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| Logo of the European Commission, 12 yellow stars on a blue background arranged in a circle and framed by two light grey graphic elements representing the Berlaymont building, which is the headquarter of the European Commission. | EUROPEAN COMMISSION  SECRETARIAT-GENERAL  Recovery & Resilience Task Force  DG ECFIN |

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| ***DISCLAIMER:*** *This is a document prepared by the Commission services. It provides technical guidance on the requirements for the national repository systems in the context of the Recovery and Resilience Facility (RRF). This guidance has not been endorsed by the European Commission.* |

note on repository systems

**Object of this note -** providing information to national authorities on the requirements concerning national repository systems in the context of the Recovery and Resilience Facility

# Legal basis

Regulation (EU) 2021/241 (RRF Regulation) obliges the Member States to ensure an effective monitoring and implementation of the recovery and resilience plan (RRP) and to collect and ensure access to data.

**Monitoring and implementation of the plan**

The below provisions are part of the Commission’s assessment of the submitted recovery and resilience plans:

* Article 19(3)(h): “whether the arrangements proposed by the Member States concerned are expected to ensure an effective monitoring and implementation of the recovery and resilience plan, including the envisaged timetable, milestones and targets, and the related indicators;”
* Annex V section 2.8: “…a structure is tasked within the Member State with: (i) the implementation of the recovery and resilience plan; (ii) the monitoring of progress on milestones and targets; and (iii) the reporting;…”

**Collection and making available of data**

The below provisions are part of the Commission’s assessment of the submitted recovery and resilience plans:

* Article 19(3)(j): “whether the arrangements proposed by the Member State concerned are expected to prevent, detect and correct corruption, fraud and conflicts of interests when using the funds provided under the Facility, including the arrangements that aim to avoid double funding from the Facility and other Union programmes;”
* Annex V section 2.10: “…the control system and other relevant arrangements, including for the collection and making available of data on final recipients described in the recovery and resilience plan, in particular to prevent, detect and correct corruption, fraud and conflicts of interests when using the funds provided under the Facility are adequate;…”

The below provisions in article 22(2)(d) relate to data collection and access, which are further complemented by article 11(1)(c) and Annex I(6) of the financing agreement:

“for the purpose of audit and control and to provide for comparable information on the use of funds in relation to measures for the implementation of reforms and investment projects under the recovery and resilience plan, to collect and ensure access to the following standardised categories of data:

1. name of the final recipient of funds;
2. name of the contractor and sub-contractor, where the final recipient of funds is a contracting authority in accordance with Union or national law on public procurement;
3. first name(s), last name(s) and date of birth of beneficial owner(s) of the recipient of funds or contractor, as defined in point 6 of Article 3 of Directive (EU) 2015/849 of the European Parliament and of the Council (26);
4. a list of any measures for the implementation of reforms and investment projects under the recovery and resilience plan with the total amount of public funding of those measures and indicating the amount of funds paid under the Facility and under other Union funds;”

# Assessment process

**During the plan’s assessment,** the Commission assesses whether the repository systems described in the submitted recovery and resilience plans meet the minimum criteria specified in the RRF regulation (see section I). In a situation where the minimum requirements are not met, dedicated milestones were introduced in agreement with the Member State concerned in the Council Implementing Decision designed to address the identified gaps in the existing repository systems. The fulfilment of those milestones becomes the precondition for the first payment.

The list of Council Implementing Decisions that include such milestones is presented in Annex to this note. The milestones usually refer to two aspects to be implemented by the Member State concerned:

* collection of data and monitoring of the achievement of milestones and targets;
* collection, storage and ensuring access to the data required by Article 22(2)(d)(i) to (iii) of the RRF Regulation.

**With the submission of the first payment request**, and in case there was a dedicated milestone in the Council Implementing Decision, the Commission will verify whether the system in place meets the condition attached to the milestone.

**At any time,** the Commission can conduct dedicated audits to verify whether the national repository systems continue to meet the relevant requirements throughout the entire implementation of the RRF. It is therefore important to note that the legal requirements on repository systems apply to all Member States, irrespective of the fact that a dedicated milestone is included in the Council implementing decision approving the positive assessment of their plan.

# Standards of the repository systems

The repository systems should be able to meet a number of conditions to make sure that they are fulfilling their functions under the RRF Regulation, namely:

1. **Functionality**: systems should contain all relevant information on the RRP: the timetable linked to milestones and targets and their related indicators (in line with what is foreseen in the Council implementing decision and the operational arrangements), as well the authorities in charge of the implementation
2. **Operationality**: systems should be effectively in use, and populated with real data (e.g. testing environment or pilot project would not meet this condition).
3. **Monitoring capabilities**: systems should be able to continuously monitor and record the progress in fulfilment of the milestone and targets. A good practice would entail the implementing authorities feeding the repository system with updated information at least every month. This should concern both qualitative and quantitative data linked to reforms and investments.
4. **Ability to make available the data for the purpose of the audit:** the systems should already collect and store data. These data should be collected for all measures supported by the RRF, both ongoing and finalised measures. Specifically the collected data should cover the categories in line with article 22(2)(d) of the RRF Regulation.
5. **Access:** access should be granted to the control and audit authorities, both national and European.
6. **Keeping data:** national authorities should retain all documentary evidence linked to the milestones and targets in line with article 132 of the financial regulation. In practice this means 5 years until after the payment of the last instalment.This condition would hence need to be cascaded downwards to beneficiaries in order to raise their awareness of this requirement.

Besides the conditions listed above that are directly linked to the RRF legal requirements, Member States are also encouraged to ensure **interoperability** between their systems in case data are collected through different ones. This would ensure rapid access to the audit authorities to the needed information. An alternative could be a very powerful search function that would need to be able to identify and allow the authorities to easily identify and extract relevant data from all underlying systems.

The above obligations are irrespective of what Member States are required to undertake to fulfil their reporting obligations under article 27 of the RRF Regulation. The Commission has made available to all Member States an IT tool to facilitate their reporting obligations and the transmission of information to the Commission. Member States should under that framework report twice a year (through FENIX) the progress made in the achievement of their plans and on the common indicators.

**ANNEX**

**CID Annexes approved by the Council: list of milestones on Audit & Control (data systems) for 14 Member States**

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| **MS** | **Name** | **Qualitative indicator** | **Annex CID (description)** |
| ES | Recovery and Resilience Facility Integrated Information System | Audit report | Implementation of a system that shall allow (a) for the upload of the recovery and resilience plan and of the information on implementation and monitoring of the achievement of milestones and targets; (b) for the preparation of management declarations and the audit summary as well as payment claims and (c) to collect and store data on beneficiaries, contractors, subcontractors, and beneficial owners in accordance with Art 22 of the Recovery and Resilience Facility Regulation. A dedicated audit report on the system used shall be undertaken. In case that the report identifies any weaknesses, the audit report shall recommend corrective actions. |
| EL | EDEL’s legal mandate and setting up the management, control and audit systems | EDEL’s legal mandate in force and the Management, Control and Audit Systems established | Entry into force of EDEL’s legal mandate and establishment of the Audit and Control System that shall (a) ensure the collection of data and monitoring of the achievement of milestones and targets; (b) allow for the preparation of management declarations and the audit summary as well as payment claims and (c) establish the necessary procedures to collect and store data on beneficiaries, contractors, subcontractors, and beneficial owners in accordance with Article 22 of Regulation (EU) 2021/241, before the first payment request is made. A dedicated audit report on the system set up shall be undertaken. In case that the report identifies any weaknesses, the audit report shall recommend corrective actions |
| SK | Audit and Controls: information for monitoring implementation of RRF | Audit report confirming repository system functionalities | A repository system for monitoring the implementation of the RRF shall be in place and operational before the first payment request (except prefinancing).  The system shall include, as a minimum, the following functionalities:  (a) collection of data and monitoring of the achievement of milestones and targets;  (b) collect, store and ensure access to the data required by Article 22(2)(d)(i) to (iii) of the RRF Regulation. |
| LU | Repository system for Audit and Controls: information for monitoring implementation of RRF | Audit report confirming repository system functionalities | A repository system for monitoring the implementation of the RRF shall be in place and operational.  The system  shall include, as a minimum,  the  following functionalities:  (a) collection of data and monitoring of the achievement of milestones and targets;  (b) collect, store and ensure access to the data required by Article 22(2)(d) (i) to (iii) of the RRF Regulation. |
| IT | Repository system for Audit and Controls: information for monitoring implementation of RRF | Audit report confirming repository | A repository system for monitoring the implementation of the RRF shall be in place and operational.  The system  shall include, as a minimum,  the  following functionalities:  (a) collection of data and monitoring of the achievement of milestones and targets;  (b) collect, store and ensure access to the data required by Article 22(2)(d)(i) to (iii) of the RRF Regulation. |
| BE | Repository system for Audit and Controls: information for monitoring implementation of RRF | Audit report confirming repository system functionalities | A repository system for monitoring the implementation of the RRF shall be in place and operational.  The system  shall include, as a minimum,  the  following functionalities:  (a) collection of data and monitoring of the achievement of milestones and targets;  (b) collect, store and ensure access to the data required by Article 22(2)(d)(i) to (iii) of the RRF Regulation. |
| SI | …..and upgraded repository system for audit and controls: information for monitoring implementation of RRF. | ….audit report confirming repository system functionalities | ……A repository system for monitoring the implementation of the RRF – MFERAC (Ministry of Finance - Uniform Accounting System) shall be in place and operational.  The system  shall include, as a minimum,  the  following functionalities:  (a) collection of data and monitoring of the achievement of milestones and targets;  (b) collect, store and ensure access to the data required by Article 22(2)(d)(i) to (iii) of the RRF Regulation. |
| LT | Repository system for Audit and Controls: information for monitoring implementation of RRF | Audit report confirming repository system functionalities | A repository system for monitoring the implementation of the RRF shall be in place and operational.  The system  shall include, as a minimum,  the  following functionalities:  (a) collection of data and monitoring of the achievement of milestones and targets;  (b) collect, store and ensure access to the data required by Article 22(2)(d)(i) to (iii)  of the RRF Regulation. |
| CY | Repository system for audit and control: information for monitoring implementation of RRF | An audit report confirming repository system functionalities | A repository system for monitoring the implementation of the RRF shall be in place and operational.  The system  shall include, as a minimum,  the  following functionalities:  (a) collection of data and monitoring of the achievement of milestones and targets;  (b) collect, store and ensure access to the data required by Article 22(2)(d)(i) to (iii) of the RRF Regulation. |
| HR | Upgrading of the eFondovi IT system: Repository system for Audit and Controls: information for monitoring implementation of RRF | Audit report confirming repository system functionalities | A repository system for monitoring the implementation of the RRF shall be in place and operational.  The system  shall include, as a minimum,  the  following functionalities:  (a) collection of data and monitoring of the achievement of milestones and targets;  (b) collect, store and ensure access to the data required by Article 22(2)(d)(i) to (iii) of the RRF Regulation. |
| IE | Repository system for Audit and Controls: information for monitoring implementation of RRF | An audit report confirming repository system functionalities | A repository system for monitoring the implementation of the RRF shall be in place and operational.  The system  shall include, as a minimum,  the  following functionalities:  (a) collection of data and monitoring of the achievement of milestones and targets;  (b) collect, store and ensure access to the data required by Article 22(2)(d)(i) to (iii) of the RRF Regulation. |
| CZ | Repository system | Audit report confirming repository system functionalities | A repository system for monitoring the implementation of the RRF shall be in place and operational.  The system shall include, as a minimum, the following functionalities:  (a) collection of data and monitoring of the achievement of milestones and targets;  (b) collection, storage and ensuring access to the data required by Article 22(2)(d)(i) to (iii) of the RRF Regulation. |
| RO | Audit and Controls: information for monitoring implementation of the recovery and resilience plan | Audit report confirming repository system functionalities | A repository system for monitoring the implementation of the recovery and resilience plan shall be in place and operational before the first payment request (except for prefinancing).  The system shall include, as a minimum, the following functionalities:  (a) collection of data and monitoring of the achievement of milestones and targets;  (b) collect, store and ensure access to the data required by Article 22(2)(d)(i) to (iii) of the RRF Regulation. |
| FI | Repository system for Audit and Controls: information for monitoring implementation of RRF | Audit report prepared by the audit function confirming repository system functionalities | A repository system for monitoring the implementation of the recovery and resilience facility shall be in place and operational before the submission of the first payment request.  The system shall be based on existing systems and include, as a minimum, the following functionalities:  (a) collection of data and monitoring of the achievement of milestones and targets;  (b) collect, store and ensure access to the data required by Article 22(2)(d) (i) to (iii) of the RRF Regulation. |

**Case study: first payment request of Spain and France**

Spain

To monitor the implementation of the RRP and be compliant with Article 22, Spain has implemented a new repository system called *Recovery and Resilience Facility Information System of the Common Platform of the Europeans Funds* (CoFFEE - MRR).

As outlined in the previous table, Spain had to fulfil a milestone named “Recovery and Resilience Facility Integrated Information System” before the first payment is done. As part of the assessment, the Commission has verified that the three objectives were fulfilled, in particular that the system allows:

(a) for the upload of the Recovery and Resilience Plan and of the information on implementation and monitoring of the achievement of milestones and targets;

(b) for the preparation of management declarations and the audit summary as well as payment claims; and

(c) to collect and store data on beneficiaries, contractors, subcontractors, and beneficial owners in accordance with Article 22 of the Recovery and Resilience Facility Regulation.

The functionality of the system was one of the aspects that was assessed (see list of conditions in section 3) and in that regard it was noted that at the time of the finalisation of the audit report that was done by the Spanish authorities and submitted to the Commission, no data on beneficiaries, contractors, subcontractors and beneficial owners had been stored in the system. In light of this, the Commission requested supplementary information to verify whether the system is capable of performing in practice the functions required by the milestone, notably concerning the collection and storage of the data mentioned in point (c) of the milestone. To do so, the Commission evaluated a sample of 28 contracts; which confirmed that the system is able to link those contracts with the measures of the RRP and that the data on contractors, subcontractors and beneficial owners has been collected (either from the contracts, or with respect to beneficial owners, from a national database) and stored.

Another aspect that came up during the assessment related to contracts where the contractor (or the beneficial owner of the contractor) is a foreign company, where the information was not available nor accessible in all cases. In line with the obligation to collect data for all measures and for all categories of data, Spain committed to further improve the system in order to collect data on beneficial owners of foreign companies.

France

No dedicated milestone on repository systems was included in the Council implementing decision linked to the French plan. The Commission evaluated positively this aspect as part of the plan’s assessment, based on the systems outlined by France in its submitted plan. As part of the first payment request, France had to fulfil one milestone related to the “organisation of the system and the treatment of data and organisation of the audit”, in particular to define roles and responsibilities for the implementation and provide a report on the audit strategy.

When assessing the satisfactory fulfilment of the milestone, the Commission also relied on the annual summary of audits provided by the French audit authority. This report recognised some areas of improvement, notably the full rollout of the procedures for collecting and storing data; access of data of all types of final recipients; and data control.

As part of the assessment, the Commission outlined that it will be necessary to further develop the data management system (named Propilot) by strengthening its data collection, recording and storage systems, which is important to provide further assurance on the reliability, continuity, protection and quality of the data provided. Additionally, this will facilitate the correct identification of the beneficiaries for each measure. The description of the data flows between the tools and the aggregation methods will also have to be improved.