DRAFT OPINION

of the Committee on Budgetary Control

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

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

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SUGGESTIONS

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

A. whereas the Recovery and Resilience Facility (‘the Facility’) is the cornerstone of NextGenerationEU (NGEU) and aims to provide funding to Member States in order to finance reforms and investments, helping citizens and economies to cope with the impact of the COVID-19 pandemic and laying the foundations for sustainable recovery;

1. Notes that by mid-February 2022, all Member States but one had submitted national recovery and resilience plans (NRRPs), requesting in total EUR 337.5 billion in grants and EUR 166 billion in loans;

2. Is concerned about the fact that all Member States have received a B-rating for the criteria evaluating whether the estimated total costs of the NRRPs are reasonable;

3. Calls on the Commission to report on the implementation of the milestones pertaining to the missing elements in the plans on the structures in place to monitor, implement and control the funds allocated and the extent to which these missing elements have affected the timely absorption of the funds;

4. Welcomes the Recovery and Resilience Scoreboard that provides an overview of the progress made in the implementation of the NRRPs and thereby fosters the transparency, public scrutiny and accountability of the Facility;

5. Considers that the reliability of the performance data concerning the targets and milestones of the Facility is of the utmost importance;

6. Recalls that irregularities may lead to the reduction of financial contributions or the recovery of funds by the Commission;

7. Stresses that the Commission, the European Anti-Fraud Office (OLAF), the Court of Auditors and the European Public Prosecutor’s Office (EPPO) may exercise their rights laid down in Article 129(1) of the Financial Regulation with regard to the Facility; asks the Commission to provide information about the measures ensuring the early detection of the abuse of EU funds;

8. Notes with satisfaction from the Commission’s assessments of NRRPs that Member States’ prevention of double funding, arrangements to correct serious irregularities and recovery of funds are in general quite well developed;

9. Calls on the Commission to encourage Member States to use ARACHNE and, in the meantime, to make sure that the alternative measures to risk-score the entities and individuals involved in implementation of the Facility are equivalent to ARACHNE; calls on the Commission to make sure that, in addition to the information on the beneficiaries of the programme, data on beneficial owners is also collected by the Member States;
10. Regrets the fact that there are major differences in the level and breadth of the available information made public on the dedicated NRRP websites; asks the Commission to include recommendations in its implementation report with a particular focus on the harmonisation of the information available to citizens in order to foster transparency, public scrutiny and accountability;

11. Calls on the Commission to report on its assessment of the capacity of national audit systems to prevent, detect and correct corruption, fraud and conflicts of interest, and to ensure compliance with national and Union rules; stresses that, in the event of inadequacies in the national audit systems, the milestones or targets suggested by the Commission to address these inadequacies must be appropriately explained in the annual report on the implementation of the Facility;

12. Calls on the Commission to include in its annual report on the protection of the Union’s financial interests information about the prevention, detection and correction of irregularities, as well as on the implementation of the Facility; calls on the Commission to assess the information collected by the Member States allowing the prevention, detection and correction of serious irregularities in relation to the measures supported by the Facility and to report about the measures undertaken by the Commission and the Member States to remedy weaknesses in the Member States’ internal control systems;

13. Notes that the absorption of grants under the Facility is projected to be front-loaded with 42 % of the total amount of allocated grants to euro area Member States to be spent by the end of 2022; notes that most grants are geared towards funding private and public investments; recalls that such investments are relatively more prone to errors; calls on the Commission to be vigilant, especially for payment requests from Member States where systematic failures in the management and control systems exist;

14. Calls on the Commission to make approval of the NRRPs conditional on the observance of the rule of law and the prevention and detection of, and the fight against, fraud, conflicts of interest and corruption; stresses that all measures set out in the NRRPs must comply with the Union’s values enshrined in Article 2 of the Treaty on European Union;

15. Reiterates its concerns expressed in its resolution of 10 June 2021 on the views of Parliament on the ongoing assessment by the Commission and the Council of the national recovery and resilience plans\¹ that many Member States have not, or have only inadequately, involved regional and local authorities in the drafting process of the NRRPs;

16. Reaffirms Parliament’s role in scrutinising the implementation of the Facility, also through the annual discharge procedure.

\¹ OJ C 67, 8.2.2022, p. 90.