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Background Note

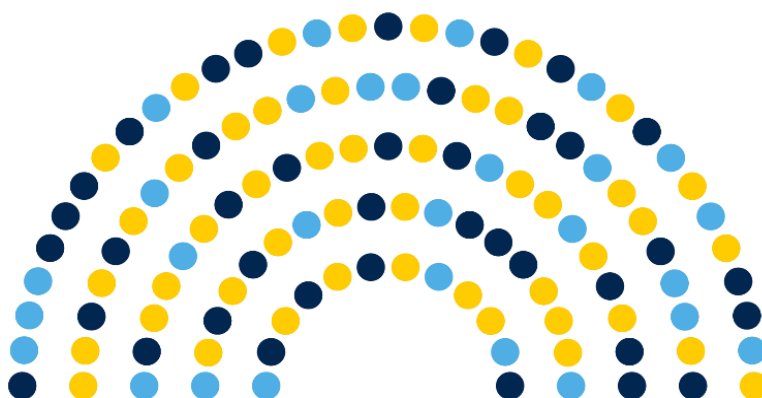
Session III

**Implementation of the national recovery and resilience
plans – the role of Parliaments**

LXV COSAC plenary meeting

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Lisbon



BACKGROUND NOTE

Session III

Implementation of the national recovery and resilience plans – the role of Parliaments

The [Recovery and Resilience Facility \(RRF\)](#), whose [Regulation](#) was approved by the European Parliament (EP) and the Council, is at the core of the [European Union Recovery Plan](#), a comprehensive package of initiatives aimed at meeting the calls by the [European Parliament](#) and the [European Council](#) for coordinated and decisive action at EU level to mitigate the negative consequences of the COVID-19 crisis. This Regulation links the Facility to the EU's climate and economic and social policy objectives, namely in the context of the European Semester for economic policy coordination.

A new instrument has been agreed to finance the recovery, the [European Union Recovery Instrument](#), stipulating that the bonds issued under this Instrument will finance the Recovery and Resilience Facility once Member States have ratified the change to the ceiling of the EU's [Own Resources](#)¹ Decision, and a [roadmap](#) for the introduction of these new resources has been adopted. It should be noted that the European Parliament has already adopted [three regulations on the implementation of the system of own resources of the EU](#), paving the way for its reform and the introduction of new sources of EU revenue.

The Recovery Facility provides for the disbursement of EU funds to Member States through grants and loans once the reforms and investment packages presented in their recovery and resilience plans are approved and after the agreed targets and milestones have been reached. In addition, it should be noted that the European Parliament will also be involved in the scrutiny of the Recovery and Resilience Facility and has published a [study](#) on its monitoring arrangements, which led the Conference of Presidents of the European Parliament to establish a [Working Group](#) consisting of [27 Members](#) from the Committee on Economic and Monetary Affairs and the Committee on Budgets.

¹ Several countries [had already ratified](#) the amendment to the Own Resources Decision by this date.

Indeed, the Commission has provided the planned allocation of funds from the different pillars of the *Next Generation EU* instrument, including the breakdown of grants to each Member State from the Recovery and Resilience Facility². The Commission further stated that [it will not propose specific recommendations in 2021](#) for Member States submitting a plan, except on fiscal matters – as required by the [Stability and Growth Pact](#) – and will take into account the [general escape clause](#).

To benefit from the RRF, Member States should submit draft recovery and resilience plans to the European Commission outlining national investment and reform agendas in line with EU policy objectives (job creation, economic and social resilience, the green and digital transitions) and, for this purpose, the Commission provides [a standard template for the submission of national plans](#). Each plan is expected to contribute to the four dimensions outlined in the [Annual Sustainable Growth Strategy 2021](#), which launched this year's [European Semester](#).

Thus, the reforms and investments to be included in the [National Recovery and Resilience Plans](#)³ should support economic recovery, address Member States' structural weaknesses and make their economies more resilient. They should focus on six pillars:

- i. green transition;
- ii. digital transformation;
- iii. smart, sustainable and inclusive growth, including economic cohesion, jobs, productivity, competitiveness, research, development and innovation, and a well-functioning internal market with strong small and medium enterprises;
- iv. social and territorial cohesion;
- v. health, and economic, social and institutional resilience; and
- vi. policies for the next generation, children and the youth, such as education and skills.

² [Recovery and Resilience Facility; REACT-EU; Just Transition Fund; European Agricultural Fund for Rural Development.](#)

³ By 1 May 2021, the [European Commission had received Recovery and Resilience Plans](#) from Austria, Belgium, Denmark, Germany, France, Greece, Italy, Latvia, Luxembourg, Portugal, Slovakia, Slovenia and Spain.

The Facility should support projects that comply with the principles underlying the [cohesion policy](#), namely that of [additionality](#), and should not replace recurrent national expenditure, except in duly justified cases.

The design of those plans could benefit from the involvement of relevant national stakeholders. It should address the challenges identified in the European Semester, particularly the [country-specific recommendations adopted by the Council](#). The plans were presented at the EU level by 30 April and were presented in a single integrated document together with the national reform programme. It should be noted that the European Commission established the [Recovery and Resilience Task Force \(RECOVER\)](#) on 16 August 2020 to be responsible for steering the implementation of the Recovery and Resilience Facility and for coordinating the European Semester, namely to coordinate support to the Member States in the elaboration of their recovery and resilience plans.

In what concerns the national Parliaments' involvement in the design and assessment of recovery and resilience plans, the information available shows mixed approaches and different degrees of parliamentary involvement in the preparatory stage. Many parliaments might not have formal powers to approve the recovery and resilience plans, but the vast majority showed interest in discussing the plans (and initiated procedures to that end), either in plenary or in specific committees.

Indeed, it should be noted of the 35th Bi-annual Report of COSAC, which included a specific chapter on *"Next Generation EU: scrutiny of National Recovery and Resilience Plans – implications for the European Semester"*, that the vast majority of national Parliaments did not intervene directly in the preparation of National Recovery Plans and did not adopt a resolution on the plans, but scrutinised and discussed the measures proposed by their respective governments. Concerning the priorities that national Parliaments felt should be reflected in the Recovery Plans, it is clear from the questionnaire that most of them identified the green transition, the digital transition and smart and inclusive growth and jobs as priorities. Finally, it should be noted that the majority of national Parliaments reported in the questionnaire that the monitoring of the implementation of the National Recovery and Resilience Plans would be carried out through the existing Parliamentary Standing Committees, without the need to set up a specific Parliamentary Committee for that purpose.

Possible topics for discussion:

- The relationship between the national Parliament and the Government on the development of the Recovery and Resilience Plan;
- Political procedures adopted by national Parliaments to scrutinise and/or contribute to the preparation of National Recovery and Resilience Plans;
- Mechanisms to be implemented by national Parliaments to monitor the implementation of the Recovery and Resilience Plans.

