



**next
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EU**

A Recovery Plan for Europe: The Recovery and Resilience Facility

HUNGARY

Overview of Hungary's RRP



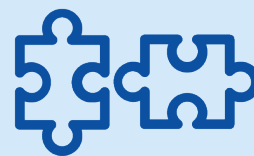
9 components



€5.8 billion in grants



270 Milestones
& Targets



54 reforms
and **31** investments

Green transition

More than **48%** of plan allocation supports **climate** objectives

48%



Key investments

- Improving the electricity grid - €719m
- Sustainable mobility - €1400m
- Residential solar power - €410m
- Energy efficiency - €386m

Key reforms

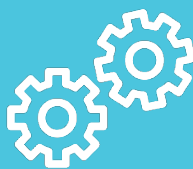
- Transformation of regulatory framework for RES: go-to-areas for onshore wind, simplified permitting, secured grid connections
- Transport: single-ticketing system
- Circular economy legal framework

DNSH: No measure in the plan harms environmental objectives

Digital transition

Almost **30%** of plan allocation supports **digital** objectives

30%



Key reforms

- Digitalisation of education
- Public administration

Key investments

- Digital skills - €570m
- E-health - €488m
- Traffic management - €212m

Sector-specific actions

- Education
- Public administration
- Healthcare
- Energy
- Transport

Resilience

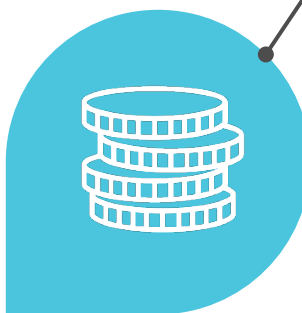
Education and social inclusion

- Attractiveness of teaching profession
- Access to quality education
- Support to most disadvantaged settlements
- Expansion of early childcare facilities



Quality of public finances

- Sustainability and adequacy of pension system
- Addressing risks of aggressive tax planning
- Spending reviews



Healthcare

- Modernise hospital care
- Strengthen primary care
- Eradication of gratuity payments



Governance and business environment

- Simplification of taxes
- Better law-making
- Involvement of stakeholders
- p.m. rule of law measures



Rule of law



All remedial measures from the Conditionality Mechanism are included:

- **Measures to combat corruption:**
 - **Set up new, independent bodies and authorities** equipped with the tools and capacity to act when public authorities fail to do so (Integrity Authority, Anti-Corruption Task Force);
 - Introducing the possibility to **challenge in court the decisions not to investigate**, to prosecute corruption even if relevant authorities fail to act;
 - **Increasing transparency** in asset declarations, strengthened rules on **conflicts of interest**, use of the Arachne risk-scoring tool, and ensuring European Anti-Fraud Office (OLAF) can effectively conduct investigations.
- **Improve competition and transparency in public procurement:** binding targets to reduce single bids.
- **Effective audit and control measures** to protect the financial interests of the Union.

Judicial independence



Comprehensive approach addressing the judicial independence country-specific recommendations:

- Significant **new powers for the National Judicial Council** (elected by judges) to limit arbitrary decisions in the administration of courts and strengthen independence of individual judges
- Reform of the **functioning of the Supreme Court** to shield from risks of political influence over the Supreme Court (President has to be a seasoned judge; no possibility for members of the Constitutional Court to become judges and be appointed to the Supreme Court; binding checks by bodies representing judges; eliminate discretion for case allocation)
- Remove the role of the **Constitutional Court** (appointed by the Parliament) in reviewing final decisions by judges on request of public authorities
- To comply with EU law, **remove the possibility for the Supreme Court to review preliminary references** that judges intend to refer to the European Court of Justice

27 milestones for control purposes

To be fulfilled before any payment under the RRF can be made to Hungary

All first key implementation steps of 17 remedial measures under the Rule of Law Conditionality Mechanism

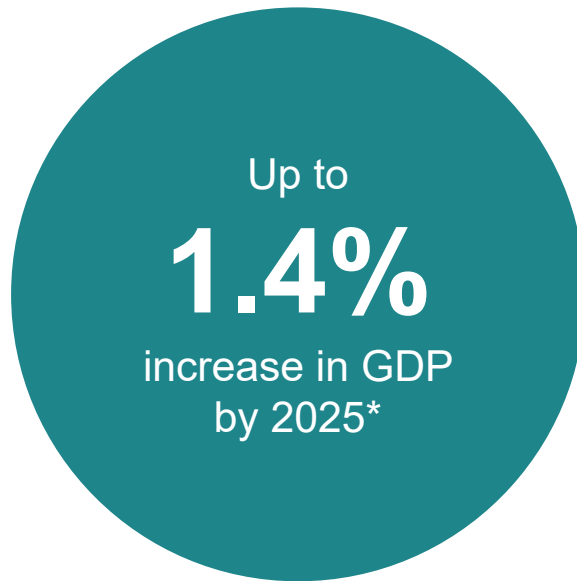


All milestones to strengthen judicial independence

Standard audit and control measures, similar to what is required for other Member States

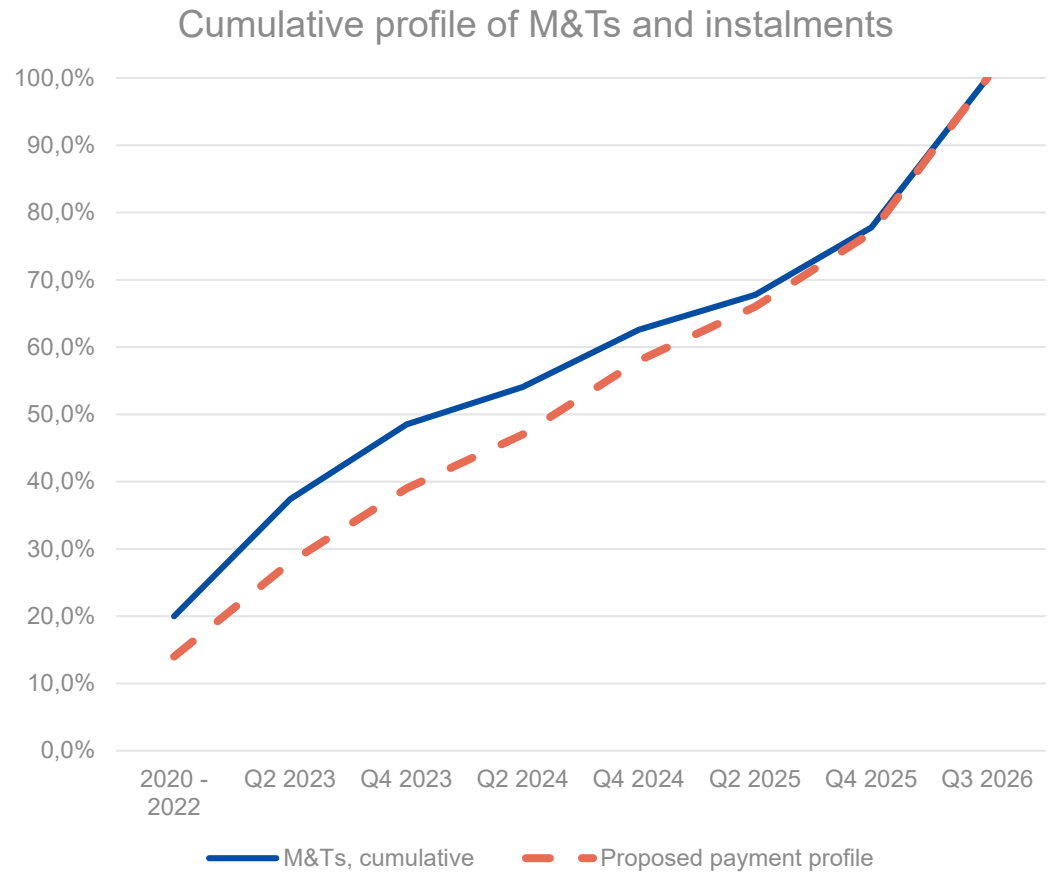
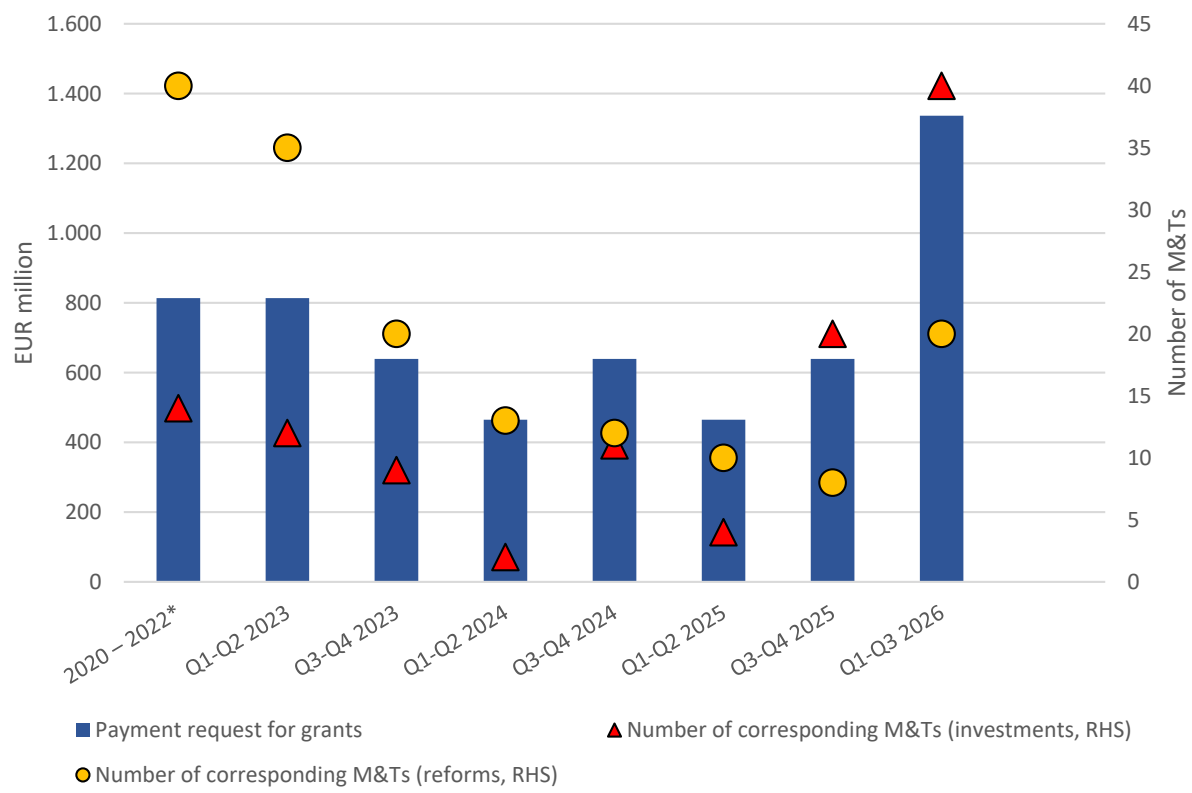
Reversal of the milestones blocks any subsequent payments under the RRF.

Estimated economic impact



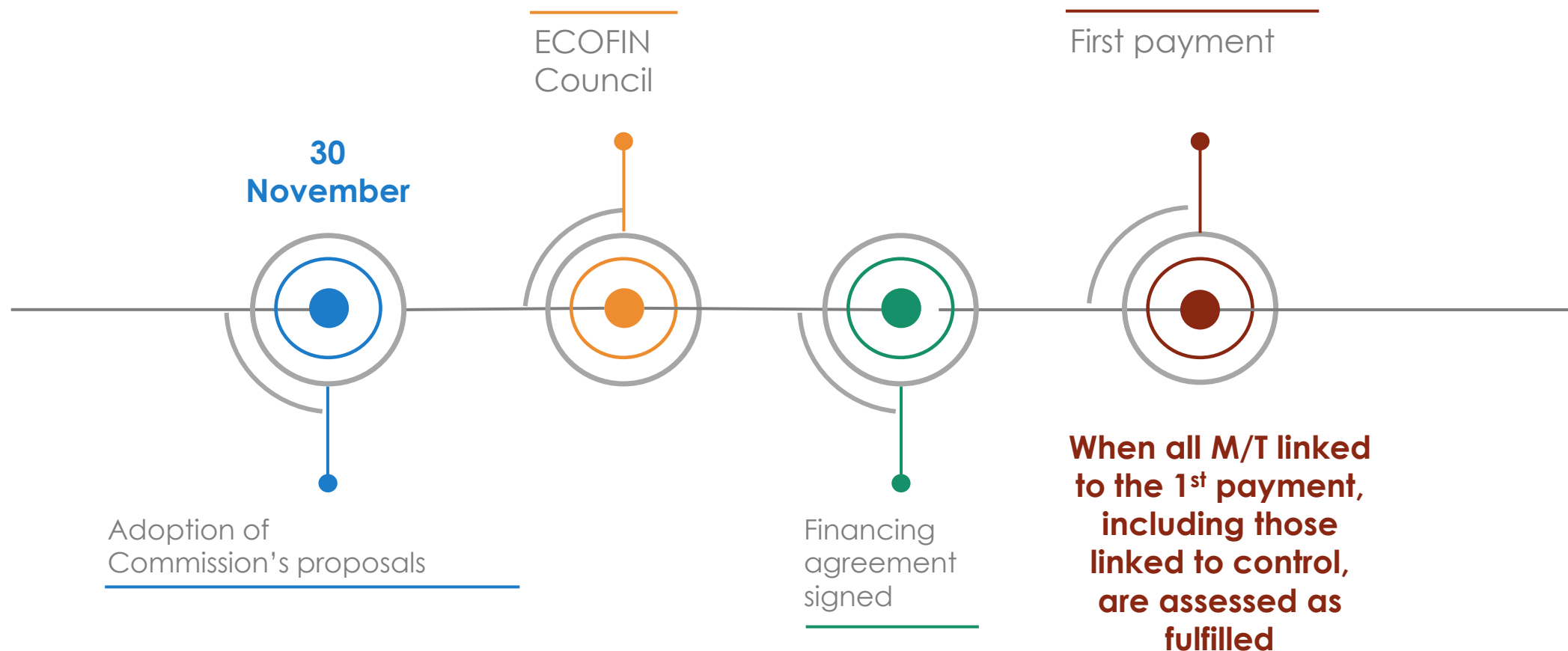
* According to model simulations conducted by the European Commission using the QUEST model, taking into account the Plan's investments and spillovers from other Member States.

Payment profile














Thank you

Next steps - from adoption to first payment



Assessment summary

 <p>1. Balanced response</p> <p>A</p>	 <p>2. Addresses challenges identified in CSRs</p> <p>A</p>	 <p>3. Growth, resilience and social impact</p> <p>A</p>	 <p>4. Do no significant harm</p> <p>A</p>
 <p>5. Green transition</p> <p>A</p>	 <p>6. Digital transition</p> <p>A</p>	 <p>7. Lasting impact</p> <p>A</p>	 <p>8. Effective monitoring and implementation</p> <p>A</p>
 <p>9. Reasonable and plausible cost estimates</p> <p>B</p>	 <p>10. Robust control systems</p> <p>A</p>	 <p>11. Coherence</p> <p>A</p>	

Costing

- The plan includes **individual cost estimates for all measures**
- With some exceptions, **cost breakdown** is generally **detailed and substantiated**
- Costs are for the most part reasonable, **plausible, commensurate**, and in line with the principle of cost-efficiency
- Commitments are in place for safeguards to **ensure no double funding** from other EU programmes
- **Recurrent costs are limited** and for duly justified exceptions