

## PRESS RELEASE

March 2022

### Reports to the Flemish Parliament

#### *Audit Report of the Court of Audit on the Relaunch Plan Flemish Resilience and Evaluation of the progress report by the Flemish Government*

*In September 2020, the Flemish Government drew up a Flemish recovery plan with 180 projects, with which it tries to absorb the consequences of the COVID-19 pandemic and to develop a more resilient Flanders. Of these, 55 projects are also part of the national recovery plan, for which Flanders receives European funds. The Court of Audit has provided the Flemish Parliament with two reports on this: on the one hand, it has evaluated the vision, layout, objectives and follow-up of the plan in an audit report, and on the other, at the request of the Flemish Parliament, it has prepared an evaluation report of the progress report in which the Flemish Government communicates the status of all projects.*

#### **Flemish Relaunch Plan**

In order to absorb the consequences of the COVID-19 pandemic and build a resilient Europe, the European Union set up a fund in early 2021, the Recovery and Resilience Facility (RRF), from which Belgium could draw EUR 5.9 billion in subsidies to support its April 2021 national plan for recovery and resilience (NPRS). The NPRS contains 55 Flemish projects, for which Flanders would receive almost 2.3 billion euros in support. In the meantime, the Flemish Government had already proposed its own, broader Flemish recovery plan in September 2020, with a total of 180 projects. A one-off corona provision of 4.3 billion euros has been entered in the budget for 158 projects, including the 55 European ones; Flanders will pay for 22 (reform) projects with regular resources.

In three progress reports per year, available on the website of the Flemish government, the Flemish Government reports extensively on the progress of these projects.

#### **Policy framework and management**

When drawing up the Flemish recovery plan, the Flemish Government has taken into account the objectives of the Flemish Coalition Agreement and the advice of the economic and social recovery committees and other stakeholders. The strategic vision and the underlying analysis of the societal challenges are not made explicit in the recovery plan, but according to the Government of Flanders should be derived from a joint reading of the Flemish coalition agreement and the advice of the recovery committees. It was not until January 2022 that the third progress report set a number of generally formulated plan objectives. The Flemish Government has selected the 180 projects without making clear

criteria explicit. The recovery plan describes seven spearheads. It is unclear how the distribution of the budgets over the spearheads and projects was determined.

A task force supervises the implementation of the recovery plan. The Court of Audit established that global management is rather limited. In view of the diversity and high number of projects, this may also only be possible to a limited extent. There is also no plan-wide risk management, which should allow the risks that could threaten the implementation of the plan (e.g. changing social developments, financial risks) to be controlled.

### **System of monitoring and reporting**

The entities in the policy areas are responsible for monitoring and reporting on their projects. To this end, the Chancellery department has developed a high-performance online reporting tool, which functions as a source database for all project information. The department monitors the quality of the data entered. Four-monthly global progress reports are produced in several steps, which provide an overview of the overall implementation of the plan and the progress of each of the projects. The monitoring on the basis of this report by a management committee and the task force should be aimed at adjusting the plan and project implementation if necessary, but in practice this only takes place to a limited extent.

### **Project management and reporting on project progress**

For most projects, the scope, target group, responsibilities, desired output ... are clearly defined. There is still a lot of room for improvement in terms of objectives, output indicators, milestones, intermediate targets, project risks and planning. These elements are necessary for proper follow-up and high-quality reporting. Due to these shortcomings, it is not always possible to evaluate the quality of the progress reporting. The Court of Audit established that the Government of Flanders is gradually trying to remedy these shortcomings and has already taken steps in the right direction.

For the (158) one-off projects, according to provisional figures, 218.8 million euros have been spent so far. The financial implementation of the (22) reform projects remains underexposed; for financial clarification on this, the government refers to the policy and budget statements (PBS) of the policy areas concerned.

Due to the faster-than-expected recovery of the economy, Flanders runs the risk that Europe's financial contribution will be much lower than the estimated 2.3 billion euros. Since the Flemish Government states that the entire budget will be retained, this may lead to a higher deployment of Flemish resources. Although the Flemish Government states that the budget of 4.3 billion euros is only intended to carry out one-off investments, and that no recurring expenditure is created, some measures, such as the creation of additional jobs in the care sector, will be difficult to reverse.

### **Response of the Flemish Government**

Flemish Government replied on 24 February 2022 that it sees the audit report as an opportunity and an incentive to guarantee the proper implementation of the projects even better, to make the progress reports even more transparent and to highlight Flemish resilience as a whole even better. On March 4, 2022, the Court of Audit also received a response to its evaluation report, in which the Flemish Prime Minister and the Flemish Minister of Finance stated that project managers and coordinating entities of the Chancellery and Finance departments will use the evaluation as input when preparing the next measurements.

### **Information for the press**

The Court of Audit exerts an external control on the financial operations of the Federal State, the Communities, the Regions and the provinces. It contributes to improving public governance by transmitting to the parliamentary assemblies, to the managers and to the audited services any useful and reliable information resulting from a contradictory examination. As a collateral body of the Parliament, the Court performs its missions independently of the authorities it controls.

The audit reports of the Court of Audit on the *Relaunch Plan Flemish Resilience* and the evaluation of the progress report by the Flemish Government has been sent to the Flemish Parliament. The full versions and this press release can be found on the Court's website: [www.courtfaudit.be](http://www.courtfaudit.be).