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RECOVERY AND RESILIENCE FACILITY

**RRF Operational Arrangements – the
evaluation of the fulfilment of targets and
milestones and control mechanisms of the
Commission**

8 February 2022

Operational Arrangements

Arrangements & timetable for monitoring

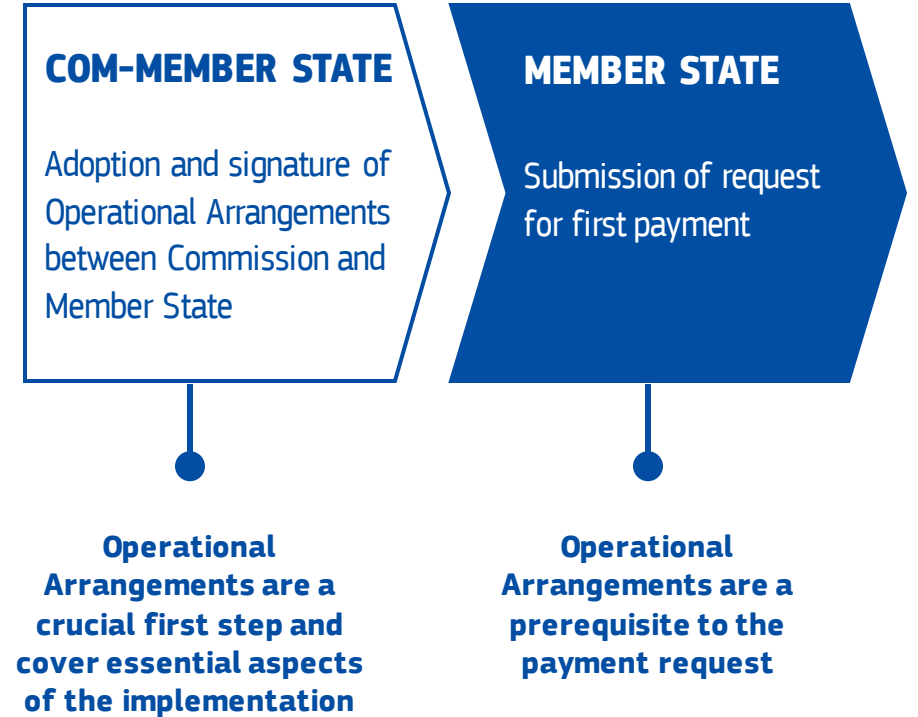
- Modalities of information exchanges (frequency of missions, scope of reporting, responsibilities)
- Access to data, indicative timeline of payment requests

Additional information on milestones and targets

- Further specification when necessary
- Precise verification mechanisms (ie evidence and due justification)

Monitoring steps

- Non-binding indicators
- To anticipate risks and feed into dialogue



Structure of the Operational Arrangements

Main text:

- Agree on frequency of exchanges to take stock on progress of implementation
- Define principles for sharing information on progress of implementation



Operational Arrangements need to be aligned with the Council Implementing Decision.

They are supplementary but can neither add additional milestone or target requirements, nor replace already existing ones.

ANNEX I: Milestones, Targets and Related Indicators

- Define principles for verification mechanisms
- Set out type and amount of evidence required for each milestone and target, which will allow for verification of satisfactory fulfilment (f.ex. Copy of contracts, copy of publication in the Official Journal)

ANNEX II: Arrangements and timetable for monitoring

- Define monitoring steps to follow progress towards implementation of milestones and targets (f.ex. relevant for large/complex investments or milestones/targets due in later years of RRF timeframe)

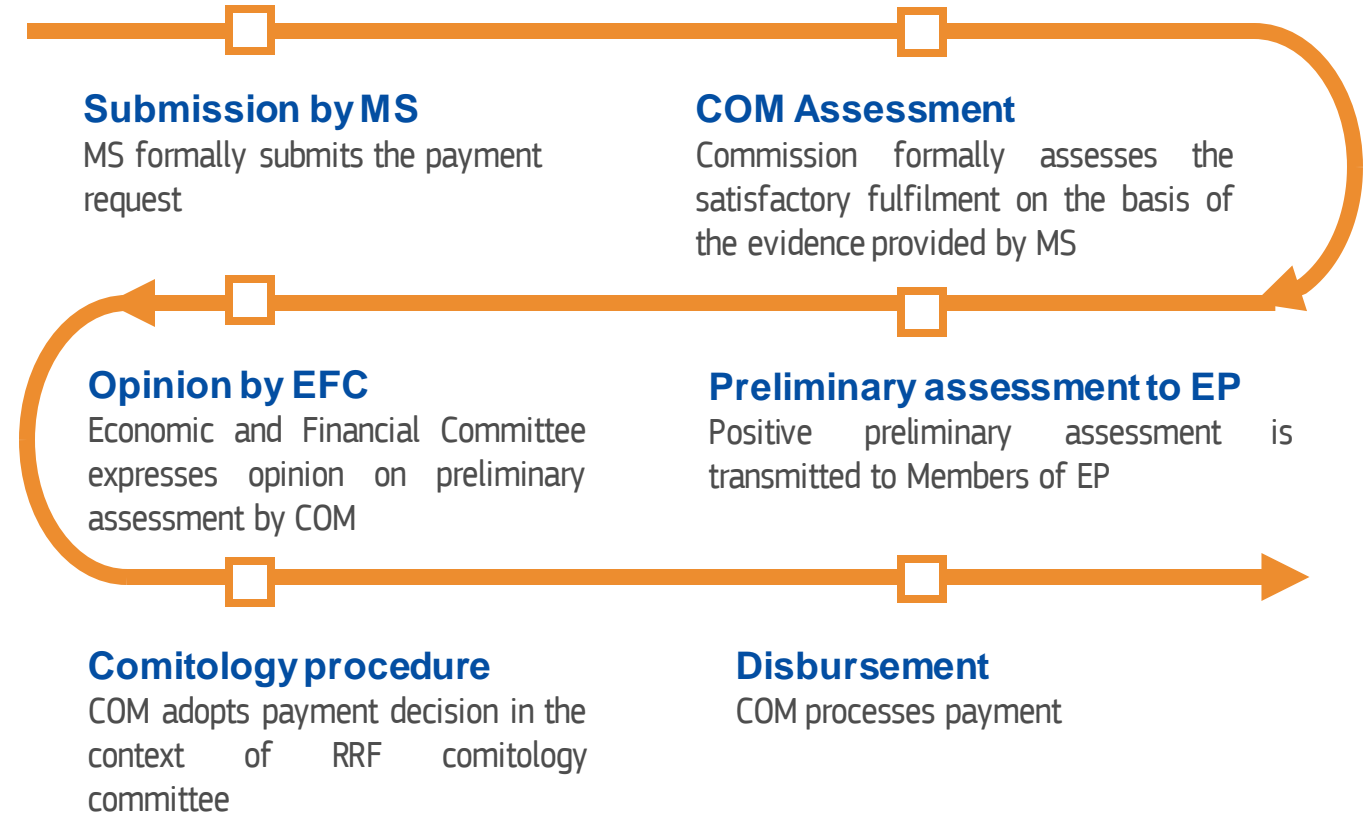
Life cycle and structure of a payment request

Member State submits a **summary document** for each milestone and target covered by the payment request, including:

1) *Short summary of milestone or target*

2) *Brief description of evidence provided*

3) *Explanation how the achievement of the milestone or target is demonstrated by the evidence provided*



Payment requests so far



ES: 1st payment request

- Submission on 11 November 2021
- 52 milestones and targets
- Positive preliminary assessment adopted on 3 December
- Commission implementing decision adopted on 22 December 2021
- EUR 10 billion of grants
- Disbursement on 27 December
- Entailed mainly reforms
- Significant steps in implementation of RRP

FR: 1st payment request

- Submission on 26 November 2021
- 38 milestones and targets
- **Positive preliminary assessment adopted on 26 January 2022**
- EUR 7.4 billion of grants
- Comprises a good balance between reforms and investments
- Includes key reforms for implementation of RRP



EL: 1st payment request

- Submission on 29 December
- 15 milestones
- EUR 1.7 billion of grants
- EUR 1.8 billion of loans
- **Commission assessment is ongoing**

IT: 1st payment request

- Submission on 30 December
- 51 milestones and targets
- EUR 10 billion of grants
- EUR 11 billion of loans
- **Commission assessment is ongoing**

PT: 1st payment request

- Submission on 25 January
- 38 milestones and targets
- EUR 636 million of grants
- EUR 700 million of loans
- **Commission assessment is ongoing**

Assessment of payment requests

Evidence

- Member States have to submit underlying evidence for each completed milestone and target
- Underpins the satisfactory fulfilment of what was agreed on in Council Implementing Decision
- Specified in the Operational Arrangements

Audit & Control

- For their 1st payment request some Member States have to fulfil specific milestones and targets on audit and control mechanism

Protection of financial interest of Union

- Each payment request needs to be accompanied by:
- A management declaration by the Member State
- A summary of audits carried out by Member State



Satisfactory fulfilment of milestones and targets

→ **positive assessment**

Requirements for reforms

Summary document - duly justifying how the milestone or target was satisfactorily fulfilled:

- Recalling the objective of the measure
- Listing supporting documents provided with weblinks
- Explaining how the evidence provided – usually a legal act – addresses the requirements set out in the Annex to the Council Implementing Decision
- Including, if applicable, a reference to the provision specifying the entry into force of the legal act

A copy of supporting documents, including:

- Legal acts
- Official documents
- Publicly available reports

ASSESSMENT:

- COM assesses whether the conditions of the Council Implementing Decision are fulfilled.
- For example, in case of a legal act, COM verifies that the provisions of the legal acts published in the Official Journal and/or other supporting documents address the requirements set out in the CID Annex.



Requirements for investments

Summary document - duly justifying how the milestone or target was satisfactorily fulfilled:

- Recalling the objective of the measure
- Explaining the structure of the supporting pieces of evidence
- Listing supporting documents provided with weblinks
- Description on how the pieces of evidence demonstrate the attainment of the milestone or target

A list of the individual investments, containing all the information agreed in the Operational Arrangements:

- Unique identifier (anonymity, reference for sampling)
- The primary data of the investment (beneficiary, amount, date)
- The supplementary data required in the Operational Arrangements (e.g. category, region, age)

Additional pieces of evidence, if needed:

- Legal text setting the conditions of the investment
- Terms of reference of calls for projects
- Eligibility criteria

For milestones preliminary to investments (e.g. funding agreements to be signed, research strategies to be validated), the verification of the official procedure and documents is **similar to the procedure for reforms**.

Assessment of reforms



Reform of the unemployment insurance in FR

Operational Arrangement:

Summary document duly justifying how the milestone was satisfactorily fulfilled, including:

- a **link to the publication of the legal text** in the Official Journal, an indication of the **date of entry into force** (including if applicable a reference to the provision specifying the entry into force)
- an **explanation of how the legal text complies** with the **requirements** set out in the **CID text**

Submitted by FR:

- **Summary document** justifying how the milestone was satisfactorily fulfilled
- **Copy of the decrees**, orders and Conseil d'Etat statements by which the measures listed in the CID came into force, incl:
 - decree 2021-346 of 30 March 2021 laying down various measures relating to the unemployment insurance scheme
 - decree 2021-843 of 29 June 2021 postponing the entry into force of the new rules for calculating the benchmark daily wage, following the decision of the State Council to suspend them due to adverse economic conditions
 - decree 2021-1251 of 29 September 2021 fixing the date of entry into force certain provisions of the unemployment insurance scheme
- **Additional supporting documents** (compliance with State Aid rules; Statement of the Conseil d'Etat)

Assessment of investments

Investment in decarbonisation of industry in FR

Operational Arrangement:

Summary document duly justifying how the target was satisfactorily fulfilled, with appropriate links to the underlying evidence. The document shall indicate the amount of MtCO₂ avoided, in line with the requirements of the CID Annex. It shall also justify how the measure is expected to meet the objective that investments made within ETS installations shall enable to decrease CO₂ emissions **below the benchmark** included in the ETS Directive. [...]

The document shall also specify the **list and number of projects**, including a) beneficiaries; b) location; c) data concerning the objectives of GHG emissions avoided (in million tonnes of CO₂ equivalent) in the replies of the companies selected by the calls for tenders; d) for EU ETS installations, the installation's identifier in the European Union Transaction Log identifier (EUTL)¹, the applicable benchmark targeted for improvements, the technologies supported and targeted emissions reductions. Such data shall come from the registry of the DGE/SI/SDPI of the Ministry of Economy, Finance and Recovery.

Submitted by FR:

- Summary document explaining how the MtCO₂ avoided is calculated
- List of 37 projects with the data required by the Operational Arrangements
- Additional evidence: text of the call for projects

Condition of the ETS benchmark

The concept of 'significantly below' the benchmark was operationalised by using the concept of **10 % of the lowest emitting installations for each benchmark** also used to calculate the level of benchmarks currently in force and determining revised benchmark values for free allocation of emission allowances.

This concept makes it possible to take account of the actual distribution of emissions from existing installations in relation to the benchmark, and thus of the ambition of a project in relation to the CO₂ emissions performance of existing installations on the market.

A project leading to emissions above the average of the 10 % of the lowest emitting installations for a given benchmark required a justification, provided by France for 3 projects.

Next steps



Speed of adoption:

- Depending on the specificities of each plan and national procedures, the Operational Arrangements will be concluded and signed at a varying speed.

Transparency:

- Operational Arrangements concluded so far are all available on COM RRF website.

Indicative adoption dates for Operational Arrangements

February 2022	CY, EE, HR, IE, LT, LV, SI
March 2022	AT, BE, DE, FI, LU, MT, RO

Expectations of payment requests during the first Semester of 2022

Second payment request	First payment request
ES	CY
IT	HR
EL	PT
	EE
	FI
	LU
	LV
	MT
	RO
	SK
	SI