

Madrid, 22 February 2023

Press statement by Head of Delegation Monika Hohlmeier

- Upon conclusion of the CONT mission to Madrid, Spain - 20-22 February 2023

Spain was the first country to receive a performance based payment from the Recovery and Resilience Facility and is presented as a front-runner in the implementation of the funds. All stakeholders see the Recovery and resilience facility as an historic opportunity to carry out investments and reforms. The Budgetary Control Committee wanted to see how milestones and targets of Recovery and Resilience facility are fulfilled and how the funds are being implemented and how it is made sure that the funds are well spent and the EU financial interests are protected.

We have met with a lot of stakeholders that are involved or follow the implementation of the Recovery Plan in Spain, and I want to thank everybody for the openness and constructive criticism. The RRF is a new and complex instrument that is very demanding, both for the Spanish authorities, the Commission and the Spanish recipients of the funds, and last but not least for the European Parliament.

One of the priorities of this Committee is to ensure transparency. The Spanish government informed that almost all the information is published. However, we have found that a lot of data is available but difficult to be found for the public and the journalists. There are reports published every three months, and a webpage where different documents are published, We recommend to the Spanish authorities to ensure that the information on projects payments and reforms is published in a more timely, structured and accessible manner, including information on the final recipients of funds.

We have also found that the control system, CoFFEE, and the Minerva system to avoid conflict of interest are operational, functional and mostly implemented by now, but suffered from delays. It is a strong technical internal tool for auditing and control of the expenditure by the central government. We acknowledge the strong efforts of Spanish authorities to put this system in place. We strongly recommend to the Spanish government to facilitate its interoperability with other systems, such as Fenix or Regional IT tools; and ensure that it can contribute to the publication of useful data at a larger level. An example to follow can be the Kohesio platform, which allows for excellent traceability and allows for easy access to the information.

We also recommend to the Spanish authorities that the Court of Auditors is given permanent access to the control systems, in order to ensure that they are able to fulfil their mandate. Concerning the European Public Prosecutor's Office (EPPO) and the European Anti-Fraud Office (OLAF), we have also discussed the ongoing issues with the Spanish authorities, including problems related to their access to data, the methods to ensure that suspicions of offences specifically relating to Recovery and Resilience funds are reported to the EPPO and the OLAF, and the establishment of contact points. We rely on a strong cooperation from the Spanish authorities.

From our conversations with regional governments, civil society, business and other partners, we have learnt that the current implementation of the funds should be more

flexible. Administrative burden is a common complaint by the stakeholders. We are committed to the highest standards of quality and control, and we have transmitted these concerns to the European Commission and the Spanish authorities, with the aim to ensure that the funds reach the citizens and the economy in a quick, safe and performing way. We were informed about very complex tenders and very bureaucratic procedures. There is a need to provide additional resources and technical support to ensure the swift implementation of the plan, especially given the intention to request additional funding.

There is a need to remove impediments to give more support to self-employed and SME's, which play a key role in the Spanish economy, and to guarantee a fair, fast and comprehensive access to the Recovery and Resilience facility funds without endangering the financial interest of the EU. We support the call to reinforce the public-private cooperation as a way to accelerate the implementation of the funds.

The CONT Committee has zero tolerance against corruption and has enquired the government about the recent changes to the penal code. We asked the Spanish government to guarantee that its legislation is aligned with this principle of zero tolerance and to ensure that there is no exception.

Finally, we also wanted to support the approach of co-governance and the involvement of the regions and the relevant stakeholders in the design and implementation of the recovery and resilience facility. We were informed by the Spanish authorities about their strong efforts in this area, but we have found in our hearings that several of the autonomous communities complain about their proposals not being taken into account. We wanted to take this opportunity to call on both the central and regional governments to deepen their dialogues and cooperation, in order to ensure the success of this instrument, and we recommend to the Spanish government to enhance the role of co-governance with all regions and stakeholders.

Today we have had a very comprehensive discussion with the competent authorities and the university about the excellent project, the Spain Neurotech Center. It is a great example of collaboration and success at all levels: Union, with a funding of 70 million EUR, national, with a funding of 50 million and regional with a funding of 78 million. This project, with substantive funding from the three sources, and future funding from public and private sources, including 200 million more, will create a lighthouse project with international relevance for the Union.

We will follow up on all the information we have received during our visit, and we will consider it for the ongoing discharge of the European Commission, as well as the ongoing work of this Committee in the assessment of the implementation of the Recovery and Resilience Facility.