

ECA: EU's Multi-Billion Recovery and Resilience Facility to Be Improved

Thomas Wahl



News

On 9 September 2020, the European Court of Auditors (ECA) published an [opinion that assesses Commission's Recovery and Resilience Facility \(RRF\)](#). With more than €600 billion, the RRF is the biggest section within the planned Next Generation EU budget (NGEU) and will provide grants and loans to EU Member States in order to mitigate the impact of the COVID-19 crisis and make the Member States more resilient in the future. The ECA Opinion comes at the request of the European Parliament's Committee on Budgetary Control.

The auditors generally welcome the RRF. It has the potential to support Member States in easing the economic and financial impact of the pandemic. It will also build on existing mechanisms, which fosters synergies and reduces the administrative burden at both the EU and Member State levels. However, the auditors also point out several weaknesses, which need to be remedied:

- Suitable mechanisms that ensure coordination with other sources of EU funding should be developed;
- The link between the RRF and the EU's objectives (e.g., Green Deal, digital transformation) should be strengthened, for instance through common indicators;
- Procedures for establishment of the necessary national Recovery and Resilience Plans (RRPs) as well as payment requests should be simplified, in order to reduce the administrative burden and facilitate absorption;
- The allocation mechanism should be reconsidered, because it may favour Member States that are less severely affected by the pandemic in terms of decline in GDP and it only partly reflects the RRF's objective to promote the Union's economic, social, and territorial cohesion by improving resilience and supporting recovery;
- Strong and effective measures against fraud and irregularities must be put in place by the Commission and Member States to ensure that the EU's financial support is used for its intended purpose.

Lastly, the auditors believe that the role of the European Parliament in the budgetary process should be explicitly defined and the audit rights of the ECA set out.

The opinion on the RRF complements other COVID-19-related opinions by the ECA, concerning, for example, the [Common Provisions Regulation \(CPR\)](#), [REACT-EU](#), and the [Just Transition Fund](#).

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