

Special report

# The Recovery and Resilience Facility's performance monitoring framework

Measuring implementation progress but not sufficient to capture performance



EUROPEAN  
COURT  
OF AUDITORS

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## **Abbreviations**

## **Glossary**

## **Final replies of the Commission**

## **Timeline**

## **Audit team**

## Executive summary

I In response to the COVID-19 pandemic, a recovery fund worth more than €800 billion (in current prices) – [Next Generation EU \(NGEU\)](#) – was set up. Its centrepiece is the [Recovery and Resilience Facility \(RRF\)](#), established in February 2021, with a maximum total value of €723 billion comprising up to €338 billion in grants and up to €385 billion in loans (in 2022 prices).

II This audit was included in our annual work programme due to the materiality and novelty of the RRF and the importance of a robust performance monitoring framework in this context. The aim of this audit was to examine whether the RRF’s monitoring framework is appropriate for measuring its performance over time. It covered the period from the RRF’s inception until December 2022. This allowed us to assess one performance reporting cycle and to draw conclusions and make recommendations to improve the monitoring framework, as well as to contribute to the debate on how to design and implement such frameworks for instruments based on financing not linked to costs. As the regulations governing the RRF do not define the concept of “performance”, we use the definition we generally apply in our audit work – a measure of how well an EU-funded action, project or programme has met its objectives and provides value for money.

III We examined documentation available at the Commission, conducted interviews with Commission staff and met authorities in the five member states selected for this audit. We conclude that the RRF monitoring framework measures implementation progress but is not sufficient for measuring the RRF’s overall performance.

IV Whilst milestones and targets contribute to measuring progress in implementing the investments and reforms, they vary in ambition and largely focus on outputs rather than results.

V The common indicators are intended to monitor, and report on progress towards the achievement of the RRF’s specific and general objective. However, they do not cover the RRF’s six pillars (embedded in the RRF’s general objective) fully; nor do they entirely reflect the progress made towards achieving milestones and targets linked to investments and especially reforms. Moreover, similarly to the milestones and targets, only a limited number of the common indicators measure results, and none refer explicitly to impact. We consider that the RRF’s milestones and targets and its common indicators are complementary but do not fully cover all aspects of RRF’s performance.

**VI** Overall, the data reported for milestones and targets is closely monitored and checked but risks to data reliability remain, especially at final recipient level. The data reported on the common indicators is rather limited and largely based on estimates and is only subject to basic plausibility checks by the Commission.

**VII** The Commission's and member states' early reports on the RRF mostly complied with the reporting obligations but the information they provided on performance was limited due to the early stage of implementation. The recovery and resilience scoreboard ("the Scoreboard"), the Commission's tool for reporting on the implementation of the RRF, is user-friendly but is affected by data quality issues and lacks transparency in certain respects. The RRF Regulation in our view is unclear on whether the reporting in the annual report should refer to actual rather than estimated expenditure, and the Commission only reports estimated expenditure.

**VIII** Based on these findings, we recommend that the Commission:

- ensure a comprehensive performance monitoring and evaluation framework;
- improve the quality of data on the common indicators;
- improve the transparency and quality of the data reported on the Scoreboard;  
and
- ensure more informative and consistent reporting that is aligned with all legal requirements.

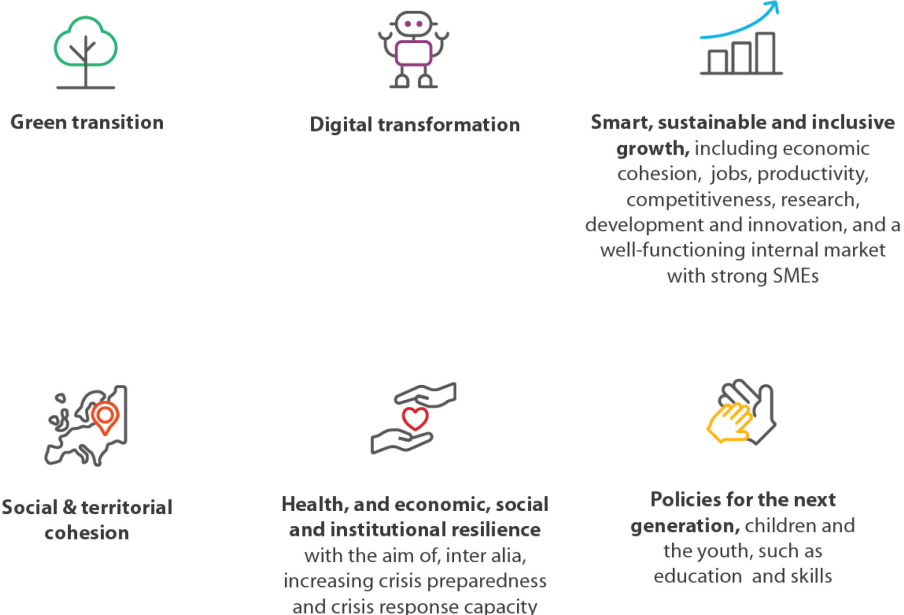
# Introduction

## The main features of the Recovery and Resilience Facility

**01** In response to the COVID-19 pandemic, and during a period of acute crisis, a recovery fund worth more than €800 billion (in current prices) – Next Generation EU (NGEU) – was set up. Its centrepiece is the Recovery and Resilience Facility (RRF)<sup>1</sup>, established in February 2021, with a maximum total value of €723 billion, comprising €338 billion in grants and €385 billion in loans (in 2022 prices).

**02** The scope of the RRF, as defined in the RRF Regulation<sup>2</sup>, comprises investments and reforms under the six pillars shown in *Figure 1*.

**Figure 1 – The six pillars**



Source: ECA, based on the recovery and resilience scoreboard.

<sup>1</sup> Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility, referred to in this report as the “RRF Regulation”.

<sup>2</sup> Article 3 of the RRF Regulation.

**03** In line with the six pillars, the RRF Regulation defines the RRF's **general objective**<sup>3</sup> as promoting the EU's **economic, social and territorial cohesion** by:

- **improving the resilience**, crisis preparedness, adjustment capacity and growth potential of the member states;
- **mitigating the social and economic impact** of that crisis, in particular on women;
- contributing to the implementation of the **European Pillar of Social Rights**;
- supporting the **green transition** and contributing to the achievement of the Union's 2030 climate targets and by complying with the objective of EU climate neutrality by 2050;
- contributing to the **digital transition**;
- increasing the resilience, security and sustainability of the **EU's energy system**;
- thereby contributing to upward **economic and social convergence**, restoring and promoting **sustainable growth** and the integration of the economies of the Union, fostering **high quality employment** creation; and
- contributing to the **strategic autonomy of the EU** alongside an open economy and generating European added value.

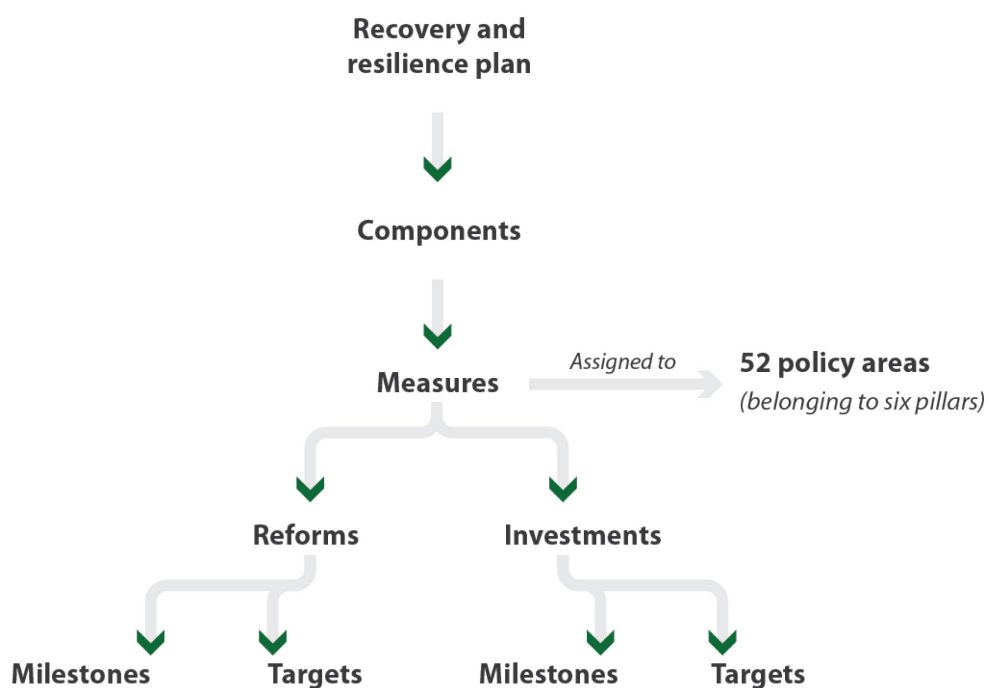
**04** The RRF's **specific objective**, set out in the Regulation, is to provide member states with financial support with a view to achieving the milestones and targets of the reforms and investments set out in their recovery and resilience plans (RRPs).

**05** RRPs consist of a set of measures, which can be investments or reforms, grouped into components. For each reform or investment, the RRPs include one or more milestones (qualitative achievements) and/or targets (quantitative achievements). Measures included in the RRPs should refer to the RRF's policy areas, which are structured into six pillars (see [Figure 2](#); for the full list of these policy areas, see [Annex I](#)). The funding member states receive is not based on reimbursement of costs, but on the satisfactory fulfilment of the milestones and targets agreed in their RRPs.

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<sup>3</sup> Article 4 of the RRF Regulation.

Figure 2 – RRP structure



Source: ECA.

## The RRF's monitoring, reporting and evaluation framework

**06** Monitoring, reporting and evaluation are key elements in ensuring that funds contribute to the intended objectives and impact. Monitoring and reporting on the implementation of the RRF is set out in the RRF Regulation<sup>4</sup> and further specified in two delegated acts: one on the reporting of social expenditure in the RRF<sup>5</sup>, and one on the common indicators and elements of the recovery and resilience scoreboard (“the Scoreboard”)<sup>6</sup>.

<sup>4</sup> Articles 16, 29, 30 and 31 of the RRF Regulation.

<sup>5</sup> [Commission Delegated Regulation \(EU\) 2021/2105](#) of 28 September 2021 supplementing Regulation (EU) 2021/241 of the European Parliament and of the Council establishing the Recovery and Resilience Facility by defining a methodology for reporting social expenditure.

<sup>6</sup> [Commission Delegated Regulation \(EU\) 2021/2106](#) of 28 September 2021 on supplementing Regulation (EU) 2021/241 of the European Parliament and of the Council establishing the Recovery and Resilience Facility by setting out the common indicators and the detailed elements of the recovery and resilience scoreboard.



**07** The structure established to monitor and report on the RRF’s implementation and performance (which we refer to as the “RRF’s performance monitoring framework”) consists of the following main elements:

- o **milestones and targets**, which are defined in Council Implementing Decisions and measure the implementation of the specific reforms and investments included in the RRFs and thus the achievement of the RRF’s specific objective;
- o **common indicators**, which are based on data provided by the member states and are used for reporting on the RRF’s progress and for monitoring and evaluation in relation to its general and specific objectives;
- o different **reports by member states** to the Commission and the public on their progress in implementing their RRFs; and
- o different **Commission reports** to stakeholders and the public, including the Scoreboard.

## **Roles and responsibilities in the context of RRF monitoring, reporting and evaluation**

### **The Commission’s responsibilities**

**08** The Commission’s monitoring should be targeted and proportionate to the activities carried out under the RRF. In particular, the Commission must ensure that the data used to monitor the implementation of activities and achievement of results is collected efficiently, effectively and in a timely manner<sup>7</sup>. The Commission should also provide an independent evaluation report, which, in particular, assesses the extent to which the RRF’s objectives have been achieved, the efficiency of the use of the resources, and the European added value and it should also consider the continued relevance of all objectives and actions<sup>8</sup>. The facility should be evaluated on the basis of information collected in accordance with specific monitoring requirements which, where appropriate, include measurable indicators as a basis for evaluating the RRF’s effects on the ground<sup>9</sup>.

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<sup>7</sup> Article 29 of the RRF Regulation.

<sup>8</sup> Article 32(2) of the RRF Regulation.

<sup>9</sup> Recital (64) to the RRF Regulation.

**09** In line with the RRF Regulation, the Commission needs to provide an annual report to the Parliament and the Council on the RRF's implementation<sup>10</sup>, as well as a review report in 2022<sup>11</sup>. In addition, the Commission must report on expenditure financed by the RRF under each of its six pillars<sup>12</sup>, based on the break-down of the estimated expenditure in the approved RRFs.

**10** To facilitate member states' reporting, the Commission created a tool known as "FENIX" to collect and monitor data on milestones and targets and on the common indicators, as well as to receive evidence and justification for payment requests.

**11** The Commission also established the Scoreboard<sup>13</sup> to display the progress made in implementing the RRFs in terms of milestones and targets achieved and the common indicators reported under each of the six pillars (see [Figure 1](#) above).

### Member states' responsibilities

**12** A coordinating body in each member state is responsible for collecting and aggregating data and providing consolidated reporting to the Commission. It also bears overall responsibility for monitoring the implementation of that country's RRF. Generally, implementing bodies in the member states, such as ministries, are responsible for implementing the reforms and investments, and for collecting data on the achievement of milestones and targets and reporting it to the coordinating body.

**13** Member states need to report on the progress they have made in implementing their RRFs, including in relation to the common indicators<sup>14</sup>. They also had to establish audit authorities, or use existing ones, to provide assurance on their control systems and on the fulfilment of milestones and targets.

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<sup>10</sup> Article 31(1) of the RRF Regulation.

<sup>11</sup> Article 16 of the RRF Regulation.

<sup>12</sup> Articles 29(3) of the RRF Regulation.

<sup>13</sup> Article 30 of the RRF Regulation.

<sup>14</sup> Article 27 of the RRF Regulation.

## Audit scope and approach

**14** This audit was included in our annual work programme due to the materiality and novelty of the RRF and the importance of a robust performance monitoring framework in this context. It covered the period from the RRF's inception until December 2022. This allowed us to assess one performance reporting cycle and to draw conclusions and make recommendations to improve the monitoring framework, as well as to contribute to the debate on how to design and implement such frameworks for instruments based on financing not linked to costs.

**15** We examined whether the RRF's monitoring framework is appropriate for measuring its performance. We assessed whether:

- (1) the elements of the RRF's monitoring framework are suitable for measuring its performance;
- (2) the Commission and member states have arrangements to ensure data quality; and
- (3) the Commission's and member states' reports provide appropriate and timely information.

**16** We examined documentation available at the Commission and conducted interviews with relevant Commission staff. In addition, we met RRF coordinating bodies, audit authorities and implementing bodies in the five sampled member states: Greece, France, Italy, Portugal and Romania. We selected these countries based on criteria that included the amounts they had received, their implementation progress and the way their RRF coordination is organised at national level.

**17** Our audit criteria derive from regulatory requirements (in particular the RRF Regulation and the Delegated Acts) and the Commission's internal rules and procedures (such as guidelines and methodologies).

**18** We analysed milestones and targets in the plans of the five sampled member states and the common indicators across all member states that had reported data by June 2022.

**19** To assess the selected member states' data collection processes in practice, we carried out an on-site review of a sample of 16 targets which had already been achieved or were close to being achieved. For those targets, we traced member states'

data from initial collection to the uploading of data and evidence in FENIX. We also reviewed member states' data collection and verification processes for the common indicators.

**20** Finally, we looked at reporting on the Scoreboard and at other Commission and member state reports on the RRF.

**21** This audit forms part of a series of planned ECA audits on the NGEU and the RRF. It builds on information already gathered in our previous audits, reviews and opinions in this policy area<sup>15</sup>. It does not take into account the new requirements and objectives described in the amending REPowerEU Regulation<sup>16</sup>.

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<sup>15</sup> In particular: [special report 21/2022](#) and [review 01/2023](#).

<sup>16</sup> [Regulation \(EU\) 2023/435](#) of the European Parliament and of the Council of 27 February 2023 amending Regulation (EU) 2021/241 of as regards REPowerEU chapters in recovery and resilience plans and amending Regulation (EU) No 1303/2013, (EU) 2021/1060 and (EU) 2021/1755, and Directive 2003/87/EC.

# Observations

## Milestones and targets and common indicators contribute to measuring implementation progress but are limited for assessing overall performance

**22** Milestones and targets and the common indicators are the two main building blocks of the RRF's performance monitoring framework. Milestones and targets measure the member states' progress in implementing the investments and reforms contained in their national RRFs – and therefore the achievement of the RRF's specific objective. The purpose of the common indicators, on the other hand, is to report on the progress of the RRF and facilitate the monitoring and evaluation of progress towards the achievement of the RRF's specific and general objectives.

**23** We assessed the extent to which both the milestones and targets and the common indicators contribute to measuring the RRF's performance. We also assessed whether the two elements are complementary and whether, taken together, they are sufficient to capture RRF's performance and the progress made towards its specific and general objectives.

**24** The RRF Regulation refers to the “performance-based” nature of the instrument<sup>17</sup> on the basis that, unlike most other EU programmes, the Commission's payments to member states are based on the satisfactory fulfilment of pre-agreed milestones and targets, rather than the reimbursement of eligible expenditure. We note, however, that neither the RRF Regulation nor the Delegated Regulation on the Scoreboard<sup>18</sup> define the concept of “performance”.

**25** In line with the Court's methodology, performance is defined as a measure of how well an EU-funded action, project or programme has met its objectives and provides value for money.

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<sup>17</sup> Recital (53) to the RRF Regulation.

<sup>18</sup> Commission Delegated Regulation (EU) 2021/2106.

## The RRF's milestones and targets measure its implementation progress, albeit with limitations

**26** Each national RRP included a set of measures, which could be either an investment or a reform. The Council Implementing Decision provides an overview of all measures in that RRP, including a description of the measure, its milestones or targets and the indicative timeframe for their implementation. In addition, the operational arrangements include a verification mechanism which further specifies how the achievement of each milestone and target will be demonstrated.

### Milestones and targets are generally suited to measuring implementation progress but their level of ambition varies

**27** In this audit, we assessed the RRP of the five selected member states and found that, overall, the milestones and targets they contained were suitable for measuring the progress made in implementing investments and reforms. We previously noted in our special report on the Commission's assessment of RRPs<sup>19</sup> that certain milestones and targets lack clarity. In addition, our analysis of the five sampled RRPs shows that some milestones and targets are more demanding than others (see examples in [Box 1](#)).

#### Box 1: Examples of varying levels of ambition in milestones and targets for similar measures

- For measures related to training, the final targets ranged from “developing a training course” to “number of participants enrolled”, “number of participants who completed the training” or even the number of “certified participants”;
- for measures related to decarbonisation of the industry, the final targets ranged from “number of completed projects” to “completion of projects achieving at least 30 % reduction in indirect and direct greenhouse gas emissions compared to the ex-ante emissions”;
- for measures related to the energy efficiency of private buildings, the final targets ranged from “grants given to households which commit to carry out renovation works”, to “number of square meters renovated” or “number of certified renovations completed”;

<sup>19</sup> [Special report 21/2022](#): “The Commission's assessment of national recovery and resilience plans – Overall appropriate but implementation risks remain”, paragraph 82.

- o for measures related to sustainable transport, in some cases a specific number of “vehicles purchased”, “vehicles purchased and in operation” or even “vehicles replaced with electric ones” needed to be achieved, whereas sometimes a target was set for “reducing air pollutant emissions” by using more sustainable means of transport.

**28** Furthermore, our analysis of the RRP of the five selected member states showed that in some cases the requirement for achieving milestones or targets in the Council Implementing Decision differed from the information provided in the verification mechanisms in the operational arrangements (see [Table 1](#)), which made the milestone or target significantly clearer or more measurable.

**29** However, according to the Commission’s methodology published in February 2023<sup>20</sup>, the verification mechanism and monitoring steps in the operational arrangements should not be considered when assessing the satisfactory fulfilment of milestones and targets.

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<sup>20</sup> Communication from the Commission to the European Parliament and the Council: Recovery and Resilience Facility: Two years on – A unique instrument at the heart of the EU’s green and digital transformation, [COM\(2023\) 99 final](#), Annex I.

**Table 1 – Examples of different specifications for measuring achievements in the Council Implementing Decision and the operational arrangements**

Member state	Measure	Milestone (M) or target (T)	Description in the Council Implementing Decision	Verification mechanism in the operational arrangements
Greece	Reform 16981: Enhancement of policy planning and coordination	Training programme launched with 100 civil servants <b>selected to attend</b> (M)	[...] a training programme and associated accreditation procedure shall be launched with at least 100 civil servants <b>enrolled</b> [...]	(i) training and certification actions completed, (ii) the number of persons enrolled including civil servants selected for the “executive branches”, and (iii) the type of training and <b>certification provided</b> with detail of its content and learning format used
France	Investment C8.I2: Reskilling through dual training programmes (Pro-A)	Number of employees <b>benefitting</b> from the Pro-A programme: 90 000 (T)	Number of employees <b>participating</b> in reskilling through dual training programmes	[...] a list of all Pro-A trainings specifying the expected duration, with a reference to the <b>certificates issued</b> along the trainings.



Member state	Measure	Milestone (M) or target (T)	Description in the Council Implementing Decision	Verification mechanism in the operational arrangements
Italy	Investment 1.7.1: Digital Civic Service	Citizens <b>participating</b> in training initiatives [...] 1 000 000 (T)	At least one million citizens <b>participating</b> in training initiatives [...]	[...] a) A list of the individual <b>certificates</b> , including their reference number, proving that the training programmes have been <b>completed</b> ; [...]

Source: ECA, based on the annexes to Council Implementing Decisions and operational arrangements.

### Milestones and targets do not always capture the completion of a measure

**30** In our special report on the Commission’s assessment of RRFs<sup>21</sup>, we noted that the milestones and targets for a specific RRF measure do not always cover all key stages of its implementation. In this audit, we assessed whether the final milestone or target for each measure in the sampled member states’ RRFs would make it possible to determine whether that measure has been successfully completed.

**31** We analysed the Council Implementing Decisions for the five selected member states, covering 740 measures. We found that for around 5 % of measures the last milestone or target does not indicate the completion of that measure (see examples in [Box 2](#)). It will therefore not be possible to assess whether those measures have been successfully completed based on their final milestones or targets alone. The proportion of such measures varies across the sampled member states, ranging from only 1 % in Greece to 16 % in France.

**32** Moreover, around 2 % of the measures in our sample will not be fully completed by the deadline of 31 August 2026<sup>22</sup> set in the RRF Regulation. This will limit the Commission’s ability to measure their contribution to the RRF’s objectives.

<sup>21</sup> [Special report 21/2022](#): “The Commission’s assessment of national recovery and resilience plans – Overall appropriate but implementation risks remain”, paragraphs 83-84.

<sup>22</sup> Article 18(4)(i) and Article 20(5)(d) of the RRF Regulation.

### Box 2: Examples of final targets which do not indicate the completion of the measure

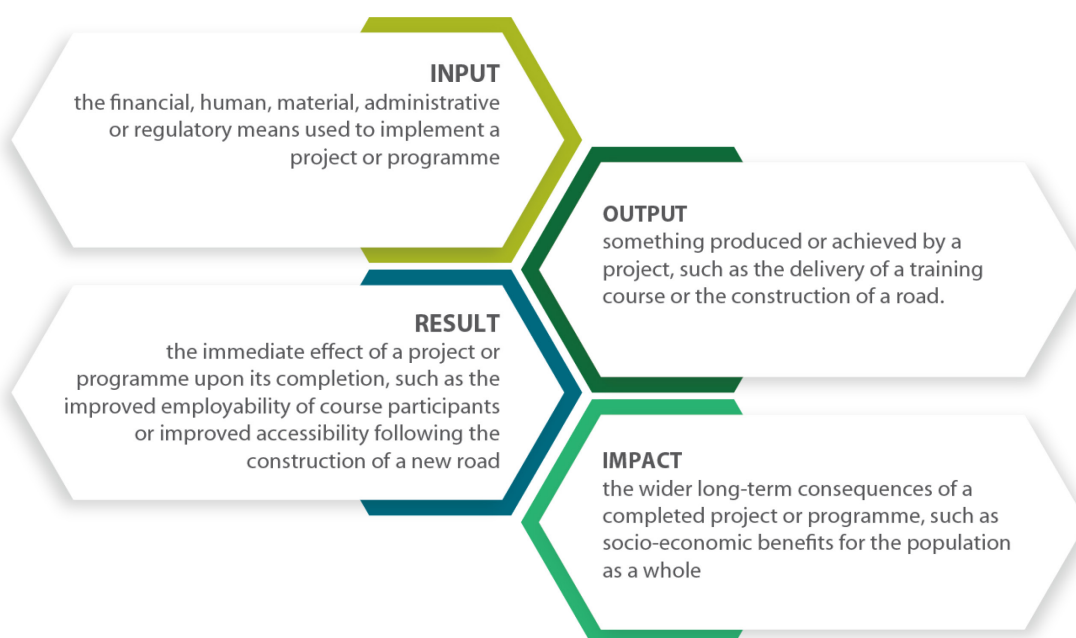
- **France:** the final target for a measure concerning ecology and biodiversity is the surface area of forests for which a grant has been committed in order to improve, adapt, regenerate or reconstitute the forest, at Q1 2023.
- **Italy:** the final target for a measure concerning the strengthening and enhancement of the National Health System biomedical research is the payment of the first tranche of financing to 324 research projects in Q4 2025.

### Milestones and targets focus on output rather than results

**33** In its guidance<sup>23</sup>, the Commission advised member states to set input or, preferably, output indicators for the milestones and targets in their RRP. It also advised them to avoid setting milestones or targets which were beyond their control.

**34** In line with the Financial Regulation and our own methodology, we classify input, output, result and impact as in [Figure 3](#).

**Figure 3 – Classification of input, output, result and impact**



Source: ECA.

<sup>23</sup> Commission Staff Working Document “Guidance to member states’ recovery and resilience plans”, SWD(2021) 12 final, part 1/2, p. 34.

**35** In order to be able to measure the performance of measures and, ultimately, their contribution to the RRF's general objective, it is important for milestones and targets to go well beyond assessing input. Ideally, they should refer to results or impact where possible<sup>24</sup>. We acknowledge, however, that including impact indicators is ambitious in that they may not be suited to the RRF's restrictive timeframe.

**36** The milestones and targets in the sampled RRFs for this audit are mainly output-oriented. This means they only assess the achievement of a specific measure and generally will not provide sufficient information on its contribution to the RRF's general objective.

### **The common indicators are clearly defined but provide an incomplete view of the RRF's output and results**

**37** The second key element in the RRF's performance monitoring framework is the common indicators, which are based on the performance indicators used for the structural funds (namely the European Regional Development Fund and the Cohesion Fund). Their intended use is for reporting on the RRF's implementation progress and monitoring and evaluating progress towards its general and specific objectives<sup>25</sup>. There are 14 common indicators in total (see [Figure 4](#)), for some of which the information provided is further disaggregated (e.g. by age or gender).

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<sup>24</sup> [Special report 21/2022](#), paragraph 89.

<sup>25</sup> Article 29(4)(a) of the RRF Regulation.

**Figure 4 – RRF common indicators**

<b>1</b>	Savings in annual primary energy consumption	<b>8</b>	Researchers working in supported research facilities
<b>2</b>	Additional operational capacity for renewable energy	<b>9</b>	Enterprises supported (of which small – including micro, medium, large)
<b>3</b>	Alternative fuels infrastructure (refuelling/recharging points)	<b>10</b>	Number of participants in education or training
<b>4</b>	Population benefitting from protection measures against floods, wildfires, and other climate related disasters	<b>11</b>	Number of people in employment or engaged in job searching activities
<b>5</b>	Additional dwellings with internet access provided via very high capacity networks	<b>12</b>	Capacity of new or modernized health care facilities
<b>6</b>	Enterprises supported to develop digital products, services and applications	<b>13</b>	Classroom capacity of new or modernized childcare and education facilities
<b>7</b>	Users of new/upgraded public digital services, products and processes	<b>14</b>	Number of young people receiving support

Source: ECA, based on the Commission Delegated Regulation (EU) 2021/2106.

### **Common indicators are clear overall in what they measure but vary in scope and were only introduced late in the process**

**38** Overall, we found the common indicators to be clear in terms of what needs to be measured and how. The member state representatives we interviewed during our visits also found the Commission’s guidance to be clear and reported that the Commission had answered their questions promptly.

**39** However, the common indicators vary significantly in their scope and level of detail. Some are quite specific (e.g. common indicator 3 “Alternative fuels infrastructure (refuelling/recharging points)”), whereas others are defined very broadly (e.g. common indicator 7 “Users of new and upgraded public digital services, products and processes”, where the services, products and processes in question range from new computer cables, keyboards or mice to users of a new digital product).

**40** Furthermore, the Delegated Regulation<sup>26</sup> on the common indicators entered into force in December 2021, ten months after the entry into force of the RRF Regulation. By that time, 25 member states had submitted their RRFs to the Commission and 21 of those RRFs had already been approved by the Council. As a result, it was not entirely clear at the time the RRF’s implementation started which data needed to be collected and reported for the common indicators. The delay meant that those member states







<sup>26</sup> Commission Delegated Regulation (EU) 2021/2106.

that started implementing their RRFs earlier sometimes had difficulty collecting the reporting information required. This was the case, for example, in France, which was already applying a different methodology to measure certain outputs.

**The common indicators cover the RRF's general and specific objectives only partially**

**41** The common indicators are designed to measure progress towards the RRF's objectives. *Figure 5* provides an overview of the extent to which the common indicators refer to the six pillars, embedded in the RRF's general objective (see paragraph *03*).

**Figure 5 – Six pillars’ coverage by the common indicators**

SIX PILLARS	COMMON INDICATORS ADDRESSING PILLARS
 <p><b>Green transition</b></p>	<ul style="list-style-type: none"> <li>• <b>CI 1</b> Savings in annual primary energy consumption</li> <li>• <b>CI 2</b> Additional operational capacity for renewable energy</li> <li>• <b>CI 3</b> Alternative fuels infrastructure (refuelling/recharging points)</li> <li>• <b>CI 4</b> Population benefitting from protection measures against floods, wildfires, and other climate related disasters</li> </ul>
 <p><b>Digital transformation</b></p>	<ul style="list-style-type: none"> <li>• <b>CI 5</b> Additional dwellings with internet access provided via very high capacity networks</li> <li>• <b>CI 6</b> Enterprises supported to develop digital products, services and applications</li> <li>• <b>CI 7</b> Users of new/upgraded public digital services, products and processes</li> <li>• <b>CI 10</b> Number of participants in education or training</li> </ul>
 <p><b>Smart, sustainable and inclusive growth</b></p>	<ul style="list-style-type: none"> <li>• <b>CI 1</b> Savings in annual primary energy consumption</li> <li>• <b>CI 2</b> Additional operational capacity for renewable energy</li> <li>• <b>CI 3</b> Alternative fuels infrastructure (refuelling/recharging points)</li> <li>• <b>CI 6</b> Enterprises supported to develop digital products, services and applications</li> <li>• <b>CI 8</b> Researchers working in supported research facilities</li> <li>• <b>CI 9</b> Enterprises supported (of which small – including micro, medium, large)</li> <li>• <b>CI 11</b> Number of people in employment or engaged in job searching activities</li> </ul>
 <p><b>Social &amp; territorial cohesion</b></p>	<ul style="list-style-type: none"> <li>• <b>CI 4</b> Population benefitting from protection measures against floods, wildfires, and other climate related disasters</li> <li>• <b>CI 5</b> Additional dwellings with internet access provided via very high capacity networks</li> <li>• <b>CI 10</b> Number of participants in education or training</li> <li>• <b>CI 11</b> Number of people in employment or engaged in job searching activities</li> <li>• <b>CI 12</b> Capacity of new or modernized health care facilities</li> <li>• <b>CI 13</b> Classroom capacity of new or modernized childcare and education facilities</li> </ul>
 <p><b>Health, and economic, social and institutional resilience</b></p>	<ul style="list-style-type: none"> <li>• <b>CI 7</b> Users of new/upgraded public digital services, products and processes</li> <li>• <b>CI 10</b> Number of participants in education or training</li> <li>• <b>CI 12</b> Capacity of new or modernized health care facilities</li> </ul>
 <p><b>Policies for the next generation, children and the youth</b></p>	<ul style="list-style-type: none"> <li>• <b>CI 13</b> Classroom capacity of new or modernized childcare and education facilities</li> <li>• <b>CI 14</b> Number of young people receiving support</li> </ul>

Source: ECA, based on [Commission Delegated Regulation \(EU\) 2021/2106](#).




**42** We note that the common indicators cover the six pillars, embedded in the RRF’s **general objective**, to only a limited extent. Each pillar is addressed by at least two common indicators, but not all the policy areas under each pillar are covered.

Consequently, some pillars, especially those which are broad or include diverse elements, are **only partially covered by the common indicators**.

**43** We found that this was the case for three of the six pillars. *Figure 6* shows the policy areas not covered by any common indicator for three particularly broad pillars:

- “Green transition”, under which 1 of the 11 policy areas is not linked to an indicator;
- “Smart, sustainable and inclusive growth”, under which 3 of the 10 policy areas are not linked to an indicator;
- “Health, and economic, social and institutional resilience”, under which 10 out of 14 policy areas lack a corresponding common indicator to measure progress.

**Figure 6 – Policy areas not covered by common indicators**

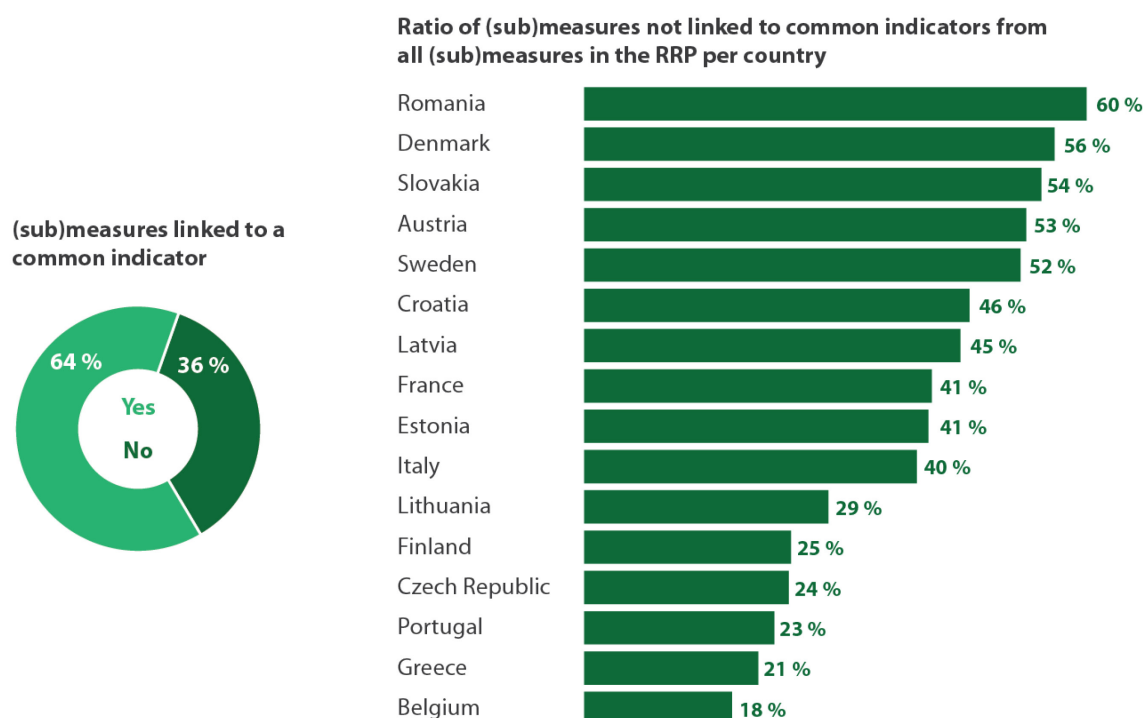
PILLARS	POLICY AREA NOT COVERED BY ANY COMMON INDICATOR
 <p><b>Green transition</b></p>	<ul style="list-style-type: none"> <li>• The protection and restoration of biodiversity and ecosystems</li> </ul>
 <p><b>Smart, sustainable and inclusive growth</b></p>	<ul style="list-style-type: none"> <li>• Cultural sector</li> <li>• Regulatory changes for smart, sustainable and inclusive growth</li> <li>• Transnational cooperation</li> </ul>
 <p><b>Health, and economic, social and institutional resilience</b></p>	<ul style="list-style-type: none"> <li>• Crisis reaction capacity</li> <li>• Business and public service continuity (in crisis)</li> <li>• Effectiveness of judicial systems</li> <li>• Tax measures, including measures pertaining to aggressive tax planning</li> <li>• Fiscal policy and fiscal governance</li> <li>• Fraud prevention</li> <li>• Anti-money laundering supervision</li> <li>• Financial sector reforms</li> <li>• Rule-of-law reforms</li> <li>• Strategic autonomy</li> </ul>

Source: ECA.

**44** The common indicators are also intended to reflect the progress towards the achievement of the specific objective through the reforms and investments included in

the RRP<sup>27</sup>. The Commission asked the member states to voluntarily prepare a mapping table showing which measures contribute to which common indicator(s). By March 2023, 12 member states had completed this exercise and four member states had submitted a draft. Our analysis of the available mapping tables shows that 36 % of those member states' measures combined do not contribute to any of the common indicators (see [Figure 7](#)).

**Figure 7 – Links between (sub)measures and common indicators based on completed mapping tables**



Source: ECA, based on mapping tables provided to the European Commission by 16 member states.

**45** As illustrated in [Figure 7](#), common indicators do not comprehensively cover all important investments and reforms included in the RRP. The measures that could not be linked to any common indicator mostly related to major structural reforms (economic, labour market and judicial reforms), the market for mobile telecommunications, investments in infrastructure and public transport, nature conservation and protection, and waste management and circular economy.

**46** The assessments of the progress of reforms are generally qualitative rather than quantitative, meaning that they are inherently difficult to measure using numerical indicators. Around 60 % of the measures reported in the mapping exercise as not linked to any common indicator involve reforms. This is based on the 16 member

<sup>27</sup> Article 1(f) of the [Delegated Regulation \(EU\) 2021/2106](#).



states that have done the mapping exercise to a varying degree of completeness. Moreover, around three out of four reforms included in the RRFs of the 16 member states in our analysis are not linked to a common indicator, whereas for investments the proportion is significantly lower at around a quarter. As a result, the common indicators do not cover adequately the RRF's general objective.

**47** The share of measures not linked to any common indicator varies significantly from country to country, ranging from 21 % for Greece (36 out of 174 measures in the RRF) to 60 % for Romania (111 out of 186 measures).

### **Most common indicators do not go beyond measuring output**

**48** In the guidance for member states on the RRF common indicators prepared by the Commission<sup>28</sup>, all common indicators are presented as result-oriented. However, according to our assessment and applying the Commission's classification of the indicators used for the structural funds, for a number of the indicators this is not the case. For example, three of them merely measure support provided to final recipients (common indicators 6 and 9 "Enterprises supported..." and common indicator 14 "Number of young people receiving support" (see [Figure 8](#)). In this sense, contrary to the Commission's statement in its guidance, the common indicators generally do not capture the support's effects on recipients or the change in their situation. Moreover, none of them refer explicitly to impact.

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<sup>28</sup> Guidance on the common indicators of the Recovery and Resilience Facility, *Statistical guidance for the member states*, 1 August 2022.

**Figure 8 – Classification of the common indicators**

MEASURING RESULTS		NOT MEASURING RESULTS	
<b>1</b>	Savings in annual primary energy consumption	<b>2</b>	Additional operational capacity for renewable energy
<b>4</b>	Population benefitting from protection measures against floods, wildfires, and other climate related disasters	<b>3</b>	Alternative fuels infrastructure (refuelling/recharging points)
<b>7</b>	Users of new/upgraded public digital services, products and processes	<b>5</b>	Additional dwellings with internet access provided via very high capacity networks
<b>11</b>	Number of people in employment or engaged in job searching activities	<b>6</b>	Enterprises supported to develop digital products, services and applications
		<b>8</b>	Researchers working in supported research facilities
		<b>9</b>	Enterprises supported (of which small – including micro, medium, large)
		<b>10</b>	Number of participants in education or training
		<b>12</b>	Capacity of new or modernized health care facilities
		<b>13</b>	Classroom capacity of new or modernized childcare and education facilities
		<b>14</b>	Number of young people receiving support

Source: European Commission and the ECA.

### The milestones and targets and the common indicators complement one another but do not fully cover all aspects of the RRF's performance

**49** We assessed whether the milestones and targets and the common indicators, as two separate streams of reporting that form the two main building blocks of the RRF's performance measurement framework, are complementary and capture its performance sufficiently.

**50** For the RRF, objectives have been defined at two different levels: the **general objective**, which mainly addresses the six pillars and a **specific objective**, which is to provide member states with financial support to achieve the milestones and targets in their RRFs.

**51** As demonstrated in the previous sections, milestones and targets mainly provide information on member states' progress in implementing their RRFs whereas the common indicators provide information on the progress of the RRF as a whole. The

two reporting streams are thus complementary. However, they are both limited due to the weaknesses explained (see paragraphs 27-36 and 42-48). Therefore, although complementary, they will not be sufficient to assess how the measures contribute to the RRF's general objective.

### **The Commission and member states generally made arrangements to ensure data quality, but there are shortcomings**

**52** In order to monitor the implementation of RRF-supported activities and results, it is crucial that both the Commission and the member states put in place performance reporting systems that ensure the efficient, effective and timely collection of data, as required by the RRF Regulation<sup>29</sup> and the financing agreements between the Commission and the individual member states<sup>30</sup>. Moreover, the RRF's actual achievements can only be properly measured if the data reported is reliable and accurate.

**53** We assessed whether the arrangements for data collection, aggregation and verification at the Commission and in the sampled member states are adequate to ensure the quality and timeliness of the performance information reported.

### **The Commission and member states managed to set up IT systems and governance and control structures for the RRF within a short timeframe**

**54** The FENIX reporting tool allows the Commission to collect information from the member states on milestones and targets, common indicators and other mandatory reporting. The Commission uses this information for monitoring and control purposes and to meet its own reporting obligations towards the Parliament, the Council, and the public.

**55** In order to be able to monitor the RRF's implementation and comply with their reporting requirements, all five member states we visited had set up dedicated information technology (IT) systems for data collection at national level. The IT systems

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<sup>29</sup> Article 29(2) of the RRF Regulation.

<sup>30</sup> Annex I to the financing agreements – Key requirements of the member state's control system.

were all, to a large extent, operational before the member states submitted their first payment requests.

**56** Member states' reporting on their progress in implementing their RRP is monitored through regular bilateral exchange between the Commission and national coordinating bodies. When assessing the payment requests, the Commission verifies the underlying data and evidence submitted by the member states. In addition, a dedicated control and evaluation unit within the Commission Directorate General for Economic and Financial Affairs (DG ECFIN) performs *ex post* audits of milestones and targets, as well as systems audits including the member states' data collection and verification systems.

**57** Considering the emergency context in which the RRF was set up and its short implementation timeframe, the member states and the Commission invested considerable effort in putting in place adequate systems for the collection, monitoring, reporting and verification of performance data. The novelty of linking payments and reporting requirements to milestones and targets achieved rather than to costs incurred also required new or adapted procedures for reporting and checking data at every level of implementation.

### **Overall, the data reported for milestones and targets is monitored and audited appropriately but risks to data reliability remain**

**58** Having reliable data on milestones and targets is a priority for both the Commission and the member states: milestones and targets are a condition for payment and constitute a major element in the RRF monitoring and reporting system.

**59** The nature of the data and evidence needed to substantiate the fulfilment of milestones and targets varies. In our assessment, targets pose a higher risk in terms of data reliability as they involve the aggregation of data, often collected by different implementing bodies and concerning multiple final recipients. For this reason, our data quality checks focused on targets.

**60** We selected 16 targets which had been mostly completed, and reviewed their data collection, aggregation and verification processes, including the IT systems used. We did not check the correctness of the data reported at final recipient level as we cover this aspect in the context of our statement of assurance audit work.

**61** The collection of data on milestones and targets often involved transferring data from local information systems to the RRF's central IT system. In principle, when transferring data from one IT system to another, automated procedures are likely to provide more accurate results than manual ones, as well as being faster and more efficient. In the member states we visited, we found varying degrees of automation of the data transfer process (for a highly automated example, see [Box 3](#)).

### **Box 3: Portugal's RRP information system – an example of highly automated data transfer**

Portugal's RRP information system, based on a single sign-on authentication method and providing an interface with all local information systems, is an example of highly automated data transfer. For those implementing bodies without their own IT systems for data collection, Portugal's coordinating body also provided a special application which communicates directly with the RRP information system.

**62** Our review of the data aggregation and verification process for the targets we selected in the sampled member states did not find specific issues. The highest risk to data quality lies at recipient level, where incorrect data or ineligible items may be included; those errors can then be reproduced unnoticed until the end of the reporting chain, especially if the underlying information provided in the RRP information systems is very limited. Such errors can usually only be spotted at the very first level of checks or through an audit. Some *ex post* audits by the Commission found errors in first-level checks in the data collection and verification systems.

**63** We noted differing practices among audit authorities regarding the timing of their checks on the fulfilment of milestones and targets. In France, Greece, Portugal and Romania, checks on the reliability and accuracy of the data on milestones and targets were performed before those milestones and targets were included in a payment request. In Italy, however, such checks were performed *ex post*, i.e. after the country had submitted its payment request and after the Commission had already finished assessing fulfilment of milestones and targets. This approach poses a risk, as any inaccurate data reported for completed milestones and targets may be identified only at a later stage.

## Data reported on the common indicators is affected by quality issues

**64** The RRF Regulation requires all member states to report on the common indicators to the Commission throughout the implementation period of their RRFs. They have to do so twice a year – by 28 February for the period July-December of the previous year (with the exception of the first reporting round in February 2022, which covered results from as early as 1 February 2020 up until the end 2021), and by 31 August for the period January-June of the same year. The Commission then has to report on the common indicators by publishing the data on the Scoreboard.

**65** By the end of our audit work, only two rounds of reporting on the common indicators had been completed. The available data was rather limited as the RRF's implementation was at an early stage. Since the common indicators present aggregated achievements for the RRF, our analysis encompassed the information reported by all member states where possible.

**66** The quality and underlying methodologies of the common indicator data reported up until June 2022 were not checked by the audit authorities in any of the member states we visited. The audit authorities of some member states (France and Portugal) informed us they were planning to perform checks on the quality of the data reported under the common indicators by the end of 2023.

**67** As the common indicators are not linked to disbursement of funding, the Commission does not require supporting evidence or, as a general rule, explanations on the reported data, except in cases where member states report estimated figures. This creates a risk to data reliability and comparability across member states.

**68** The Commission stressed that responsibility for the quality of data on the common indicators lies solely with the member states. It performs only basic plausibility checks, as the data is published on the Scoreboard for which the Commission is responsible. The plausibility checks entailed making sure that the member states had reported all data they could have collected by the end of the reporting period, and checking that methodological explanations were provided when using estimates and that the reported values were within a range that could be expected. The Commission is not planning to audit the underlying data reported, as this is not required by the RRF Regulation.

**69** We noted that in the first round of reporting concerning the period up until December 2021, a large part of the reported data was estimated. Actual data was only reported for three indicators. For 7 of the 14 common indicators, estimates accounted

for between 70 % and 100 % of the data reported. In the subsequent round of reporting for the first half of 2022, the share of estimates was lower, with the number of common indicators with more than 50 % estimated data dropping to four.

**70** We observed two types of estimates used by the member states. The first type is made when data is available but not considered final. The second type is made when data neither is nor will be available and the member states use an approximation methodology to come up with figures to report. This second type is more prominent in disaggregated data (broken down by gender/age/enterprise size).

**71** The need to have some data to report on the common indicators on the Scoreboard as early as possible is understandable. However, because the member states were strongly encouraged to provide figures, even if they were estimates, they sometimes did not adhere to the principle, laid down in the Commission's statistical guidance, of counting only outputs from completed interventions or operational installations at the time of reporting. For several indicators, some member states reported data based on the number of received project applications rather than on interventions actually completed (see an example in [Box 4](#)).

#### **Box 4: An example of estimated data relating to future interventions**

Common indicator 12 measures the capacity of new or modernised healthcare facilities. According to the Commission's definition of this indicator, it should be measured when the medical services of the new or modernised healthcare infrastructure supported by the RRF become operational.

In the first round of reporting concerning the period up until December 2021, Germany reported new or upgraded capacity for 23 % of its whole population in 2019.

The estimate reported under this indicator did not relate to new or modernised healthcare infrastructure, as required by the guidance, but rather to the total number of patients treated in hospitals in 2019. The Commission accepted this data and published it on its Scoreboard.

**72** Another issue we found was that, for certain common indicators, the reported data is not necessarily comparable across member states. For common indicator 1, France is not able to provide data on primary energy but only on final energy savings. Similarly, for common indicator 2 relating to additional operational capacity installed for renewable energy, Germany reported figures for thermal power rather than electric. As for common indicator 5 on additional dwellings with internet access provided via very-high-capacity networks, France included business premises (even

though the indicator is intended specifically for private dwellings) because it is not able to collect the data broken down as necessary. All this data, which the member states disclosed as deviating from the indicator definition, were nevertheless included by the Commission in the aggregated figures for the relevant indicators.

### **Reporting obligations have mostly been met, but information on progress has so far been limited and the Scoreboard has weaknesses**

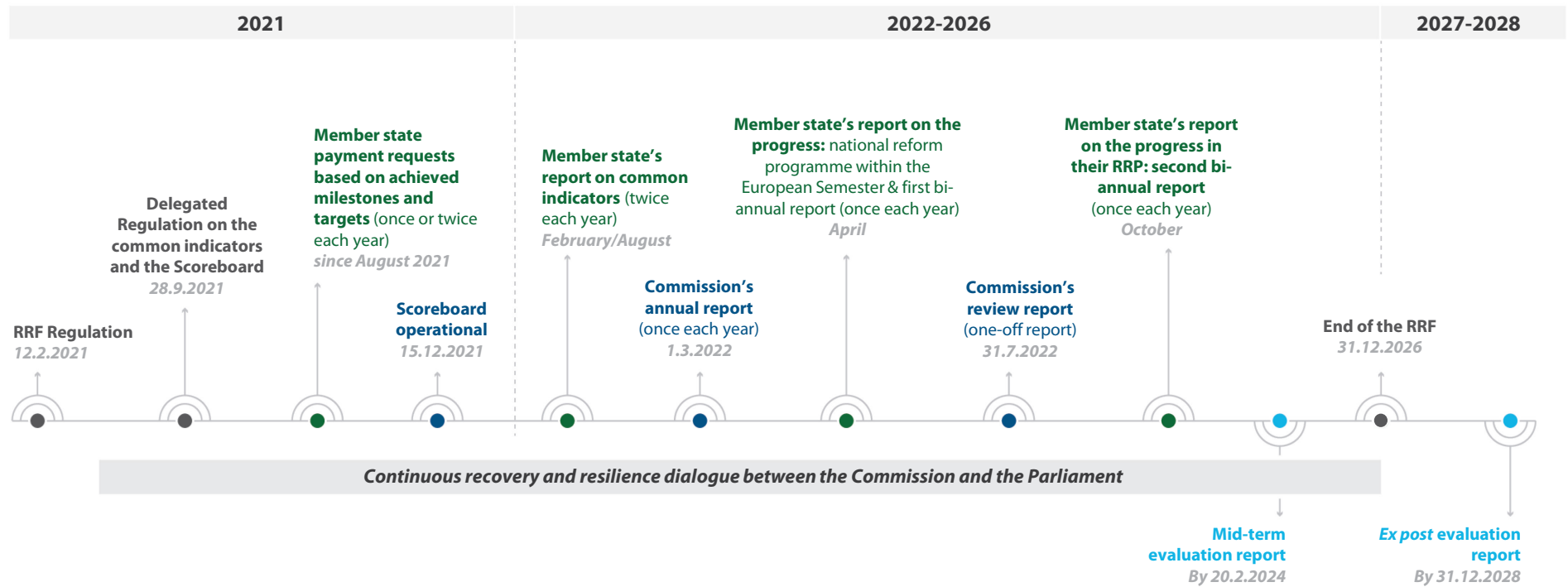
**73** The RRF Regulation requires the Commission and the member states to monitor progress in implementing the national RRFs and to report to various stakeholders on the implementation of the RRF. The timeline of the different reporting obligations of the Commission and the member states is shown in [Figure 9](#).



Figure 9 – Commission and member state reporting obligations under the RRF in 2021-2028

**Performance monitoring and reporting**

tracking progress towards achieving the objectives



**Evaluation reporting**

Did the RRF make a difference and how?

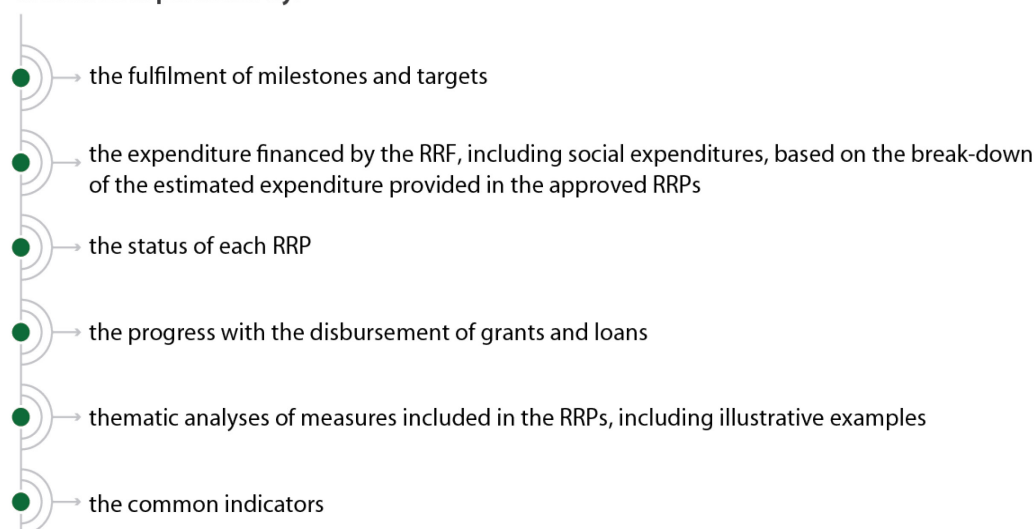
Source: ECA.

## The Scoreboard is user-friendly but is affected by data quality issues and lacks transparency in certain respects

**74** The Scoreboard is a tool for displaying information transparently to the public on the RRF's implementation<sup>31</sup> (see [Figure 10](#)). It also serves as a basis for the Commission's annual reports on the implementation of the RRF and the review report to the Parliament and the Council, as well as the recovery and resilience dialogue between the Parliament and the Commission<sup>32</sup>. We therefore examined whether the Scoreboard contains all the information required by the Delegated Regulation (EU) 2021/2106<sup>33</sup> and whether the information it presented is reliable and transparent.

### Figure 10 – The content of the Scoreboard

The Scoreboard should display the progress of the implementation of the RRFs in each of the six pillars, measured in particular by:



Source: ECA based on the [Delegated Regulation \(EU\) 2021/2106](#).

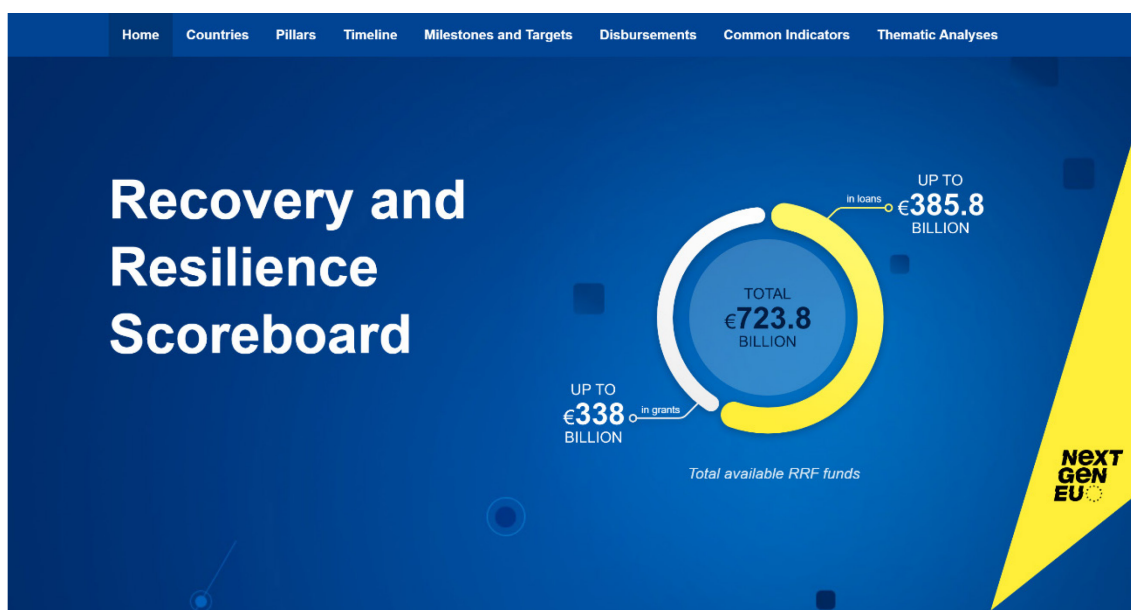
**75** The information on the Scoreboard is presented in a visually attractive way with numerous graphs and charts under the different sections (see [Figure 11](#)). The platform is interactive and easy to navigate.

<sup>31</sup> European Commission's press release of 15 December 2021: [NextGenerationEU: European Commission launches Recovery and Resilience Scoreboard](#).

<sup>32</sup> Articles 16, 26 and 31 of the RRF Regulation.

<sup>33</sup> Article 1 of the [Delegated Regulation \(EU\) 2021/2106](#).

Figure 11 – Layout of the recovery and resilience scoreboard website



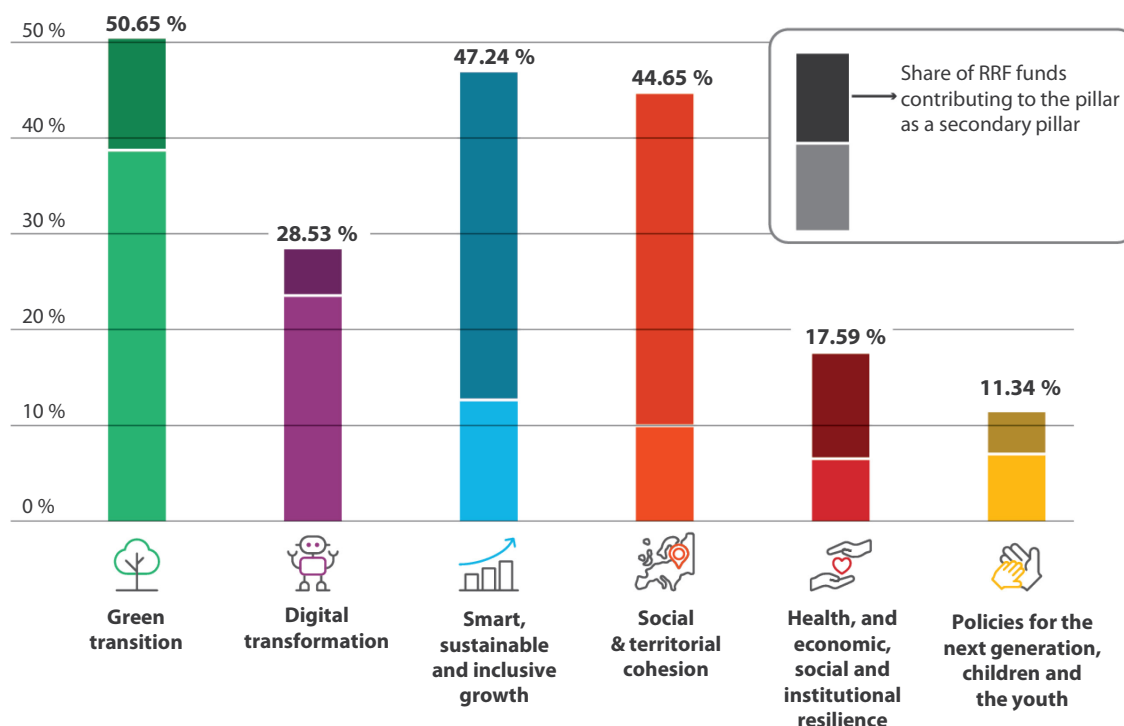
Source: Recovery and resilience scoreboard.

**76** As required by the Delegated Regulation, the Scoreboard displays the RRP’s implementation progress in each of the six pillars by providing information on the fulfilment of milestones and targets, on disbursements, and the share of funds contributing to each pillar. The reporting on the RRF’s six pillars is based on the estimated costs in the RRP and links the (sub-)measures to pillars through the policy areas (see [Annex I](#)).

**77** The Commission assigned each (sub)measure to a “primary” policy area and to a “secondary” policy area. The (sub)measures are presented as contributing equally to two policy areas meaning primary and secondary pillar assignments carry the same weight:

- when a measure is assigned to a primary and a secondary policy area belonging to the same pillar, the measure’s contribution to that pillar is counted twice;
- as each measure contributes to two policy areas, the total contribution to all pillars displayed on the Scoreboard amounts to 200 % of the RRF’s total funds (see [Figure 12](#)).

**Figure 12 – Share of RRF funds contributing to each policy pillar**

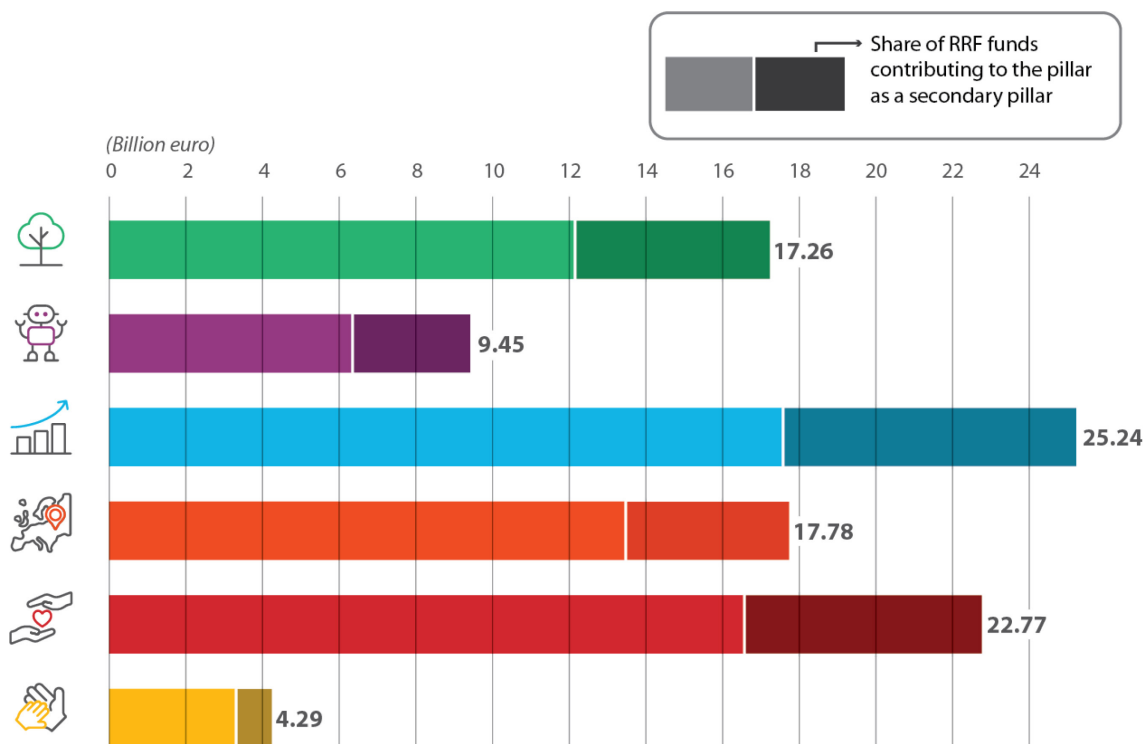


Source: ECA, based on the recovery and resilience scoreboard as of 8 May 2023.

**78** In order to report on progress under the six pillars (see [Figure 13](#)), the Commission first calculates the value of each milestone and target (“unit value”) by dividing the total allocation of an RRP by the number of milestones and targets<sup>34</sup>. This unit value is then multiplied by the total number of milestones and targets included in the payments made. This is used as a basis to calculate the share of disbursement per pillar.

<sup>34</sup> Commission’s note on reporting on RRF disbursements by policy pillars.

**Figure 13 – Disbursements per pillar**



Source: Recovery and resilience scoreboard as of 20 May 2023.

**79** We consider that this methodology has two main limitations:

- the Commission attributed the same cost to each milestone and target within a given RRP (“unit value”). The unit value therefore reflects neither the actual nor estimated costs of the measure in question. As an illustration, a milestone relating to a reform with no cost, or a target for an investment with a low cost, are given the same value as a target relating to a large and costly investment;
- the contribution of each milestone and target is counted twice: once each in the primary and the secondary pillar.

**80** As a result, the way the RRF’s progress under the six pillars is presented is misleading. Moreover, these limitations are not disclosed on the Scoreboard.

**81** We also found that the Scoreboard is not always transparent in presenting data for the common indicators, which is an important element of reporting on the RRF’s progress and performance. For example, the Scoreboard does not disclose to the public that the figures reported for the common indicators include estimates, with the exception of the graphs showing breakdowns by gender and age for common indicator 10 “Number of participants in education or training” (see paragraph 69). Nor

does it disclose that some of the data reported in the aggregated figures is not comparable (see paragraph 72).

**82** When presenting RRF achievements through the common indicators, the Scoreboard does not acknowledge that these may not be entirely attributable to RRF funding since member states report on the overall progress in implementing individual reforms and investments included in their RRFs, even when these are partly funded from national or other EU sources.

**83** Finally, the Scoreboard includes several thematic analyses covering all six policy pillars. They are to illustrate the RRF's implementation progress under the six policy pillars and as the Commission indicates on their first page – its “impact”. However, the analyses provide no overview of the actual progress, and even less so of “impact”, which can hardly be assessed at the current stage of the RRF's implementation.

### **The Commission's early reports on the RRF's implementation have so far been able to include only limited information on progress**

**84** In the following subsections we assess whether the Commission's reports provided the necessary information on the progress of the implementation of the RRF and on its performance (see [Figure 14](#) and further detail in [Annex II](#)).

**Figure 14 – The Commission’s RRF reporting obligations**

REPORT TITLE	ADDRESSED TO	DATE/FREQUENCY
Recovery and resilience scoreboard (Art. 30 RRF Regulation)	Stakeholders and the public	Several times per year (update is event-driven)
Annual report on the implementation of the RRF (Art. 31 RRF Regulation)	Parliament/Council	Yearly, no fixed date in the RRF Regulation (1 March 2022; in 2023 not yet known)
Review report on the implementation of the RRF (Art. 16 RRF Regulation)	Parliament/Council	31 July 2022 (one-off report)
Country report (Commission staff working document as part of the European Semester)	Council, Parliament, member states and other stakeholders	Yearly, in May 2022 (spring package)
Recovery and resilience dialogue (Art. 26 RRF Regulation)	Parliament/Council	Every two months (at the initiative of the Parliament)
Programme statements of operational expenditure*	Parliament, the Council and the public	Yearly
Annual management and performance report for the EU budget (AMPR)	Parliament, the Council, ECA and the public	Yearly
Annual activity report (AAR)	Parliament, the Council and the public	Yearly

\* Included in the draft general budget of the European Union.

Source: ECA.

**85** Article 31 of the RRF Regulation requires the Commission to publish an **annual report** on the RRF providing information about the member states’ RRF implementation progress as well as the progress made in implementing the RRF. The Commission published the first annual report in March 2022<sup>35</sup>.

**86** The report comprised a wide range of topics and information from the member states’ first bi-annual reports of November 2021, including the percentage of milestones and targets due to be fulfilled by the third quarter of 2021 which had

<sup>35</sup> Report from the Commission to the European Parliament and the Council on the implementation of the Recovery and Resilience Facility of 1 March 2022, COM(2022) 75 final.

actually been fulfilled, as well as the current status (“fulfilled”, “on track” or “delayed”) of milestones and targets due to be fulfilled by the third quarter of 2022. Besides percentages, there was no further information on “not completed” or “delayed” milestones and targets. Given the early stage in the RRF’s implementation, the report did not provide a comprehensive picture of the progress achieved by the time it was published.

**87** Furthermore, the report could not provide any information on the common indicators. In line with the RRF Regulation<sup>36</sup>, the annual report should contain information on expenditure financed by the RRF under each of the six pillars. However, we consider that the Regulation is unclear in that it does not specify whether the annual report should refer to actual or estimated expenditure. The Commission does not currently collect data on actual expenditure, including on social measures, or report on it. This limits the possibility of assessing the efficient use of resources and the RRF’s performance at the level of the six policy pillars.

**88** In July 2022, the Commission published a **one-off review report on the implementation of the RRF**. The RRF Regulation<sup>37</sup> specified that as well as providing information on the RRFs’ implementation status, the report should also include information on their contribution to the RRF’s general objective, including in relation to gender inequalities, the climate and digital targets, and the six pillars. It was also meant to provide the member states with guidance before they updated their RRFs. The report satisfied all the compulsory elements outlined. However, like the annual report, it came at an early stage in the RRF’s implementation and therefore could provide only limited information on progress and no information on the common indicators, as such information was not yet available at the time of its publication.

**89** Also, Article 26 of the RRF Regulation requires the Commission to provide information regularly on the main developments in the RRF’s implementation to the Parliament in the context of the **recovery and resilience dialogues**, so that the Parliament can exercise its control function and democratic oversight. The dialogues are held every two months by two Parliament committees, the Committee on Economic and Monetary Affairs (ECON) and the Committee on Budgets (BUDG). They are prepared and followed up by a standing working group set up to verify that the RRF is delivering results. It is important that the Parliament receive timely information

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<sup>36</sup> Article 31(3) of the RRF Regulation.

<sup>37</sup> Article 16 of the RRF Regulation.



on the RRF's implementation to ensure effective scrutiny. We find the timing and frequency of these meetings to be appropriate (see [Annex III](#)).

**90** Finally, the Commission also reports on the RRF in the context of two other important EU frameworks:

- **European Semester** – the 2022 country reports included a new, mostly descriptive chapter covering the RRF and its achievements so far in each country, as well as annexes summarising the RRFs' and RRF's implementation progress. We noted however, that each country report addressed differing RRF topics. Also, the terminology used by the Commission to describe the member states' overall progress in implementing their RRFs and fulfilling their milestones and targets was not consistent across country reports, which limits their comparability.
- **Adoption of the annual budget and discharge procedure** – as part of the EU's 2023 draft budget, in 2022 the Commission published "programme statements" (called "programme performance statements" as of 2023), which are meant to provide information on the RRF's financial implementation and progress in achieving its objectives. Given that the Commission does not collect or report data on actual expenditure financed by the RRF, the figures reported in the statements relate, among others, to the RRFs' "contribution" to the six pillars (see paragraphs [78-80](#)).

**Overall, the member states' early reports on the RRF were in line with the reporting obligations but did not include all relevant information**

**91** Member states have several reporting obligations towards the Commission, as illustrated in [Figure 15](#), one of them being to report on the common indicators (as described in paragraph [64](#)). This section assesses whether member states' bi-annual reporting via FENIX was appropriate and whether the reporting in the annual national reform programmes (NRPs) under the European Semester<sup>38</sup> followed the Commission guidance.

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<sup>38</sup> Article 27 of the RRF Regulation.

**Figure 15 – Member states’ RRF reporting obligations towards the Commission**

REPORT TITLE	REPORTING OBLIGATIONS	DATE/FREQUENCY
National Reform Programme (European Semester)	Implementation progress and outlook for the following year for RRP investments/reforms	Once per year, in April
Bi-annual reporting in Fenix	Progress on milestones and targets (FENIX template used)	Twice a year, in April and October
Payment requests*	All requirements necessary for claiming payment, including green expenditure report	Once or twice per year depending on the individual RRP/operational arrangements
Common indicators	14 common indicators to be updated in line with Article 29 (4)(a) and (5) of the RRF Regulation	Twice per year, in February and August

\* Our audit scope did not include the Commission’s assessment of payment requests.

Source: ECA, based on the RRF Regulation and Commission documents.

**92** We reviewed the **bi-annual reporting** that the five sampled member states had submitted via FENIX and found no significant irregularities. Three of these member states explicitly stated that they found FENIX to be a user-friendly tool. However, the reporting requirements were generally perceived as extensive, being characterised by tight deadlines and short intervals between the submission of different reports.

**93** **NRPs** contain information on the implementation of different country-specific policies that a member state plans to implement in order to boost jobs and growth, address macroeconomic imbalances, and comply with the Commission’s country specific recommendations and the EU’s general fiscal rules. In 2021, the Commission issued guidance<sup>39</sup> setting out new requirements for member states to report on their RRP implementation progress. Starting from April 2022, NRPs are expected to include in three additional chapters reporting on the RRF’s implementation, as well as excerpts from FENIX. The Commission’s guidance is very general and is not binding as NRPs are national policy documents and differ among the member states selected in terms of

<sup>39</sup> “Streamlined reporting and guidance on the content and format of the national reform programmes” of December 2021.

their presentation and the level of detail provided. Our detailed observations are summarised in [Table 2](#).

**Table 2 – RRF information in the National Reform Programmes reports (five sampled member states)**

NRP chapters/tables	Our observations	
	Adherence to Commission's guidance	Comments
Chapter on RRP implementation progress in main policy areas including attached FENIX excerpt (containing all details, e.g. an outlook for the following year)	Chapters broadly follows the guidance	<ul style="list-style-type: none"> <li>○ Format chosen by member states varies and often does not follow the guidance</li> <li>○ Outlook for the following year is often only presented in the FENIX excerpt in the annex</li> <li>○ In most cases, it is not easy to match the measures described with those in the annexes to the Council Implementing Decision</li> </ul>
Chapter on EU funds and the complementarity of funding and consistency between RRF-supported measures and policy actions supported by other EU funds	Chapters do not always follow the guidance	<ul style="list-style-type: none"> <li>○ Explanation of how double-funding risks are avoided is not always included or not always sufficient</li> <li>○ RRF measures also funded by other EU funds and the demarcation line is not always explained or not sufficiently explained</li> </ul>
Chapter on institutional processes and stakeholder involvement in the implementation of RRFs	Chapters could be improved in general	<ul style="list-style-type: none"> <li>○ Stakeholders' involvement in RRF implementation only partially explained</li> <li>○ Role of national parliaments, authorities etc. in implementation of measures only partially described</li> <li>○ Stakeholders' comments/contributions not summarised</li> </ul>
Tables in the annex referring to the RRF	Tables follow the guidance	Not applicable

Source: ECA.

## Conclusions and recommendations

**94** We conclude that the Recovery and Resilience Facility's (RRF) monitoring framework measures implementation progress but is not sufficient for measuring the RRF's overall performance. The elements it contains only partially allow the Commission to assess how well the RRF is fulfilling its general and specific objectives. The quality of the available performance data is also undermined by weaknesses in reporting on the common indicators and on the Scoreboard.

**95** We found that milestones and targets contribute to measuring the progress made by member states in implementing the reforms or investments set out in their recovery and resilience plans (RRPs). However, their level of ambition varies significantly and a measure's last milestone or target does not always indicate the completion of that measure (paragraphs 27-32). Milestones and targets also largely focus on outputs rather than results (paragraphs 33-36). They mainly contribute to measuring the achievement of the RRF's specific objectives rather than its general objective.

**96** We found that while it is generally clear what the common indicators are measuring, they vary significantly in their scope and level of detail. They were introduced late in the process, after most RRPs had already been approved (paragraph 38-40). The common indicators do not cover the six pillars (embedded in the RRF's general objective) fully; nor do they entirely reflect the progress made towards achieving milestones and targets linked to investments and especially reforms (the RRF's specific objective) (paragraphs 41-47). Their contribution to measuring the achievement of the RRF's objectives is therefore limited. Moreover, similarly to the milestones and targets, only a limited number of the common indicators measure results, and none refer explicitly to impact (paragraph 48). Therefore, the common indicators are only partially appropriate for monitoring and assessing the RRF's performance.

**97** Milestones and targets provide information on the implementation progress of measures included in member states' RRPs, whereas common indicators provide information on the RRF as a whole. We therefore consider that they are complementary. However, due to their respective weaknesses explained above, they are not sufficient to give a complete picture of the measures' contribution to the RRF's objectives and consequently, do not fully cover all aspects of the RRF's performance (paragraphs 49-51).

## Recommendation 1 – Ensure a comprehensive performance monitoring and evaluation framework

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When designing instruments based on financing not linked to costs, the Commission should address in its performance monitoring and evaluation framework the main policy areas and the most significant effects, including, where possible, results and impacts.

**Target implementation date: when designing instruments based on financing not linked to costs.**

**98** We found that the Commission and member states had invested considerable effort, within a short timeframe, in putting in place mostly adequate systems to ensure quality data for milestones and targets and the common indicators (paragraphs [54-57](#)).

**99** We conclude that the data reported for milestones and targets is closely monitored and checked overall but risks to data reliability remain, especially at the lowest (final) recipient level. Data is checked *ex ante* by the national authorities and, except in one member state, by the audit authority before it is sent to the Commission accompanying payment requests (paragraphs [58-63](#)).

**100** For the common indicators, the Commission performed basic plausibility checks. The quality of the data reported up until June 2022 and of the underlying methodologies was not checked by the audit authorities in any of the member states we visited (paragraphs [64-68](#)). Reporting on the common indicators up until June 2022 was largely based on estimates and the aggregated data published by the Commission is affected by quality issues (paragraphs [69-72](#)).

## Recommendation 2 – Improve the quality of data on the common indicators

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The Commission should:

- (a) in cooperation with the member states, improve the quality of the data reported for the common indicators, as these play an important role in performance reporting and evaluation;
- (b) ensure that the data reported for the common indicators only includes RRF-supported interventions once they are completed or, in the case of infrastructure, operational.

**Target implementation date: for each round of reporting on the common indicators, starting from February 2024.**

**101** Overall, the early reports on the RRF’s implementation complied with the reporting obligation but we noted weaknesses in the data reported on the Scoreboard. The Scoreboard provides wide-ranging information on the RRF’s progress in a user-friendly way (paragraphs 73-75). However, it can be misinterpreted as regards the estimated share of disbursed and total RRF funds contributing to each of the six pillars. In particular, the “disbursement per pillar” is based on the same unit value allocated to each milestone and target in a given RRP and the “share of RRF funds contributing to each policy pillar” is based on the rather simplified assumption that measures contribute equally to the primary and secondary policy pillars they have been assigned to. The Commission did not disclose most of these limitations to the methodologies of the Scoreboard (paragraphs 77-80). In addition, the Commission does not clearly indicate that some figures presented are estimates or are not comparable across member states, and it did not perform sufficient checks before publishing the data on the Scoreboard (paragraphs 81-83).

## Recommendation 3 – Improve the transparency and quality of the data reported on the Scoreboard

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The Commission should improve the information as well as the way in which it is presented and clearly indicate its limitations, in particular by explaining the underlying methodologies and explicitly stating, where applicable, that the data is estimated and/or not comparable across member states.

**Target implementation date: by end of 2023.**

**102** Other Commission reports covered most of the elements required under the RRF Regulation. However, because the RRF was still at an early stage in its implementation and the data on the common indicators was published later, they could not provide much information on the progress made to date. The annual report does only include information on the estimated expenditure which limits the assessment of the efficient use of resources, which is a key element of performance (paragraphs [84-89](#)). As regards the Commission's reporting in the context of the European Semester, we note that the terminology used by the Commission in the country reports to describe the overall progress in implementing the RRFs and the milestones and targets was inconsistent, which affects the reports' comparability. Furthermore, the figures reported in the Commission's programme statements are based on the costs estimated at the time the RRFs were drafted (paragraph [90](#)).

**103** We assessed the member states' reporting on the RRF – in particular their bi-annual reports and national reform programmes – as appropriate overall in terms of meeting their RRF obligations. However, when preparing their national reform programmes in the context of the European Semester, member states only partially followed the Commission's guidance on RRF-specific information to be included and the information provided was not always of sufficient quality. Furthermore, the guidance is very general and not binding (paragraphs [91-93](#)).

## **Recommendation 4 – Ensure more informative and consistent reporting**

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The Commission should:

- (a) when designing instruments based on financing not linked to costs, address the need for clear and consistent terminology, in particular on important matters such as reporting obligations, and the collection of the information needed to assess the efficiency of the programme;
- (b) report on actual expenditure financed by the Facility under the six pillars, which forms the basis for the assessment of the efficient use of resources;
- (c) in its annual reports, provide more detailed information on the implementation status of the RRFs. For example, it should provide information on the pillars/policy areas with delayed milestones and targets, possible reasons for these delays and their impact on implementation of the RRF;

- (d) further develop the methodology for all country reports under the European Semester to ensure consistent reporting on RRP's implementation progress, both overall and with respect to the milestones and targets.

**Target implementation date: a) when designing instruments based on financing not linked to costs, b), c) and d) for the next round of reporting in 2024.**

This report was adopted by the Court of Auditors in Luxembourg at its meeting of 12 October 2023.

*For the Court of Auditors*

Tony Murphy  
*President*



# Annexes

## Annex I – The RRF’s six pillars and the underlying policy areas

Pillar	Pillar policy areas
1. Green transition	Sustainable mobility
	Energy efficiency
	Renewable energy and networks
	Research, development and innovation in green activities (e.g. climate change mitigation, circular economy)
	Climate change adaptation
	Sustainable use and protection of water and marine resources
	Transition to a circular economy, waste prevention and recycling
	The protection and restoration of biodiversity and ecosystems
	Other climate change mitigation (e.g. sustainable industry)
	Pollution prevention and control (such as air, water, noise pollution)
	Green skills and jobs
2. Digital transformation	E-government, digital public services (including digitalisation of transport) and local digital ecosystems
	Human capital in digitalisation
	Digitalisation of businesses
	Connectivity
	Digital capacities and deployment of advanced technologies
	Digital-related measures in research, development and innovation
3. Smart, sustainable and inclusive growth, including economic cohesion, jobs, productivity, competitiveness, research, development and innovation, and a well-functioning internal market with strong SMEs	Building renovation and construction
	Support to SMEs
	Research, Development and Innovation
	Competitiveness
	Business environment/Entrepreneurship
	Industrialisation and reindustrialisation
	Business infrastructure
	Cultural sector
	Regulatory changes for smart, sustainable and inclusive growth
	Support to large enterprises
Transnational cooperation	
4. Social and territorial cohesion	Territorial infrastructure and services
	Adult learning, including continuous vocational education and training; recognition and validation of skills
	Development of rural and remote areas (e.g. islands)
	Social housing and other social infrastructure

Pillar	Pillar policy areas
	<p>Social protection, including social services and integration of vulnerable groups</p> <p>Modernisation of labour market institutions, including employment services and forecasting of skills and labour inspectorates; employment protection and organisation; social dialogue and wage setting mechanisms; adaptation of workplaces</p> <p>(Non-youth) employment support and job creation, including hiring and job transition incentives and support for self-employment</p>
<p>5. Health, and economic, social and institutional resilience, with the aim of, inter alia, increasing crisis preparedness and crisis response capacity.</p>	<p>Healthcare: resilience, sustainability, adequacy, availability, accessibility and quality, including digitisation and infrastructure</p> <p>Effectiveness of public administration and national systems, including minimising administrative burden</p> <p>Long-term care: resilience, sustainability, adequacy, availability, accessibility and quality, including digitisation and infrastructure</p> <p>Crisis preparedness</p> <p>Effectiveness of judicial systems</p> <p>Strategic autonomy</p> <p>Crisis reaction capacity</p> <p>Tax measures, including measures pertaining to aggressive tax planning</p> <p>Business and public service continuity (in crisis)</p> <p>Fiscal policy and fiscal governance</p> <p>Fraud prevention</p> <p>Anti-money laundering supervision</p> <p>Financial sector reforms</p> <p>Rule of Law reforms</p>
<p>6. Policies for the next generation, children and the youth, such as education and skills</p>	<p>General, vocational, and higher education: Accessibility, affordability, quality and inclusiveness, including digitisation and infrastructure</p> <p>Early childhood education and care: Accessibility, affordability, quality and inclusiveness, including digitisation and infrastructure</p> <p>Youth employment support and youth job creation, including hiring and job transition incentives and support for self-employment</p>

Source: Recovery and resilience scoreboard.

## Annex II – The RRP-related content in the Commission’s reports

Report title	RRP-related content
Recovery and resilience Scoreboard (Art. 30 RRF Regulation)	<ul style="list-style-type: none"> <li>o Progress made on the RRF in each of the six pillars and on the social contribution including gender equality and youth/children</li> <li>o Contribution to climate and digital objectives</li> <li>o Progress as reflected in common indicators</li> <li>o Disbursements per country and associated milestones and targets</li> <li>o Thematic analyses of topics in all six pillars</li> </ul>
Annual report on the implementation of the RRF (Art. 31 RRF Regulation)	<ul style="list-style-type: none"> <li>o Progress of the RRF’s implementation</li> <li>o RRF’s contribution to the climate/digital targets</li> <li>o Performance of the RRF based on common indicators</li> <li>o Expenditure financed under six pillars including social expenditure</li> </ul>
Review report on the implementation of the RRF (Art. 16 RRF Regulation)	<ul style="list-style-type: none"> <li>o Progress of the RRF’s implementation</li> <li>o RRF’s contribution to the six pillars</li> <li>o Gender equality</li> <li>o RRF as the main tool to deliver on the REPowerEU plan</li> </ul>
Country report (Commission staff working document as part of the European Semester)	<ul style="list-style-type: none"> <li>o Assessment of each Member State’s economic situation, progress and country specific recommendation implementation</li> <li>o RRF details for each RRP with key deliverables expected in the short term</li> <li>o Annex 2 summarising RRP implementation progress</li> </ul>
Recovery and Resilience Dialogue (Art. 26 RRF Regulation)	<ul style="list-style-type: none"> <li>o Progress of the RRF’s implementation, including information on payment requests submitted and related Commission audits</li> <li>o Any other information provided by the Commission in relating to implementation</li> </ul>
Programme Statements of operational expenditure <sup>1</sup>	<ul style="list-style-type: none"> <li>o RRF’s implementation status</li> <li>o Performance information on key achievements</li> <li>o Key monitoring indicators</li> <li>o RRF’s contribution to horizontal mainstreamed priorities</li> </ul>
Annual Management and Performance Report for the EU Budget (AMPR)	<ul style="list-style-type: none"> <li>o Annex 3 on the RRF: RRF description, state of play of the implementation, control systems at Commission and member state level</li> </ul>
Annual Activity Report (AAR)	<ul style="list-style-type: none"> <li>o Chapter 3: control environment in member states and the Commission, first achievements/progress in the implementation, Commission checks carried out</li> </ul>

<sup>1</sup> Included in the draft general budget of the European Union.

Source: ECA.

## Annex III – Recovery and Resilience Dialogue between the Commission and the Parliament (2021-2022)

Composition/ information	Further information on the Recovery and Resilience Dialogue
Joint BUDG-ECON meetings (Recovery and resilience dialogue)	<ul style="list-style-type: none"> <li>○ Oral presentations by EU Commissioners Dombrovskis and Gentiloni and questions asked by committee members</li> <li>○ Held every two months on invitation of the Parliament; with the Parliament setting the agenda</li> <li>○ Scoreboard serves as a basis for the Dialogue</li> <li>○ Sessions are recorded (publicly available via Parliament webstreaming); no minutes available</li> <li>○ Recovery and resilience dialogue complements the Economic Dialogues under the EU economic governance framework</li> <li>○ Four meetings in 2021 (May, July, September and December) and four meetings in 2022 (March, May, September, November)</li> </ul>
Standing Working Group	<ul style="list-style-type: none"> <li>○ To prepare and follow-up on the Dialogue</li> <li>○ The Commission prepares and presents presentations for the meetings (publicly available on Commission/Parliament's RRF homepage) which are also shared with the Council</li> <li>○ Meetings in camera, without recording</li> <li>○ 18 meetings in 2021 and 10 meetings in 2022</li> </ul>
Information to be provided to the European Parliament in the Recovery and Resilience Dialogue (Art. 26 RRF Regulation)	<ul style="list-style-type: none"> <li>○ The state of recovery, resilience and adjustment capacity in the EU, as well as the measures adopted under this Regulation;</li> <li>○ the RRFs of the member states;</li> <li>○ the assessment of the RRFs of the member states;</li> <li>○ the main findings of the review report referred to in Article 16(2) of the RRF Regulation;</li> <li>○ the status of fulfilment of the milestones and targets of the RRFs of the member states;</li> <li>○ payment, suspension and termination procedures, including any observation presented and remedial measures taken by the member states to ensure a satisfactory fulfilment of the milestones and targets; and</li> <li>○ any other relevant information and documentation provided by the Commission to the competent committee of the Parliament in relation to the implementation of the Facility</li> </ul>

Source: ECA, based on the RRF Regulation and information from the Parliament and the Commission.

# Abbreviations

**BUDG:** Committee on Budgets of the European Parliament

**DG ECFIN:** Directorate General for Economic and Financial Affairs

**ECON:** Committee on Economic and Monetary Affairs of the European Parliament

**NGEU:** NextGenerationEU

**NRP:** national reform programme

**RRF:** Recovery and resilience facility

**RRP:** Recovery and resilience plan

**SMEs:** Small- and medium-sized enterprises

# Glossary

**Better regulation:** Concept that guides EU policy and law-making, based on the principles that regulation should achieve its objectives at minimum cost and be designed in a transparent, evidence-based manner with citizen and stakeholder involvement.

**Cohesion Fund:** EU fund for reducing economic and social disparities in the EU by funding investments in member states where the gross national income per inhabitant is less than 90 % of the EU average.

**Common indicators:** Measurable variable providing information on the progress of the implementation of the recovery and resilience plans towards common objectives and the overall performance of the RRF.

**Digitalisation:** Introducing digital technology and digitised information to processes and tasks.

**Effectiveness:** Extent to which the objectives pursued are achieved through the activities undertaken.

**Efficiency:** The best relationship between the resources employed, the activities undertaken and the achievement of objectives.

**EU added value:** The additional value generated by EU action compared with Member State action alone.

**European Regional Development Fund:** EU fund that strengthens economic and social cohesion in the EU by financing investments to reduce imbalances between regions.

**European Semester:** Annual cycle which provides a framework for coordinating the economic policies of EU member states and monitoring progress.

**Final recipient:** Natural or legal person ultimately benefitting from an EU-funded activity initiated or carried out by a beneficiary of EU aid.

**Financial Regulation:** The rules governing how the EU budget is set and used, and the associated processes such as internal control, reporting, audit and discharge.

**Impact:** The wider long-term consequences of a completed project or programme, such as socio-economic benefits for the population as a whole.

**Indicator:** Information used to measure or assess an aspect of performance.

**Input:** The financial, human, material, administrative or regulatory means used to implement a project or programme.

**Intervention logic:** The links between a proposal's objectives, the planned inputs and activities and the intended results and impact.

**Milestone:** In the context of the RRF, a qualitative measure of progress towards the achievement of a reform or investment.

**Monitoring:** Systematically observing and checking progress, partly by means of indicators, towards the achievement of an objective.

**NextGenerationEU:** Funding package to help EU member states recover from the economic and social impact of the COVID-19 pandemic.

**Output:** Something produced or achieved by a project, such as delivery of a training course or construction of a road.

**Performance:** A measure of how well an EU-funded action, project or programme has met its objectives and provides value for money.

**Recovery and Resilience Facility:** The EU's financial support mechanism to mitigate the economic and social impact of the COVID-19 pandemic and green and digital transformation.

**Recovery and resilience plan:** Document setting out a member state's intended reforms and investments under the Recovery and Resilience Facility.

**Result:** The immediate effect of a project or programme upon its completion, such as the improved employability of course participants or improved accessibility following the construction of a new road.

**Target:** In the context of the RRF, a quantitative measure of progress towards the achievement of a reform or investment.

## Final replies of the Commission

<https://www.eca.europa.eu/en/publications/sr-2023-26>

## Timeline

<https://www.eca.europa.eu/en/publications/sr-2023-26>



## Audit team

The ECA's special reports set out the results of its audits of EU policies and programmes, or of management-related topics from specific budgetary areas. The ECA selects and designs these audit tasks to be of maximum impact by considering the risks to performance or compliance, the level of income or spending involved, forthcoming developments and political and public interest.

This performance audit was carried out by Audit Chamber IV Regulation of markets and competitive economy, headed by ECA Member Mihails Kozlovs. The audit was led by ECA Member Ivana Maletić, supported by Sandra Diering, Head of Private Office and Tea Vlainić, Private Office Attaché; Sabine Hiernaux-Fritsch, Principal Manager; Anna Ludwikowska, Head of Task; Jurgen Manjé, Deputy Head of Task, Boyana Stamenova, Marion Schiefele and Valentina-Adriana Visan, Auditors; Minya Chan, Trainee; Giuliana Lucchese, graphical designer. Michael Pyper provided linguistic support.



*From left to right: Jurgen Manjé, Tea Vlainić, Anna Ludwikowska, Ivana Maletić, Sandra Diering, Boyana Stamenova, Valentina-Adriana Visan, Michael Pyper.*

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HTML	ISBN 978-92-849-1090-8	ISSN 1977- 5679	doi: 10.2865/112292	QJ-AB-23-026-EN-Q
PDF	ISBN 978-92-849-1095-3	ISSN 1977- 5679	doi: 10.2865/335071	QJ-AB-23-026-EN-N

**The Recovery and Resilience Facility (RRF), amounting to €723 billion, was set up in response to the COVID-19 pandemic.**

**We audited the RRF's performance monitoring framework and concluded that it measures implementation progress but only partly the RRF's performance.**

**Milestones and targets and common indicators contribute to measuring progress but focus on output rather than results and do not fully cover all aspects of the RRF's performance. The RRF scoreboard is user-friendly but affected by data quality and transparency issues. The early RRF reports mostly complied with the reporting obligations but the information on performance was limited.**

**We recommend that the Commission improves the quality of RRF reporting and addresses the shortcomings regarding performance monitoring in future instruments based on financing not linked costs.**

**ECA special report pursuant to Article 287(4), second subparagraph, TFEU.**



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