# **Recovery and Resilience Facility**

2020/0104(COD) - 10/11/2020 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Budgets and the Committee on Economic and Monetary Affairs adopted the joint report by GARDIAZABAL RUBIAL Eider (S&D, ES), MUREAN Siegfried (EPP, RO) and PÎSLARU Drago (Renew Europe, RO) on the proposal for a regulation of the European Parliament and of the Council establishing a Recovery and Resilience Facility.

As a reminder, the Recovery and Resilience Facility aims to support reforms and investments by Member States to mitigate the economic and social consequences of the COVID-19 pandemic and make EU economies more sustainable.

The committees recommended that the European Parliament's position adopted at first reading under the ordinary legislative procedure should amend the Commission's proposal as follows:

## Extension of the scope

The committee proposed that the scope of application of the Facility should be extended to refer to six European priorities structured in pillars as follows:

- just green transition, taking into account the objectives of the Green Deal;
- digital transformation, taking into account the objectives of the European Digital Strategy;
- economic cohesion, productivity and competitiveness taking into account the objectives of the Industrial and SME Strategies;
- social and territorial cohesion, taking into account the objectives of the European Pillar of Social Rights;
- institutional resilience, in view of increasing crisis-reaction and crisis-preparedness; and
- policies for the Next Generation, taking into account the objectives of the European Skills Agenda, the Youth Guarantee and Child Guarantee.

Recovery and resilience plans eligible for financing under this instrument shall allocate 100% of its allocation, measured in aggregate cost, to investment and reform measures that fall under the six European priorities. Each national recovery and resilience plan shall allocate at least 7% of its allocation, measured in aggregate cost, to investment and reform measures falling under each of the six European priorities.

#### **Objectives**

The amended text called for the Facility's objectives to focus on the six abovementioned European priorities. Particular attention should be given to the interplay and interlinkages between the six European priorities to provide coherence and synergies, thereby generating European added value.

#### Allocation of financial contribution

The amended text proposed that for a period until 31 December 2022, the Commission should make available for allocation EUR 337 968 000 000. Each Member State may submit requests up to their maximum financial contribution to implement their recovery and resilience plans.

#### Recovery and resilience plan

Member States wishing to receive a financial contribution should submit to the Commission a recovery and resilience plan. These plans should be officially submitted at the latest by 30 April. A draft plan may be submitted by Member State starting from 15 October of the preceding year, together with the draft budget of the subsequent year.

### Protection of the EU's financial interests

To protect the EU's financial interests in implementing the Facility, Member States should ensure the functioning of an effective and efficient internal control systems and recover amounts unduly paid or misused. They should collect data and information allowing to prevent, detect and correct serious irregularities, including fraud, corruption and conflict of interests in relation to the measures supported by the Facility.

## Enhanced cooperation

The committees suggested enhancing the dialogue between the EU institutions to ensure greater transparency and accountability. The Commission should send the recovery and resilience plans and any other relevant information, simultaneously and on equal terms to the European Parliament and the Council without undue delay.

## **Transparency**

For the purposes of transparency, the recovery and resilience plans adopted by the Commission should be communicated to the European Parliament and the Council simultaneously and communication activities should be carried out by the Commission as appropriate. The Commission should ensure the visibility of spending under the Facility by clearly indicating that the projects supported should be clearly labelled as 'European Union Recovery Initiative'.

#### Monitoring of implementation

The committee stressed that the European Parliament should have the right to fully scrutinise the spending decisions of the Commission. In this regard, the Commission should Parliament on a quarterly basis of the status of approved plans and payment applications made. The Commission should establish an effective monitoring framework for the completed projects.