAL TRADE

Mr Johan Van Overtveldt

Mrs Irene Tinagli
Chairs
Committee on Budgets and the Committee on Economic and Monetary Affairs
BRUSSELS

Subject: Opinion on Implementation report on the Recovery and Resilience Facility
(2021/2251(INI))

Dear Chairs,

Under the procedure referred to above, the Committee on International Trade has been asked to submit an opinion to your committee. At its meeting of 26 January 2022, the committee decided to send the opinion in the form of a letter.

The Committee on International Trade considered the matter at its meeting of 3 March 2022. At that meeting, it decided to call on the Committee on Budgets and the Committee on Economic and Monetary Affairs, as the committee responsible, to incorporate the following suggestions into its motion for a resolution.

Yours sincerely,

Bernd Lange

SUGGESTIONS

1. Acknowledges the meaningful effort made by the European Union for the establishment and implementation of the Recovery and Resilience Facility in a very difficult context and within very short deadlines;
2. Considers that this facility has the potential of impacting very positively on the sustainable economic growth in the European Union Member States and of facilitating both a green transition towards climate neutrality and a digital transition strengthening overall competitiveness;
3. Is of the opinion that an appropriate level of alignment of the Recovery and Resilience Facility plans are not only needed as regards the European Semester but also in relation to other EU policies with an international dimension;
4. Reminds that the EU is witnessing an impaired access to certain critical raw materials and intermediate components needed for an ambitious industrial agenda; underscores the need to implement policy measures within the RRF plans, aiming at supporting more resilient and sustainable supply chains; invites the Commission to include a dedicated chapter on raw materials in new free trade agreements, given their critical role in the EU's twin transition;
5. Is of the opinion that RRF plans, if implemented in line with the objectives of the RRF Regulation, should facilitate the green and digital transition of the EU economy and thereby boost its competitiveness, including that of European SMEs;
6. Stresses the importance of decreasing strategic dependencies from third countries, despite the strong trade and economic ties that may join the EU to them;
7. Strongly emphasizes that the funding of the Recovery and Resilience Facility should not end up in the hands of foreign state-owned enterprises or other enterprises that received distorting state aid as this would worsen unfair competition and increase the vulnerability of our strategic sectors. Underlines that this gap needs to be addressed in anticipation of the adoption of a Foreign Subsidies instrument.

28.4.2022

OPINION OF THE COMMITTEE ON BUDGETARY CONTROL

for the Committee on Budgets and the Committee on Economic and Monetary Affairs

on the implementation report on the Recovery and Resilience Facility
(2021/2251(INI))

Rapporteur for opinion: Isabel García Muñoz

SUGGESTIONS

The Committee on Budgetary Control calls on the Committee on Budgets and the Committee on Economic and Monetary Affairs, as the committees responsible, to incorporate the following suggestions into their motion for a resolution:

- A. whereas the COVID-19 outbreak in early 2020 changed the economic, social and budgetary outlook in the Union and in the world, calling for an urgent and coordinated response both at Union and national level in order to cope with the enormous economic and social consequences, as well as the asymmetrical effects on Member States;
- B. whereas the NextGenerationEU ('NGEU') stimulus package was designed during these extraordinary circumstances as an unprecedented and unique opportunity for the Union that needs to prove a success, not only for EU citizens and businesses, but also for the Union's reputation as a whole;
- C. whereas the Recovery and Resilience Facility ('the Facility'), as set up by Regulation 2021/241, is the cornerstone of NGEU and aims to provide funding to Member States through grants and loans, in order to finance reforms and investments, helping citizens and economies to cope with the impact of the COVID-19 pandemic and laying the foundations for sustainable recovery;
- D. whereas the Facility is a performance-based instrument, which means that the payments are conditional upon the fulfilment of the milestones and targets underpinning the reforms and investments in the respective national recovery and resilience plans (NRRPs);
- E. whereas the implementation of the Facility should be carried out in line with the principle of sound financial management and ensuring that the financial interests of the Union are effectively protected;
- F. whereas on 1 March 2022, the Commission published its report on the implementation of the Facility as required under Article 31 of Regulation (EU) 2021/241;
 1. Recalls that the specific objective of the Facility is to provide financial support with a view to achieving the milestones and targets for reforms and investments set out in the respective NRRPs aimed at coping with the impact of the COVID-19 pandemic and laying the foundations for sustainable recovery;
 2. Underlines that the Commission assesses the Member States' disbursement requests upon achievement of the agreed milestones and targets, while respecting the national ownership of the NRRPs and the choice of the Member States of the relevant types of financing and the methods of implementation; reiterates Parliament's role of supervising the work of the Commission with regard to the Facility's implementation in the framework of the 'recovery and resilience dialogue';
 3. Notes that by mid-February 2022, all Member States but one had submitted their NRRPs, requesting in total EUR 337.5 billion in grants and EUR 166 billion in loans; welcomes the fact that the Commission has approved 22 NRRPs, followed by the

adoption of the 22 respective Council Implementing Decisions (thereby leaving four plans pending for assessment by the Commission), and that the Commission has agreed on operational arrangements with eight Member States, which set out the framework for monitoring the implementation of the plans; expresses its concern that one Member State has not yet submitted its NRRP;

4. Notes that by mid-March, the Commission had received five payment requests and had made the first payment in December 2021; notes that also by mid-March, the Commission had disbursed¹ EUR 54.05 billion in grants (16 % of the EUR 338 billion available) and EUR 19.9 billion on loans (5 % of the EUR 385.8 billion available); welcomes the fact that the calendar of payments is in line with the expected implementation rate of the Facility and encourages the Commission to continue to work closely with the Member States to maintain this positive development, as well as to report any significant difficulty in its future implementation reports; recalls that the benefits of economic recovery will only be achieved if the sustainability of public finances is in balance in the long term;
5. Notes that of the total of EUR 385.8 billion available for loans, seven Member States have requested loans amounting EUR 166 billion, leaving a considerable amount available for Member States to request loans at a later stage if needed; urges the Commission to explore ways in which unused loans could address the economic, social and energy consequences impacting Member States, following Russia's invasion of Ukraine;
6. Notes that the Commission concluded in its assessments that all NRRPs comply with the 11 criteria provided for in Regulation (EU) 2021/241 and therefore gave an A-rating for most criteria based on the information provided in the NRRPs; is concerned, however, about the fact that all Member States have received a B-rating for the criteria evaluating whether the estimated total costs of the NRRPs are reasonable; calls on the Commission to develop criteria which will enable evaluations across the entire spectrum of costs available in the future;
7. Observes that because of the nature of the Facility, monitoring, implementation and control focus on the achievement of results which can simplify implementation and contribute to the achievement of the desired outcome; is nevertheless worried that this can also make the detection of abuse of EU funds more difficult; calls on the Commission to ensure that proper cost analyses are being conducted in order to tackle fraud and corruption; stresses that the swift implementation of NRRPs is crucial not only for economic recovery, but also to stimulate growth and therefore achieve their intended purpose;
8. Welcomes the large number of documents that have been published on the Facility's website, as well as the Recovery and Resilience Scoreboard that provides a visual and user-friendly overview of the progress made in the implementation of the NRRPs and thereby fosters the transparency, public scrutiny and accountability of the Facility; calls on the Commission to maintain or further increase this level of transparency and data visualisation in the future; reiterates the importance both of the continuous monitoring

¹ European Commission, retrieved on 16 March 2022, https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/disbursements.html?lang=en

of the Facility's expenditure and full transparency from the Member States regarding implementation and management data, in order for the results of the Facility to be analysed and possible shortcomings identified;

9. Appreciates in particular the publication of the preliminary assessments of the satisfactory fulfilment of the milestones and targets related to each Member State's payment request for the instalments of grants under the Facility; notes the detailed analysis carried out by the Commission, which includes the evidence provided by the Member State concerned;
10. Welcomes the development of other monitoring tools on implementation at national level that include more detailed and regional information about the implementation of the milestones and targets, and calls on the Commission to consider the integration of these datasets into the Scoreboard;
11. Considers that the reliability of the performance data concerning the targets and milestones of the Facility is of the utmost importance; urges the Member States to publicly provide detailed and timely information in order to ensure effective reporting of the impact of the Facility; calls on the Commission to provide a statement of assurance on the performance data for the implementation of the Facility in its Annual Management and Performance Report;
12. Emphasises that the implementation of the Facility should be carried out in line with the principle of sound financial management, which includes the effective prevention, detection and correction of fraud, corruption and conflicts of interest, as well as avoiding double funding; calls on the Commission, therefore, to be particularly strict with the Member States in complying with the protection of the financial interests of the Union, as enshrined in Article 22 of Regulation (EU) 2021/241, as a key element of the EU's policy agenda to strengthen and increase the confidence of the public and ensure that taxpayers' money is used properly;
13. Recalls that an unsatisfactory implementation of NRRPs, double funding and serious irregularities (such as fraud, corruption and conflicts of interest) should lead to the suspension or termination of financial support agreements and delays in disbursement of funds, as well as the reduction and recovery of financial contributions by the Commission; calls on the Commission to make full use of the provisions of the Facility's Regulation in the event of a breach of the obligations of Member States under the financing agreements; calls on the Commission to set out in its future implementation reports whether any such case has occurred, its causes and the remedial actions taken by the Commission or the Member State concerned;
14. Calls on the Commission to ensure that adequate control capacities are in place and stresses that the Commission, the European Anti-Fraud Office (OLAF), the Court of Auditors and the European Public Prosecutor's Office (EPPO), the European Union Agency for Law Enforcement Cooperation (Europol) and the European Union Agency for Criminal Justice Cooperation (Eurojust) must exercise their rights laid down in Article 129(1) of the Financial Regulation with regard to the Facility and, in particular, should be able to use the information and monitoring system made available by the Commission within their competences and rights, in order to prevent, detect, correct and

investigate fraud, corruption, conflicts of interest and, where applicable, to impose administrative penalties, as well as to avoid double funding; asks the Commission to inform Parliament about any specific obstacle to the full exercise of those rights that NRRPs may contain;

15. Asks the Commission to provide information about the measures ensuring the early detection of abuse of the funds under the Facility, as well as to report on the result of any relevant investigation or prosecution concluded on the use of funds at national or EU level, including, where applicable, the actions to recover the affected funds;
16. Insists on the necessity of close cooperation between the aforementioned EU institutions and bodies, as well as with national authorities, to ensure the efficient and proper use of funds under the Facility; commends the invaluable work carried out by OLAF and the EPPO; highlights the NGEU Law Enforcement Forum, as well as Operation Sentinel, which must help in a cooperative manner to prevent and counter threats against the funds under the Facility and map vulnerabilities in national allocation systems;
17. Notes with satisfaction from the Commission's assessments of NRRPs that Member States' plans adopted in 2021 have adequate control systems which ensure the prevention of double funding and arrangements to correct serious irregularities, and the recovery of funds; notes that the Commission also identified some deficiencies in 16 NRRPs and welcomes the fact that the Member States concerned agreed to take additional remedial measures before sending the first payment request; asks the Commission to clearly indicate in its future implementation reports whether the agreed remedial measures were effectively implemented and any eventual impact of the identified deficiencies on the implementation of the relevant NRRP; underlines that sufficient resources and capacities need to be directed by the Commission towards the thorough scrutiny of the implementation of the plans and the fulfilment of the milestones and targets, including identifying synergies to achieve the best possible outcome;
18. Notes the guidance provided by the Commission to Member States to avoid double funding of the same costs by the Facility and other EU funds, as well as the support to identify suitable instruments at Union level to create synergies with the measures financed under the Facility;
19. Reiterates that the use of a single data-mining and risk-scoring tool, such as ARACHNE, is essential to protect the EU budget by means of preventing conflicts of interest, fraud, corruption and double funding; welcomes the fact that several Member States aim to use ARACHNE in the implementation of the Facility; calls on the Commission to encourage all other Member States to use ARACHNE and, in the meantime, to make sure that the alternative measures to risk-score the entities and individuals involved in implementation of the Facility are equivalent to ARACHNE; highlights the need to ensure a harmonised data collection process and the interoperability of ARACHNE with national and local databases;
20. Calls on the Commission to inform the budgetary authority about the use of FENIX, the IT system set up for Member States to report the relevant information on the implementation of the NRRPs, and, in particular, about the interoperability of this

system with the ARACHNE data-mining tool; calls on the Commission to make sure that, in addition to the information on the recipients, final recipients, contractors and sub-contractors of the Facility, data on beneficial owners is also collected by the Member States in an electronic standardised and interoperable format;

21. Calls for maximum interoperability between ARACHNE, EDES and other software to simplify data entry and keep the administrative burden as low as possible; recalls its call on the Commission to establish an integrated, interoperable system which contains information on all EU co-financed projects, beneficiaries and beneficial owners, and is able to aggregate all amounts received by the same beneficiary or beneficial owner;
22. Welcomes the fact that most Member States have followed the Commission's recommendations by designing specific websites where Facility-related information is displayed, but regrets the fact that there are major differences in the level and breadth of the available information made public on them; asks the Commission to include recommendations and best practices in communication about, and the visibility of, NGEU funding, allowing for the progress of their implementation to be monitored in its future implementation reports, with a particular focus on the harmonisation of the information available to citizens in order to foster transparency, public scrutiny and accountability;
23. Recalls that on the basis of Article 22 of Regulation (EU) 2021/241, Member States are primarily responsible for ensuring the protection of the financial interests of the Union; calls on the Commission to report on its assessment of the capacity of national internal control systems (particularly audit capacity, beneficiary data storage and audit plans) to prevent, detect and correct double funding, corruption, fraud and conflicts of interest, and to ensure compliance with national and Union rules; stresses that, in the event of inadequacies in the national internal control systems, the milestones or targets suggested by the Commission to address these inadequacies must be appropriately explained in the annual report on the implementation of the Facility; notes that the requests for the first payment submitted by Member States so far have milestones related to the national audit and control systems;
24. Calls on the Commission to include in its annual report on the protection of the Union's financial interests information about the prevention, detection and correction of irregularities, as well as on the implementation of the Facility; calls on the Commission to assess the information collected by the Member States allowing the prevention, detection and correction of serious irregularities in relation to the measures supported by the Facility and to report about the measures undertaken by the Commission and the Member States to remedy weaknesses in the Member States' internal control systems;
25. Reiterates its concern that the Commission only audits the achievement of milestones and targets before paying out the Facility's funds, while leaving it to the Member States to ensure that public procurement or State aid rules have been complied with; notes that the Commission will carry out system audits to ensure that the Member States have put in place strong controls for the protection of the Union's financial interests against conflicts of interest or serious irregularities; is, however, of the opinion that the Commission as guardian of the Treaties should not only rely on Member States' audits on compliance with applicable rules to ensure a level playing field for investments

under the Facility; calls, therefore, on the Commission to extend its audit activities beyond system audits to include checks on public procurement and State aid rules, following its risk-based approach, particularly in Member States where severe or systemic weaknesses have repeatedly been detected; recalls, in this regard, the serious loopholes in the national legislation in certain Member States regarding efficient controls and prevention of conflicts of interest;

26. Notes that the absorption of grants under the Facility is projected to be front-loaded with 42 % of the total amount of allocated grants to euro area Member States to be spent by the end of 2022; notes that most grants are geared towards funding private and public investments; calls on the Commission to be vigilant, especially for payment requests from Member States where systematic failures in the national internal control systems exist;
27. Calls on the Commission to make approval of the NRRPs, the disbursement of funds and all measures set out in the NRRPs conditional on full compliance with the Union's values enshrined in Article 2 of the Treaty on European Union, including the rule of law, and the prevention and detection of, and the fight against, fraud, conflicts of interest, corruption and double funding;
28. Considers that the observance of these values and the principle of sound financial management are to be monitored throughout the life cycle of the Facility and therefore that the Commission must refrain from the disbursements of funds and, where applicable, recover funds, in the event that these conditions are no longer fulfilled, without affecting the final beneficiaries;
29. Emphasises that in the event of a serious breach of the rule of law, the Conditionality Mechanism can be triggered in relation to the NGEU stimulus package, and therefore to the Facility; stresses that democracy, the rule of law and fundamental rights, as well as the implementation of the relevant rulings of the Court of Justice of the European Union, are not negotiable and calls, therefore, on the Commission to implement the Conditionality Regulation without any further delay;
30. Reiterates its concerns expressed in its resolution of 10 June 2021 on the views of Parliament on the ongoing assessment by the Commission and the Council of the national recovery and resilience plans² that many Member States have not, or have only inadequately, involved regional and local authorities in the drafting process of the NRRPs; is concerned about reports³ that the requirement for broad and transparent consultation with the local authorities and the relevant stakeholders in drafting the recovery plan has not been met by the Member State that has not yet submitted its plan;
31. Recalls that the social partners, local and regional authorities, and civil society organisations such as youth organisations are at the forefront of NRRPs' implementation and are therefore key stakeholders in achieving a sustainable recovery from the pandemic; calls on the Commission and the Member States to appropriately consult and involve them in the implementation of the reforms and investments within

² OJ C 67, 8.2.2022, p. 90.

³<https://www.ftm.nl/artikelen/oude-kabinet-knutselde-met-private-partijen-toch-aan-nationaal-plan-eu-herstelfonds>

the Facility, as well as to ensure effective coordination between the relevant levels of governance; asks the Commission to further develop its assessment of the consultation of the relevant stakeholders in its future implementation reports, with an identification of best practises that can be implemented by other Member States such as governance systems that involve the central and regional authorities competent for a given area;

32. Reaffirms that democratic control over the implementation of the Facility is only possible with the full involvement of Parliament and the consideration of its recommendations at all stages, which lays the foundation for the Facility's democratic accountability, also through the annual discharge procedure; recalls that Article 25 of Regulation (EU) 2021/241 requires the Commission to transmit the relevant documents and information simultaneously and on equal terms to the European Parliament and to the Council, whose involvement is crucial to ensure democratic oversight; reminds the Commission of its obligations in terms of transparency and dialogue with Parliament under Chapter V of Regulation (EU) 2021/241;
33. Recalls that in the framework of the discharge procedure to the Commission, in accordance with Article 319 of the Treaty on the Functioning of the European Union, the Facility is subject to reporting requirements under the integrated financial and accountability reporting rules.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	20.4.2022
Result of final vote	+: 22 -: 1 0: 6
Members present for the final vote	Matteo Adinolfi, Gilles Boyer, Olivier Chastel, Caterina Chinnici, Corina Crețu, Ryszard Czarnecki, José Manuel Fernandes, Luke Ming Flanagan, Daniel Freund, Isabel García Muñoz, Monika Hohlmeier, Jean-François Jalkh, Pierre Karleskind, Mislav Kolakušić, Joachim Kuhs, Claudiu Manda, Alin Mituța, Jan Olbrycht, Younous Omarjee, Markus Pieper, Sándor Rónai, Petri Sarvamaa, Angelika Winzig, Lara Wolters, Tomáš Zdechovský
Substitutes present for the final vote	Andrey Novakov, Mikuláš Peksa, Elżbieta Rafalska, Viola Von Cramon-Taubadel

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

22	+
PPE	José Manuel Fernandes, Monika Hohlmeier, Andrey Novakov, Jan Olbrycht, Petri Sarvamaa, Angelika Winzig, Tomáš Zdechovský
Renew	Gilles Boyer, Olivier Chastel, Pierre Karleskind, Alin Mituța
S&D	Caterina Chinnici, Corina Crețu, Isabel García Muñoz, Claudiu Manda, Sándor Rónai, Lara Wolters
The Left	Luke Ming Flanagan, Younous Omarjee
Verts/ALE	Daniel Freund, Mikuláš Peksa, Viola Von Cramon-Taubadel

1	-
NI	Mislav Kolakušić

6	0
ECR	Ryszard Czarnecki, Elzbieta Rafalska
ID	Matteo Adinolfi, Jean-François Jalkh, Joachim Kuhs
PPE	Markus Pieper

Key to symbols:

+ : in favour

- : against

0 : abstention

26.4.2022

OPINION OF THE COMMITTEE ON CULTURE AND EDUCATION

for the Committee on Budgets and the Committee on Economic and Monetary Affairs

on the implementation report on the Recovery and Resilience Facility
(2021/2251(INI))

Rapporteur for opinion: Niklas Nienäß

SUGGESTIONS

The Committee on Culture and Education calls on the Committee on Budgets and the Committee on Economic and Monetary Affairs, as the committees responsible, to incorporate the following suggestions into their motion for a resolution:

1. Recalls the strong need for culture and education, as the backbone of our democracy, values, society and economy, to receive adequate support from the Recovery and Resilience Facility (RRF), also with regard to social and working conditions and the green and digital transitions towards a climate-neutral future; regrets that this need was not properly considered in the RRF Regulation;
2. Recalls the crucial role education, culture, media and sports play in our daily lives and their contribution to the cohesion, resilience and inclusiveness of our societies, and stresses the importance of the RRF in mitigating the negative consequences of the COVID-19 pandemic;
3. Recalls that the EU cultural and creative sectors account for 4.4 % of GDP and nearly 8.7 million jobs in the EU; highlights that these sectors were among those hit first and the hardest by the COVID-19 pandemic and are having serious difficulties in recovering from the restrictions they suffered, particularly given the fact that they are composed mostly of self-employed individuals and micro and small-sized organisations and enterprises;
4. Regrets the fact that the cultural and creative sectors have largely been neglected in the EU's overall effort to overcome the COVID-19 pandemic and therefore stresses the need to earmark funds for these sectors and provide additional support through the national recovery and resilience plans (NRRPs), as well as the need for complementary actions at EU, national and local level, taking into particular account the segments that have been impacted the most, inter alia live events, performing arts, exhibitions, heritage sites, museums and cinemas;
5. Emphasises the fact that Parliament and the sectors concerned have repeatedly urged the Member States to dedicate at least 2 % of the budget of each NRRP to culture and 10 % to education; deplores the fact that the majority of the Member States are providing far less than the levels requested; criticises the fact that these demands have only been met at an aggregated level and only by taking into account initiatives that are not strictly cultural; insists, in this regard, that these sectors be appropriately included in any

amendments to the NRRPs;

6. Deplores the fact that only 16 Member States have included culture in their NRRPs, and that in most cases the investments and reforms are insufficient; questions, therefore, the Commission's approval of the plans given that they do not address the actual recovery and resilience needs in the Member States; fears that this heterogeneity of public investments will lead to the cultural and creative sectors recovering at different speeds, causing increased disparities within the EU's cultural ecosystem and threatening Europe's cultural diversity; underlines that both short- and long-term measures are necessary to improve the resilience, competitiveness and sustainability of the whole cultural ecosystem, including the development and deployment of innovative digital capacities, and to preserve Europe's cultural heritage;
7. Calls on the Member States to strategically include the topic of recovery and resilience of the cultural and creative sectors in the Council's upcoming 2023-2026 Work Plan for Culture, creating a basis for knowledge-sharing and peer-to-peer learning among national administrations;
8. Opposes the Commission's approach of incorporating initiatives that are not strictly cultural, such as those on tourism and the energy efficiency of cultural buildings, in the calculations to determine overall RRF spending on culture, which results in inaccurate statistical information and thus a misleading representation on the Recovery and Resilience Scoreboard website; calls, therefore, for a reassessment of what constitutes spending on culture and a swift and transparent reanalysis of the data available, noting the importance of accurate reviews that can serve as examples for future plans and strategies; calls on the Commission to state clearly how the Member States are using the RRF to mitigate the impact of the COVID-19 pandemic on young people and on actions fostering media literacy;
9. Strongly believes that for the correct and successful implementation of the RRF throughout the European Union, a special focus should be given to micro and small-sized organisations and enterprises, self-employed individuals and grassroots initiatives, including in rural and remote areas, through specific open calls for proposals in all Member States; requests that the Member States and the Commission focus on sustainability and the socio-economic and environmental impact of planned investments and reforms, ensuring that measures focus on actual needs;
10. Stresses the need for a holistic and determined approach with innovative and sustainable structural reforms targeting the cultural and creative, education, media, audiovisual and sports sectors at the local, regional and national levels; underlines the importance of social security reforms in the cultural and creative sectors; regrets that these reforms are not prioritised and have only been planned in a minority of Member States; stresses that the implementation of the RRF should ensure social cohesion and resilience through structured and inclusive measures that are accessible to all, target young people, women, the elderly, people with disabilities and LGBTIQ+ people in particular and leave no one behind;
11. Calls on the Commission to examine the possibility of redirecting unused RRF resources to EU programmes in the fields of culture, education, youth, sports and media

and to ensure synergies with other EU, national and regional funds and programmes; regrets that only a few Member States have requested loans for the implementation of their NRRPs and therefore urges all Member States to make use of the loans available to support the cultural and creative, media, education and sports sectors and young people;

12. Recalls that the monitoring of the RRF implementation falls within the Commission's remit; therefore calls on it to reconsider the frequency and timing of reporting and evaluation and to define suitable indicators with a view to enabling maximum transparency and effectiveness of actions undertaken in the context of the NRRPs; stresses the importance of gathering, publishing and periodically updating comprehensive, disaggregated and reliable data on RRF allocation at regional level across Member States with the aim of ensuring that all actors, including the smallest ones, are reached by the measures;
13. Regrets the lack of substantial stakeholder consultation during the preparation of the NRRPs; asks the Commission to include a detailed assessment of this consultation process in its review report on the implementation of the RRF, which is to be submitted to Parliament and the Council by 31 July 2022;
14. Urges the Commission and the Member States to guarantee the adequate and continuous involvement of all relevant stakeholders in the implementation and monitoring of the RRF, in particular social partners, civil society organisations and local and regional authorities; calls on the Commission to facilitate the exchange of good practices, mutual learning and capacity-building for national and regional entities in charge of implementing NRRPs; notes that this kind of cooperation will create tangible and sustainable social and economic benefits both at national and EU level;
15. Calls on the Commission and the Member States to comply with the RRF Regulation and to involve Parliament and the specialised committees to a greater extent in the process of evaluating and implementing the NRRPs; asks the Commission, in this regard, to conduct a detailed analysis of the Member States' contributions to the six pillars of the RRF and urges the Parliament Working Group for the scrutiny of the Recovery and Resilience Facility to carry out a thorough assessment of the data provided on the investments and reforms put in place by Member States in the fields of culture, media, education, youth and sports;
16. Highlights the destabilising impact the COVID-19 pandemic has had on young people, education and sports and regrets the fact that they lack adequate funding under the RRF; calls on the Commission and the Member States to foster the participation of young people in democratic and decision-making processes and to step up their efforts to put targeted actions and long-term measures in place, especially with regard to sustainable structural reforms and infrastructural improvements, in order to strengthen the resilience of the educational system, improve the overall learning environment in educational institutions, reduce early school leaving, address gaps in the roll-out of digital learning and enhance the training of education professionals;
17. Notes that the pandemic has adversely affected the mental health of individuals, especially young people, and stresses the need for measures supported by the RRF to help improve mental health through integrated psychological counselling and support

services in schools and elsewhere;

18. Recalls that 2022 is the European Year of Youth, which aims to make young Europeans the centre of attention and to empower and support them, especially in the context of the negative effects of the COVID-19 pandemic; urges the Member States to amplify and align measures in the relevant pillars of their NRRPs to complement the European Year of Youth actions in the long term;
19. Stresses that securing the best outcomes from education and training systems requires high levels of public investment; urges the Member States to exchange practices at regional, national and EU level with the aim of creating a genuine European Education Area;
20. Welcomes the fact that some Member States have included sports in their NRRPs, but reiterates the need for the Commission to provide further detailed data on the measures targeting this sector;
21. Underlines that RRF support both in terms of reforms and investments should also be used to improve working conditions, training, upskilling and reskilling in the cultural and creative sectors, including the music, media and audiovisual sectors, in order to put an end to precarious employment, improve the accessibility of social security schemes and avoid and reverse job losses, ensuring the overall resilience of these sectors;
22. Calls for the particular employment situations of authors, performers, artists and other cultural creators to be taken into consideration by the Member States, including barriers that prevent the improvement of their overall situation and working conditions, such as issues related to taxation, copyright infringement and visas; recalls the importance of the mutual recognition of artistic and creative skills and qualifications in order to facilitate the cross-border mobility of workers and cultural and artistic productions; encourages the Member States to take action in this regard when implementing their NRRPs and to exchange best practices.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	25.4.2022
Result of final vote	+: 27 -: 0 0: 3
Members present for the final vote	Asim Ademov, Andrea Bocskor, Ilana Cicurel, Gianantonio Da Re, Laurence Farreng, Tomasz Frankowski, Romeo Franz, Alexis Georgoulis, Catherine Griset, Sylvie Guillaume, Hannes Heide, Irena Joveva, Petra Kammerevert, Niyazi Kizilyürek, Predrag Fred Matić, Dace Melbārde, Victor Negrescu, Niklas Nienaaß, Peter Pollák, Diana Riba i Giner, Marcos Ros Sempere, Monica Semedo, Andrey Slabakov, Massimiliano Smeriglio, Michaela Šojdrová, Sabine Verheyen, Theodoros Zagorakis, Milan Zver
Substitutes present for the final vote	Alexander Bernhuber, Elżbieta Kruk

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

27	+
ECR	Dace Melbārde
ID	Catherine Griset
NI	Andrea Bocskor
PPE	Asim Ademov, Alexander Bernhuber, Tomasz Frankowski, Peter Pollák, Michaela Šojdrová, Sabine Verheyen, Theodoros Zagorakis, Milan Zver
Renew	Ilana Cicurel, Laurence Farreng, Irena Joveva, Monica Semedo
S&D	Sylvie Guillaume, Hannes Heide, Petra Kammerevert, Predrag Fred Matić, Victor Negrescu, Marcos Ros Sempere, Massimiliano Smeriglio
The Left	Alexis Georgoulis, Niyazi Kizilyürek
Verts/ALE	Romeo Franz, Niklas Nienä, Diana Riba i Giner

0	-

3	0
ECR	Elżbieta Kruk, Andrey Slabakov
ID	Gianantonio Da Re

Key to symbols:

+ : in favour

- : against

0 : abstention

12.5.2022 LETTER OF THE COMMITTEE ON CONSTITUTIONAL AFFAIRS

Mr Johan Van Overtveldt
Chair
Committee on Budgets
BRUSSELS

Ms Irene Tinagli
Chair
Committee on Economic and Monetary
Affairs
BRUSSELS

Subject: Opinion on the implementation report on the Recovery and Resilience
Facility(2021/2251(INI))

Dear Chairs,

Under the procedure referred to above, the Committee on Constitutional Affairs (AFCO) decided at its meeting of 28 March 2022 to submit an opinion to your committees. Due to the urgency of the matter, the AFCO coordinators proposed to the Committee to send the opinion in the form of a letter.

At its meeting of 28 April 2022, the Committee on Constitutional Affairs considered the matter and adopted its opinion in the form of a letter by 22 votes in favour, 5 against and 1 abstention¹, calling on the Committee on Budgets and the Committee on Economic and Monetary Affairs, as the committees responsible, to incorporate its suggestions into their motion for a resolution.

Yours sincerely,

Antonio Tajani

¹ The following were present for the final vote: Antonio Tajani (Chair and rapporteur for the opinion), Gabriele Bischoff (1st Vice-Chair), Charles Goerens (2nd Vice-Chair), Giuliano Pisapia (3rd Vice-Chair), Loránt Vincze (4th Vice-Chair), Gerolf Annemans, Vladimír Bilčík (for Esteban González Pons), Damian Boeselager, Leila Chaibi, Włodzimierz Cimoszewicz, Gwendoline Delbos-Corfield, Pascal Durand, Angel Dzhambazki (for Geert Bourgeois), Daniel Freund, Sandro Gozi, Brice Hortefeux, Laura Huhtasaari, Sophia in 't Veld (for Guy Verhofstadt), Victor Negrescu, Paulo Rangel, Antonio Maria Rinaldi, Domènec Ruiz Devesa, Jacek Saryusz-Wolski, Helmut Scholz, Pedro Silva Pereira, Sven Simon, László Trócsányi, Rainer Wieland.

SUGGESTIONS

In its resolutions on the Future of Europe of 16 February 2017, Parliament underlined the need to improve the Union’s capacity to act and to enhance democratic accountability and the transparency of its decision-making, considering that the Community method is best suited for the functioning of the Union.

The Conference for the Future of Europe (thereafter referred to as ‘COFOE’) has been discussing since October 2021, among other topics, the democratic and constitutional challenges faced by the Union; such discussions are relevant for the institutional set-up of the RRF and the democratic control that Parliament should exert on disbursements of funds via the externally assigned revenues under the Recovery and Resilience Facility (RRF).

By letter dated 13 October 2020 to the Chairs of the Committee on Budgets and of the Committee on Economic and Monetary Affairs, the Committee on Constitutional Affairs submitted its opinion on the proposal for a regulation of the European Parliament and of the Council establishing a Recovery and Resilience Facility (RRF) (COM(2020)0408 – C9 0150/2020 – 2020/0104(COD)).

The Committee on Constitutional Affairs has taken note of the draft report of 17 February 2022 by the Committee on Budgets and the Committee on Economic and Monetary Affairs on the implementation of the Recovery and Resilience Facility (2021/2125(INI)), thereafter referred to as the “Draft Report”.

In its letter of 13 October 2020 referred to above, the Committee, with due respect for the principle of institutional balance, requested that the RRF Regulation¹ should contain provisions to ensure democratic scrutiny and accountability. Some of those provisions are quoted in italics below and are followed by recommendations by the Committee:

- *“Multi-level stakeholder consultations, with representatives or authorities at regional and local level, economic and social partners, as well as civil society organisations and other relevant stakeholders, also in the preparation of the recovery and resilience plans without creating undue delays in the process, in accordance with the partnership principle”*; in this regard, the Committee regrets, as stated in the Parliament’s RRF scrutiny resolution of 10 June 2021, that many Member States have not, or not adequately, involved regional and local authorities in the drafting process of national recovery and resilience plans; in accordance with Article 18(4)(q) of the RRF Regulation, the Committee insists on the need to efficiently involve the widest range of stakeholders, including local and regional organisations, social partners and NGOs, in the implementation and monitoring process of the RRF; the Committee calls therefore for the establishment of a structured dialogue with civil society at EU level, for instance through the creation of a system of local EU Councillors as a way to reduce the distance between them and the Union²; the Committee notes that citizens in COFOE hinted in general at the necessity to strengthen links between citizens and local institutions³ in

¹ Council Regulation (EU) 2020/2094 of 14 December 2020 establishing a European Union Recovery Instrument to support the recovery in the aftermath of the COVID-19 crisis (OJ L 433 I, 22.12.2020, p. 23).

² Final Kantar Report, page 85

³ Citizens’ Panel 4, Sub-stream 2.3 – Promotion of European values -- Recommendation 18: “To bring EU citizens closer to the Union by creating and strengthening links with citizens and local institutions, such as local

order to increase transparency and better communicate with them about concrete EU initiatives;

- *“Regular and timely reporting and information provision to the European Parliament and the Council, simultaneously and on equal terms, both in writing and through the participation of the Commission’s and Member States’ representatives in meetings of the European Parliament’s competent committees”*; in this regard, the Committee welcomes the fact that a regular dialogue in accordance with Article 26 of the RRF Regulation has been taking place between Commission and Parliament; it insists that those exchanges should continue to take place as often as requested by Parliament and not less frequently than the “every two months” minimum standard set out in Article 26(1) of the RRF Regulation, and that Commission is required to take into account Parliament’s views; the Committee emphasises that those exchanges should be based on a transparent, full and timely communication of information by the Commission in accordance with the standards set out in Article 25 of the RRF Regulation, which are minimum standards; in that vein, the Committee requests that the operational agreements signed between Commission and Member States are communicated to Parliament; the Committee insists that the Commission should regularly inform Parliament of the status of the assessment of the NRRPs, including how targets and milestones have been implemented by the Member States;
- *“Access for the European Parliament to a single database containing in an electronic format detailed information on all final recipients of funds from the Facility”*; in this regard, in line with paragraph 11 of the Draft Report, the Committee requests that Commission demands from Member States to set-up appropriate reporting tools which include a detailed data set related to end-beneficiaries; it calls for more granular reporting, focusing on outcome and impact indicators rather than output, to allow for better understanding the role and the additionality of the RRF; the Committee requests that such data be communicated in full transparency to Parliament;
- *“Access to funding conditioned to the respect of the values enshrined in Article 2 of the TEU in accordance with the rules that will be defined in that respect for the entire EU budget”*; in this regard, recalls that according to Article 8 of the RRF Regulation, the RRF shall be implemented in accordance with the Regulation on a general regime of conditionality⁴; the Committee welcomes the judgments of the Court of Justice of the Union of 16 February 2022 in cases C-156/21 and C-157/21 dismissing the actions for annulment lodged by Hungary and Poland in March 2021 against the Regulation on a general regime of conditionality; the Committee notes (co)incidentally that a draft resolution⁵ in the COFOE has called for the application of the conditionality regime to be extended to all breaches of the Rule of Law, i.e. beyond breaches affecting only the Union Budget; the Committee welcomes further the Commission’s decision to trigger the conditionality regime in the case of Hungary; the Committee refers to the joint report adopted on 31 March 2022 jointly with the Committee on Civil Liberties, Justice and Home Affairs in relation to their joint mission on the respect of the Rule of Law in Poland; according to this joint report and irrespective of the current geopolitical context,

governments, schools and municipalities. This would drastically improve transparency, as well as reaching the citizens and communicate better with them about concrete EU initiatives and general EU information”

⁴ Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council of 16 December 2020 on a general regime of conditionality for the protection of the Union budget (OJ L 433I, 22.12.2020, p. 1).

⁵ Citizens’ panel 2 (Sub-stream 2.1 – Protecting the Rule of Law -- Recommendation 10).

the EU should continue to insist with the Polish authorities that Poland respects the obligations stemming from the Treaties as regards to respect for democracy, the rule of law and fundamental rights; the joint report states that all relevant instruments of the rule of law toolbox should be used to that effect, including the annual rule of law report, the Article 7(1) TEU procedure, infringement procedures, and the Rule of Law conditionality regime; as a consequence, the Committee requests the Commission to trigger Article 6(1) of the Regulation on a general conditionality regime also in the case of Poland; finally, the Committee emphasizes that no project should be financed under RRF if it is contrary to the EU values enshrined in Article 2 TUE;

Furthermore, in accordance with Recital 20 and Article 5(1) of the RRF Regulation, and in line with paragraph 26 of the Draft Report, the Committee insists on the necessity that projects funded by the RRF should respect the principle of additionality of Union funding and that the RRF should not, unless in duly justified cases, be a substitute for recurring national expenditures.

Finally, in line with paragraph 9 of the Draft Report, the Committee encourages Member States to ask for loans under the RRF insofar as the Union borrowing's interest rates are attractive to them.

In a longer-term perspective, the Committee notes that the current 2021-2027 Multiannual Financial Framework and the Next Generation EU, also against the new geopolitical background triggered by the war in Ukraine, might not provide the necessary funds the Union needs; the Committee asks therefore the Commission to assess whether the RRF should be extended beyond its current commitment period or even become a permanent instrument, while ensuring that the current shortcomings in parliamentary accountability and oversight will be overcome.

INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE

Date adopted	30.5.2022
Result of final vote	+: 73 -: 10 0: 13
Members present for the final vote	Rasmus Andresen, Gerolf Annemans, Anna-Michelle Asimakopoulou, Pietro Bartolo, Gunnar Beck, Marek Belka, Isabel Benjumea Benjumea, Stefan Berger, Robert Biedroń, Anna Bonfrisco, Gilles Boyer, Carlo Calenda, Lefteris Christoforou, David Cormand, Andor Deli, Engin Eroglu, Markus Ferber, José Manuel Fernandes, Jonás Fernández, Raffaele Fitto, Frances Fitzgerald, José Manuel García-Margallo y Marfil, Eider Gardiazabal Rubial, Luis Garicano, Vlad Gheorghe, Valentino Grant, Claude Gruffat, Francisco Guerreiro, José Gusmão, Valérie Hayer, Eero Heinäluoma, Niclas Herbst, Monika Hohlmeier, Danuta Maria Hübner, Stasys Jakeliūnas, France Jamet, Othmar Karas, Billy Kelleher, Moritz Körner, Ondřej Kovařík, Joachim Kuhs, Zbigniew Kuźmiuk, Ioannis Lagos, Aurore Lalucq, Héléne Laporte, Pierre Larrourou, Camilla Laureti, Janusz Lewandowski, Aušra Maldeikienė, Margarida Marques, Pedro Marques, Costas Mavrides, Csaba Molnár, Siegfried Mureşan, Caroline Nagtegaal, Victor Negrescu, Luděk Niedermayer, Lefteris Nikolaou-Alavanos, Andrey Novakov, Dimitrios Papadimoulis, Piernicola Pedicini, Lídia Pereira, Kira Marie Peter-Hansen, Dragoş Pîslaru, Evelyn Regner, Karlo Ressler, Antonio Maria Rinaldi, Dorien Rookmaker, Bogdan Rzońca, Alfred Sant, Joachim Schuster, Ralf Seekatz, Pedro Silva Pereira, Nicolae Ştefănuţă, Paul Tang, Irene Tinagli, Nils Torvalds, Ernest Urtaşun, Inese Vaidere, Johan Van Overtveldt, Angelika Winzig, Stéphanie Yon-Courtin, Marco Zanni, Roberts Zīle
Substitutes present for the final vote	Damian Boeselager, Rosa D'Amato, Ilan De Basso, Nicolaus Fest, Elisabetta Gualmini, András Gyürk, Henrike Hahn, Eugen Jurzyca, Petros Kokkalis, Jan Olbrycht, Petri Sarvamaa

FINAL VOTE BY ROLL CALL IN IN COMMITTEE RESPONSIBLE

73	+
ECR	Roberts Zīle
PPE	Anna-Michelle Asimakopoulou, Isabel Benjumea Benjumea, Stefan Berger, Lefteris Christoforou, Markus Ferber, José Manuel Fernandes, Frances Fitzgerald, José Manuel García-Margallo y Marfil, Niclas Herbst, Monika Hohlmeier, Danuta Maria Hübner, Othmar Karas, Janusz Lewandowski, Aušra Maldeikienė, Siegfried Mureşan, Luděk Niedermayer, Andrey Novakov, Jan Olbrycht, Lídia Pereira, Karlo Ressler, Petri Sarvamaa, Ralf Seekatz, Inese Vaidere, Angelika Winzig
Renew	Gilles Boyer, Carlo Calenda, Luis Garicano, Vlad Gheorghe, Valérie Hayer, Billy Kelleher, Moritz Körner, Ondřej Kovařík, Caroline Nagtegaal, Dragoş Pîslaru, Nicolae Ştefănuţă, Nils Torvalds, Stéphanie Yon-Courtin
S&D	Pietro Bartolo, Marek Belka, Robert Biedroń, Ilan De Basso, Jonás Fernández, Eider Gardiazabal Rubial, Elisabetta Gualmini, Eero Heinäluoma, Aurore Lalucq, Pierre Larrouturou, Camilla Laureti, Margarida Marques, Pedro Marques, Costas Mavrides, Csaba Molnár, Victor Negrescu, Evelyn Regner, Alfred Sant, Joachim Schuster, Pedro Silva Pereira, Paul Tang, Irene Tinagli
The Left	Petros Kokkalis, Dimitrios Papadimoulis
Verts/ALE	Rasmus Andresen, Damian Boeselager, David Cormand, Rosa D'Amato, Claude Gruffat, Francisco Guerreiro, Henrike Hahn, Stasys Jakeliūnas, Piericola Pedicini, Kira Marie Peter-Hansen, Ernest Urtasun

10	-
ECR	Dorien Rookmaker
ID	Gerolf Annemans, Gunnar Beck, Nicolaus Fest, Joachim Kuhs
NI	Andor Deli, Enikő Győri, András Gyürk, Lefteris Nikolaou-Alavanos
Renew	Engin Eroglu

13	0
ECR	Raffaele Fitto, Eugen Jurzyca, Zbigniew Kuźmiuk, Bogdan Rzońca, Johan Van Overtveldt
ID	Anna Bonfrisco, Valentino Grant, France Jamet, Héléne Laporte, Antonio Maria Rinaldi, Marco Zanni
NI	Ioannis Lagos
The Left	José Gusmão

Key to symbols:

+ : in favour

- : against

0 : abstention