IN-DEPTH ANALYSIS

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ECONOMIC GOVERNANCE

Recovery and Resilience Plans and the involvement of stakeholders

This paper presents findings from the Recovery and Resilience Facility (RRF) midterm evaluation, with a particular focus on assessments from various stakeholders regarding its setup and initial implementation. It also summarises views expressed by stakeholders at the EU, national, regional, and local levels in connection with the national Recovery and Resilience Plans. Notably, it offers a collection of the most recent opinions and assessments from EU stakeholders, as well as other pertinent institutions and bodies, on the execution of these plans.

1. Introduction

The European Commission released its Mid-term Evaluation Report on the Recovery and Resilience Facility on 21 February 2024, highlighting also the importance of transparency in its implementation. The report emphasizes the significant progress achieved across various areas, showcasing notable impacts on economic growth, the implementation of reforms, and strategic investments, while also highlighting the involvement of stakeholders in its implementation.

Public trust in the rationale of proposed reforms and investment objectives is vital for their sustainability and longevity. The RRF mid-term evaluation underscores its significant accomplishments while also pinpointing areas for enhancement, particularly stressing the importance of flexibility in program design and execution. Adequate administrative capacity and stakeholder involvement emerge as pivotal factors for sustaining ongoing success. Numerous stakeholders, particularly national coordination bodies, have emphasized the need for a more balanced approach between transparency/control and the resulting administrative costs.

The RRF Regulation and statements from European institutions have emphasized the importance of crafting national plans not solely as the agendas of specific governments, but as inclusive endeavours representing the entire society. The RRF Regulation specifically mandates Member States to report on consultations with civil society, including youth organizations, in the formulation of NRRPs.

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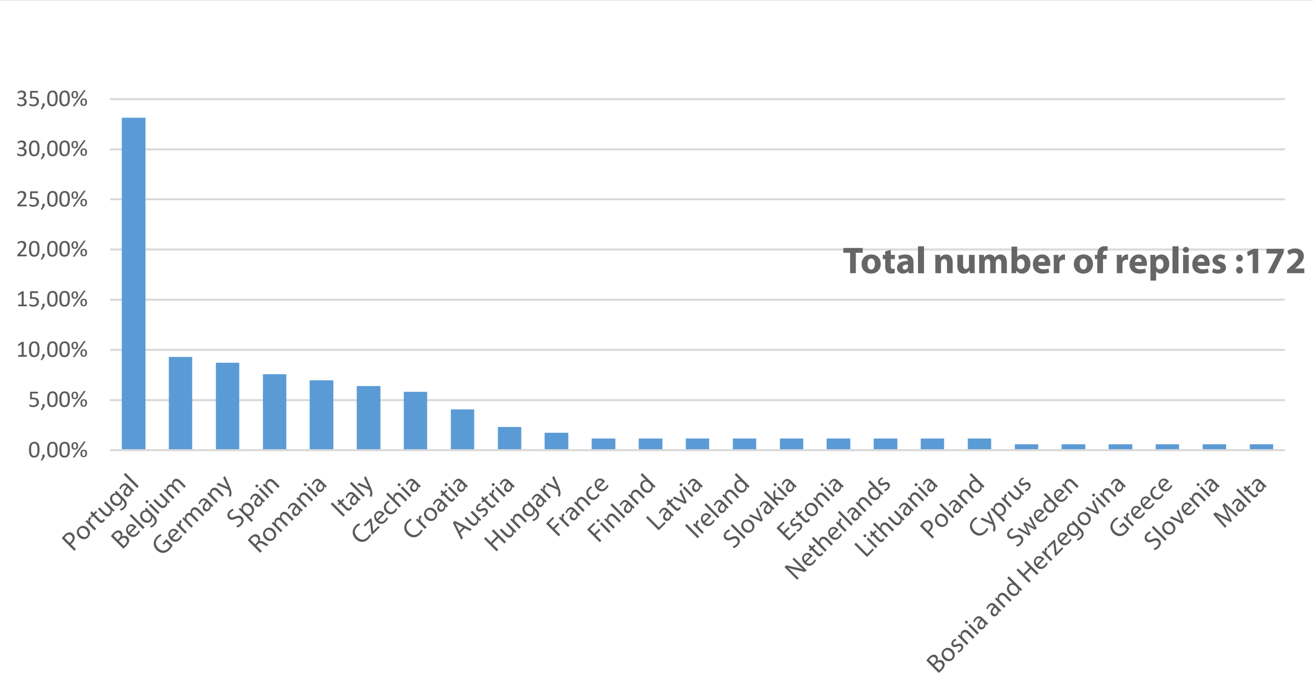
Recently, at an event organized by the European Commission and the Belgian Presidency of the Council of the EU on 9 April 2024, Executive Vice-President Valdis Dombrovskis, stressed again the importance of involvement of local national authorities and other stakeholders in the RRF implementation.

However, in some cases this trust has been undermined by tokenistic or very limited consultation and engagement with stakeholders during the development and implementation phases of the Recovery and Resilience Plans.

The open consultation by the Commission as part of the mid-term review also showed limited engagement (both in absolute numbers and geographical distributions) of stakeholders in the various Members States (see Figure 1 and next Section). This open consultation took place between 16 March and 8 June 2023. Overall, 172 responses were submitted by participants from 24 Member States and 1 non-EU countries. The largest share of responses was received from citizens (99), followed by public authorities (32), companies and business associations (16) and NGOs (12).

Figure 1: Replies to the Commission consultation, by country



To strengthen collaboration with stakeholders in monitoring the implementation of the Recovery and Resilience Facility and to support the scrutiny process in the European Parliament, any relevant public information may be send to us: egov@europarl.europa.eu.

2. Outcome of mid-term review on the RRF Stakeholder consultation

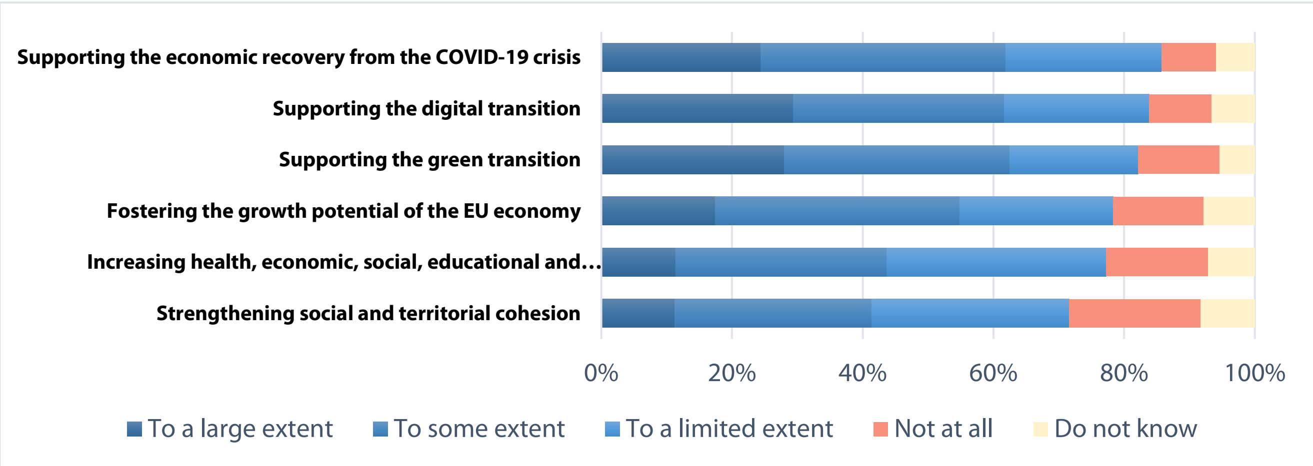
In addition to the open consultation launched by the Commission, a "Study supporting the Mid-term evaluation of the Recovery and Resilience Facility" was prepared by a consortium of Ecorys, CEPS, NIESR, CSIL and Wavestone. It also covered the issues of stakeholder consultations. The procedure consisted of additional analysis of the outcome of open consultation by the Commission, as well as interviews and targeted surveys launched by the consortium.

Additional analysis of the open consultation launched by the Commission

This study analysed the outcome of the Commission open consultation. The results indicate that most respondents are aware of the design of the instrument, notably link between the disbursement between the payments and disbursements of RRF-funds and the satisfactory implementation of reforms and investments under the RRPs.

Close to two-thirds of respondents expressed the view that the RRF has contributed to economic recovery from COVID-19, as well as supported green and digital transitions. 54% believe that the RRF fostered the growth potential of the EU economy, however few are convinced that it did so to a large extent. The opinions of respondents on social and territorial cohesion and on increasing EU resilience are mixed since a notable share of respondents feels that the impact was limited or non-existent.

Figure 2: To what extent the RRF has contributed (or will contribute) to the following objectives?



***Source**: European commission survey for the RRF mid-term evaluation*

The majority is aware of the role of the RRF in respecting the "Do no significant harm" principle (80%) and consider that is has or will contribute to the green transition. However, respondents are less certain about the contribution of the RRF to gender equality, equal opportunities, and policies for children and young people since only a third sees some impact. Overall, an overwhelming majority of stakeholders believe that the RRF has generated outcomes that surpass what Member States could have achieved independently.

In general, respondents value the performance-based nature of the RRF and link to reforms. However, nearly half of them believe that the RRF has created unnecessary burdens and complexity. Implementation, controls and reporting were identified by respondents as the stages having the most complexity, with more than two-thirds of respondents pointing out administrative burden. Besides advocating for decreased administrative complexities, respondents propose increased guidance from the Commission and streamlined procedures, particularly in reporting, to align more closely with other reporting obligations (unifying national- and European-level controls, applying rules similar to structural grants).

Targeted surveys launched by the consortium

In addition to public consultation, two targeted surveys were conducted by consortium at the end of May 2023. Their objective was to gather the views of particular groups of stakeholders involved in the programmes' implementation, namely coordination bodies and SMEs. The survey for RRF coordination bodies received a total of 40 responses (from 24 EU Member States). Respondents declared that they were involved in the monitoring of the RRF (85%), performance management (73%), payment requests (55%), strategy implementation (43%), and control and audit activities (37%). Only half of them noted that the

Commission's guidelines and support documentation for the preparation of the RRPs was timely and clear. Additionally, the majority of respondents identified lack of flexibility as one of the main weaknesses of the RRF funding instrument.

90% of respondents pointed out high national administrative "entry costs" in becoming familiar with the RRF as a new instrument, with nearly half of them suffering from such costs to a large extent. Regarding the governance framework, there was a split in opinions since half of the respondents indicated a desire to establish a different governance arrangement after two years of RRF implementation.

Second targeted survey was conducted among SMEs with a total of 33 participants providing insights into the speed of disbursement to the final beneficiaries. Most respondents identified the process as slow (11) or very slow (6). With regard to the positive impact of NRRP of businesses, opinions were divided since only 33% of respondents were able to agree with the statement and 36% of respondents were neutral.

Furthermore, within the supporting study for mid-term evaluation, SMEs were asked to express their opinion on coordination between the enterprise RRF-measures and other programmes, particularly with existing national programmes and Cohesion policy funds. Overall, there was no shared view among the respondents on the level of coordination. They found the RRF measures to be better aligned with the existing national programmes rather than with the Cohesion policy (33% and 18%, respectively). However, 27% of SMEs reported limited or absent coordination of the RRF measures with either of the programmes.

Box: 1: Study by Deloitte

A month before the survey to SMEs was conducted by the consortium, another **study was published by Deloitt**e which also involved a survey that was conducted in April 2023 and that targeted approximately 1000 EU businesses across nine Member States. The results were slightly different since more than a half of EU business leaders responses were positive about the NextGenerationEU, particularly from the countries affected by the pandemic the most. Moreover, 62% of companies were in favour of establishing an instrument similar to the NGEU after that expires, especially for financing sustainability and the green transition projects. Despite 58% of businesses believing that RRF funds will aid their transition to more sustainable operational modes, the study highlighted the importance of a better communication of the national plans to the local businesses to use all of the opportunities provided by the NGEU (only 30% said their organisation is informed about the NRRP). What seems to be in line with the survey conducted by the consortium working on the supporting study, a notable share of EU companies reported difficulties in accessing NGEU opportunities due to stringent requirements (69%), lack of information (55%) and the slow transfer of incentives (28%).

Interviews launched by the consortium

Between May and August 2023, 61 interviews were conducted to access effectiveness, efficiency, relevance, coherence and EU added value of the RRF. In general, participants identified RRF as an effective instrument, particularly due to the swift disbursement of payments to Member States, innovative solutions which include wide range of investments linked to performance-driven reforms. Nevertheless, several Member State coordination bodies indicated issues with the flexibility and delays in disbursements to final beneficiaries. This was mainly due to the challenges in initial planning of investment request submissions and led to national budgetary issues. Additionally, there was no uniform opinion among respondents regarding the communication with the Commission: some stated that instructions were sufficient while a large majority also pointed out existing difficulties in guidance for the RRF implementation, particularly in acceptance of milestones and setting up the governance structure.

EU-level stakeholders stated that the RRF has been effective in supporting economic recovery by promoting policies in green, digital and governance areas. Respondents replied that the effectiveness of the RRF in terms of REPowerEU goals is still difficult to assess due to the early nature of the instrument. According to most EU institutions, REPowerEU balances short-term with long-term needs, however several national coordination bodies noted the challenges arising from political barriers.

All respondents, both at the EU and at the national level, saw administrative costs as a complex issue posing challenges to the RRF implementation. Highly detailed cost estimations, administrative burdens requested up to final recipients, excessive paperwork and reporting, and high complexity of the auditing processes were identified to be the most difficult aspects of the RRF.

Interviewees indicated that coherence between the RRF and other cohesion funds in some Member States was ensured through the governance setting since the same teams within ministries were involved into development of NRRPs and cohesion policies. Furthermore, coherence was also guaranteed between the RRF and national funding. Some respondents noted that national plans were built upon existing programs, while others felt that the principle of "do no significant harm" was not adequately integrated into the RRF, serving more as a compliance checkbox.

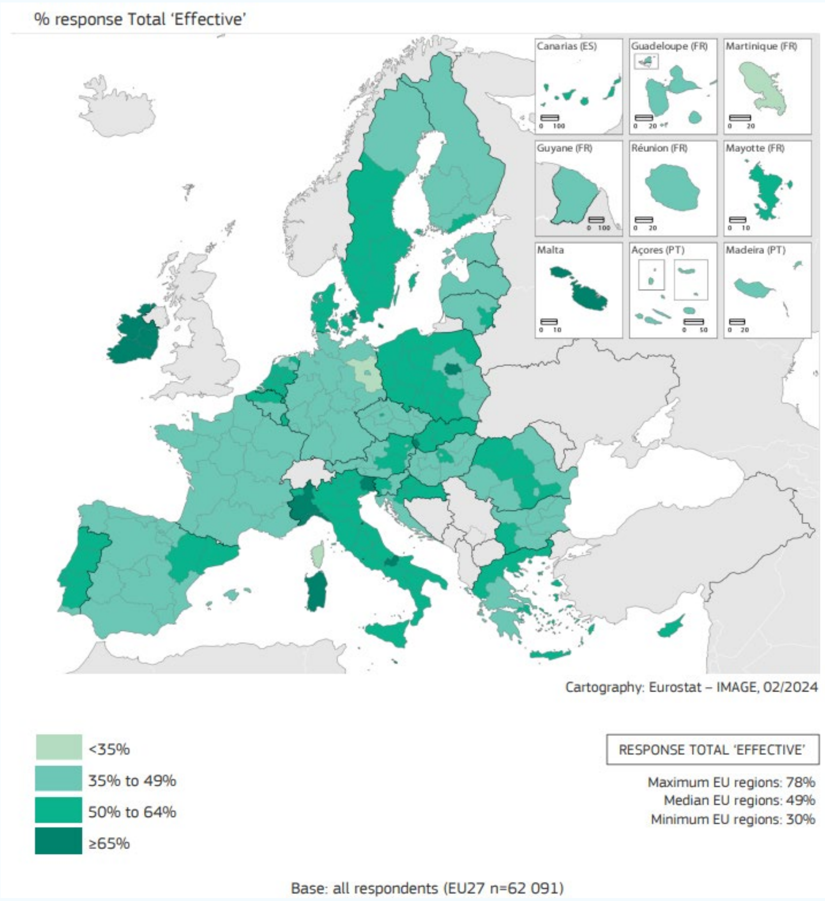
Most respondents highlighted the introduction of reforms in the context of a financial funding instrument to be the key EU added value of the RRF. According to some national-level participants, in some cases the RRF served as a stimulus for structural reforms while in other cases the reforms were already included in the political agenda of the Member States. Therefore such reforms under the NRRPs would have been implemented regardless of the RRF.

National-level participants stressed the need for adjusting initial fund's allocations in the NRRPs to maintain relevance, emphasizing the importance of flexibility to adapt to changing circumstances and external factors.

Box 2: Eurobarometer on the NextGenerationEU (NGEU)

A Flash Eurobarometer focusing on the public opinion in the EU regions published in March 2024 indicated that approximately half of the respondents consider the NextGenerationEU to be an effective instrument in helping to modernize the EU's economy and to tackle the challenges faced by the EU due to the pandemic. Among the respondents, 10% consider it to be 'very effective' and 39% 'fairly effective', while 28% rate it as 'not very effective' and 13% of participants say it is 'not at all effective'. In comparison to 2021, the share of those believing in effectiveness of the NGEU slightly decreased by five percentage points. In 12 regions across the EU, at least 65% of respondents reply that NGEU is effective. The highest approval rates are observed across the regions in Malta, Ireland, Italy, Denmark, Poland and Slovakia. Nevertheless, there are three regions where the proportion of 'effective' responses drops below 35%.

The EU's recovery plan to respond to the economic effects of the coronavirus pandemic and modernise the EU's economy, by investing €800 billion in the EU economy, i.e. NextGenerationEU



Source: Flash Eurobarometer, March 2024

3. Views expressed by other European institutions and bodies

The European Economic and Social Committee (EESC)

European Economic and Social Committee

In April 2024, the EESC presented reflections and formulated recommendations from European organized civil society regarding the reform and investment proposals, as well as their implementation in the Member States. An EESC opinion calls on "*the European Commission and co-legislators to define new financial instruments needed at EU level to support the financing of strategic common goods, namely the newly announced EU sovereign funds, new own resources, own fiscal (financial) capacity, the next Multiannual Financial Framework, etc., and that in this context, a reinforced role of the EIB in leveraging private investments and improving private-public partnership will be also crucial.*"

On September 2023, the EESC adopted an impact assessment on the Mid-term evaluation of the Recovery and Resilience Facility. The report gathers input from social partners and civil society organizations in Germany, Italy, Latvia, Portugal, and Romania, assessing the involvement and impact of organized civil society (OCS) in implementing the RRF. It combines on-site fact-finding missions and stakeholder responses to an online questionnaire.

- The stakeholder feedback from select EU countries prompts key recommendations to enhance the RRF's effectiveness, align it with EU goals, and tackle challenges:
- Improve reform implementation across nations through **clearer guidelines**, elevated ambition, and enhanced collaboration.
- **Prioritize RRF's contribution to twin transitions, driving sustainable growth and technological advancements.**
- **Broaden understanding of RRF impacts beyond green and digital transitions** via improved communication.
- **Address slow project implementation**, streamline processes, and enhance coordination with other EU investment instruments.
- Increase flexibility while **strengthening post-implementation control mechanisms to prevent fund misuse.**
- Address **concerns about the RRF's temporary nature** by advocating for continued EU investment programs.
- Simplify procedures and **offer support for SMEs accessing RRF funds for environmental projects.**
- Establish **effective monitoring mechanisms involving social partners for project evaluation and future decisions**.
- **Centralize and transparently disseminate information** through dedicated national plan websites.
- Provide **detailed, timely, and harmonized information on RRF implementation by beneficiaries** and responsible institutions.

The Committee of the Regions (CoR)

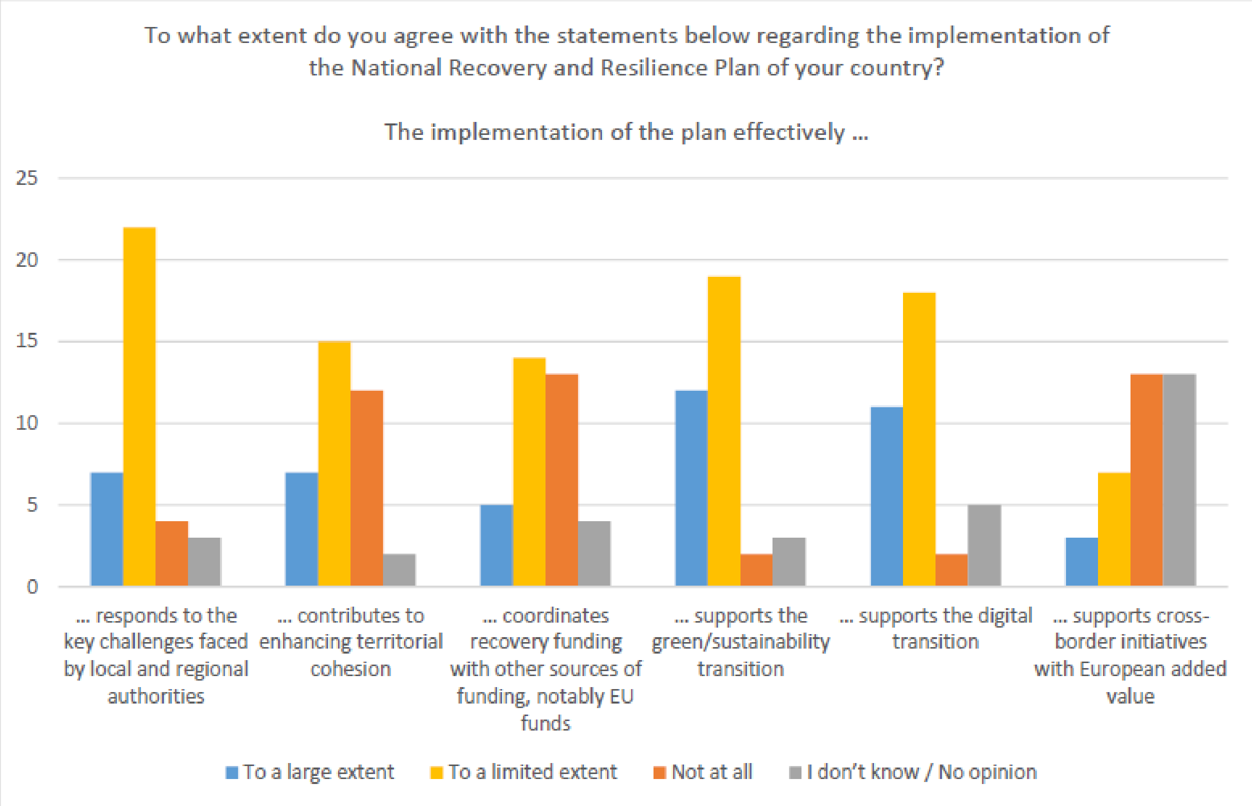
European Committee of the Regions

On 12 April 2024, the European Committee of regions published jointly with Council of European Municipalities and Regions (CEMR) a new report following a consultation on RRF at the local and regional level. This consultation primarily engaged associations representing local and regional governments and authorities (LRAS) throughout the EU. Thirty-six organizations participated, representing various subnational government levels across 22 EU Member States, reflecting diverse sizes, incomes, geographies, and administrative cultures. These Member States represent a broad spectrum of constitutional and territorial organizations, from unitary to federal states. The forthcoming sections delineate the key findings of this focused consultation, conducted from January to March 2024. The consultation on the Recovery and Resilience Facility (RRF) yielded several key findings:

- The highly centralised management of the RRF by Member States is confirmed by this new consultation.
- LRA involvement remains inadequately weak in the various phases of preparation, implementation or monitoring of the NRRPs. The specific provisions of REPowerEU to improve involvement of LRAs do not seem to have had concrete results.
- The green and digital transitions stand out as the two objectives effectively supported by the NRRPs, according to consultation respondents.
- Conversely, fully one third of respondents state that the NRRP does "not at all" effectively contribute to enhancing territorial cohesion, despite this being the legal basis and general objective of the RRF.
- Almost all respondents encounter barriers to their involvement in the NRRP, and the main barrier identified is the national government providing an inappropriate framework for involvement.
- The share of respondents indicating insufficient LRA capacity or expertise as a barrier is significantly higher than in the previous consultation, which is likely linked to the higher-than-expected administrative burden of the RRF.
- Potential overlaps and lack of coordination with European Structural and Investment Funds remains the highest risk perceived by local and regional governments in the implementation of the RRF.
- While the overall impact of projects funded by the RRF is rated positively by respondents, they are rather divided regarding its synergies with other funds, its additionality and flexibility.
- The territorial allocation of RRF funds is broadly perceived as unfair. Nearly half of respondents rate territorial fairness as "poor or very poor" while only a few see it as "good or very good". And the degree of ownership at local and regional level is also unsatisfactory with significantly more respondents seeing it as "poor or very poor" than "good or very good.

The consultation delves into the perspectives of local and regional respondents on the NRRPs, particularly concerning the RRF's stated goals and other critical policy objectives. The findings, depicted in **Figure: 3** below, echo those of the preceding consultation, highlighting a consistent trend where the green and digital transitions emerge as the primary objectives that respondents believe benefit most from NRRP support. However, the results reveal a more nuanced picture regarding other objectives and expectations. Respondents' views on NRRPs addressing LRAs' key challenges remain largely unchanged from our previous consultation, with a majority indicating "to a limited extent" and fewer selecting "to a large extent" or "not at all.

Figure: 3: To what extent do you agree with the statements below regarding the implementation of the National Recovery and Resilience Plan of your country?



Source: CoR/CEMR

European Ombudsman

The European Ombudsman has initiated a **strategic initiative aimed at examining the transparency of national recovery and resilience plans, public information and communication strategies on the RRF, and the oversight of funds**. This initiative, distinct from formal inquiries into maladministration, ran alongside specific complaint-based investigations regarding public access to RRF documents and good governance principles for transparency in fund utilization developed with the OECD. These efforts aim to bolster transparency and good governance in a critical area.

In its Annual Report for 2023, the Ombudsman stated that among the topics of strategic initiatives there were no ongoing requests for clarification regarding the transparency and accountability of the RRF. However, in the communication from the Ombudsman to the President of the European Commission on 19 March 2024 regarding the public access to documents, among other examples mentioned, she stressed again the case of public access to documents on the Swedish and Danish RRPs and the refusal of the Commission to follow the suggestions of Ombudsman. She asserted that the Office will continue to monitor closely the Commission's application of the exception concerning the protection of commercial interests.

The Ombudsman communication published on the 12 September 2023 took stock and made recommendations for further actions. Acknowledging progress like the RRF website, Recovery and Resilience Scoreboard, and Member States' **obligation to create public portals** for top funding recipients, the Ombudsman suggested further enhancements. These include urging the Commission to ensure all Member

States establish their portals, advocating for proactive transparency throughout plan negotiations, publishing machine translations of national plans for pan-European scrutiny, and monitoring timely public access to RRF-related documents.

Furthermore, **addressing discrepancies in reporting RRF expenditure**, the Ombudsman stressed the need for improved monitoring capabilities and protective measures for EU financial interests. Concerns persist regarding the Commission's lack of detailed information on supervision, audits, recovery procedures, and accountability measures, as highlighted by the European Court of Auditors.

Eurofound (European Foundation for the Improvement of Living and Working Conditions)

Eurofound is a tripartite autonomous EU agency providing knowledge to assist in the development of better social, employment and work-related policies. In the report published on 26 February 2024, Eurofound analyses the involvement of social partners in the implementation of the RRF in 2023. The RRF Regulation requires them to be consulted and it was additionally encouraged by the Commission and Council recommendation in 2023. The results indicate that national social partners are unevenly engaged in the NRRPs, which should be corrected in the second phase of the RRF implementation. Some Member States, especially in eastern and southern Europe created dedicated working groups involving social partners, while others did not have institutional settings for social dialogue and set up ad hoc consultation processes. Social partners pointed out that consultations were hindered by the lack of information from the authorities and insufficient time for the exchanges. Overall, employer organisations found to be more satisfied with their involvement in reforms than trade unions which might be due to the nature of reforms and investments.

European Court of Auditors

In an interview published on 10 April, 2024, Tony Murphy, President of the European Court of Auditors (ECA), expressed grave concerns about the potential recurrence of the recent €600 million embezzlement case from the RRF in Italy. Murphy emphasized that due to the relatively lax control mechanisms in place compared to standard EU funding frameworks like the Multiannual Financial Framework (MFF), the risk of such incidents remains high. He further highlighted the imminent budgetary strain that EU will face as it grapples with the repayment obligations associated with the RRF grants. Regarding the RRF's timeline, Murphy expressed scepticism about its continuation beyond the end of 2026. This scepticism underscores uncertainties surrounding the long-term viability of the RRF beyond its current mandate.

In October 2023, the ECA published in another Special Report (26/2023) its assessment of the Commission's **performance measurement** of RRF spending. In that Report, the ECA concludes that the weaknesses found in the **monitoring system** render it **insufficient for measuring overall performance**, as it fails to provide a full picture of how the funded projects contribute to the RRF's objectives. The auditors essentially argue that checking agreed milestones and targets is apt to track member states' progress on certain reforms and investments, but they point out that progress only marks steps in implementation and should not be mixed up with overall performance. Later in April 2024, the Council produced draft conclusions on the ECA's Special Report (26/2023) and encouraged the Commission to **further improve transparency of data and monitoring** of the RRF implementation.

Ivana Maletić, the ECA member in charge of the report, was cited in the related press release with the quote "*We are in a paradoxical situation where for the EU's largest fund that is claimed to be performance-based, we can measure progress but not performance itself.*"

The ECA's key criticism is directed at the lack of meaningful performance indicators, and the fact that various projects only have a loose or non-existent link with the RRF's general objectives. The ECA Report also mentions that the Commission's **online scoreboard** for the RRF is **misleading** in the way it presents the fund's progress under the six pillars, as the underlying reporting refers to estimates but not actual expenditure.

In March 2023, the ECA published its findings regarding the **design of the control system** that the European Commission has specifically set up for the RRF (Special Report 07/2023). In that report, the ECA overall warns about "**an assurance and accountability gap**" in protecting the EU's financial interests. While Member States are obliged to check that RRF-funded investment projects comply with EU and national rules, the Commission was said to have little verified information through its own work as to whether and how the required national checks are carried out. The ECA therefore concluded that without assurance that the applicable rules are complied with there is a lack of accountability at EU level.

More specifically, the ECA argues that the Commission has put in place an extensive set of checks to verify the data that countries provide to prove that they have achieved the milestones and targets defined in the RRPs, while **compliance with other relevant EU and national rules** is not systematically checked. The auditors warn that non-compliance with EU and national rules, **including on procurement, state aid and eligibility**, is widespread in other EU spending programmes, constituting a **serious risk to the EU's financial interests**. Moreover, in that Special Report the ECA criticises that at the time, the Commission had not yet issued guidance on what to do if a funded measure backtracks, which makes it more likely that milestones and targets that have been reversed go undetected, though it did not determine the potential impact of such **backtracking**.

In January 2023, the European Court of Auditors (ECA) published the comparative analysis "**EU financing through cohesion policy and the Recovery and Resilience Facility**", looking at similarities and differences between both instruments in terms of their governance and management, programming of spending, conditions for making payments, monitoring and cost of implementation, control, and audit.

As Member States can **spend significantly more** on economic, social and territorial cohesion in the period from 2021 to 2027 with the additional funding from the RRF, the ECA points to the **challenge to absorb significantly more EU funds**, in particular for Member States where EU Cohesion policy funding already accounts for a significant part of public investments. As both the 2021-2027 cohesion policy funds and the RRF are still in their early stages of implementation, the ECA remains cautious in its comparative analysis as to whether the "performance-based payments" will actually deliver what their name suggests: "*Nevertheless, the extent to which RRF financing as such is more performance-based than cohesion policy funds remains to be seen. The RRF funds are also disbursed under more flexible payment conditions than the vast majority of expenditure under cohesion policy funds*".

Previously, in September 2022, the ECA had published a first report on the **Commission's assessment of the national RRPs**, concluding that the assessments were overall appropriate, but not always done in a systematic or uniform manner. Moreover, the ECA found that the disbursement profiles are not reflecting actual costs but are rather a result of negotiations. Regarding milestones and targets, the ECA criticised that some lack a clear definition or do not cover all stages of the implementation process of the measure.

Box 3: Reports by the (supreme) audit institutions of the EU Member States on the RRF

In line with the gradual implementation of the RRF, the national (supreme) audit institutions of the EU Member States have increased their related activities and audit work.

Since early 2021, (at least) eleven national audit institutions have published publicly available audit reports (as full-fledged report or in abbreviated form, displaying the main conclusions and recommendations); two of those were published in 2021, ten in 2022, and another five in 2023.

The focus of the audits has over time shifted from conceptual considerations (e.g. the initial selection and transparency of projects included in the Recovery and Resilience Plans, the choice of targets and objectives, the design of the underlying monitoring and control system etc.) to the actual implementation, i.e. the achievement of milestones and targets.

Some of the reports take quite a critical position on what is known about the overall achievement. A very recent statement from the Finnish Court of Auditors, for example, reads: "*According to the audit, the common indicators of the EU's RRF reflect only a small number of Finland's national objectives. The achievement of the national objectives has not been monitored and reported on in such a manner that it would be possible to monitor and assess the effectiveness of the implementation of the national objectives included in Finland's Sustainable Growth Programme and Recovery and Resilience Plan in all respects. Therefore, the overall effectiveness of the implementation of the Plan cannot be monitored and the results of the implementation of the Plan cannot be verified, either.*"

As the exact circumstances are different in each Member State, we recommend reading the individual reports to give consideration to the different findings.

See the Annex for links to these reports.

Operation Sentinel - Anti Fraud Activities

By the initiative of Europol, **the European Public Prosecutor's Office (EPPO)**, **Eurojust, the European Anti-Fraud Office (OLAF)** and 19 EU Member States, Operation Sentinel was launched in autumn 2021 to target fraud against COVID-19 EU recovery funds. The network will focus on proactive intelligence sharing, information exchange and on supporting the coordination of operations.

The **European Prosecutor Office (EPPO)** announced that in the context of a large-scale investigation under its supervision, 22 individuals were arrested in Italy, Austria, Romania, and Slovakia on 4 April 2024. The investigation targets an alleged criminal organisation accused of defrauding €600 million from the RRF funds for Italy. According to the investigation, this criminal association is believed to have orchestrated a fraud scheme between 2021 and 2023 to obtain funds from the Italian RRP by applying for grants to support digitalisation and innovation for small and medium-sized companies as well as allegedly using false corporate balance sheets for inactive companies to appear profitable.

In its recent Annual Report, EPPO listed 206 open active investigations in 2023 into NextGenerationEU funding projects, amounting to over €1.8 billion in estimated damages. This accounts for about 15% of expenditure fraud cases involving EU funds handled by the EPPO during the period, but representing nearly 25% in terms of estimated damage.

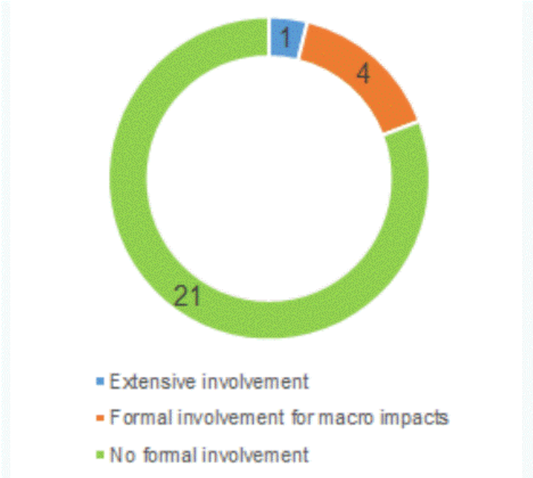
Network of EU Independent Fiscal Institutions[1]

In its February 2023 European Fiscal Monitor, the Network of EU Independent Financial Institutions[2] noted that IFIs are concerned that heavily frontloaded RRPs might add up to the inflationary pressures countries are currently facing despite the general appropriateness of the fiscal stance component associated with the NGEU. Those IFIs which evaluate the macro impact of implementing their country's NRRPs[3] find that the plans are performing well. Although, they are concerned that the speed of implementation is rather slow and tracking metrics need to be improved both from the national and Commission sides.

In its **2022 Annual Report**, the European Fiscal Board (EFB) included an assessment of the role of Independent Fiscal Institutions in the assessments of RRPs, based on a survey. It stressed that "*none of them were formally mandated to undertake an independent scrutiny of the government's cost estimates*". Less than a fifth of the 26 surveyed IFIs were officially involved in the preparation, shown in Figure 3.

Namely, "*the Estonian Fiscal Council, the Greek Hellenic Fiscal Council, and the Latvian Fiscal Discipline Council were asked to provide plausibility assessments on the macroeconomic impacts of planned reforms and investments as estimated by the government. The Slovenian Institute of Macroeconomic Analysis and Development was tasked to provide simulations on the effects of the planned investment projects, as part of the national RRP. (...) [T]he Belgian Federal Planning Bureau (...) was charged to provide an assessment on both the macroeconomic and fiscal impacts of the draft programme (...) [and] was tasked to oversee the verification of the application of the 'Do No Significant Harm' principle.*" Even without an official involvement, a third of the IFIs responded that they aim to publish their own RRF-related analysis.

Figure 4: Groups of IFIs according to their involvement in preparing the RRPs (number of IFIs)



Source: *EFB Annual Report 2022*

[1] Recital 59 of the RRF Regulation states that the Member States should be encouraged to seek the opinion of national productivity boards and independent fiscal institutions on their RRPs, including possible validation of their elements. In its January 2021 guidance, the Commission called also on the Member States to involve national advisory bodies, such as national fiscal boards and national productivity boards, in the decision process leading to the adoption/submission of the RRPs.

[2] The Network provides to national independent fiscal institutions a platform to exchange views, expertise and pool resources in areas of common concern. It was formally established on the 11th of September 2015 and currently includes the independent fiscal institutions from Austria, Cyprus, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Spain, Sweden and the United Kingdom. The Network supports the efforts to review and reinforce the EU fiscal framework, seeking to better exploit the synergies between rules and institutions, as well as between different levels of administration whilst respecting the principle of subsidiarity and enhancing local ownership and accountability. Secretariat is provided by CEPS.

[3] CY, ES, EL HFC, IT, SK.

In its June 2021 European Fiscal Monitor, the Network of EU Independent Financial Institutions addressed RRPs and assessed the involvement of national independent fiscal institutions in the process leading to their adoption. The Network[4] reads "*National IFIs noted that the reforms outlined in the RRPs are ambitious, complex and highly dependent on the capacity of the administration and effective coordination with other stakeholders when it comes to implementation.*" It also signals that *"Only 7 out of 32 national IFIs[5] had an official role in RRPs. The Belgian Federal Planning Bureau (FPB), Estonian Fiscal Council (EFC) and Slovenian Institute of Macroeconomic Analysis and Development (IMAD) were tasked with assessing the macroeconomic impact of the EU-financed component of the national RRPs[6], and four others have provided or will provide an opinion on the national RRPs. Overall, national IFIs deemed the RRPs to be appropriate. However, some have questioned the underlying assumptions and overall fragmentation of the national RRPs. Eight IFIs[7] have raised concerns about the content, lack of information about the projected reforms, and the implementation and prioritisation of the national RRPs".*

Box 4: Examples for analyses or responses to the RRF from national IFIs

Italy

The Italian Parliamentary Budget Office convened a hearing at the Chamber of Deputies' Budget, Treasury, and Planning Committee to discuss urgent provisions outlined in Decree-Law 19/2024 for implementing the National Recovery and Resilience Plan (NRRP) on 14 March 2024. President Lilia Cavallari presented the analyses, focusing on adjusting public accounts to EU-approved NRRP amendments, restructuring expenditure from the National Plan for Complementary Investments, and expediting NRRP objectives. The PBO highlighted the need for clarity regarding annual profiles and composition of NRRP and CNP measures in future economic documents. Furthermore, it called for additional information on resource allocation and de-funding under the NRRP, expected in a future ministerial decree. Lastly, the PBO's analysis detailed the fate of new and existing projects removed from the NRRP, identifying those to be cancelled, refinanced, or borne by the state budget.

Spain

In May 2023, within its Report on the Stability Programme Update 2023-2026, The Independent Authority for Fiscal Responsibility (AiReF) in Spain stressed that the rollout of the NRRP and fiscal measures implemented contribute to the dynamic and strengthened economic activity in the early months of 2023. They highlighted that NRRP has a chance to new long-term growth levers which will be necessary to evaluate in the future governance framework. Finally, they reiterated their recommendations to the Ministry of Finance and Civil Service to publish information on the implementation of the NRRP in national accounting terms to identify which funds are reaching the final recipient and to analyse the evolution of the revenue and expenditure that are not related to the NRRP.

Belgium

Federal Planning Bureau of Belgium published a report in April 2021, where is analyses the impact of the RRP looking at different time horizons. It estimates that in 2040, GDP will still be 0.1% higher than what it would have been without RRF grants. In 2030, GDP is expected to be 0.22% above its normal growth path. Regarding the labour market, the estimates yield a creation of around 2,000 jobs due to RRF grants by 2030.

[4] The Report was prepared by the Network Secretariat on the basis of information collected from national independent fiscal institutions and does not necessarily reflect the opinion of national IFIs (see p. 4 of the Report).

[5] *"BE FPB, CZ, EE, FI EPC, EL HFC, LV, SI IMAD."*

[6] *"The NL CPB also has a mandate to assess the macroeconomic impact of the RRP and will likely do so once the government submits it. "*

[7] *"CZ, ES, EL HFC, IT, LV, NL CPB, PT, SK. "*

National Productivity Boards

National Productivity Boards[8] of some Member States include analyses or comments on the RRPs in their reports. In the 2023 Annual Report, Belgian National Productivity Board mentioned that the NRRP is in the process of implementing, although with a risk of delay since as of June 2023, 13 % of projects had been 'postponed'. The NPB stressed the importance of effective governance and use of the RRF funds for the green and digital transition to ensure a better implementation of the RRP.

Greece evaluated the efficacy of the initial RRP budget in the 2023 Annual Report published in November 2023. It was identified that the budget is projected to catalyse a substantial boost in economic output and employment while simultaneously increasing imports and CO2 emissions.

Irish National Competitiveness and Productivity Council stresses in their Report on Competitiveness Challenge 2023 (September 2023) the importance of RRPs dedicated to accelerating and expanding the country's digital transition: *[...] enterprises in Ireland take advantage of some digital technologies, such as social media, big data and cloud, however, others are less widespread (e.g. AI). In addition, Ireland scores below the EU average for the percentage of enterprises involved in electronic information sharing and the use of e-invoices.*

Latvia's National Productivity Board highlights the importance of RRF in strengthening the competitiveness of the economy in their report from June 2023: *"Given the geopolitical uncertainty, LV PEAK experts believe that it is necessary to carry out a radical assessment of budget expenditures and effectively invest the resources of the Recovery and Resilience Facility to strengthen the competitiveness of the economy."*

The follow-up of the progress report on the implementation of National Productivity Boards, published in July 2021 by the Commission, outlined the missed opportunity for most Member States to involve National Productivity Boards in their RRPs: *"In the current context, Member States could have sought the expert opinion of Boards to a higher degree on the reforms and investments included in the Recovery and Resilience Plans. While there is no requirement for governments to consult them, the Commission's Guidance to Member States on the Recovery and Resilience Plans calls on Member States to seek the advice of their Productivity Boards on the plans. However, only a minority of governments have consulted the Productivity Boards on their draft Recovery and Resilience Plans. Looking ahead, National Productivity Boards could assess the effect of productivity-related reforms adopted in the framework of the Recovery and Resilience Plans."*

Box 5: Some other relevant sources

Eurostat: Statistical Recovery Dashboard

The Eurostat recovery dashboard contains monthly and quarterly indicators from a number of statistical areas relevant for tracking the economic and social recovery from the COVID-19 pandemic, across countries and time.

OECD Recovery Dashboard

OECD has established a Recovery Dashboard which is a tool to monitor the quality of the recovery from the pandemic, based on a proposal by an advisory group of representatives of national statistical offices from OECD countries. The dashboard features twenty indicators[1] grouped into four larger categories that monitor whether the COVID-19 recovery is (a) strong, (b) inclusive, (c) green and (d) resilient. This platform will be continuously updated and improved as new data and sources become available.

OECD assessments of RRPs and Product Markets Reform

OECD analyses the measures included in the RRPs in the light of the OECD 2018 Product Market Regulation (PMR) Indicators. It also assesses the regulatory frameworks in network sectors covered by the PMR indicators where infrastructure investments are contemplated in the RRP.

[8] According to the Commission, national Productivity Boards are now established in 18 Member States. Six new Boards have been established since the publication of the first progress report in 2019 (Germany, Greece, Malta, Latvia, Slovakia, and Croatia). In 2020, one country, Romania, wound down its Productivity Board. All but four euro-area countries (Austria, Estonia, Italy and Spain) have established a Productivity Board. For an introduction, see also this EGOV paper.

4. Overview of public portals relating to RRF assessments

This section provides a list of various EU and national organisations that are monitoring the RRF, notably RRPs implementation, either from a country-specific or a policy-specific perspective.

ZOE Institute for Future-fit Economies

ZOE Institute, in partnership with the New Economics Foundation, developed the Recovery Index for Transformative Change (RITC) to assess whether Member States' RRPs will contribute to the transformation of society. In February 2024, ZOE Institute published the report Building back better? Economic resilience in the era of the Recovery which assesses the development of economic resilience in the context of the RRF, focussing on the period 2019 to 2022. ZOE's report shows that the economic resilience of the EU was stable in the last years – despite a myriad of economic shocks.

Based on a holistic theoretical framework, ZOE Institute also developed the Economic Resilience Index (ERI), a composite indicator to assess holistic economic resilience. Resilience is assessed in three capacities – absorption, recovery, and adaptation – using a total of 27 different indicators. ZOE published an article on applying economic resilience to fiscal policy in February 2023. The article emphasises the need to incorporate economic resilience into fiscal space calculations within the EU, with a specific focus on the Recovery and Resilience Facility (RRF).

In June 2022, ZOE published a briefing paper on shortfalls of the "Do No Significant Harm" (DNSH) principles and recommendations for improvement. While DNSH is considered an important step towards meeting multiple objectives at a time, ZOE's analysis of Member States' National Recovery and Resilience Plans shows that the application of this principle did not reach its full potential, and that there have been significant gaps and inconsistencies in application.

Bruegel: European Union countries' recovery and resilience plans

In April 2024, Bruegel organized an event meant to gather experts from the academic field, Commission and European Investment Bank to discuss the performance of the RRF at its halfway point. One of the main conclusions derived from this discussion and the experience obtained from the RRF implementation, is the need to define European public goods and more cross-border investments for the future financial instrument.

In January 2024, within a report on strategic investment in the EU beyond 2026, Bruegel reminds that to repay the debt issued under the RRF, EU still needs to make progress on establishing new own resources chanelling more revenues to the EU budget. Additionally, they mention that RRF is a good example of successful public investment stabilising the economy by mitigating the negative effects of economic contractions.

In February 2023, Bruegel published a dataset focusing on planned investment by countries that have submitted their plans. The analysis compares countries according to their RRF spending on green, digital and other goals. It concludes, based on the current dataset, that countries that receive relatively lower amounts as a share of GDP focus more on green and digital spending than countries that receive larger amounts. It also presents a figure that suggests that 1) RRF could contribute to convergence of poorer countries given that there is a strong relationship between the cross-country allocation of grants and the level of development and 2) that there is no association with expected GNI growth from 2019 to 2021. Moreover, Bruegel compares the composition of the RRPs according to the six pillars defined in the RRF regulation (table and graph), as well as according to the seven flagship areas for investment and reforms defined by the Commission.

Bruegel also publishes blog posts and opinions on the subject of RRF. These include but not limited to analysis of the possible results expected from the facility (April 2023), critique on the RRF's deficiency with the performance-based funding standards (April 2023), comments on the RRPs assessments by the Commission (February 2022), role of the RRF in a new fiscal framework (January 2022).

CEE Bankwatch Network RRF monitoring

CEE Bankwatch Network is a network of grassroots, environmental and human rights groups in central and Eastern Europe, the Caucasus and Russia. It covers assessments of national RRPs with the aim to monitor the sustainable responsibility of public finance institutions. In the March 2024 report focusing on the challenges in Green Deal implementation, the Bankwatch Network stresses that current EU investment strategies prioritize technological innovation over structural transformation and fail to adequately address environmental concerns. Implementation delays, particularly in Central and Eastern Europe, hinder the progress of green measures under the RRF (only 2% of green measures implemented in Bulgaria). Recommendations include reforming the RRF to increase green ambition, prioritize essential services and social investments.

In its briefing published in December 2023, the Bankwatch Network welcomed the EU's 'do no significant harm' (DNSH) principle as a tool to safeguard against environmental damage by EU funds. However, it was noted that despite its potential, there are significant barriers hindering its effectiveness in practice, such as lack of transparency, insufficient detail in application and assessments, gaps between planning and implementation. Their recommendations included developing better guidelines, capacity building, stakeholder consultation, enforcement of violations, and exercising the precautionary principle. Additionally, it was suggested to allow sufficient time for thorough assessments and project selection.

Follow the Money

Follow the Money is a joint media platform for investigative journalism that has launched a pan-European research project[9] entitled *Recovery Files*, which focuses on investigating the RRF funds, together with several journalists across Europe[10]. In the project's first article (3 November 2021), the authors have shared their concern about the limited involvement of national parliaments in the elaboration of national RRPs, particularly taking into consideration the sizable amounts mobilised by the RRF (EUR 723.8 billion).

In their most recent article published on 7 March 2024, the journalists investigate the issue of final recipients of the RRF fund and decision of the Commission to define top 100 recipients as "the last entity receiving funds that is not a contractor or sub-contractor". In the interviews with the media, MEPs were of an opinion that controlling largest final beneficiaries is crucial for preventing fraud or conflict of interest when using the EU funds and for preventing accountability gap at the EU level. The new rules will require EU countries to disclose fund recipients, but only for programs after 2027, excluding the RRF. While MEPs could propose changing this, it might disrupt negotiations and is unlikely due to the upcoming EU elections.

9 Supported by IJ4EU, fund for cross-border investigative journalism in Europe.

10 Meet the team of journalists here.

In the article from 13 October 2023, the journalist follow up on the article from October 2022 related to the involvement of the consultancies in drafting and implementation of the RRPs. Consultancy firms, including global giants like Deloitte and Accenture, have earned over 300 million euros from the RRF. These firms offer expertise to navigate the complex processes of securing funds from programs, however concerns about potential conflicts of interest arise, as some firms hired by governments also work for companies seeking funds from the same program. The issue is also closely linked to the 'final recipients' problem due to the narrow definition and potential omission of even more consultancies receiving RRF funds. For instance, even with current rules, two consultancies - McKinsey daughter Orphoz and Accenture, were included in the top 20 of the published German top 100.

BusinessEurope Reform Barometer 2024

BusinessEurope published the latest Reform Barometer on 20 March 2024. The report focuses on global competitiveness performance of Europe analysing the business environment, financing opportunities and innovation. The second chapter specifically considers competitiveness challenge related to the implementation of the RRPs and CSRs of the European Semester. Particularly, the report highlights that regulatory environment is perceived as the greatest challenge to the investment environment together with the energy prices and tax regimes. The share of Member Federations dissatisfied with the implementation of the NRRPs increased from 29% to 42%, particularly related to the involvement of the social partners. Additionally, the report includes policy recommendations focusing on the importance of the reforms defined in the NRRPs, Green Deal becoming a growth strategy, improved regulatory framework and digital infrastructure.

European Trade Union Confederation

ETUC has established a monitoring platform covering trade union involvement in the drafting and implementation of RRPs. During the event organized by the European Commission and the Belgian Presidency of the Council of the European Union on 9 April 2024, Esther Lynch - General Secretary of the ETUC, mentioned that there should be more social investment to fulfil the milestones and targets set in the RRF. She stressed that in order to provide more jobs, there is a need for more housing for workers it the area where industry is located, as well as a better access to the transport services.

Additionally, the publication from 7 April 2024 made jointly by the ETUC and New Economic Foundation examines the effect of EU fiscal rules on the investments and stresses that even if the RRF were to continue after 2026, only five countries could meet green and social investment gaps (Denmark, Sweden, Ireland, Croatia, and Lithuania). They argue that there is a need for a more flexible fiscal rules, new progressive taxation and a long-term EU investment fund similar to the NextGenerationEU instrument to meet green and social gap estimates. Previously, in their press release from 21 February 2024, ETUC highlighted the main contributions of the RRF according to the mid-term review and called to limit the impact of any austerity measures by putting in place a permanent investment mechanism to succeed the RRF.

CEPS: Recovery and Resilience Facility Monitor

This RRF project of the *Centre for European Policy Studies* (CEPS) used to monitor the initial process of approval and implementation of the RRF. The key focus of the project is on the economic and fiscal implications and stability of the RRF. The CEPS RRF monitor website includes a set of publications and data resources regarding national RRPs, such as:

RRF Data Monitor that presents an overview of the key aspects of the RRF, such as, the grants and loans requested per country in EUR billions, overview of sectors financed under the RRF pillars; the amounts of disbursements by country in EUR; debt monitor presenting an overview on bonds size, maturity and rates;

A page where all the national RRPs can be accessed together with the Commission's assessments, as well as with specific individual assessments of the reforms proposed in the national RRPs of Italy, Germany, Spain, France, Portugal, Slovakia, Austria and Belgium;

A collection of current publications, including a study for the European Parliament assessing the RRF's role in strengthening labour market policies within the social and territorial cohesion Pillar in Italy, Spain and Croatia; an explainer publication that highlights the current limits of the M&Ts reflecting on the performance-based approach; a policy brief that analyses to what extent the RRF funds distributed are used by Member States to finance new projects, published on 10 January 2022[11];

A media page with nutshell lectures explaining features of the RRF and video recordings of recent online seminars on the topic of RRF.

Open Spending EU Coalition

Open Spending EU COALITION

The Open Spending EU Coalition aims to *"ensure that government spending is done fairly, openly, efficiently, and creates the best value for money and best outcomes for Europe."*

In December 2023, a report on the issue of final recipients of the RRF funds was published. Overall, it was identified that most of the Member States publish the data in open formats with various degree of details, although there are significant delays in providing information and five countries do not provide open access at all. The report stressed the need of a better enforcement from Commission to publish data about the largest 100 recipients, necessary amendments to the RRF regulation to extend this obligation and to include contractors and sub-contractors.

In February 2022 the Open Spending EU Coalition published a whitepaper on opening up Recovery and Resilience Facility Spending. The whitepaper provides guidance to Member States on how to achieve transparency of the RRF spending. It provides support the European Commission and Member States in establishing the right mechanisms for monitoring.

Regions for EU Recovery (R4EUR)

ERRIN European Regions Research and Innovation Network

Regions for EU Recovery is an initiative established by European Regions Research and Innovation Network which includes more than 30 regions from nice Member States (Austria, Belgium, Finland, France, Germany, Italy, Poland, Slovakia, and Spain). In 2022, the R4EUR initiative conducted a first benchmark study on the RRF implementation. In October-November 2023, it surveyed 15 regions from 8 member states and in December 2023, produced a second benchmark study providing insights on the implementation of NRRPs. The results indicate that most of the regions which are part of the initiative have rather "observer" status in the implementation of the RRF

[11] The same paper was also published as an EconPol Policy brief in December 2021 (see here).

and hence, there is a need to transform it into a more proactive role. Nevertheless, 7 regions still developed their own systems to monitor RRF implementation on their territories. They indicate that municipalities and SMEs experience difficulties in accessing the RRF funds which requires to establish clearer rules and guidelines on eligibility and potential overlap with other EU funds.

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This document is available on the internet at: www.europarl.europa.eu/supporting-analyses

Annex 1: Summary of the reports by national audit institutions of the EU Member States

Country	Publication date	Title	Description
Belgium	15.03.2022	Progress of the Flemish Resilience Relaunch Plan - Evaluation report on the information quality of the third progress report by the Flemish Government	In March 2022, the Flemish Court of Audit issued two reports concerning the Flemish Resilience Relaunch Plan. The first report evaluated the plan's vision, layout, objectives, and follow-up, while the second report assessed the progress report submitted by the government.
	08.03.2022	Relaunch Plan Flemish Resilience	
	27.04.2023	Progress of the Flemish Resilience Relaunch Plan - Evaluation report on the information quality of the fifth progress report by the Flemish Government	At the request of the Flemish Parliament, the Court of Audit has evaluated the information quality of the Flemish Government's fifth progress report on the implementation of the recovery plan. That report reflected the state of implementation at the end of December 2022.
Czech Republic	31.03.2022	Report on the Financial management of EU Funds in the Czech Republic 2022	Financial management of EU funds in the Czech Republic in the European context and the audit work by the SAO and other external audit bodies in the field of EU budget funds allocated to the Czech Republic.
Estonia	29.08.2022	Risks and lessons learned from using European Union grants	The National Audit Office's report highlights significant challenges in Estonia's utilization of EU funding and offers important insights. The report calls for more effective planning and deployment of foreign funding and increased coordination to ensure essential projects are implemented successfully.
Finland	17.11.2023	Conclusions and recommendations of the National Audit Office	The audit was targeted at the funding that Finland has received from the EU's Recovery and Resilience Facility and that has been allocated for the purposes defined in the Sustainable Growth Programme for Finland and the national Recovery and Resilience Plan.
France	09.03.2022	Preparation and implementation of the recovery plan	The report summarized that although challenges exist in monitoring and regional coordination, the recovery plan achieved its 2021 spending target, and its continuation beyond 2021 raises questions about selectivity, evaluation, and fiscal sustainability.
Germany	11.03.2021	On the potential impact of joint borrowing of the member states of the European Union on the federal budget (Recovery Fund)	The report raises significant concerns regarding the European Union's Recovery Fund, primarily stemming from its departure from established financial practices, including debt-financed transfers among member states, the introduction of joint liability, and the absence of binding fiscal rules for Union debt.

	09.06.2022	Financing the Recovery Fund via Green Bonds of the European Union	A real time audit of the preparation and implementation of Germany's recovery and resilience plan. The report deals with the financing of the activities via green bonds of the European Union. The report takes into account the progress of implementation until May 2022 and the Federal Government's comments on the draft report.
Italy	2014-2022	Annual Reports on the financial relationships between Italy and the EU	The reports discuss various points related to European Union financial matters and control mechanisms from the point of Italy.
	03/2023	State of implementation report of the national recovery and resilience plan	The report is focused on monitoring the progress in implementing the measures outlined in the PNRR and also includes an examination of investments in the complementary national plan.
	09/2023	Updated report on the state of implementation of the national recovery and resilience plan	In this report, the government presents the progress of investment and reform initiatives from financial, administrative, and organizational perspectives and also provides the results of an assessment of the main critical factors that have emerged since the start of the plan.
Lithuania	01.12.2022	Achievement of milestones and targets of the Lithuania's Recovery and Resilience Plan	This audit report focuses on Lithuania's National Recovery and Resilience Plan. The report assesses the achievement of milestones and targets set out in the plan and evaluates the preparedness of responsible ministries to manage associated risks.
Latvia	12.05.2022	What challenges do we face in drafting and implementing the Latvia's Recovery and Resilience Plan?	The report emphasizes issues related to the initial selection and transparency of projects included in the RRP, concerns about political choices superseding economic benefit analysis in the planning process, and the potential budgetary impact if the RRP's interim indicators and targets are not met.
Portugal	10/2021	Audit of Portugal 2020	The report provides an overview of PT2020, its objectives, EU funding support, and the focus of the audit, which aimed to evaluate its implementation and outcomes, particularly in the context of the COVID-19 pandemic and future funding prospects.
	07.07.2022	Audit on the application of public resources in digitalization for schools, focusing on Component 20 – "Digital School" of the Recovery and Resilience Plan (RRP)	The audit evaluates the effectiveness of investments and the monitoring and control system related to digitalization in schools. It highlights the importance of accelerating the digital transition, aligning with EU standards, and improving digital competencies in schools.
Spain	27.04.2023	Preparation and implementation of the recovery plan	A report of an audit was conducted in coordination with the External Control Bodies of the Autonomous Communities to provide a comprehensive view of the entire regional public sector while promoting good practices in public entity organization and control.