



Brussels, **XXX**
[...] (2021) **XXX** draft

COMMISSION DELEGATED REGULATION (EU) .../...

of **XXX**

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

This draft has not been adopted or endorsed by the European Commission. Any views expressed are the preliminary views of the Commission services and may not in any circumstances be regarded as stating an official position of the Commission.

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE DELEGATED ACT

1.1. General background and objective

The outbreak of the COVID-19 pandemic has a significant impact on the economic and social situation in the European Union. While the immediate effects of the crisis have been cushioned by Member States' short-term measures, massive investments and structural reforms will be needed in the medium to long-term to recover from the crisis and build a more sustainable, resilient and fairer Europe for the next generations. To meet this challenge, the European Union adopted a European Recovery Plan in December 2020, consisting of a reinforced multiannual financial framework for the period 2021-2027 and a new temporary recovery package called Next Generation EU. Together, these instruments will unlock EUR 1,85 trillion (in 2018 prices) to support Member States in their efforts to address the crisis, kick-start the EU economy and put it on a more sustainable and resilient path.

Regulation (EU) 2021/241 of the European Parliament and of the Council¹ establishing the Recovery and Resilience Facility (the 'RRF Regulation') was adopted in February 2021 as the largest programme under Next Generation EU. With a budget of EUR 672.5 billion, disbursed in non-repayable financial support and loans, the Recovery and Resilience Facility ('the Facility') supports large-scale public investments and reforms undertaken by Member States to recover from the COVID-19 crisis and promote the Union's economic, social and territorial cohesion.

In order to ensure transparency and accountability in its implementation, the Facility is embedded in a performance monitoring framework. The RRF Regulation sets out that the information received via the performance monitoring framework will be made available to the European Parliament, the other institutions and European citizens through the establishment of a recovery and resilience scoreboard ('the Scoreboard'). The objective of the Scoreboard is to transparently provide concise information on progress with the implementation of the recovery and resilience plans. It will be publicly available online and will be updated twice a year, following the biannual reporting by the Member States. The Scoreboard will include key indicators related to the scope and objectives of the Facility and will allow for monitoring the progress on the implementation of the recovery and resilience plans towards the achievement of these objectives. As such, common indicators will be defined to measure the overall performance of the Facility and show progress towards the achievement of its objectives. These common indicators will be integrated and reported on within the Scoreboard, which will constitute the performance reporting system of the Facility. The Scoreboard, and the common indicators it will contain, will be used by the Commission to prepare its annual reports to the European Parliament and the Council on the implementation of the Facility and its review report to the European Parliament and the Council on the implementation of the Facility in accordance with Articles 31 and 16 of the RRF Regulation. Additionally, the Scoreboard will serve as a basis for the recovery and resilience dialogue between the European Parliament and the Commission, in accordance with Article 26(4) of the RRF Regulation.

The Commission and the Member State should foster synergies and ensure effective coordination between the Facility and other Union programmes and instruments. In

¹ Regulation (EU) 2021/241 of the European Parliament and of the Council establishing the Recovery and Resilience Facility (OJ L57, 18.2.2021, p. 17)

accordance with Article 28, this should be done by (a) ensuring complementarity, synergy, coherence and consistency among different instruments at Union, national and where appropriate regional levels, in particular in relation to measures financed by Union funds, both in the planning phase and during implementation; (b) optimising mechanisms for coordination to avoid duplication efforts; and (c) ensuring close cooperation between those responsible for implementation and control at Union, national and, where appropriate, regional levels to achieve the objectives of the Facility. To this effect, the common indicators included in the Scoreboard should be consistent and coherent with those used for other EU funds. The monitoring of progress under the RRF through the Scoreboard does not preclude the use of other tools to monitor progress by Member States in the context of the European Semester, such as the Social Scoreboard.

This Delegated Regulation sets out the detailed elements of the Scoreboard that should display the progress of the implementation of the recovery and resilience plans, and the common indicators that will be used to report on the progress and for the purpose of monitoring and evaluation of the Facility and the recovery and resilience plans of the Member States. It differentiates between the common indicators and the other elements of the Scoreboard. The common indicators will need to be compiled by Member States, which requires additional details and instructions to ensure comparability of the data. The rest of the elements of the Scoreboard will be compiled by the Commission from the various information it will collect through the implementation of the Facility and Member States' recovery and resilience plans, thereby ensuring comparability of the data. These elements therefore do not require the same level of details and instructions.

1.2. Legal background

Article 30(2) of the RRF Regulation empowers the Commission to define by means of a delegated act the detailed elements of the Scoreboard with a view to displaying the progress of the implementation of the recovery and resilience plans. Pursuant to Article 30(1) of the RRF Regulation, the Scoreboard shall constitute the performance reporting system of the Facility by displaying the progress of the implementation of the recovery and resilience plans of the Member States in each of the six pillars referred to in the scope of the Facility, and the progress of the implementation of the recovery and resilience plans in relation to the common indicators. Article 30(4) further specifies that the Scoreboard shall be operational by December 2021, shall be updated by the Commission twice a year, and shall be made publicly available on a website or internet portal.

Article 29(4)(a) of the RRF Regulation empowers the Commission to adopt by end of December 2021 a delegated act in order to set out the common indicators to be used for reporting on the progress and for the purpose of monitoring and evaluation of the Facility towards the achievement of the general and specific objectives. Pursuant to Article 29(5), Member States shall report to the Commission on the common indicators, and according to Article 27, such reporting should be done twice a year in the context of the European Semester.

In accordance with point 31 of the Interinstitutional Agreement of 13 April 2016 on Better Law-Making, this Delegated Regulation combines two interrelated empowerments of the RRF Regulation into a single act, namely Article 29(4)(a) on the common indicators and Article 30(2) on the Scoreboard. The decision to combine these two empowerments is due to their interrelation in substance, since the common indicators will form a significant part of the content of the Scoreboard, as provided by Article 30(3). Article 30(3) stipulates that the Scoreboard shall display the progress towards the common indicators referred to in Article 29(4). The RRF Regulation also provides a framework in terms of timing, since Article 27

stipulates that the common indicators will be reported on twice a year by Member States, and Article 30(4) stipulates that the Scoreboard will be updated twice a year. This will allow for the Scoreboard to reflect the updates provided by the Member States.

2. CONSULTATIONS PRIOR TO THE ADOPTION OF THE ACT

In line with the Common Understanding of 2016 between the European Parliament, the Council and the Commission, the Commission consulted Member States' experts on this Delegated Regulation in two meetings on 28 May 2021 and 14 July 2021. Representatives of the European Parliament and the Council participated in the meeting as observers. Member States experts asked to reduce the administrative burden on their public administration by streamlining the number of common indicators proposed, and by limiting the disaggregation of data for these indicators. Member States experts also asked to clarify that the display of common indicators at individual Member State level will be presented in relative terms to avoid misleading comparisons due to the different size or nature of the recovery and resilience plans. Moreover, Member States experts asked for further clarification and details on the content of the scoreboard.

3. LEGAL ELEMENTS OF THE DELEGATED ACT

The right to adopt Delegated Acts is provided for under Article 29(4), point (a) and Article 30(2) of Regulation (EU) 2021/241.

Article 1 lays down the content of the recovery and resilience scoreboard and the list of common indicators.

Article 2 lays down the reporting requirements.

Article 3 lays down the entry into force of the Regulation.

COMMISSION DELEGATED REGULATION (EU) .../...

of **XXX**

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

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2021/241 of the European Parliament and of the Council establishing the Recovery and Resilience Facility², and in particular Articles 29(4), point (a) and 30(2) thereof,

Whereas:

- (1) The aim of the Recovery and Resilience Facility ('the Facility') is to provide effective and significant financial support to step up the implementation of sustainable reforms and related public investments in the Member States. The Facility is a dedicated instrument designed to tackle the adverse effects and consequences of the COVID-19 crisis in the Union.
- (2) Pursuant to Article 29 of Regulation (EU) 2021/241, the implementation of the Facility is to be monitored and evaluated through common indicators. These indicators are to be used for reporting on progress and for the purpose of monitoring and evaluation of the Facility towards the achievement of the general and specific objectives referred to in Article 4 of Regulation (EU) 2021/241. Member States are to report to the Commission on the common indicators.
- (3) Pursuant to Article 30 of Regulation (EU) 2021/241, the performance reporting system of the Facility is to take the shape of a recovery and resilience scoreboard ("the Scoreboard"). The Scoreboard is to display the progress of the implementation of the recovery and resilience plans of the Member States in each of the six pillars of the scope of the Facility referred to in Article 3 of that Regulation, and in relation to the common indicators. The Scoreboard is to be made publicly available in the form of a website or internet portal and to be updated twice a year.
- (4) Articles 29 and 30 of Regulation (EU) 2021/241 are closely related, since the common indicators will form a significant part of the content of the Scoreboard, as provided by Article 30(3) of Regulation (EU) 2021/241. In order to ensure coherence between those provisions which should enter into force at the same time, to facilitate a comprehensive view of the reporting requirements for the Member States and to facilitate the application of that Regulation, it is necessary to include the provisions supplementing those Articles in a single Delegated Regulation.
- (5) The Scoreboard aims at transparently providing synthetic information on progress with the implementation of the Facility and the national recovery and resilience plans as approved by means of the respective Council implementing decisions. It is to serve as

² OJ L 57, 18.2.2021, p. 17.

a basis for the Recovery and Resilience Dialogue with the European Parliament referred to in Article 26 of Regulation (EU) 2021/241.

- (6) Pursuant to Article 27 of Regulation (EU) 2021/241, the Member States are to report twice a year in the context of the European Semester on the progress made in the achievement of their recovery and resilience plans and on the common indicators. In order for the Scoreboard to be updated with the latest available data and with the same timeline for all Member States, thereby ensuring equal treatment, such reporting should take place at the same time for all Member States, in alignment with the European Semester timeline.
- (7) The list of common indicators in the Annex is designed to cover all recovery and resilience plans, but the reporting by a Member State on a specific common indicator is only relevant to the extent that there are corresponding measures in its plan. The non-relevance of a common indicator to a recovery and resilience plan should be discussed between the Commission and the Member State concerned. Given that each common indicator is generally relevant for a large majority of Member States, it is expected that each Member should report on most indicators.
- (8) The common indicators should be defined with a sufficient level of detail to ensure the data collected by Member States is comparable and can be aggregated for displaying the implementation of the Facility at Union level. If displayed at individual Member State level, common indicators should be presented in relative terms, relying as well on data from Eurostat, to avoid misleading comparisons between Member States due to the different size or nature of the recovery and resilience plans.
- (9) Pursuant to Article 28 of Regulation (EU) 2021/241, the Commission and the Member States concerned are to foster synergies and ensure effective coordination between the Facility and other Union programmes and instruments. Therefore the indicators included in the Scoreboard should be, as far as possible, coherent with those used for other Union funds.
- (10) Pursuant to Article 29 of Regulation (EU) 2021/241, the monitoring of implementation is to be targeted and proportionate to the activities carried out under the Facility. The performance reporting system of the Commission should therefore ensure that data for monitoring the implementation of the activities and results are collected efficiently, effectively and in a timely manner. To that end, proportionate reporting requirements should be imposed on recipients of Union funding.
- (11) The other elements of the Scoreboard should be compiled by the Commission through information collected during the process of monitoring the implementation of the recovery and resilience plans and of the Facility. This should ensure comparability of data.
- (12) Given that the Scoreboard should be operational by 31 December 2021 and in order to allow for the prompt application of the measures provided for in this Regulation, this Regulation should enter into force on the day following that of its publication in the Official Journal of the European Union.

HAS ADOPTED THIS REGULATION:

Article 1

Content of the recovery and resilience scoreboard and list of common indicators

1. The scoreboard shall display the progress of the implementation of the recovery and resilience plans in each of the six pillars referred to in Article 3 of Regulation (EU) 2021/241, to be measured in particular by:
 - (a) the fulfilment of milestones and targets, reflecting the implementation of the reforms and investments set out in the adopted Council implementing decisions, by listing the milestones and targets that have been satisfactorily fulfilled, counting their number, and displaying the percentage over the total number of milestones and targets set out in those Council implementing decisions. In this context it can also be reported on how the fulfilment of the milestones and targets contributes to the implementation of relevant country specific recommendations,
 - (b) the expenditure financed by the Facility, also under each of the pillars referred to in Article 3 of Regulation (EU) 2021/241, based on the break-down of the estimated expenditure provided in the approved recovery and resilience plans,
 - (c) the status of each recovery and resilience plan,
 - (d) the progress with the disbursement of the financial contribution and loans,
 - (e) thematic analysis of measures included in recovery and resilience plans and examples illustrating the progress of the implementation under the six pillars,
 - (f) common indicators, as set out in Annex, to be used for reporting on the progress and for the purpose of monitoring and evaluation of the Facility towards the achievement of the general and specific objectives.

Article 2

Reporting

1. In order for the Scoreboard, including the common indicators, to be updated consistently and uniformly twice a year, all Member States shall report to the Commission twice a year in the context of the European Semester on the progress made in the achievement of their recovery and resilience plans, including the operational arrangements, and on the common indicators.
2. The reporting on progress made in the achievement of their recovery and resilience plans shall take place each year, as a rule, by mid April and beginning of October, and no later than by 30 April and 15 October, respectively. The reporting period shall cover the full period of implementation of the plan, from 1 February 2020 onwards, where relevant.
3. The reporting for the update of the common indicators shall take place each year by 28 February and 31 August. The reporting period shall cover the full period of implementation of the plan, from 1 February 2020 onwards, where relevant, until the respective cut-off dates of 31 December and 30 June each year.

Article 3

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Commission
The President
Ursula VON DER LEYEN

DRAFT