

Expectations and accountability in a time of unprecedented investments in a green and digital transition and a climate of geopolitical and economic uncertainty

Contribution of the European Court of Auditors

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**EUROPEAN
COURT
OF AUDITORS**

- I. Challenges and expectations for the NGEU/RRF audit**

- II. Incorporation into specific programmes of « horizontal » priorities (climate action, digital transition etc.) and performance tracking**

I. Challenges and expectations for the NGEU/RRF audit

- **NGEU : biggest European recovery plan since 1957**
- **RRF : an innovative financing model**
- **RRF performance based , not cost-based**
- **Milestones (reforms) and targets (investments but not only)**

- **Challenges/risks to overcome**

1.Existence and readiness of appropriate management and control systems in Member States

2.Absorption capacity (frontloading commitments)

3.Operational functioning of management and control systems

4.External audit capacity : avoiding « dead angles » (role of MS Supreme Audit Institutions, role of European Court of Auditors and need for cooperation/coordination)

5. Evaluation of RRF :

- **Possibility to measure results of the RRF as a whole ?**

Mid-term and final evaluations foreseen but what methodology ?

- **Structural reforms or budget support ?**
- **Windfall effect or justified investments ?**
- **Sustainability of reforms ?**

Last but not least : changes in macroeconomic framework

II. Mainstreaming: the inclusion (and performance tracking) of horizontal priorities and cross-cutting policy areas in the budgeting of EU programmes

- Increasing importance under the new MFF (as well as under the NGEU/RRF: 37 % allocated to climate action, 20 % to digital transition)
- EU's horizontal policy priorities: Climate, biodiversity, gender, sustainable development goals (SDGs) and other objectives such as digital transition, migration, clean air and COVID-19.
- Difficulties to measure and implement cross-cutting themes in practice
- Is there an appropriate performance tracking framework in place to measure the EU contribution to the horizontal priorities ?
- Next ECA report on the performance of the budget to be published in quarter 4 of 2022

Thank you.

Merci

