



REPLIES OF THE EUROPEAN COMMISSION

TO THE EUROPEAN COURT OF
AUDITORS' SPECIAL REPORT

European Court of Auditors' Special Report "*The Commission's assessment of national recovery and resilience plans*"

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This document presents the replies of the European Commission to observations of a Special Report of the European Court of Auditors, in line with Article 259 of the [Financial Regulation](#) and to be published together with the Special Report.

I. THE COMMISSION REPLIES IN BRIEF

a) General introduction

In January 2020 the Covid-19 pandemic reached Europe and soon after led to not just to a health crisis but to large-scale social and economic shocks. Quickly it became obvious that individual action by the Member States would not be sufficient and would lead to divergence and risks to the very stability of individual Member States and the Union as a whole. An urgent EU-level response was necessary to cushion the impact on citizens and businesses, support the recovery from the pandemic and build resilience against future shocks. The European Union put in place an extraordinary instrument for an extraordinary time: The European Union Recovery Instrument *NextGenerationEU* is designed to raise EUR 806.9 billion additional to the regular EU budget on the financial markets. Out of these EUR 83.6 billion contribute to REACT-EU (EUR 50.6 billion), the Just Transition Fund (EUR 10.9 billion) as well as rural development, InvestEU, Horizon Europe and RescEU.

The core of *NextGenerationEU* is, the *Recovery and Resilience Facility* (RRF), which will disburse up to EUR 723.8 billion in grants and loans to the Member States. The RRF Regulation entered into force in February 2021. Less than 18 months later, more than EUR 100 billion have been disbursed to the Member States, supporting the recovery, countering the effects of the pandemic and supporting citizens and businesses across the EU. Well beyond this, the RRF has provided a stabilising effect and has shown the importance of the European project and of common European action. The RRF is the largest ever EU funding programme and a first-of-its-kind applying the concept of performance-based funding at scale: rather than focusing on expenditure, the RRF is fully linked to the achievement of *results* by reference to milestones and targets. In the RRF context payments will be made when Member States achieve specific measures of progress, the 'milestones' (qualitative) and 'targets' (quantitative). As such, the RRF is a new type of instrument that requires the establishment of new working arrangements, rules, templates, and processes, which the Commission established in record time.

The RRF Regulation entails that each Member State puts forward a single national Recovery and Resilience Plan (RRP) setting out reforms and investments that the Member State commits to implement. Each RRP is assessed within two months by the Commission, and, if the assessment is positive, the Commission makes a proposal for a *Council Implementing Decision* ultimately to be adopted by the Council. The first Recovery and Resilience Plans were received in April 2021, assessed by the Commission in June 2021, and adopted by the Council in July 2021.

Throughout this period, the Commission has proactively worked with all parties, and particularly with the Member States, to ensure a swift and ambitious reform and investment agenda across the EU. The Commission engaged immediately after the publication of its proposal for the RRF Regulation with the Member States, both to explain and discuss the legal provisions, and to guide them in preparing their RRP. The Commission published a first guidance for the Member States in September 2020, based on the draft Regulation, which helped the Member States during the preparation of their plans. An updated guidance was published in January 2021, based on the final RRF Regulation text, which informed the final drafting of the RRP. The Commission also provided other written guidance, e.g. a self-assessment checklist on control systems, and provided hundreds of written and many more verbal replies to Member State questions posed bilaterally or in Council formats (notably in the context of the expert group created for that purpose), and organized exchanges to encourage cooperation and joint projects.

The Commission also participated in bi-monthly Recovery and Resilience Dialogues and more frequently organized Working Group meetings with the European Parliament as well as in various Council working parties. The Commission thoroughly and regularly informed both the co-legislators and the public on the developments on the RRF through a dedicated website, press releases for key events, the proactive publication of various documents setting out its analysis – such as a detailed Staff Working Document setting out the assessment for each of the RRFs – and published all presentations provided to Council or Parliament.

Within the Commission, the RRF is a cross-DG workstream bringing together the policy and practice expertise from all services.

b) The Commission’s position on the key ECA observations and recommendations

The Commission welcomes the ECA’s positive findings on its assessment work.

Throughout its report, the ECA finds that the Commission undertook a comprehensive and thorough work on the assessment criteria. In its observations, the ECA highlights elements where the Commission could improve its documentation of the assessment process, which the Commission commits to implement as far as possible.

The Commission also notes that some of the risks and limitations highlighted by the ECA stem from the design of the RRF itself. For instance, the ECA highlights some uncertainties as regards the actual implementation of the RRF measures, which is to be expected as this audit covers principally the ex-ante assessment of the national RRFs. While the ECA finds the Commission’s assessment thorough, the RRF assessments are by their ex-ante nature based on the information available at the time of the RRF’s submission.

The Commission accepts all ECA’s recommendations fully or partially.

c) Relevant latest developments and next steps

In May 2022, following calls for action from the European Council to reduce dependencies on Russian fossil energy following Russia’s invasion of Ukraine, the Commission published the REPowerEU Plan. REPowerEU is an ambitious effort to reduce Europe’s dependency on Russian fossil fuels and accelerate the energy transition. For its implementation, the Commission proposed targeted amendments to the RRF Regulation, including the addition of a ‘REPowerEU chapter’ to each RRF. The proposal also provides additional financing to the RRF in the form of funds raised through the Emissions Trading System’s Market Stability Reserve and additional transfer possibilities from other Union shared management programmes. The proposal is currently being discussed by the co-legislators.

II. COMMISSION REPLIES TO MAIN OBSERVATIONS OF THE ECA

1. Assessment Process

The Commission welcomes the positive findings on its RRP assessment process, which confirm the intensity and thoroughness of the Commission's work, the involvement of expertise across the Commission, and that the Commission's assessment work was appropriate.

Regarding the traceability of the Commission's RRP assessment,¹ the Commission highlights the large and complex assessment process: each RRP assessment starts with discussions well before the formal submission of the RRP, which are then followed by a two month formal assessment period, which can be extended if necessary. Records for every step of the assessment process were stored and shared with the ECA. Each RRP assessment concerns an average of 90 distinct reforms and investments, each of which may require the involvement of different Commission experts. The assessment, as the ECA highlights, involves a core country team, which was in daily exchange with Member State authorities and experts from across the Commission.

An RRP assessment is ultimately based on thousands of documents and exchanges. The Commission ensures a thorough process and keeps track of all relevant contributions. The assessment has a dynamic character as throughout the assessment period the Commission requests additional information and the Member State may revise its plan if needed.

As regards guidance and a standardised process², the Commission developed comprehensive guidance on the RRP assessment process. Nonetheless, the Commission considers that a checklist-based approach is not feasible given the qualitative nature of the assessment and the variety of the RRP and the measures contained therein.

Regarding support to the Member States,³ the Commission made significant efforts to provide early, clear and comprehensive guidance, accompanied by an individual in-depth support per Member State. Notably the Commission published two detailed guidance documents on the drafting of RRP, one published on the basis of a draft of the Regulation in September 2020, the second on the basis of the final legal text in January 2021. A whole-day training was organized with all Member States after the publication of the January 2021 guidance document. A regular bilateral dialogue has been taking place with each Member State at least since autumn 2020 and the Commission provided horizontal guidance and answered question by email, through a dedicated question and answer website and in all available Council formats. The Commission has also fostered synergies amongst RRP through 'flagship' projects and by encouraging Member States to foresee joint measures, such as contributions to *Important Projects of Common European Interest (IPCEIs)*, which have been included in several plans.

¹ See paragraph 33 of the ECA special report.

² See paragraph 31 to 33 of the ECA special report.

³ See paragraphs 34 to 39 of the ECA special report.

2. Assessment of the Six Pillars and the Contribution to Addressing Country-Specific Recommendations

The ECA highlights that the Commission thoroughly assessed the contribution of each RRP to the six pillars of the RRF Regulation and the country-specific recommendations. The ECA also confirms the assessment of the Commission for the six pillars and the country-specific recommendations for the six Member States in its sample.

As regards the RRP's contribution to the six pillars⁴, the Commission highlights that the contribution of estimated costs to the pillars was one but not the only consideration when assessing whether the contribution to the six pillars is balanced. The RRF is intended to support both investments as well as reforms, the latter of which often have no direct costs. If the Commission had based the balance assessment only on the estimated cost, it would have missed the impact of reforms in this assessment. The Commission's assessment is fully in line with the assessment criterion provided in the RRF Regulation, which requires the plan to represent a comprehensive and adequately balanced response to the economic and social situation of the Member State, without referring to any estimated cost (contrary to the criteria on green and digital targets). The Commission also highlights that, in line with the Regulation, its reporting on the Recovery and Resilience Scoreboard provides an estimate of the share of the expenditure contributing to each pillar.

As regards the RRP's contribution to addressing the country-specific recommendations (CSRs),⁵ the ECA confirms the Commission's assessment. The Commission highlights that the RRF Regulation also explicitly foresees that 'all or a significant sub-set' of relevant CSRs must be addressed, also taking into account the financial contribution and (where relevant) the loan requested. Accordingly, some Member States chose, fully in line with the RRF Regulation, to address a significant subset of relevant CSRs within the RRP. The Commission believes that its assessment presents this transparently.

3. Do-No-Significant-Harm (DNSH) Assessment

ECA found that the Commission ensured that Member State's do-no-significant-harm (DNSH) checklists addressed the environmental objectives, and that the Commission requested further information in most cases, required mitigating measures if necessary and required the removal of measures that are not DNSH-compliant from the RRP. The ECA findings demonstrate that the Commission assured a thorough and effective DNSH assessment, leading to either the exclusion or modification of measures, as appropriate.

As to the Member States' choice to implement measures excluded from the RRP through national funds,⁶ the Commission highlights that its assessment is necessarily restricted to those measures included in the RRP. The RRF Regulation does not provide the Commission with a right or possibility to oblige the Member States to respect DNSH for measures unrelated to the RRP.

The Commission highlights that a quantification of potential impact in the DNSH checklists⁷ is neither required, nor would it always be meaningful or even possible for Member States. The Commission does not believe that a lack of quantification made it difficult to assess compliance

⁴ See paragraph 44 of the ECA special report.

⁵ See paragraph 48-53 of the ECA special report.

⁶ See paragraph 58 of the ECA special report.

⁷ See paragraph 60 of the ECA special report.

with DNSH, and sees no reasoning or evidence why such a quantification would bring significant added value over the current largely qualitative descriptions and explanations.

As regards mitigating measures,⁸ the Commission notes that, where necessary, it has proposed that these be included in the Council Implementing Decision, providing therefore a legal obligation which Member States must fulfil and which the Commission will assess at the time a payment request for the relevant milestone or target is submitted. Including every mitigating measure as a requirement to be fulfilled, e.g. even when there was full confidence on their implementation, would however have led to unnecessary and excessive administrative burden.

4. Assessment of Measures' Contribution to the Green and Digital Transitions

The Commission welcomes the ECA's findings which confirm that the Commission assured a thorough assessment of the RRP's contribution to the green and digital transitions. Each relevant measure was assigned a climate and digital tag by the Member State, which was verified by the Commission. Where necessary, the Commission suggested corrections or requested more fine-grained application of the climate and digital tags to only relevant 'sub-measures'.

5. Assessment of RRP Cost Estimates

In the RRF context, the assessment of the estimated cost of a measure is undertaken ex ante, in order to determine an overall cost of the RRP. This in turn is the basis for allocating the total or less than the total maximum financial allocation to the Member State's RRP. In line with the performance-based logic of the instrument, the cost estimates do *not* directly impact later payments. The Commission, however, assured that the information provided for the cost estimates was aligned with the level of ambition expected for the related milestones and targets, e.g. if the cost estimate provided an expected number of items (e.g. solar panels) to be completed, this informed the targets set for this measure (e.g. the solar capacity to be installed).

As regards the procedures,⁹ the Commission welcomes the ECA's findings that the Commission strictly applied the criteria of the Regulation and its own internal guidance on assessing the cost of measures. The Commission ensured a consistent application of the criteria and, to ensure fair treatment, set out a clear methodology for establishing the overall rating for the costing criterion for each RRP. The Commission notes that the ECA finds that the requirements to achieve an 'A' rating (high reasonability and plausibility of the cost estimate) may have been relatively ambitious, and that accordingly no such rating has been assigned to any of the RRP's assessed so far. As such, all RRP's have received a 'B' rating, which the ECA agrees is appropriate.

The Commission however does not consider that its criteria for assigning a 'C' rating (low reasonability and plausibility of the cost estimate) were 'low'. An RRP rated 'C' receives a negative assessment and cannot be put forward to the Council for adoption. The RRF Regulation requires that the Commission for its assessment 'shall act in close cooperation with the Member State concerned'. Accordingly, the Commission required each Member State to improve its cost estimates and submit additional evidence and justification until the plausibility and reasonability of the cost estimate reached at least a 'B' (medium reasonability and plausibility of the cost estimate). The ECA confirms indeed that the Commission has "requested further information when necessary" and

⁸ See paragraph 61 of the ECA special report.

⁹ See paragraph 69 of the ECA special report.

“obtained information to verify the estimated costs” and where it did not receive such information, this is transparently established in its assessment and ratings.

6. Disbursement profiles

As regards how the disbursement profiles - i.e. the amount allocated to each set of milestones and targets - were set,¹⁰ in line with the performance-based nature of the RRF the amount of disbursements cannot be linked to actual costs incurred. The RRF Regulation clearly sets the methodology to determine the overall allocation per Member State, which the Commission has done in a transparent and equitable manner. However, the RRF Regulation does not provide a methodology to set the specific disbursement profile, which links a specific disbursement amount to a specific set of milestones and targets to be achieved. In line with the requirement to act ‘in close cooperation with the Member State concerned’, the Commission discussed the disbursement profile with each Member State based on a proposal by that Member State. The disbursement profile which the Commission proposes to the Council, and which the Council ultimately determines, reflects therefore several factors, including the national financing needs and budgetary planning, and the proportion of milestones and targets in each instalment as well as their relative importance.

The Commission highlights that the disbursement profile does not restrict how any potential later partial payment amounts are determined, which must be proportionate to the Member State’s performance. The Commission therefore does not consider that the approach described above would make it difficult to determine a proportionate reduction where necessary.

7. Assessment of milestones and targets

The ECA finds that the Commission’s assessment of the milestones and targets was comprehensive. The ECA notes the process led to clearer descriptions of the milestones and targets, compared to those initially proposed by the Member States, and more precise wording. Where relevant the milestones and targets were consolidated or made more granular compared to the initial Member State’s proposal, which ensures coverage of different stages of implementation and an overall manageable number.

Regarding the documentation trail on the milestone and target assessment,¹¹ the Commission was able to demonstrate suitable and extensive documentation trails of its assessment. On average, each final RRP contains more than 200 milestones and targets, with an average of 325 final milestones and targets for the six Member States in the ECA’s sample (selected on the basis of the size of the RRP). In some cases, the initial proposals by the Member States contained several thousand possible milestones and targets.

Regarding the nature of the assessment,¹² the Commission notes that it applied a qualitative assessment against the standards of the RRF Regulation and not a comparative assessment. The Commission ensured consistent drafting of milestones and targets across CID through internal guidelines and checks by two horizontal units, but notes that a comparative assessment is not provided for in the RRF regulation. A national RRP should, as provided by the RRF Regulation, be measured against the standards set by the Regulation rather than be assessed in comparison to another RRP which reflects a different financial allocation and different challenges and priorities.

¹⁰ See paragraphs 73-76 of the ECA special report.

¹¹ See paragraph 81 of the ECA special report.

¹² See paragraph 81 of the ECA special report.

Regarding the coverage of the key stages of implementation of each reform and investment by a milestone or target¹³, the Commission notes that the RRF Regulation provides no such requirement. While the Commission through its internal standards strove to assure good coverage, requiring complete coverage for each key step of every measure would have led to an excessive number of milestones and targets. Moreover, the key stage of implementation of a small investment or less significant reform may not hold the same importance as that of a large investment or more significant reform. The Commission therefore believes that the ultimate coverage is well justified and strikes a balance between measuring important progress and a manageable overall reporting burden. The Commission also applied general standards, such as that generally each legislative reform has a milestone related to the entry into force of the relevant legislation, and that generally investments are covered by a final output target.

Regarding the end date of August 2026,¹⁴ the Commission notes that reforms and investments require in some cases long preparatory work and take time to be implemented, and not in each case were Member States able to commit that implementation would be complete by August 2026. For instance, large measures which require stakeholder consultations or environmental impact assessments may take several years of preparatory work. If the Commission had excluded all investments and reforms with an implementation timeline which may go beyond August 2026, this would have led to an exclusion of many large scale investments from the RRFs.

As regards the specific milestones and targets for each RRF,¹⁵ the Commission notes that ultimately milestones and targets must be first proposed by the Member States and therefore reflect national administrative practices. The Commission ensured a uniform approach to the requirements to be fulfilled by the Member States and will continue to ensure equal treatment in the assessment of payment requests. Notably, where a quantitative element is included as part of a milestone, such a requirement is expected to be assessed during the processing of the payment request

8. Assessment of monitoring and control systems

The Commission welcomes the ECA's positive findings highlighting a comprehensive and thorough assessment of the control systems put in place by the Member States. The Commission requested further information as needed and, where necessary, insisted on additional reforms and corresponding milestones and targets, to ensure that appropriate control systems are fully in place.

As to the nature of the assessment of monitoring control systems as an ex ante assessment,¹⁶ the RRF Regulation explicitly provides for an ex ante assessment. As all other parts of the RRF assessment, the control criterion is therefore assessed based on the systems as described in the RRFs. The Commission nonetheless assured a thorough assessment of the systems as described by the Member States, parts of which were often already in place. The control system was in each case discussed in depth with the Member State and the Commission requested additional information and written commitments on specific important features of the control systems for every Member State, ensuring a thorough and well-founded assessment.

¹³ See paragraph 83-84 of the ECA special report.

¹⁴ See paragraph 85-86 of the ECA special report.

¹⁵ See paragraph 90-93 of the ECA special report.

¹⁶ See paragraph 103-104 and 106-111 of the ECA special report.

The Commission does not believe¹⁷ that the assessment of control systems *prior* to their implementation (which as outlined above is explicitly foreseen in the RRF Regulation) implies risks for the financial interests of the Union. First, the Commission notes that RRF funds are in any case to be implemented in line with EU and national law and that the Member States are responsible for the protection of the financial interests of the Union. In case a Member State is in breach of its obligations, the Commission can reduce the financial support and suspend or recover funds if necessary up to 100% of the financial allocation or loan support. Therefore, in any case the Commission can take action if a Member State fails to implement appropriate control systems. Second, the ex-ante nature of the control system assessment as foreseen by the RRF Regulation is similarly implemented for other EU programmes, where systems are assessed prior to their (full) implementation.

Regarding the additional milestones agreed for control systems,¹⁸ the Commission highlights that such additional milestones relate to elements of the control system which can be strengthened but do not put the adequacy of the control systems as set out in the plans in doubt. The RRF Regulation explicitly foresees the possibility for the Commission to propose such additional measures. They must be fulfilled for the first payment and therefore represent not at all a risk, but rather an additional guarantee for proper implementation of the control systems.

The Commission highlights that it has committed to implement, and has started to carry out, systems audits to ensure that national control systems fulfil the requirements of the RRF Regulation and the key requirements set out in the financing agreement signed with each Member State. Therefore, while the RRF assessment is necessarily ex ante, the Commission is ensuring each Member State has appropriate control systems in place during implementation.

III. COMMISSION REPLIES TO THE CONCLUSIONS AND RECOMMENDATIONS OF THE ECA

1. Recommendation 1 – Improve assessment procedures and documentation

The Commission should:

- (a) *further improve the procedure in future assessments to ensure all steps of the process are followed and qualitative parts of the assessment are fully considered;*

ECA target implementation date: for any future assessments.

The Commission **accepts** the sub-recommendation.

The Commission has already introduced detailed internal guidance, templates and procedures. The Commission accepts to continue to adapt its guidance and procedures.

¹⁷ See paragraph 111 of the ECA special report.

¹⁸ See paragraph 111 of the ECA special report.

The Commission notes and welcomes the ECA's conclusion¹⁹ "that the Commission's assessment of recovery and resilience plans was overall appropriate given the complexity of the process and the time constraints" and "that the Commission managed the assessment process effectively." The Commission has made a significant effort to ensure a thorough, fair, transparent and consistent assessment process, going well beyond the requirements of the RRF Regulation. The Commission therefore can accept to continue to ensure a standardised and equitable process, but sees limited scope for *further* standardising its existing process.

- (b) *ensure that the documentation of the final assessment and the reasons leading to it are well documented and key documents easily traceable to increase the transparency and efficiency of the process.*

ECA target implementation date: for any future assessments.

The Commission **accepts** the sub-recommendation.

2. Recommendation 2 – Promote exchange of good practices amongst Member States

To promote the exchange of good practices amongst Member States during the implementation of the recovery and resilience plans, the Commission should proactively facilitate exchanges of views between Member States' authorities on matters of common concern.

ECA target implementation date: during the implementation of the RRFs.

The Commission **accepts** the recommendation, noting that such exchange is already being implemented through the organisation of regular meetings of an informal expert working group. For specific thematic exchanges, instruments such as the Technical Support Instrument and thematic or sectoral working groups are already available and regularly meet, discussing also RRF measures. Such exchange of good practices has already begun and will be continuously implemented.

3. Recommendation 3 – Follow-up on the contribution of the implemented measures to the country-specific recommendations

During the implementation of the recovery and resilience plans, the Commission should:

- (a) *align the progress reporting on the Recovery and Resilience Facility with the reporting in the context of the European Semester to ensure that all country-specific recommendations, including those not directly addressed in the recovery and resilience plans, are adequately followed-up;*

¹⁹ See paragraph 112 of the ECA special report.

ECA target implementation date: as from 2022.

The Commission **accepts** the sub-recommendation.

Country-specific recommendations are being followed up in the context of the European Semester, and the reporting of the Semester and the RRF are aligned.

- (b) *in the existing European Semester reporting framework, provide information on the extent to which the Recovery and Resilience Facility is contributing to the implementation of country-specific recommendations.*

ECA target implementation date: as from 2022.

The Commission **accepts** the sub-recommendation and has started to implement it.

Member States report as part of the regular semester reporting also on the implementation of relevant RRP measures, and the Commission takes the progress on relevant RRP measures into account in its semester documents. A link has been made between the IT system used by Member States to report on the CSRs, and the IT system which the Member States use to report on RRP measures, to ensure adequate reporting and to avoid duplication of work by the Member States. Each RRP measure has been tagged to one or several relevant CSRs addressed to the Member State.

As regards the ECA's conclusion that "some important aspects of country-specific recommendations remained unaddressed gaps in the coverage of in particular the 2019 country-specific recommendations,"²⁰ the Commission refers to its observations above and highlights that each RRP must address either all or a 'significant subset' of relevant country-specific recommendations, which needs to be considered in a qualitative manner, in particular in light of the financial allocation and (where relevant) the loan requested, other measures planned to be implemented outside the RRF, or the recommendations issued.

4. Recommendation 4 – Improve transparency and monitoring of the “do no significant harm” principle

The Commission should:

- (a) *ask Member States to provide, whenever relevant, a quantitative estimate of the environmental impact of measures for future self-assessments of the “do no significant harm” principle and if provided, take this into account in the assessment;*

ECA target implementation date: for any future assessment.

The Commission **accepts** the sub-recommendation.

²⁰ See paragraph 116 of the ECA special report.

The Commission notes in relation to the conclusion²¹ and the recommendation that such a quantification of environmental impact is not required by the Regulation. Nonetheless, the Commission accepts to ask Member States to provide, whenever relevant, a quantitative assessment. When such a quantification is provided the Commission will consider this information in its assessment of compliance with the DNSH principle. The Commission notes that this can only apply to future RRP submissions.

(b) include mitigating measures in milestones and targets, where they are considered relevant for the positive assessment of the measure with regard to the “do no significant harm” principle, and check the fulfilment of the conditions included in these milestones and targets during the implementation.

ECA target implementation date: for any future assessment and as from 2022.

The Commission **partially accepts** this sub-recommendation.

Regarding both the conclusion and the recommendation, the Commission highlights that such requirements were already included as part of a milestone or target whenever those requirements were considered necessary to ensure compliance of the measure with the DNSH principle. A general approach to include each mitigating measure as part of (or as its own) milestone or target (even if the implementation of a measure of the plan is already not expected to do significant harm) would lead to significant administrative effort for measures which are already assessed as expected to ensure no significant harm to environmental objectives, in accordance with the respective assessment criterion of the RRF Regulation.

Therefore, the Commission agrees to continue to include mitigating measures as part of milestones and targets, for those cases where the ex-ante DNSH analysis does not bring about sufficient assurance about the compliance with the DNSH principle, with certain aspects needing to be verified during the implementation phase in order to ensure that the DNSH principle is complied with. However, the Commission considers it not feasible to systematically include *all* mitigating measures that were included in the Member State’s self-assessment or considered in the assessment. The Commission also agrees to assess whether the Member State fulfilled such conditions included in milestones and targets when a payment request including this specific milestone or target is submitted.

5. Recommendation 5 – Ensure clear verification mechanisms of milestones and targets and their adequate definition

The Commission should:

(a) include clear verification mechanisms in the operational arrangement for milestones and targets, to allow for an unambiguous assessment of their fulfilment;

ECA target implementation date: mid-2023.

²¹ See paragraph 117 of the ECA special report.

The Commission **accepts** the sub-recommendation.

(b) ensure that milestones and targets are adequately defined, in particular that they are sufficiently clear, reflect key stages of implementation and are defined consistently across Member States, while respecting the specificities of each recovery and resilience plan.

ECA target implementation date: for any future assessment.

The Commission **accepts** the sub-recommendation.

The Commission notes nonetheless with regards to the sub-recommendation and the conclusion²² that milestones and targets are not designed to be comparable but rather measure progress on implementing a specific reform or investment in a specific Member State. These may therefore differ across Member States.

6. Recommendation 6 – Verify compliance with the specific milestones for monitoring and control and encourage the use of Commission’s data-mining and risk scoring tool

The Commission should:

(a) closely scrutinise the satisfactory fulfilment and timely implementation of the specific milestones related to monitoring and control systems;

(b) encourage all Member States to use the Commission’s data-mining and risk scoring tool.

ECA target implementation date for both: end 2023.

The Commission **accepts** both sub-recommendations.

²² See paragraph 119 of the ECA special report.