



2024/2085(INI)

29.1.2025

DRAFT OPINION

of the Committee on the Environment, Climate and Food Safety

for the Committee on Budgets and the Committee on Economic and Monetary Affairs

on the implementation report on the Recovery and Resilience Facility
(2024/2085(INI))

Rapporteur for opinion: Jonas Sjöstedt

PA_NonLeg

AMENDMENTS

The Committee on the Environment, Climate and Food Safety submits the following to the Committee on Budgets and the Committee on Economic and Monetary Affairs, as the committees responsible:

Amendment 1

Motion for a resolution

Recital A

Motion for a resolution

A. whereas reforms and investments under the Recovery and Resilience Facility (RRF) help to make the Union more resilient and less dependent by diversifying key supply chains and thereby strengthening the strategic autonomy of the Union; whereas reforms and investments under the RRF also generate European added value;

Amendment

A. whereas reforms and investments under the Recovery and Resilience Facility (RRF) ***are meant to*** help to make the Union more resilient and less dependent by diversifying key supply chains and thereby strengthening the strategic autonomy of the Union; whereas reforms and investments under the RRF also generate European added value;

Or. en

Amendment 2

Motion for a resolution

Recital D a (new)

Motion for a resolution

Da. whereas an investment-based green transition is key to achieving the much-welcomed and ambitious climate agenda set out in the Fit for 55 legislative package, and the RRF is a key financial instrument for implementing such a transition;

Amendment

Or. en

Amendment 3

Motion for a resolution

Recital E

Motion for a resolution

E. whereas robust audit and control systems are crucial to protect the financial interests of the Union throughout the life cycle of the RRF; whereas the milestones commonly known as ‘super milestones’, in particular related to the rule of law, had to be fulfilled prior to any RRF disbursements;

Amendment

E. whereas ***good governance and*** robust audit and control systems are crucial to protect the financial interests of the Union throughout the life cycle of the RRF ***and maximise the RRF’s impact, in particular regarding climate policies;*** whereas the milestones commonly known as ‘super milestones’, in particular related to the rule of law, had to be fulfilled prior to any RRF disbursements;

Or. en

Amendment 4

Motion for a resolution

Recital G a (new)

Motion for a resolution

Ga. whereas the ECA’s special report 14/2024 revealed severe shortcomings in the design of the RRF and the implementation of green transition measures, leading to overestimations of amounts allocated to climate action, and in particular stated that the ECA had ‘found weak indications on how the implementation of RRF measures contributes to the green transition’;

Or. en

Amendment 5

Motion for a resolution

Section 1 - Title

Motion for a resolution

Strengthening Europe's social **and** economic resilience

Amendment

Strengthening Europe's social, economic **and climate** resilience

Or. en

Amendment 6

**Motion for a resolution
Paragraph 2**

Motion for a resolution

2. ***Welcomes the fact*** that the RRF ***has provided*** temporary additional fiscal space since the pandemic ***and contributed to the prevention of divergences between Member States with diverse fiscal space;*** notes ***the Commission finding*** that the RRF has ***led to a sustained increase in investments across the EU and that the Commission expects the RRF to have a lasting impact across the EU beyond 2026 in light of synergies with other EU funds;***

Amendment

2. ***Acknowledges*** that the RRF ***might, in some instances, have contributed to providing*** temporary additional fiscal space since the pandemic; notes ***with concern, however,*** that the RRF has ***harmed the fiscal stability and soundness of the EU financial architecture and deplores the negative impact that this has on the Member States and their green transitions;***

Or. en

Amendment 7

**Motion for a resolution
Paragraph 3**

Motion for a resolution

3. Takes note of the Commission's projection in 2024 concerning the potential of NGEU's impact on the EU's real gross domestic product (GDP) by 2026, which is significantly lower than its simulation in 2020 (1.4 % compared with 2.3 %) and of the estimation that NGEU could lead to a sizeable, short-run increase in EU employment by up to 0.8 %; notes with

Amendment

3. Takes note of the Commission's projection in 2024 concerning the potential of NGEU's impact on the EU's real gross domestic product (GDP) by 2026, which is significantly lower than its simulation in 2020 (1.4 % compared with 2.3 %) and of the estimation that NGEU could lead to a sizeable, short-run increase in EU employment by up to 0.8 %; notes with

satisfaction that long-term benefits of the RRF on GDP could be three to six times bigger than the NGEU budget disbursed, depending on the productivity effects of RRF investment; highlights, however, the difficulty of quantifying the precise social and economic impact of the RRF, as the impact of reforms only becomes clear following a delay; notes the Commission's finding that approximately half of the expected increase in public investment between 2019 and 2025 is related to investment financed by the EU budget, particularly by the RRF;

satisfaction that long-term benefits of the RRF on GDP could be three to six times bigger than the NGEU budget disbursed, depending on the productivity effects of RRF investment; highlights, however, the difficulty of quantifying the precise social and economic impact of the RRF, as the impact of reforms only becomes clear following a delay; ***notes, in this regard, the high levels of uncertainty associated with prognoses related to the RRF and the difficulties in assessing the effects of ongoing investigations into wrongdoing related to RRF spending, notably in the field of sustainability and environmental impact***; notes the Commission's finding that approximately half of the expected increase in public investment between 2019 and 2025 is related to investment financed by the EU budget, particularly by the RRF;

Or. en

Amendment 8

Motion for a resolution Paragraph 4

Motion for a resolution

4. Notes that the RRF has incentivised the implementation of some reforms included in the country-specific recommendations made in the context of the European Semester and that the RRF Scoreboard is used to monitor the progress made towards achieving milestones and targets, as well as compliance with horizontal principles, and in particular the six pillars, namely the green transition, the digital transformation, smart, sustainable and inclusive growth, social and territorial cohesion, health, economic, social and institutional resilience, and policies for the next generation, children and young

Amendment

4. Notes that the RRF has incentivised the implementation of some reforms included in the country-specific recommendations made in the context of the European Semester and that the RRF Scoreboard is used to monitor the progress made towards achieving milestones and targets, as well as compliance with horizontal principles, and in particular the six pillars, namely the green transition, the digital transformation, smart, sustainable and inclusive growth, social and territorial cohesion, health, economic, social and institutional resilience, and policies for the next generation, children and young people, including education; ***regrets***,

people, including education;

however, the fact that, to echo the ECA's conclusions, 'the green transition reporting presented in the RRF Scoreboard is confusing' and 'does not provide users with complete and reliable information about the actual amounts spent on the green transition';

Or. en

Amendment 9

Motion for a resolution Paragraph 11 a (new)

Motion for a resolution

Amendment

11a. Highlights the ECA's comprehensive criticism regarding the design and implementation of the RRF, notably regarding the implementation of measures contributing to the green transition, which demonstrates gross malpractice;

Or. en

Amendment 10

Motion for a resolution Paragraph 11 b (new)

Motion for a resolution

Amendment

11b. Deplores the fact that funds that were supposed to be dedicated to climate action within the RRF have been used for objectives other than climate and environmental objectives, and therefore not in accordance with the stated aims;

Or. en

Amendment 11

Motion for a resolution Paragraph 14

Motion for a resolution

14. Recalls the legal obligation to ensure full repayment of NGEU expenditure by 31 December 2058 at the latest; reminds the Council and the Commission of their legal commitment under the interinstitutional agreement concluded in 2020 to ensure a viable path to refinancing NGEU debt, including through sufficient proceeds from new own resources introduced after 2021 without any undue reduction in programme expenditure or investment instruments under the MFF; deplores the lack of progress made in this regard and urges the Council to adopt new own resources without delay;

Amendment

14. Recalls the legal obligation to ensure full repayment of NGEU expenditure by 31 December 2058 at the latest; reminds the Council and the Commission of their legal commitment under the interinstitutional agreement concluded in 2020 to ensure a viable path to refinancing NGEU debt, including through sufficient proceeds from new own resources introduced after 2021 without any undue reduction in programme expenditure or investment instruments under the MFF; deplores the lack of progress made in this regard and urges the Council to adopt new own resources without delay; ***reiterates that the RRF is unsuitable for use as a model for future financial instruments; regrets the weak design of the RRF and its poor implementation;***

Or. en

Amendment 12

Motion for a resolution Paragraph 15 a (new)

Motion for a resolution

Amendment

15a. Notes with great concern how financial malpractice, as reported by the ECA in relation to the RRF, hinders necessary green investments and could have unforeseeable and severe social consequences; reiterates that financial instruments, including loans, modelled by the EU must be built on sound governance, with the highest regard for taxpayers and citizens across the Union;

Amendment 13

Motion for a resolution Paragraph 18

Motion for a resolution

18. **Welcomes** the fact that **all Member States have surpassed the targets for the green (37 %) and the digital transitions (20 %), with average expenditure towards climate and digital objectives of the RRF as a whole standing at 42 % and 26 %, respectively; notes that** the ECA **has** cast doubt on how the implementation of RRF measures has contributed to the green transition and has recommended improvements to the methodologies used to estimate the climate impact; highlights the fact that the same methodological deficiencies exist across all pillars of the RRF;

Amendment

18. **Regrets** the fact that **gross malpractice in the management of the RRF has led** the ECA **to** cast doubt on how the implementation of **many** RRF measures has contributed to the green transition and **notes that the ECA** has recommended improvements to the methodologies used to estimate the climate impact; highlights the fact that the same methodological deficiencies exist across all pillars of the RRF; **deplores, in particular, the fact that measures presented as climate-based investments under the RRF were in fact simply recurrent national government expenditure or projects already in Members States' project pipelines, such as, as stated in the ECA's special report 14/2024, 'the maintenance of renewable energy sources or of railways'**;

Amendment 14

Motion for a resolution Paragraph 24

Motion for a resolution

24. Notes the high administrative burden and complexity brought by the RRF; stresses the considerable efforts required at national level to implement the RRF in parallel with structural funds; notes that between 2021 and 2024 the Technical Support Instrument supported more than

Amendment

24. Notes the high administrative burden and complexity brought by the RRF; stresses the considerable efforts required at national level to implement the RRF in parallel with structural funds; notes that between 2021 and 2024 the Technical Support Instrument supported more than

500 RRF-related reforms in the Member States, directly or indirectly related to the preparation, amendment, revision and implementation of the NRRPs; takes note of the Commission guidance of July 2024 with simplifications and clarifications to streamline RRF implementation but expects the Commission to act swiftly on its promise to cut the administrative burden *by 25 %*;

500 RRF-related reforms in the Member States, directly or indirectly related to the preparation, amendment, revision and implementation of the NRRPs; takes note of the Commission guidance of July 2024 with simplifications and clarifications to streamline RRF implementation but expects the Commission to act swiftly on its promise to cut the administrative burden, *but not to the detriment of better traceability and proper control mechanisms related to green investments, in order to avoid even more cases of severe malpractice in the implementation of the RRF*;

Or. en

Amendment 15

Motion for a resolution Paragraph 25

Motion for a resolution

25. Believes that implementation delays underscore the risk that measures for which RRF funding has been paid will not be completed by the 2026 payment deadline; recalls the Commission's statement at the Recovery and Resilience Dialogue (RRD) of 16 September 2024 that it will not reimburse non-implemented projects but considers it a shortcoming that RRF funds paid for milestones and targets assessed as fulfilled cannot be recovered if related measures are not eventually completed;

Amendment

25. Believes that implementation delays underscore the risk that measures for which RRF funding has been paid will not be completed by the 2026 payment deadline; recalls the Commission's statement at the Recovery and Resilience Dialogue (RRD) of 16 September 2024 that it will not reimburse non-implemented projects but considers it a *severe* shortcoming *affecting its credibility, notably on green investment*, that RRF funds paid for milestones and targets assessed as fulfilled cannot be recovered if related measures are not eventually completed;

Or. en

Amendment 16

Motion for a resolution Paragraph 31

Motion for a resolution

31. Welcomes the extensive work of the ECA in relation to the RRF and deems it important to thoroughly assess its findings, in particular its findings that milestones and targets are often rather vague and output-oriented and are therefore not fit to measure results and impacts, and its findings regarding the risks of double funding resulting from overlaps with other policies; **notes** that the Commission has accepted **many but not** all of the ECA's recommendations;

Amendment

31. Welcomes the extensive work of the ECA in relation to the RRF and deems it important to thoroughly assess its findings, in particular its findings that milestones and targets are often rather vague and output-oriented and are therefore not fit to measure results and impacts, and its findings regarding the risks of double funding resulting from overlaps with other policies; **regrets the fact** that the Commission has **not** accepted all of the ECA's recommendations;

Or. en

Amendment 17

Motion for a resolution Paragraph 32 a (new)

Motion for a resolution

Amendment

32a. Deplores the fact that the atrocious design, poor implementation and questionable use of the RRF allows for greenwashing practices and undermines the Union's credibility on climate investment, in particular in view of the ECA's finding that the methodology used to track climate action within the RRF involves a high degree of approximation^{1a}, where the climate coefficients do not allow for an exact quantification of the expected climate contribution; notes that this is further aggravated by the structural problem related to the lack of data on actual expenditure and agrees with the ECA recommendation that this this problem should be overcome through reporting on

actual expenditure;

^{1a} ECA special report 09/2022 of 30 May 2022 entitled ‘Climate spending in the 2014-2020 EU budget – Not as high as reported’.

Or. en

Amendment 18

Motion for a resolution Paragraph 33

Motion for a resolution

33. Is concerned about persistent weaknesses in national reporting and control mechanisms, due in part to absorption pressure affecting the capacity to detect ineligible expenditure; regrets the reliance on manual cross-checks and self-declarations in the absence of interoperable IT tools and harmonised standards, which entail the risk that expenditure is declared twice;

Amendment

33. Is concerned about persistent weaknesses in national reporting and control mechanisms, due in part to absorption pressure affecting the capacity to detect ineligible expenditure; regrets the reliance on manual cross-checks and self-declarations in the absence of interoperable IT tools and harmonised standards, which entail the risk that expenditure is declared twice; ***underlines its call to enhance scrutiny of the actual positive environmental impact of projects before they are declared green investments;***

Or. en

Amendment 19

Motion for a resolution Paragraph 35

Motion for a resolution

35. Highlights the important role of the European Public Prosecutor’s Office (EPPO) and OLAF in protecting the EU’s financial interests; welcomes the fact that EPPO investigations into RRF-related

Amendment

35. Highlights the important role of the European Public Prosecutor’s Office (EPPO) and OLAF in protecting the EU’s financial interests; welcomes the fact that EPPO investigations into RRF-related

fraud and corruption cases have led to several arrests, indictments and seizures of RRF funds and expects the number of investigations (233 cases in 2024) to grow as RRF implementation advances;

fraud and corruption cases ***involving a total amount of over EUR 600 million*** have led to several arrests, indictments and seizures of RRF funds and expects the number of investigations (233 cases in 2024) to grow as RRF implementation advances, ***meaning the relevant financial resources will not be available for green spending; calls on the EPPO and OLAF to continue their investigations, considering also the need to ensure the proper use of European taxpayers' contributions;***

Or. en

Amendment 20

Motion for a resolution Paragraph 41

Motion for a resolution

41. ***Believes that the combination of reforms and investments has proved successful but that a clearer link is needed between the two;*** insists that the level of ambition of NRRPs should be commensurate with the RRF timeline in order to ensure their successful implementation; urges the Commission to apply the lessons learned and the ECA's observations, and to ensure that future performance-based instruments are designed also to measure results and impacts and not only outputs;

Amendment

41. Insists that the level of ambition of NRRPs should be commensurate with the RRF timeline in order to ensure their successful implementation; urges the Commission to apply the lessons learned and the ECA's observations, and to ensure that future performance-based instruments are designed also to measure results and impacts and not only outputs;

Or. en

Amendment 21

Motion for a resolution Paragraph 48

Motion for a resolution

48. Notes the declared intention of the Commission to draw on the RRF experience when designing its proposals for the post-2027 EU funding programmes, due later this year; acknowledges that the independent *ex post* evaluation will come too late to feed into the process leading up to the next programming period, but expects the Commission and the co-legislators to take due account of the lessons learned from the RRF and of the recommendations of relevant stakeholders, in particular LRA, civil society organisations and social partners;

Amendment

48. Notes the declared intention of the Commission to draw on the RRF experience when designing its proposals for the post-2027 EU funding programmes, due later this year; acknowledges that the independent *ex post* evaluation will come too late to feed into the process leading up to the next programming period, but expects the Commission and the co-legislators to take due account of the lessons learned from the RRF and of the recommendations of relevant stakeholders, in particular LRA, civil society organisations and social partners; ***calls on the Commission not to reproduce the severe shortcomings encountered in the management of the RRF and to rule out using it as an inspiration for the upcoming MFF;***

Or. en

**ANNEX: ENTITIES OR PERSONS
FROM WHOM THE RAPPORTEUR HAS RECEIVED INPUT**

The rapporteur for opinion declares under his exclusive responsibility that he did not receive input from any entity or person to be mentioned in this Annex pursuant to Article 8 of Annex I to the Rules of Procedure.