



Plenary sitting

B9-0334/2021

7.6.2021

MOTION FOR A RESOLUTION

to wind up the debate on the statements by the Council and the Commission

pursuant to Rule 132(2) of the Rules of Procedure

on the views of Parliament on the ongoing assessment by the Commission and the Council of the national recovery and resilience plans (2021/2738(RSP))

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on behalf of The Left Group

European Parliament resolution on the views of Parliament on the ongoing assessment by the Commission and the Council of the national recovery and resilience plans (2021/2738(RSP))

The European Parliament,

- having regard to Articles 174 and 175 of the Treaty on the Functioning of the European Union (TFEU),
 - having regard to Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility¹ (the RRF Regulation),
 - having regard to its resolution of 20 May 2021 on the right of information of the Parliament regarding the ongoing assessment of the national recovery and resilience plans²,
 - having regard to Rule 132(2) of its Rules of Procedure,
- A. whereas the RRF Regulation was adopted under the ordinary legislative procedure;
- B. whereas the RRF is an unprecedented instrument in terms of volume and means of financing; whereas the Commission is preparing to issue common EU debt for the first time, since all EU Member States have now successfully ratified the Own Resources Decision³;
- C. whereas democratic control and parliamentary scrutiny over the implementation of the RRF is only possible with the full involvement of Parliament in all stages;
- D. whereas Article 26 of the RRF Regulation establishes a recovery and resilience dialogue in order to ensure greater transparency and accountability and in order for the Commission to provide Parliament with information concerning, among other things, the national recovery and resilience plans (NRRPs) of the Member States and the assessment thereof;
- E. whereas Parliament expresses its views on the issues discussed as part of the recovery and resilience dialogue, including through resolutions and exchanges with the Commission; whereas the Commission has to take these views into account;
- F. whereas the RRF is based on Article 175 of the TFEU, which seeks to attain the objectives set out in Article 174 of the TFEU;

¹ OJ L 57, 18.2.2021, p. 17.

² Texts adopted, P9_TA(2021)0257.

³ Council Decision (EU, Euratom) 2020/2053 of 14 December 2020 on the system of own resources of the European Union, OJ L 424, 15.12.2020, p. 1.

- G. whereas regarding the social dimension of the RRF, the regulation establishes that the general objective is to promote the Union's economic, social and territorial cohesion by mitigating the social and economic impact of the crisis, in particular on women, contributing to the implementation of the European Pillar of Social Rights and to upward social convergence and fostering the creation of high-quality employment;
- H. whereas the specific objective of the RRF is to provide the Member States with financial support to help them to achieve the reform and investment milestones and targets set out in their NRRPs; whereas this means that any action in the plans (including digital and green investments) and agreed reforms and investments have to contribute to the principles of the European Pillar of Social Rights, quality job creation and upward social convergence; whereas actions that do not contribute to these social objectives are not in line with the requirements of the RRF Regulation;
- I. whereas as a rule, the Member States should have submitted their NRRPs to the Commission by 30 April 2021; whereas to date, 23 Member States have submitted their NRRPs to the Commission;
1. Considers that the RRF constitutes a historic EU instrument to help Member States mitigate the economic and social impact of the COVID-19 pandemic, set their economies on strong and sustainable growth trajectories, prepare the EU to address long-term challenges such as the just, green transition and digital transformation in order to foster economic, social and territorial cohesion and convergence, and generate EU added value;
 2. Requests that the Commission provide in-depth and comprehensive assessments before the adoption of the relevant draft Council implementing decisions, while welcoming its efforts to ensure the swift adoption of the relevant Council implementing decisions linked to the NRRPs before the summer, and its continuous engagement with Member States to help them deliver high-quality plans;
 3. Underlines that according to Article 175 of the TFEU, the RRF must contribute to attaining the cohesion objectives set out in Article 174 of the TFEU;
 4. Is convinced that the funds must be fairly distributed across societies to ensure the highest possible impact on social upward and territorial convergence, well-being and economic stability; calls for full transparency and accountability in the allocation and use of the funds;
 5. Reiterates Parliament's call to ensure the right of information of Parliament regarding the ongoing assessment of the NRRPs, in order to enable the impeccable democratic scrutiny of Parliament in the Commission's assessment and implementation of the RRF;
 6. Calls on the Commission to inform Parliament about the content of structural reforms negotiated with Member States in the context of their NRRPs, in particular when these were not included in the initial plans;
 7. Calls on the Commission to carefully assess whether and to what extent each NRRP effectively contributes to all six pillars referred to in Article 3 of the RRF Regulation in a comprehensive and adequately balanced manner; recalls that each measure should

contribute to one or more of the policy areas of European relevance structured in the six pillars;

8. Notes that, according to the Commission, all plans formally submitted meet the climate and digital investment targets; calls on the Commission to also assess the qualitative side of the proposed investments to ensure that they meet both quantitative and qualitative targets:
9. Recalls that in accordance with the RRF Regulation, the RRF must not finance recurring national expenditure, apart from in duly justified cases, and must generate European added value, notably, but not limited to, cross-border projects;

Green transition

10. Welcomes the fact that green investment under the RRF will partly be financed through the issuance of green bonds;
11. Stresses that in line with the methodology set out in Annex VI to the RRF Regulation, all plans should dedicate at least 37 % of the total allocation (grants and loans) to climate; calls on the Commission to pay attention when assessing the 37 % climate spending target in order not to double- or mis-tag measures and to prevent greenwashing; is concerned that some investments are labelled as green investments despite not being covered by the tracking methodology set out in Annex VI; suggests applying additional scrutiny on any extension of the green tagging methodology in Annex VI;
12. Recalls that the ‘do no significant harm’ (DNSH) provisions are a crucial tool for supporting the green transition, alongside the requirement that a minimum of 37 % of expenditure (grants and loans) on investments and reforms contained in each NRRP should support climate objectives, and for avoiding the financing of measures that contradict the Union’s climate objectives; recalls that the DNSH principle is a horizontal principle of the RRF Regulation and that, subsequently, all measures must respect the DNSH principle within the meaning of Article 17 of the Taxonomy Regulation; is concerned, in this context, about the lack of compliance with this principle in the assessment of the plans and calls on the Commission to ensure full respect for the DNSH principle, and to make public all assessments of the DNSH criteria for all plans;
13. Calls on the Commission to publish a thorough overview of the biodiversity-related expenditure and/or measures listed in the NRRPs; is concerned that most of the NRRPs contain very limited or no measures at all in favour of biodiversity; expects the Commission to strictly apply the DNSH principle in that respect, too, and notably to reject reforms or investments that could harm biodiversity or are not accompanied by adequate flanking measures;

Digital transformation

14. Recalls that for investments in digital capacities and connectivity, Member States should provide in their plans a security self-assessment based on common objective criteria identifying any security issues, and detailing how those issues will be addressed

in order to comply with the relevant Union and national law; calls on the Commission to ensure that all NRRPs containing such investments provide such an assessment and that the respective measures do not run counter to the strategic interests of the Union;

15. Believes that green and digital investments have great potential for quality job creation and reducing inequalities; calls on the Commission to ensure that the most vulnerable communities and regions, such as coal and lignite regions in transition and their workers, and those most affected by climate change, benefit from green and digital investment; stresses that the expected social return on green and digital investments should be defined ex ante in the NRRPs in order to ensure maximum impact;

Boosting economic growth, social and territorial cohesion, and well-being

16. Welcomes in particular the measures in the NRRPs submitted to support fair, sustainable and inclusive growth, enhance the creation of high-quality employment, fight poverty and inequality, promote generalised access to culture and education, develop educational qualifications and skills, support children and young people, increase crisis preparedness and crisis response capacity, and mitigate the effects of the COVID-19 crisis on the economy;
17. Calls on the Commission to ensure that NRRPs pay adequate attention to measures for children and young people, especially in countries in which structural problems have been identified in areas such as early-school leaving, youth unemployment and child poverty; insists that reforms and investments in young people, in particular those related to skills and education, should be aligned with the Youth Guarantee and focus on developing educational qualifications in addition to purchasing equipment; stresses that reforms and investments for children should be aligned with the principles of the European Child Guarantee and focus on the right of access to free healthcare, free education, free childcare, decent housing and adequate nutrition for every child living in poverty;
18. Highlights the Social Summit in Porto on 7 and 8 May 2021, where the EU's leaders recognised the European Pillar of Social Rights as a fundamental element of the recovery, and underlined their determination to continue strengthening its implementation at EU and national level, in the Porto declaration;
19. Welcomes the support to Member States contained in the implementing measures in line with the European Pillar of Social Rights and EU initiatives in the areas of employment, education, health and social care to strengthen social cohesion, strengthen social protection systems and reduce inequalities and vulnerabilities; reminds the Commission that the NRRPs have to comply satisfactorily with the assessment criteria and calls on it to carefully assess the social consequences and impact of each measure to ensure compliance with the RRF Regulation; insists, therefore, that the Commission ensure that each NRRP adequately reflects these criteria;
20. Requests that the Commission and the Council ensure that gender equality and equal opportunities for all, and the mainstreaming of those objectives, are taken into account and promoted throughout the preparation and implementation of the NRRPs; is deeply concerned that most NRRPs fall short of significantly contributing to and mainstreaming these objectives and fail to include explicit and concrete measures to

address the issue of gender inequality, thereby risking the ability of those plans to mitigate the social and economic effects of the crisis on women;

21. Highlights that tax evasion, tax avoidance and aggressive tax planning, together with harmful tax competition, reduce the tax revenues of Member States; recalls the country-specific recommendations of Member States that facilitate aggressive tax planning; worries that these schemes could undermine the solidarity inherent in the RRF; therefore asks the Commission to assess NRRPs in terms of addressing national measures deemed to facilitate aggressive tax planning, tax evasion or tax avoidance, or ineffective anti-money laundering measures;
22. Reminds the Commission that NRRPs must address critical bottlenecks in Member States' economies; highlights that all measures, and notably those linked to the digital and green transformations, should also be assessed from a social perspective in order to avoid the risk of job losses, labour market disruption and employment polarisation due to the destruction of middle-skilled jobs, and ensure that the digitalisation and green transition processes of companies are not used as an excuse for labour-saving cost-reduction strategies;
23. Stresses that creating quality employment is one of the objectives included in the RRF Regulation and that this should be done through a comprehensive package of reforms and investments, as well as measures ensuring stable contracts, decent wages, collective bargaining coverage and social protection floors, including decent pensions above the poverty threshold; calls on the Commission to include these indicators in the guidelines for assessing social progress under the NRRPs; points out that labour market reforms undertaken as part of the NRRPs must be in line with the attainment of these objectives;
24. Is concerned by the limited coordination between the NRRPs and the partnership agreements and EU programmes; insists that the Member States should foster synergies and complementarities between the RRF and the partnership agreements and EU programmes;
25. Calls on the Commission to assess to what extent the reforms and investments made under the RRF will enable the closing of the investment gap in the EU, estimated by the Commission, in order to deliver on climate, environmental and social sustainability goals, including the Paris Agreement and the UN Sustainable Development Goals;

Involvement of stakeholders

26. Recalls that Article 152 of the TFEU establishes that the Union recognises and promotes the role of the social partners at its level and must respect their autonomy; underlines that adequate involvement of national stakeholders, such as the national parliaments, local and regional authorities, social partners, non-governmental organisations and civil society organisations, in the preparation and implementation of the NRRPs will be decisive in the success of the NRRPs and of the RRF as a whole, so as to enhance national ownership of the plans, ensure the fast, transparent, effective and appropriate absorption of the funds, increase transparency, and prevent overlapping, gap and double funding; echoes the concerns raised by the European Committee of the Regions and many stakeholders on the total absence, or very limited involvement, of stakeholders in the preparation and in the implementation of the recovery and resilience

plans; warns that all measures under the NRRPs should fully respect the national laws and practices, and the role of the relevant stakeholders, notably in the design and implementation of reforms and investments;

Swift adoption and implementation

27. Insists that all relevant measures approved by the Commission must be complemented by milestones, targets and costing which are relevant, clear, detailed and adequately monitored, and that they represent clear commitments from the Member States;
28. Reminds the Commission that investments should be accompanied by reforms and urges it to ensure that all approved retroactive investments are clearly accompanied by corresponding milestones and targets; notes that the lack of truly additional projects financed by the RRF could limit its macroeconomic impact;
29. Underlines that the success of the RRF and of the NRRPs requires robust transparency and accountability from the Commission, the Member States and all implementing partners; calls on the Commission to assess the needs of the relevant services and EU bodies, such as the European Anti-Fraud Office (OLAF) and the European Public Prosecutor's Office (EPPO), and to provide them with the necessary financial and human resources to effectively scrutinise the implementation of the RRF;
30. Stresses that the RRF and each of the NRRPs should fully respect the Rule of Law Conditionality Regulation⁴ and asks the Commission to carefully assess the arrangements proposed by the Member States to prevent, detect and remedy corruption, fraud and conflicts of interest when using the funds provided under the RRF;
31. Calls on the Commission to ensure full transparency with regard to the timeline for the approval of the delegated acts subsequent to the RRF Regulation, and to take into account the relevant components of the recovery and resilience dialogue for their swift approval, namely the delegated acts on the recovery and resilience scoreboard and on the methodology for reporting social expenditure, including spending on children and young people;
32. Highlights the importance of agreeing on a social tracking methodology to evaluate the NRRPs ex ante, in order to make sure that the actions set out in the plans contribute to the social objectives established in the RRF Regulation; believes that the social tracking methodology must follow the structure of the European Pillar of Social Rights and analyse the contribution of the actions to the implementation of each of the 20 principles of the pillar; states that the scoreboard and common indicators needed to evaluate the progress of the implementation of the NRRPs in each of the six pillars towards the achievement of the general and specific objectives needs to be efficient; insists that the best evaluation mechanism to follow the progress towards upward social convergence is the European Semester Social Scoreboard and therefore suggests that this scoreboard is integrated into the common indicators as a tool to monitor social

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

progress;

33. Calls on the Commission to include the social indicators from the Social Scoreboard, in particular those related to decent work, social justice, equal opportunities, robust social welfare systems and fair mobility, in the common indicators to be used in the RRF for reporting on progress, and monitoring and evaluating the plans, as well as in the methodology for social tracking, including for the European Child Guarantee and Youth Guarantee; stresses that Parliament will closely analyse the delegated acts that the Commission presents on this matter, in order to establish whether the social indicators, scoreboard and social methodology comply with the objectives, and to verify that there are no objections to be made;

Conclusions

34. Calls on the Commission to assess the submitted plans adequately and in accordance with the RRF Regulation; expresses serious concerns about the compliance of several measures in NRRPs with the requirements of the underlying RRF Regulation and asks the Commission to provide detailed justifications and explanations;
35. Reminds the Council that, particularly at the stage of the adoption of the implementing decisions, ‘relevant outcomes of discussions held in Council preparatory bodies shall be shared with the competent committee of the European Parliament’;
36. Invites the Commission to follow an open, transparent and constructive approach during the recovery and resilience dialogues;
37. Recalls Parliament’s position in 2020 for a stronger recovery plan and invites the Commission and the Council to assess whether additional funds and/or the extension or permanent establishment of the RRF would be necessary to tackle the crisis;

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38. Instructs its President to forward this resolution to the Council, the European Council and the Commission.