

Recovery and Resilience Facility

2020/0104(COD) - 10/02/2021 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 582 votes to 40, with 69 abstentions, a legislative resolution on the proposal for a Regulation of the European Parliament and of the Council establishing a Recovery and Resilience Facility.

The European Parliament's position adopted at first reading under the ordinary legislative procedure amends the Commission proposal as follows:

Aim of the Facility

In the context of the COVID-19 crisis, the Facility would aim to promote the economic, social and territorial cohesion of the EU through:

- improving the resilience, crisis preparedness and adjustment capacity of Member States and their growth potential;
- mitigating the social and economic consequences of the crisis, especially for women;
- contributing to the implementation of the European Pillar of Social Rights;
- support for the green transition and participation in the achievement of the EU's 2030 climate targets;
- compliance with the EU's climate neutrality objective for 2050 and the digital transition.

Scope

To be eligible for funding, national recovery and resilience plans should focus on key EU policy areas structured in six pillars:

- (1) green transition;
- (2) digital transformation;
- (3) smart, sustainable and inclusive growth, including economic cohesion, jobs, productivity, competitiveness, research, development and innovation, and a well-functioning internal market with strong SMEs;
- (4) social and territorial cohesion;
- (5) health, and economic, social and institutional resilience, with the aim of, inter alia, increasing crisis preparedness and crisis response capacity; and
- (6) policies for the next generation, children and the youth, such as education and skills.

Resources from the European Union Recovery Instrument

The financial envelope for the implementation of the facility would be set at EUR 672.5 billion (in 2018 prices), of which up to EUR 312.5 billion would be in the form of grants and up to EUR 360 billion in the form of loans to Member States.

Support under the facility would not replace, except in justified cases, recurrent national budgetary expenditure and would respect the principle of additionality of EU funding. Moreover, the Facility would only finance measures that respect the principle of ‘no significant harm’.

Measures linking the Facility to sound economic governance

The amended text establishes a mechanism to ensure the link between the Facility and sound economic governance by allowing the Commission to present a proposal to the Council to suspend all or part of the commitments or payments under the Facility. Such a proposal would be deemed adopted by the Council unless the Council decides, by means of an implementing act, to reject such a proposal by qualified majority within one month of the presentation of the Commission proposal.

Recovery and resilience plans

The plans should include measures for the implementation of reforms and public investment projects as a coherent package. Measures undertaken from 1 February 2020 would be eligible.

The plans should be consistent with the country-specific challenges and priorities identified in the framework of the European Semester, as well as with the challenges and priorities identified in the latest Council recommendation on the economic policy of the euro area for Member States whose currency is the euro.

They should also be consistent with the National Reform Programmes, the National Energy and Climate Plans, the Just Transition Plans, the Youth Guarantee Implementation Plan.

Each plan should devote at least 37% of its budget to climate and at least 20% to digital.

In addition, the plans should not prejudice the right to conclude or enforce collective agreements or to take collective action in accordance with the Charter of Fundamental Rights of the European Union as well as national and EU laws and practices.

Financial support

To ensure that the financial support is frontloaded in the initial years after the COVID-19 crisis, the funds should be made available until 31 December 2023. To that end, it should be possible for 70 % of the amount available for non-repayable financial support to be legally committed by 31 December 2022 and 30 % between 1 January 2023 and 31 December 2023.

Member States would have the possibility to request pre-financing of up to 13% for their recovery and resilience plans.

Dialogue and transparency

The Commission should transmit the recovery and resilience plans officially submitted by the Member States, simultaneously and on equal terms to the European Parliament and the Council without undue delay. A specific Scoreboard should be set up to show progress in implementing the plans.

The competent committee of the European Parliament could, every two months, invite the Commission to address, in a dialogue on recovery and resilience, issues relevant to the implementation of the Facility.

In a joint statement, the European Parliament and the Commission reiterated the need to ensure effective controls and audits to avoid double funding and to prevent, detect and correct fraud, corruption and conflicts of interest in relation to measures supported by the Facility