

# Governance and oversight of the Recovery and Resilience Facility

## SUMMARY

The Recovery and Resilience Facility (RRF) is the main financing tool of the EU's Recovery Instrument (NextGenerationEU), set up to aid Member States in their post-pandemic recovery. The RRF stands out from other EU programmes not only because of its volume (€723.8 billion, at current prices), amounting to almost 60 % on top of the entire EU multiannual financial framework for 2021-2027, but in its spending model. First, it is implemented under direct management by the Commission, but relies on the Member States for compliance with national and EU rules, as in shared management. Second, RRF payments to Member States are linked to the achievement of predefined milestones and targets, and not directly to the ultimate costs. Lastly, the RRF is financed by external assigned revenue outside the EU budget.

The specific characteristics of the RRF affect the implementation process and the way of ensuring that the EU's financial interests are protected. This briefing gives an overview of the roles and responsibilities of the EU Member States, the European Commission, the European Court of Auditors and other players involved in implementing the RRF and making sure there is proper monitoring and oversight at the different stages. The Member States are the beneficiaries of RRF funding and the main actors in ensuring the proper use of funding in compliance with the applicable EU and national rules. The Commission, meanwhile, is directly responsible for the implementation of the EU budget, and must obtain sufficient assurance from Member States that this is being done properly and ensure that the financial interests of the Union are protected effectively.

Given the vast financial sums involved in the RRF, as well as the short timeframe for implementation (until the end of 2026), the European Parliament has a key role to play in scrutinising the RRF's implementation process and giving discharge to the Commission for the grant component during its lifespan. This year's discharge procedure is the first to cover the RRF, establishing a reference framework for future exercises. Parliament, along with civil society organisations and other stakeholders, continuously highlights the need for increased transparency and accountability in the use of RRF funds.



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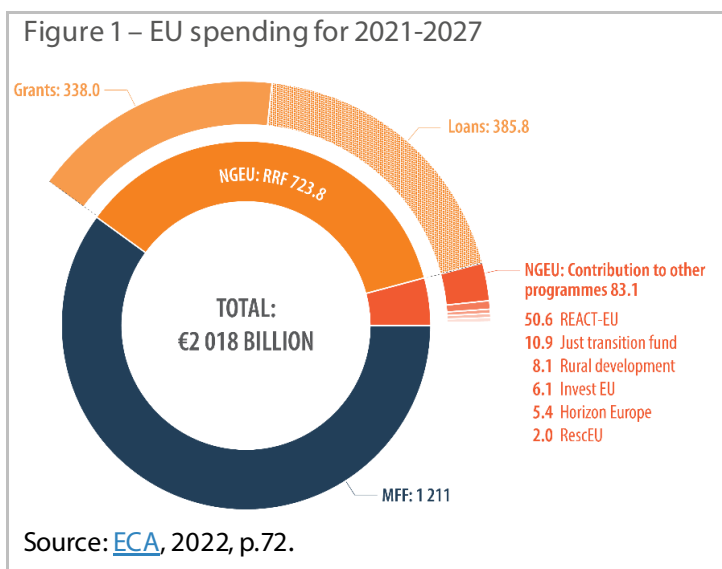


## Background

In 2020, the EU set up its largest ever budgetary instrument – the EU Recovery Instrument, or NextGenerationEU (NGEU), worth €806.9 billion (at current prices) – to help Member States cope with the socio-economic consequences of the pandemic and emerge more resilient, on a path to sustainable growth. Under the NGEU, the Commission raises funds by borrowing from the financial markets on an unprecedented scale, which it then channels through NGEU's spending instruments to finance Member States' reforms and investments. The Recovery and Resilience Facility (RRF), set

up by [Regulation \(EU\) 2021/241](#), is the NGEU's main implementing tool, consisting of €338 billion of non-repayable support (grants) and €385.8 billion of loans. Apart from the RRF, the NGEU tops up various existing programmes under the multiannual financial framework (MFF) with €83 billion in total (Figure 1). Together, the MFF and NGEU nearly double EU spending for 2021-2027 compared to 2014-2020.

To benefit from RRF funding, Member States had to draw up [national recovery and resilience plans](#) (NRRPs), including a coherent package of investment and reforms in line with EU priorities (such as the green and digital transition) but also



addressing the 2019 and 2020 European Semester country-specific recommendations. The measures in the NRRPs have to be implemented by the end of 2026.

Unlike funds disbursed under the MFF, the RRF stands out mainly for its high volume and spending model. The Member States whose NRRPs were approved by the Council by 31 December 2021 could unconditionally receive pre-financing of up to 13 % of their approved grant and/or loan amount (provided they applied for it). The RRF is [performance-based](#), which means that its focus is on achieving certain objectives rather than on the costs themselves, unlike traditional spending programmes. Therefore, all subsequent RRF payments are tied to the satisfactory fulfilment of milestones or targets set out in the annexes to the Council implementing decisions (CID) approving each NRRP. This 'satisfactory fulfilment' is the main condition for a payment to be made; as noted in Article 23(4) of the RRF Regulation, this presupposes that earlier achievements of targets or milestones have not been reversed.

The RRF Regulation (Article 24) and the Financing Agreement<sup>1</sup> (Article 6) between the Commission and each Member State link the legality and regularity of the payments to the achievement of milestones and targets; payments are not subject to controls on the costs incurred. If Member States provide sufficient proof that they have met their milestones and targets, they can request payments (up to twice a year). The RRF's successful implementation is key for various reasons. As noted by the President of the European Court of Auditors (ECA) in 2021, the decision to finance the NGEU through the issuing of public debt marked '[a major shift in EU finances](#)', which calls for close and rigorous monitoring of how the EU funds are spent and whether the results sought are achieved. However, the performance-based nature of RRF spending poses challenges when it comes to traditional methods of EU financial audit and control. Not least, transparency towards citizens must be ensured when spending and controlling such large amounts of EU funds amidst multiple crises.

'Milestones and targets' (M&Ts) measure progress towards achieving a reform or an investment, indicating, respectively, qualitative and quantitative achievements.

## Monitoring and oversight of RRF implementation

The EU budget is implemented through [three management modes](#) that define how the money is paid out and managed. The management mode impacts not only the implementation of the funds as such but also the corresponding control and anti-fraud framework, as noted in an [article](#) by officials of the European Anti-Fraud Office (OLAF). The RRF Regulation (Article 8) states that the RRF is to be implemented by the Commission through direct management. However, compared to programmes implemented under this mode, the RRF is considered a [separate case](#), mainly owing to the nature of the immediate beneficiary. A beneficiary under direct management is usually a natural person or entity, including private companies; under the RRF, the beneficiary (or borrower of loans) is a Member State.

Payments are made on the basis of meeting milestones and targets, with no link to the costs incurred in practice. The implementation of measures and payments to implementing bodies are made by the Member State in line with national and EU budgetary rules and procedures, and, as in shared management, the Commission relies on them for compliance. The Commission is ultimately responsible for ensuring that payments meet the payment conditions set in the RRF Regulation. To monitor this effectively, the Regulation (Annex V – Assessment guidelines) demands that milestones and targets be clear and measurable, and the related indicators relevant, acceptable and robust.

The fact that receiving RRF funds is tied to fulfilling milestones and targets marks a key difference between the RRF and other key EU instruments. In cohesion policy, for example, payments are linked to the project costs incurred. In 2023, the ECA published a [comparative analysis](#) of EU financing through cohesion policy and the RRF. It sheds light on both the considerable similarities (e.g. priorities) and differences between the two (e.g. management mode, method of allocating funds, eligibility period, speed of disbursements, decommitment rules).

The ECA report also describes the two instruments' differences in terms of monitoring, reporting and evaluation, as well as control and audit provisions. The control and audit framework has to ensure that EU funds are implemented according to the principles of sound financial management and adapted to the risks specific to each instrument. For both the RRF and cohesion funding, Member States implement a control and audit framework designed to assure the Commission that it may release payments, while the Commission conducts additional checks to verify the reliability of the framework in the context of preparing its annual activity reports and the declaration of assurance contained therein for the discharge procedure. While cohesion policy checks mainly focus on the regularity of expenditure declared, the control and audit framework for the RRF focuses on the satisfactory fulfilment of milestones and targets. It also reflects Member States' responsibility for ensuring that the RRF is implemented in compliance with EU and national rules. As noted in the ECA's 2022 [Journal](#), the RRF context requires going beyond a mere formal audit of compliance and 'reinventing' the approach.

## Roles of the various actors

The RRF Regulation defines how the EU's financial interests are to be protected with regard to RRF funds. It lays out a central role for Member States in this respect, but the Commission, being [ultimately responsible](#) for implementing the EU budget regardless of the management mode, needs to receive sufficient assurance that RRF spending has complied with the rules. The Regulation also empowers the EU's control and investigative bodies – such as OLAF and the European Public Prosecutor's Office (EPPO) – to exert their rights in the fight against fraud both at EU and Member State level, while the ECA, as the EU's external auditor, examines RRF payments for its Statement of Assurance. The European Parliament has a pivotal role in scrutinising the RRF's implementation, ensuring transparency and accountability. It helped to strengthen the transparency obligations through the [amendment](#) of the RRF Regulation with regard to [REPowerEU chapters](#), requiring Member States to publish the 100 biggest beneficiaries but also to collect wider data on the final beneficiaries and make it available, upon request, for audit and control purposes.

## Member States

As noted above, the RRF is implemented through direct management, where the Member States are the beneficiaries of the RRF funds, which, once disbursed, enter the national budget. Based on Article 22 of the RRF Regulation, Member States are responsible for taking all appropriate measures to protect the EU's financial interests and ensure that the RRF funds are used in compliance with applicable EU and national laws (including procurement and state aid). It is for the Member States to prevent, detect and correct fraud, corruption and conflicts of interest and avoid double funding. If irregularities are identified, Member States have to take action, investigate and remedy the situation, whether this involves recovering funds wrongly paid or incorrectly used, cancelling contracts or other action. In all instances, they have to provide information for all suspected fraud cases to the Commission when submitting payment requests.

The Regulation requires Member States to set up an efficient internal control system to protect the EU's [financial interests](#) and ensure that RRF funds are implemented in line with applicable rules, including the avoidance of double funding. This is reflected in the financing (and loan) agreements (Annex I – Key requirements of the Member State's control system) that Member States conclude with the Commission. All NRRPs have to indicate the relevant national body in charge of RRF-related audits; Member States may rely on their regular national budget management systems, and an analysis of the NRRPs shows that existing systems and audit bodies are predominantly<sup>2</sup> used.

During the assessment stage, each Member State has to prove its NRRP's relevance, effectiveness, efficiency and coherence. One of the 11 criteria<sup>3</sup> in the RRF Regulation includes checking the robustness of the control and audit frameworks described in each NRRP. For some plans, the Commission deemed that, although adequate overall, the audit and control systems needed improvements to fill identified gaps. In such cases, specific audit and control milestones were included in the Council implementing decisions (see the Annex for concrete examples). The adequacy of the audit and control systems is fundamental to protecting the EU's financial interests and therefore their achievement is set as a precondition for payment (except pre-financing); these milestones need to be fulfilled before any payment request can be submitted. Therefore, the recently adopted [methodology](#) for partial payment is not applicable where milestones concerning audit and control are not satisfactorily fulfilled. Examples of [deficiencies](#) in control systems, to be addressed as a pre-condition for RRF payments, referred to the repository system for collecting and storing data not being fully in place at the time of assessment; the absence of formal legal mandates for the bodies in charge of implementing and auditing funds; insufficient administrative capacity of the implementing and audit bodies; and the lack of a clear audit strategy or anti-fraud measures.

Member States must also keep track of data on RRF final recipients and a list of funded measures, even if this information is not publicly disclosed. It should be made available if requested by the Commission or other EU control bodies. With the [recent amendment](#) of the Regulation, however, Member States are obliged to publish the top 100 final recipients of RRF funds in their country twice a year. As the RRF Regulation does not envisage the use of a single IT tool for collecting and storing data on final recipients, Member States arrange this at national level. The Commission will then centralise the national portals and publish the data on its recovery and resilience scoreboard.

When submitting a payment request, Member States must provide evidence confirming they have achieved the related milestones and targets. A summary of the audits carried out by the national authorities must accompany the request and point to any weaknesses identified and any corrective action taken (Article 6 – Financing agreement, e.g. of [Spain](#)). In addition, a management declaration is needed to confirm that funds were used for their intended purpose; the information submitted with the request for payment is complete, accurate and reliable; and the control systems put in place provide the necessary assurance that the funds were managed in accordance with all applicable rules, particularly the rules aimed at preventing conflicts of interest, fraud, corruption and double funding. The frequency and format of information exchange, arrangements for access to data, a list of monitoring steps, an indicative timeline of payment requests or further specification of

milestones and targets, including verification mechanisms, are specified in the [operational arrangements](#) agreed by the Member States and the Commission after the adoption of the CID.

## European Commission

The RRF Regulation obliges Member States to ensure sound financial management, giving them a crucial role in that respect. However, as emphasised by the ECA, the Commission is [ultimately responsible](#) for implementing the EU budget, including under the direct management mode. To ensure effective protection of the EU's financial interests, it needs sufficient assurance from Member States that they have spent RRF funds in compliance with the rules. Key actions and the respective roles of the Commission and the Member States in this domain are highlighted in Table 1 below.

Table 1 – Ensuring protection of the EU's financial interests at various RRF implementation stages

Ex-ante	Throughout implementation	Ex-post*
<p><b>Member States:</b></p> <ul style="list-style-type: none"> <li>- describe in the NRRPs the national control systems to prevent, detect and correct corruption, fraud and conflicts of interest, and to avoid double funding from other EU programmes;</li> <li>- define the audit and control bodies and their capacity;</li> <li>- describe relevant measures and arrangements for collecting and making available of data on final recipients.</li> </ul> <p><b>The Commission:</b></p> <ul style="list-style-type: none"> <li>- assesses the adequacy and robustness of national audit and control systems for the RRF, presented in the NRRPs;</li> <li>- sets relevant milestones and targets to be met before the first payment requests.</li> </ul>	<p><b>Member States:</b></p> <ul style="list-style-type: none"> <li>- investigate and take corrective measures if irregularities are detected;</li> <li>- submit their payment requests, accompanied by a management declaration and summary of audits to justify the completion of milestones and targets.</li> </ul> <p><b>The Commission:</b></p> <ul style="list-style-type: none"> <li>- examines payment requests with the evidence presented and external sources, and asks for more detailed information where it deems necessary;</li> <li>- can reduce or recover funds in cases of irregularities if Member States do not act on them;</li> <li>- performs system audits on the milestones and targets system, based on the financing agreement;</li> <li>- performs system audits on serious irregularities or serious breaches of the financing agreement;</li> <li>- performs system audits (at least one per Member State) on measures taken to protect the EU's financial interests;</li> <li>- performs dedicated audits on achieved milestones and targets.</li> </ul>	<p><b>The Commission:</b></p> <ul style="list-style-type: none"> <li>- performs audits of milestones and targets, reported by the Member States following a risk assessment;</li> <li>- performs system audits of the monitoring data collection systems (before or after payment);</li> <li>- performs system audits of measures to protect the EU's financial interests, and ad hoc audits where serious irregularities are suspected;</li> <li>- proportionately recovers funds in case milestones and targets assessed as fulfilled have been reversed.</li> </ul> <p><i>*Based on the financing agreement, ex-post audits can be carried out up to 5 years from the date after the last payment has been submitted.</i></p>

Data source: [DG ECFIN annual activity report \(audit strategy\)](#). The parties' obligations are detailed in the RRF Regulation, the Guidance to Member States, operational arrangements, and financing and loan agreements.

The Commission is [responsible](#) for ensuring the legality and regularity of payments to the Member States, which depends on achieving the milestones and targets. When Member States submit payment requests, the Commission performs a preliminary assessment to check if the milestones and targets have been satisfactorily fulfilled, relying on the data and information provided. It analyses the content, the consistency and the coherence of the data in both the audit summaries and management declarations. If needed, it may carry out fact-finding missions to confirm the accuracy of the information. It then submits its work to the Council's [Economic and Financial Committee](#) (EFC) for an opinion, and takes this opinion into account<sup>4</sup> before its final decision to authorise the disbursement of funds.

According to the RRF Regulation, the Commission can apply financial corrections (a reduction in the level of support provided, recovery of funds already disbursed or a request for early repayment of loans) if it finds serious irregularities affecting the EU's financial interests (i.e. fraud, corruption and conflicts of interest, along with double funding) that have not been corrected by the Member State, or serious breaches of the conditions laid down in grant or loan agreements. The rules to calculate

the amounts to be suspended can be found in the financing agreements (Article 19). If one or more milestones or targets have not been achieved or have been achieved only in part, or if incorrect information has been provided by Member States, payments may be proportionally suspended and, ultimately, reduced. The Regulation does not define procedures for suspending payments and reducing support in such cases; to address this, in February 2023 the Commission published its payment suspension [methodology](#).

### RRF governance within the Commission

In August 2020, the Commission created the Recovery and Resilience Task Force within the Secretariat-General (SG RECOVER). Jointly with the Directorate-General for Economic and Financial Affairs (DG ECFIN), it is in charge of steering the RRF's implementation and coordinating it with the European Semester. SG RECOVER and DG ECFIN also involve other policy DGs through country teams at all stages of the process, as necessary. As noted in [DG ECFIN's annual activity report](#), its Director-General is a single Authorising Officer by Delegation, and the DG has specific responsibility for the audit work. In 2021, the DG's audit unit adopted an [audit strategy for the RRF](#) with the overall objective of obtaining reasonable assurance that the Commission has fulfilled its role and responsibilities under the RRF and the Financial Regulation. In February 2023, the Commission published a [communication](#) laying out the framework for assessing the satisfactory fulfilment of milestones and targets and the methodology for determining suspension of payments.

A high-level steering board, chaired by the Commission President, is in charge of the [political governance](#). It includes the three Executive Vice-Presidents, the Commissioner for Economy, the Secretary-General, the Head of SG RECOVER and the Director-General of DG ECFIN, and reports to the College of Commissioners.

In December 2021, the Commission began to implement the RRF control framework. Based on the [RRF audit strategy](#), it performs various types of audits, complementing the Member States' controls: 1) audits on milestones and targets, to verify their successful achievement ex-post; 2) system audits to national systems to check that they collect and store adequate and reliable data relating to the milestones and targets; 3) system audits of measures to avoid fraud, corruption, conflicts of interest, double funding and serious breaches of the financing agreement; and 4) ad hoc audits in specific cases of suspicion of serious irregularities. For system audits, at least one audit per Member State is planned during the RRF's implementation. In addition, the operational arrangements provide for regular exchanges between the Commission and the Member States, with at least quarterly exchanges to take stock of progress on the implementation of the plans.

The audit strategy also assesses the risks related to the correct implementation of the RRF. The main overall risk is that the Commission will authorise payments that it considers justified on the basis of evidence provided by Member States, where subsequently irregularities in the evidence are identified. This risk is directly linked to the legality and regularity of the Commission's payments and could affect its ability to obtain the annual discharge. The main control risk is that internal controls at Member State level are either not implemented in practice, or are not systematically effective over time to prevent, detect and correct in a timely manner material errors in terms of reported milestones and targets prior to submission of the payment requests.

The Commission's system audits, however, [do not cover](#) non-compliance with EU and national rules, which are [prevalent](#) in other EU spending programmes. Other risks at Member State level include the numerous intervention levels (national, local and municipal), as well as the question of how reliable the designated audit bodies are. The audit strategy also gives a schematic overview of audits and timing for 2021-2026, as well as the closure audits in 2027-2028.

To ensure transparency during implementation, and as required by the RRF Regulation, the Commission set up the [recovery and resilience scoreboard](#). It displays available information (updated regularly) on the RRF and individual NRRPs, such as the fulfilment of milestones and targets, disbursements to Member States, and further data on each NRRP. The scoreboard does not reflect Member States' actual expenditure, since milestones and targets have no attributed cost. To further increase transparency and public awareness, the Commission has launched an [interactive map](#) with examples of particular RRF-funded reform and investment projects in Member States, which will be regularly updated.

## Rule of law conditionality and the RRF

The protection of the EU's financial interests is closely linked to the rule of law. A [Rule of Law Conditionality Regulation](#), adopted with the 2021-27 MFF and the NGEU and in force since January 2021, allows the EU to take measures, including the suspension of funding, in case of breaches of the principles of the rule of law that risk or seriously risk affecting the sound financial management of the EU budget and the EU's financial interests in a sufficiently direct way. Through it, the EU has created a legally binding link between applying the principles of the rule of law and the effective management of EU funds. A specific reference is made to the principle of the rule of law as a horizontal conditionality for the spending of the [European Structural and Investment Funds](#) as well as the RRF funds (Article 8 RRF Regulation). As the ECA notes in its 2023 [audit preview on the rule of law](#), the Commission has to ensure that all, or at least a significant subset, of country-specific recommendations and other challenges identified within the European Semester are taken into account in Member States' NRRPs, including those related to the rule of law. The European Parliament also stressed in a 2022 [resolution](#) that the Rule of Law Conditionality Mechanism should be applied to both the EU budget and to the NGEU. Consequently, the approved NRRPs of the two Member States subject to an [Article 7 TEU procedure](#), Hungary and Poland, include 27 and two 'super milestones' respectively, related to identified shortcomings concerning the rule of law (including the judiciary) to be fulfilled before the first payment request may be submitted.

## European Court of Auditors (ECA)

The ECA is the EU's external auditor and contributes through its work to the sound financial management of EU funds, which comprises the principles of economy, effectiveness and efficiency. The RRF's novelty, size and significance places it among the ECA's audit priorities. Its [2023 work programme](#) envisages examining various horizontal aspects, including RRF performance and absorption. Auditing the performance-based RRF, however, poses a range of challenges, as noted in its [2021-2025 strategy](#). ECA Member Ivana Maletić highlighted for the [ECA Journal](#) that the ECA's core task is to examine, in its annual Statement of Assurance (SoA), the legality and regularity of EU payments, including the systems in place to prevent irregularities, fraud and corruption. To ensure a holistic approach, the ECA [complements](#) its SoA work with a number of compliance and performance audits. Moreover, the RRF's six-year timeline exposes the NRRPs to risks not factored in (such as security, inflation and cost volatility), and would require further ex-post scrutiny.

In its [annual report](#) on the implementation of the EU budget for 2021, in a dedicated chapter (Chapter 10), the ECA presents its findings and overview of RRF spending in 2021. It focuses on the [first](#) (and only) disbursement<sup>5</sup> under the RRF in 2021 to Spain, and highlights how the approach has differed from the ECA's usual work. For traditional MFF spending, the regularity of the Commission or Member State payments depends mainly on the eligibility of the beneficiary, project and costs claimed, and the Commission's regularity checks cover compliance with national laws and EU rules, such as procurement rules or state aid. For the RRF, the legality and regularity of payments depends on two conditions being fulfilled: the successful achievement of targets or milestones in the first place, and ensuring that this has not been reversed thereafter (Article 24 of the Regulation). To verify the regularity of the payment to Spain, the ECA re-performed the checks on the satisfactory fulfilment of the milestones and targets. It found a weakness in the assessment of one milestone (395), as well as insufficiently robust criteria for the milestone related to Spain's control systems (173). In relation to the first one, the ECA notes that it is not clear what method the Commission applies to determine how much each milestone or target contributes to a given payment. One of the recommendations refers to developing a methodology for calculating the amount to be suspended or reduced in payments when a milestone or target is not met or is partially met, which the Commission has subsequently acted upon (see above). The ECA further recommends improving the documentation of the assessment of milestones and targets, to ensure an adequate audit trail.

In 2022, the ECA also published its [Special Report 21](#) on the Commission's assessment of the NRRPs. As regards, in particular, the systems for monitoring and control at national level, it finds that the Commission's assessment was based more on commitments than on existing systems and bodies. In some cases, the Commission relied on Member States' confirmation that they had sufficient capacity to implement and monitor the NRRP effectively, while in others there were concerns about

the administrative capacity of the national implementing bodies. The ECA highlights, as it has done [previously](#), that the level of national administrative resources needed to manage the substantial increase in EU funds may not be sufficient. The ECA also notes that the use of the Commission's data mining and risk scoring tool (ARACHNE<sup>6</sup>) for identifying projects, beneficiaries and contractors at risk of fraud, conflict of interest and irregularities under the RRF was not obligatory. However, such a tool is key to protecting the EU's financial interests and increasing transparency and accountability, and all Member States should be encouraged to use it.

In March 2023, the ECA published its [Special Report 07/2023](#) on the Commission's control system for the RRF. It notes that the Commission's assessment of the Member States' control arrangements was comprehensive, but reiterates that it was partly based on systems not yet in place. The ECA finds, in particular, gaps in the verification of compliance with EU and national rules for RRF-related investments, which might undermine the Commission's ability to ensure the protection of the EU's financial interests. While Member States' RRF-funded investment projects must comply with EU and national rules, this is not a condition for disbursement; checking compliance is the responsibility of the Member States. The ECA considers, however, that the Commission's verification system does not sufficiently check whether and how this is done at national level. Furthermore, the ECA notes that, despite the extensive procedures for ex-ante checks, the various stages in the preliminary assessment (preceding disbursements) are 'insufficiently specified and not fully documented'. It also notes that procedures for reporting on fraud and correcting weaknesses have limitations, and that centralised and standardised information on RRF-related fraud is lacking. The ECA issued five main recommendations to the Commission, which it only partially accepted, as explained in its [replies](#).

## EU control and investigation bodies

Article 22(2)(e) of the RRF Regulation expressly confirms the competence of other EU control and investigation bodies, such as OLAF and, where applicable, the EPPO. In this context, the Regulation implements a general requirement of Article 129(1) of the Financial Regulation, namely the need to expressly authorise in financial agreements the ability of the Commission, OLAF, the ECA and the EPPO to exert their competences. This requirement also applies to 'all final recipients of funds paid for the measures for the implementation of reforms and investment projects included in the recovery and resilience plan, or to all other persons or entities involved in their implementation'.

The mission of [OLAF](#) is to detect, investigate and stop fraud involving EU funds through independent investigations. Once completed, it is for the competent EU and national authorities to follow up on its recommendations. OLAF has been strongly involved in protecting the RRF from fraud since its adoption, closely following the development of the anti-fraud provisions included in the RRF Regulation, as a 2021 [analysis](#) of the legal safeguards in the Regulation for the protection of the EU's financial interests reveals. OLAF also takes part in the screening of the NRRPs, assessing whether the requirements on control and anti-fraud measures are met. During the implementation, it will carry out administrative investigations into RRF-related expenditure, as in other areas of EU funding. OLAF recently warned of a '[big risk](#)' of fraud for parts of the NGEU funds; to address this, cooperation with national authorities and partners at EU level is envisaged. [Operation Sentinel](#), coordinated by Europol, is a framework within which Europol, Eurojust, the EPPO and 19 Member State authorities have joined forces to stop criminal attempts to exploit the NGEU funds. In its [2023 resolution](#) on the protection of the EU's financial interests, the Parliament welcomes these efforts to protect NGEU funds, focusing on corruption, tax evasion, embezzlement and money laundering.

While OLAF has authority to recommend rather than require Member States to launch prosecutions, the recently set-up [European Public Prosecutor's Office](#), which is equipped with powers to pursue criminal cases, should [address this gap](#). As noted in the EPPO's [2022 annual report](#), with the first projects funded under the RRF starting to be implemented, the volume of the EU's financial interests that need to be protected will grow significantly, and with it the EPPO's own active role in detecting and investigating fraud involving EU funds.



National auditors also have a key role to play in making sure that the resources are well spent at national level, and the **Supreme Audit Institutions (SAIs)** need to work jointly with the ECA. The [Contact Committee](#) of the EU's SAIs is an autonomous, independent and non-political assembly of the Heads of SAIs of the Member States and of the ECA. It aims to strengthen dialogue and cooperation in audit and related activities and promote a common approach to audit and accountability issues. The [focus](#) of its most recent annual meeting, in 2022, was on the strategic tasks and challenges involved in assessing the (added) value of the RRF at national and EU level.

The **European Ombudsman**, with the European Network of Ombudsmen and the OECD, has [identified](#) good practice principles to ensure transparency and accountability in the use of RRF funds. These include committing to proactively publishing RRF-related information, improving record-keeping systems, and strengthening multi-level governance on transparency through high-level coordination and commitment between levels of government. The principles urge national authorities to develop effective communication strategies, to raise awareness among stakeholders and citizens. In February 2022, the European Ombudsman launched a '[strategic initiative](#)' on the RRF's transparency and accountability, setting out a series of questions to the Commission.

## European Parliament

Parliament has been a strong advocate for the creation of a common recovery instrument. The legal basis for NGEU (Article 122 TFEU) gives Parliament limited influence in its establishment. In addition, Parliament is neither [directly involved](#) in the NRRPs' assessment nor in the authorisation of financing to Member States, in contrast to the Council. However, as a [co-legislator for the RRF](#), Parliament was able to insist on provisions highlighting the importance of scrutiny and oversight for the implementation of the RRF and defining assessment criteria for the Commission.

Parliament's [scrutiny role](#) is based on the [RRF Regulation](#) and the [Interinstitutional Agreement \(IIA\)](#) on budgetary matters, which govern its right to access to timely, updated and detailed information to enable effective oversight. Article 25 of the RRF Regulation, on transparency, states that the Parliament and the Council are to be [simultaneously provided](#) with the same level of information; Parliament has to be informed of relevant outcomes of discussions held in Council preparatory bodies. Article 26 provides for structured regular recovery and resilience dialogues (every two months, at the invitation of Parliament's competent committees) between the Parliament and the Commission. So far, Parliament has held 10 such dialogues, the [latest](#) on 17 April 2023.

The IIA also envisages interinstitutional cooperation in the form of (at least) three dedicated interinstitutional meetings assessing the state of play and outlook for external assigned revenue under NGEU. Additionally, the Commission is required to present structured reports on a number of

issues (an annual report, an independent evaluation report by February 2024, and an independent ex-post evaluation report by December 2028), and to take into account the views expressed in Parliament's RRF-related [resolutions](#) (see box).

Member States are not obliged to report to the Parliament. However, Parliament insisted on ensuring transparency when it comes to the final beneficiaries. The entry into force of the amended RRF Regulation,<sup>7</sup> adopted in February 2023, further [strengthens transparency](#), requiring Member States to publish the top 100 final recipients of RRF funds in their country, and to create and update twice per year a portal containing data on them.

### European Parliament RRF-related resolutions

[17 April 2020](#): EU coordinated action to combat the COVID-19 pandemic and its consequences.

[20 May 2021](#): Parliament's right of information regarding the ongoing assessment of the NRRPs.

[10 June 2021](#): Parliament's views on the ongoing assessment by the Commission and the Council of the NRRPs.

[9 June 2022](#): The rule of law and the potential approval of the Polish NRRP.

[23 June 2022](#): Implementation of the Recovery and Resilience Facility.

The main committees involved in the RRF scrutiny are the Committees on Budgets (BUDG) and on Economic and Monetary Affairs (ECON). Other committees can be involved when a specific aspect of the RRF is considered.<sup>8</sup> Moreover, a [Standing Working Group](#) is in charge of scrutiny (so far, it has held [30 meetings](#) with the Commission and other relevant stakeholders on a wide range of topics).

Another committee involved is the Committee on Budgetary Control (CONT), which ensures that the Commission is held politically accountable for the implementation of the EU budget through the annual [discharge procedure](#). Parliament decides, after a recommendation by the Council, on whether or not to provide its final approval on the way the Commission implemented the EU budget in a given year. Parliament's power to grant discharge to the Commission [applies](#) to the RRF grant component through the normal [discharge procedure as of 2021](#) and for the upcoming years. However, it [does not cover the loan component](#) of the RRF, which lies [outside](#) the EU budget. The funds necessary for the loans are, however, borrowed by the Commission on the financial markets under a guarantee to the EU budget. In its [own-initiative report](#) on the forthcoming revision of the EU Financial Regulation, Parliament [calls](#) to have its role in budgetary scrutiny and discharge functions reflected more appropriately, including for NGEU operations, and insists that external assigned revenue forms an integral part of the budget, so that it can fulfil its decision-making, scrutiny and discharge functions as one arm of the budgetary authority.

### **Discharge 2021**

During the 2021 discharge hearing with Directors-General responsible for the implementation of the RRF, MEPs [urged](#) the Commission to ensure a strong auditing and monitoring mechanism for RRF expenditure, implementation and data management. This would prevent misuse, double funding or the overlapping of objectives with other EU funding programmes. In the [report](#) it adopted on the discharge for the implementation of the general budget of the EU for the financial year 2021, the CONT committee expresses concern over the ECA's findings in its first assessment of the RRF and the fact that it will not be possible for the ECA to assess all milestones linked to future payments to all Member States. The report notes that, for the 2021 payment made to Spain, one milestone was not satisfactorily fulfilled, and regrets that the ECA was not able to quantify this error because of the absence of a methodology to quantify the impact of (partially) not achieving a milestone or target. While the report commends the fact that such a methodology was recently published, it finds that some elements of it remain subjective and in need of more clarifications.

The report notes that the Commission's Internal Audit Service did not perform any audit engagement as regards the NGEU in 2021, but stresses that its work is crucial and the ECA cannot substitute it. While it acknowledges Member States' primary role in ensuring compliance with rules and identifying double funding, it stresses that the Commission has the residual responsibility to make sure that effective and efficient internal control systems are in place, and to step in where Member States do not act as is required by the RRF Regulation. The report underlines the repeated warnings by OLAF, the EPPO, Europol and other competent bodies that a less effective internal control system attracts misuse, fraud and organised crime. As regards reporting on implementation, the report finds weaknesses and notes that there is a lack of clarity as to what has happened with the payments and pre-financing received by Member States for which no investment related costs have been incurred.

The report welcomes the agreement on the biannual publication of the 100 top beneficiaries of the RRF. Nevertheless, it finds it necessary that, every financial year during the implementation of the RRF, auditors and the discharge authority receive the list of all final beneficiaries and projects. With regard to the relationship between cohesion funds and the RRF, the report notes a concern that the RRF's more straightforward implementation method would 'crowd-out' the more complex funding for cohesion, and could undermine the involvement of local authorities and regions, civil society organisations and economic and social partners in EU funding.

The report recalls that adequate audit and control structures are a prerequisite for receiving funds from the RRF. It is concerned by the ECA's observation that Member States have no obligation to

report suspicions of fraud in the RRF to the Commission through the [irregularity management system](#) and to the EPPO. It also reiterates the importance of having a single mandatory integrated information and monitoring system at EU level providing interoperability between EU and national systems, to, inter alia, identify cases of double funding and misuse of funds across Member States. In a November 2021 [resolution](#), Parliament recommended digitalising the European reporting, monitoring and audit. It called on the Commission to propose amendments that ensure the possibility to identify the final beneficiaries of EU funds, including through setting up a single data mining and risk scoring tool that is mandatory for Member States' reporting authorities and accessible to the Commission and EU investigative and control bodies. The CONT report welcomes the new functionality in ARACHNE, allowing data on RRF investments and targets to be fed into the dedicated IT tool for Member States' reporting on the implementation of the RRFs ('Fenix'). It urges Member States to upload complete and comprehensive data on the RRF into ARACHNE.

Among its recommendations, the CONT report calls for the ECA to develop a methodology to sample milestones and targets for re-assessing the Commission's assessment, for additional vigilance to signals of organised crime targeting the RRF funds, and for the Commission to only accept milestones and targets for which it has received documentation supporting their implementation. Finally, it also recommends strengthening the system audits in the Member States for each internal control system, and performing the relevant audits and controls to certify the extent to which RRF funding has been truly additional and not used for recurring national expenditure. The report is to be voted in Parliament's May 2023 [plenary session](#).

## Other stakeholders' views

Given the volume of RRF funds disbursed, the call for more transparency in their use is not surprising. The OECD, in its public governance policy paper on transparency in the use of recovery funds, underlines that many stakeholders have called for [finding a balance](#) between channelling funds in a rapid and flexible way and ensuring transparency, accountability and stakeholder participation during the decision-making process. Participation [by all relevant stakeholders](#) would be key to achieving this and to successfully implementing the RRF. As noted in the ECA's 2022 [Journal](#), in a context where RRF funds when disbursed to a Member State become part of their national budget, [national parliaments](#) have a more important role to play, exercising direct public scrutiny. However, regional and local authorities, industry and other stakeholders also have a role to play; transparency towards citizens is also essential to demonstrate the added value generated by the EU. While setting up the recovery and resilience scoreboard is one important step in that direction, the European Policy Centre [argued](#) that the process of developing the NRRPs had been opaque and limited regarding stakeholder input.

The European Economic and Social Committee noted in its 2021 [resolution](#) that, while efforts had been made to promote stakeholder participation in developing the NRRPs, the actual level of involvement and overall impact had fallen short of expectations. It mentioned various risks related to implementation, including corruption. While the Committee called on national governments to put in place the necessary measures to promote transparency and administrative and parliamentary control, it stressed that the involvement of civil society representatives in monitoring the implementation of the NRRPs is a powerful tool in the fight against corruption and inefficiency.

A [2023 explainer](#) by CEPS asks whether the milestones and targets are sufficient to monitor the NRRPs' effective implementation. Based on examples from Italy, it highlights the current limits of the monitoring system of milestones and targets being sometimes overly aggregated or not clear enough. It draws attention to the fact that, while the focus is on the formal fulfilment of milestones and targets, the question is whether objectives are achieved in practice.

[Bruegel](#) further claims that the RRF 'falls short against performance-based funding standards', noting that the Regulation's specific definitions do not require the achievement of results as commonly understood.

According to a 2021 Jacques Delors Institute [paper](#), since Member States have fewer reporting obligations compared to other EU funds, the EU should rely more on its own investigative capacities to detect fraud in the use of EU spending, with the help (and reinforced capacity) of OLAF and the EPPO. The Open Spending EU Coalition, composed of NGOs and experts, published a [white paper](#) in 2022 that deems the RRF Regulation to lack transparent spending obligations. The paper underlines that open and transparent spending is essential to ensure effective multi-stakeholder monitoring of the RRF funds and protect the EU's financial interests. It shares its recommendations on how to facilitate multi-stakeholder participation and monitoring.

## MAIN REFERENCES

[The EU Recovery and Resilience Facility: a jump to a resilient Europe](#), European Court of Auditors, 2022.  
[Information provided to the European Parliament or to the Council on the Recovery and Resilience Plans](#), European Commission.  
[Recovery and Resilience Facility](#), European Parliament.

## ENDNOTES

- <sup>1</sup> As noted in Article 23(1) of the RRF Regulation, this agreement between the Commission and a Member State constitutes a legal commitment of the financial contribution as established in the adopted Council implementing decision.
- <sup>2</sup> Arwidi C. and Kreith C., [Protecting the EU's Financial Interest in the New Recovery and Resilience Facility – The Role of the European Anti-Fraud Office](#), 2021
- <sup>3</sup> As laid out in Annex V of the [RRF Regulation](#), the 10th criterion states that the arrangements proposed by Member States are expected to prevent, detect and correct corruption, fraud and conflicts of interest when using RRF funds, and to avoid double funding from the RRF and other EU programmes. In its assessment, the Commission has considered the description of the control structures, their adequacy to prevent serious irregularities, the sufficiency of the arrangements to avoid double funding and the administrative capacity of the involved actors.
- <sup>4</sup> The role of the Economic and Financial Committee, as well as the approval and suspension of payments under the RRF, is explored in more detail in the Jacques Delors Institute [article](#) from February 2022.
- <sup>5</sup> While most of the disbursements for 2021 consisted of pre-financing, there was a single payment of €10 billion to Spain (net of pre-financing), linked to the achievement of 52 milestones.
- <sup>6</sup> ARACHNE is an [integrated IT tool](#) for data mining and data enrichment, developed by the European Commission. It is a risk scoring tool that could help Member State authorities in identifying the riskiest projects and beneficiaries during ex-ante and ex-post checks; however, its use is on a voluntary basis and its full potential for preventing fraud cannot be reached. In December 2022, the CONT committee held a [Public Hearing on ARACHNE](#) reflecting on the benefits of using and challenges of implementing the tool. A recent [study](#) on identifying patterns of fraud with EU funds under shared management suggests that the 'universal use of ARACHNE is essential for effectively tackling fraud'.
- <sup>7</sup> The [REPowerEU](#) plan, which aims to reduce Member States' dependence on imports of Russian fossil fuels, increases the funds available for the NRRPs (if a chapter dedicated to this objective is submitted and approved).
- <sup>8</sup> When [endorsing](#) the RRF Working Group, Parliament's Conference of Presidents noted that the RRF's impact on EU policies should be reflected by including in it a Member of each associated committee (EMPL, ENVI, ITRE, and TRAN).

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## Annex

Table 1 – Milestones in audit and control included in the Council Implementing Decisions (CIDs)

Member State	Measure	Qualitative indicator
<a href="#">Belgium</a>	209 – Monitoring and implementation of the plan: Repository System for Audit and Controls: information for monitoring implementation of RRF	Audit report confirming repository system functionalities
	210 – Monitoring and implementation of the plan: Protection of EU financial interest	Implementation of arrangements
<a href="#">Bulgaria</a>  <a href="#">Commission preliminary assessment</a>	279 – C10I11 Ensuring an adequate information and administrative environment for the implementation of the recovery and resilience plan: Provision of an information system for monitoring and management of the implementation of the RRP	Audit report confirming repository system functionalities
	281 – C10I11 Ensuring an adequate information and administrative environment for the implementation of the recovery and resilience plan: Entry into force of the act setting up the management and control system for the RRP	Adoption and entry into force of the act (an order from the Minister of Finance) approving the management and control system
	282 – C10I11 Ensuring an adequate information and administrative environment for the implementation of the recovery and resilience plan: Ensuring the administrative capacity of the National Funds Directorate and of the Executive Agency 'Audit of EU Funds' in relation to the RRP activities	An approved workload analysis for the National Funds Directorate and the Central Coordination Unit, provision in the amendments to the structural regulations for the Executive Agency 'Audit of EU Funds' indicating the entry into force of the amendments, and implementation of the respective recommendations
<a href="#">Czechia</a>  <a href="#">Commission preliminary assessment</a>	207 – Reform 5: Control and audit: The system to collect, store and make available data in relation to all final recipients including all beneficial owners (as established by Article 3, point 6, of the Anti-money laundering directive	Procedure approved and implemented by the delivery unit with the description of the system to collect and make available data on final recipients
	208 – Reform 5: Control and audit: Creation and implementation of an action plan on the administrative system of the coordinating body, in particular as regards sufficient and systemic prevention of conflict of interest in the context of the RRF	Effective implementation of the action plan confirmed by updated procedures and processes of the coordinating body
	209 – Reform 5: Control and audit: Measures preventing conflict of interest implemented by the coordinating body	Audit report confirming effective implementation of the action plan
	210 – Reform 5: Control and audit: Repository system	Audit report confirming repository system functionalities

Member State	Measure	Qualitative indicator
	211 – Reform 5: Control and audit: Audit strategy ensuring independent and effective audit of RRF implementation	Audit strategy approved by the head of the audit body
	212 – Reform 5: Control and audit: Review of the definition of beneficial ownership as it relates to the RRF control system	Report from a compliance review including suggestions on possible follow-up action
	213 – Reform 5: Control and audit: Guidance on the avoidance and management of conflicts of interest	Guidance on the avoidance and management of conflicts of interest issued by the delivery unit of the coordinating body; revision by the audit authority
	214 – Reform 5: Control and audit: Procedures to avoid conflicts of interest in line with Article 61 of the Financial Regulation	Audit report with the unqualified audit opinion on the effectiveness of the RRF internal control system to prevent, detect and correct situations of conflicts of interest
<a href="#">Estonia</a>	124 – Entry into force of the Government Regulation on the legal framework for the implementation and monitoring of the recovery and resilience plan of Estonia	Entry into force of government regulation
<a href="#">Ireland</a>	108 – Monitoring and implementation of the plan: Repository System for Audit and Controls: information for monitoring implementation of RRF	Audit report confirming repository system functionalities
	109 – Monitoring and implementation of the plan: Administrative capacity of the Implementing Body and the audit body	A report confirming the commitment of resources for the IB and the audit body
<a href="#">Greece</a> <a href="#">Commission preliminary assessment</a>	331 – 19 – 16968 Technical Assistance Financial Audit Committee (EDEL)'s legal mandate and setting up the management, control and audit systems	EDEL's legal mandate in force and the management, control and audit systems established
<a href="#">Spain</a> <a href="#">Commission preliminary assessment</a>	159 – C11.R5 Order defining the procedures and format of the information to be shared for monitoring the RRP and accounting execution of expenditure	Provision in the order indicating the entry into force of the Order
	173 – C11.I5 Recovery and Resilience Facility Integrated Information System	Audit report
<a href="#">France</a> <a href="#">Commission preliminary assessment</a>	7-35 Control and audit procedures in the implementation of the RRF: Organisation of the system and the treatment of data and organisation of the audits	Signature of the circular and report by the CICC

Member State	Measure	Qualitative indicator
<a href="#">Croatia</a>  <a href="#">Commission preliminary assessment</a>	156 – C2.1. R2 Amendment of ARPA's statutes to redefine its mandate	Entry into force of amendments to ARPA's statutes
	157 – C2.1. R2 Establishment of the implementation and audit and control system for the RRP	Entry into force of the decision by the Croatian Government on the bodies in the system of implementation of the NRRP, establishment of the coordinating body under the Ministry of Finance of procedures used by implementing bodies
	159 – C2.1. R2 Assessment of the administrative capacity	Publication of a workload analysis
	160 – C2.1. R2 Upgrading of the eFondovi IT system: Repository System for Audit and Controls: information for monitoring implementation of RRF <i>(this milestone is linked to the second instalment but has already been assessed as fulfilled)</i>	Audit report confirming repository system functionalities
<a href="#">Italy</a>  <a href="#">Commission preliminary assessment</a>	M1C1-68 Reform of public administration: Repository System for Audit and Controls: information for monitoring implementation of RRF	Audit report confirming repository system functionalities
<a href="#">Cyprus</a>  <a href="#">Commission preliminary assessment</a>	C4.211 Digitalisation in various Central Government Ministries – Services: Repository system for audit and control: information for monitoring implementation of RRF	Audit report confirming repository system functionalities
<a href="#">Lithuania</a>  <a href="#">Partially positive preliminary assessment</a>	179 – F.1.9. Repository System for Audit and Controls: information for monitoring implementation of RRF	Audit report confirming repository system functionalities
<a href="#">Luxembourg</a>	AC-1 Monitoring and implementation of the plan: Repository System for Audit and Controls: information for monitoring implementation of RRF	Audit report confirming repository system functionalities
	AC-2 Monitoring and implementation of the plan: Protection of EU financial interests	Implementation of procedures
<a href="#">Hungary*</a>	217 – C9.R19 Reinforced legal provisions setting out implementation, monitoring, and audit and control arrangements to guarantee the sound use of Union support: Legal mandate for the implementation, audit and control of the recovery and resilience plan	Entry into force of the Government Decree on the roles and responsibilities of bodies involved in the implementation, audit and control of the Hungarian recovery and resilience plan

Member State	Measure	Qualitative indicator
	227 – C9.R25 Effective implementation, control and audit of the recovery and resilience plan and the protection of the financial interests of the Union: Monitoring system for the implementation of the Hungarian recovery and resilience plan	Audit report confirming the functionalities and operation of the repository system for the recovery and resilience plan
	228 – C9.R25 Effective implementation, control and audit of the recovery and resilience plan and the protection of the financial interests of the Union: Ensuring effective audit of the implementation of the Hungarian recovery and resilience plan	Entry into force of an audit strategy by EUTAF for the recovery and resilience plan
<a href="#">Netherlands</a>	125 – C7-1 Audit and Control, Implementation and Complementarity: Repository System for Audit and Control: information for monitoring implementation of RRF	Audit report confirming repository system functionalities
	126 – C7-2 Audit and Control, Implementation and Complementarity: Entry into force of the ministerial decree amending the statute of the audit body ('Auditdienst rijk')	Provision in the ministerial decree indicating its entry into force
	127 – C7-3 Audit and Control, Implementation and Complementarity: Entry into force of a ministerial decree amending the organisational decision ('organisatiebesluit') defining the mandate of the programme directorate for the recovery and resilience plan	Provision in the ministerial decree indicating its entry into force
<a href="#">Poland</a>	F5G – F3.1 Improving the conditions for the implementation of the RRP: Entry into force of a legal act that creates a monitoring committee and tasks it with the supervision of the effective implementation of the RRP	Provision in the legal act indicating the entry into force
	F6G – F3.1 Improving the conditions for the implementation of the RRP: Adoption of the Guidance by the Minister in charge of regional development establishing the rules for involvement of stakeholders and social partners in the implementation of the RRP	Publication of the Guidance on the website of the Ministry of Development Funds and Regional Policy
	F7G – F3.1 Improving the conditions for the implementation of the RRP: Ensuring an effective audit and control in the framework of the RRF implementation protecting the financial interests of the Union	Audit report confirming the repository system functionalities
<a href="#">Romania</a>  <a href="#">Commission preliminary assessment</a>	450 – Investment 5. Monitoring and implementation of the plan: Audit and Controls: information for monitoring implementation of the recovery and resilience plan	Audit report confirming repository system functionalities
	451 – Investment 5. Monitoring and implementation of the plan	Entry into force of a Government Ordinance enacting the legal mandate of the Ministry of Investments and European Project (MIPE), Ministry of Finance (MoF) and the Audit Authority (AA)



Member State	Measure	Qualitative indicator
<a href="#">Slovenia</a>  <a href="#">Commission preliminary assessment</a>	181 – D: Implementation of the RRP – control and audit systems:  National Decree describing the procedure for carrying out audits and controls in compliance with applicable Union and national legislation and the Guidelines of the Coordinating Body adopted by the Government; establishment of the Office for the Implementation of the recovery and resilience plan and upgraded repository system for audit and controls: information for monitoring implementation of RRF	Decree on the implementation of the RRP; Guidelines of the Coordinating Body; Amendment of the Decree on bodies affiliated to ministries; audit report confirming repository system functionalities
<a href="#">Slovakia</a>  <a href="#">Commission preliminary assessment</a>	16 – Fight against corruption Investment 4: Strengthening administrative capacity at different levels of government: Audit & controls: legal basis	Entry into force of the Recovery and Resilience Facility Act
	16 – Fight against corruption Investment 4: Strengthening administrative capacity at different levels of government: RRP Repository System: information for monitoring implementation of RRF	Audit report confirming repository system functionalities
<a href="#">Finland</a>	71 – P2C2R2 Enhancing the effectiveness and transparency of RRP reforms and investments by developing information systems, administration and audit: Entry into force of the law on the implementation of the RRP	Provision in the law on the implementation of the RRP indicating its entry into force
	72 – P2C2R2 Enhancing the effectiveness and transparency of RRP reforms and investments by developing information systems, administration and audit: Repository System for Audit and Controls: information for monitoring implementation of RRF	Audit report confirming repository system functionalities

Sources: [Annex 14](#) of DG ECFIN's Annual Activity Report 2021 and [annexes](#) to the Council implementing decisions for NRRPs.

\* In the case of Hungary, part of a set of 27 'super milestones' to be completed before the first payment request is linked to audit and control arrangements to guarantee the sound use of EU support (not only RRF); prevent, detect and correct fraud and corruption; ensure transparency; and ensure full and effective use of the ARACHNE system for all Union support. A large part of milestones 160, 166, 169, 171, 174, 175, 195, 197, 198, 200, 201, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227 and 228 covers rule of law issues. More detailed information can be found in the dedicated briefing requested by the CONT committee ('[Rule of law-related 'super milestones' in the recovery and resilience plans of Hungary and Poland](#)').