



## Commission welcomes political agreement on Recovery and Resilience Facility

Brussels, 18 December 2020

The European Commission welcomes the political agreement reached between the European Parliament and the Council on the Recovery and Resilience Facility (RRF).

The RRF is the key instrument at the heart of NextGenerationEU, the EU's plan for emerging stronger from the current crisis. It will make €672.5 billion in loans and grants available to support reforms and investments undertaken by Member States. It will play a crucial role in mitigating the economic and social impact of the coronavirus pandemic and making European economies and societies more sustainable, resilient and better prepared for the green and digital transitions.

### Main elements of agreement

The agreement, which requires final approval by the European Parliament and the Council, provides that the scope of the RRF will be structured around six pillars: green transition; digital transformation; smart, sustainable and inclusive growth and jobs; social and territorial cohesion; health and resilience; and policies for the next generation, children and youth, including education and skills.

The European Union has committed to achieve climate neutrality by 2050, and the European Council last week backed the Commission's proposal to reduce greenhouse gas emissions by 55% by 2030 compared to 1990 levels. Member States should therefore prioritise reforms and investments that support the climate transition. The agreement provides that a minimum of 37% of expenditure on investments and reforms contained in each national recovery and resilience plan should support climate objectives. In addition, all investments and reforms must respect the "do no significant harm" principle, ensuring that they do not significantly harm the environment.

Member States should also ensure a high level of ambition when defining reforms and investments enabling the digital transition as part of their recovery and resilience plans. A minimum of 20% of expenditure on investments and reforms contained in each national plan should support the digital transition.

The recovery and resilience plans are also expected to contribute to effectively address the challenges identified in relevant country-specific recommendations under the European Semester, the framework for coordinating economic and social policies across the Union.

The agreement envisages a strong role for the European Parliament in the governance of the RRF. A regular "recovery and resilience dialogue" will enable the Parliament to invite the Commission to discuss different items related to the Facility.

A scoreboard will be established and made publicly available to provide information on progress in the implementation of the RRF and national plans.

Member States will need to put in place strong measures to protect the financial interests of the Union, especially to prevent fraud, corruption and conflicts of interest.

It was also agreed that 13% of the total amount allocated to Member States will be made available in pre-financing upon the approval of recovery and resilience plans, to ensure that the money starts flowing as soon as possible to support the nascent economic recovery.

### Members of the College said:

European Commission President Ursula **von der Leyen** said: *"We have an unprecedented financial package - the EU Budget and our recovery plan NextGenerationEU - to power our economies. The Recovery and Resilience Facility will be right at the heart of NextGenerationEU. I welcome today's agreement as an important step towards financing the investments and reforms we need to support the economic recovery and laying the foundations for a stronger, more resilient Europe."*

Valdis **Dombrovskis**, Executive Vice-President for An Economy that Works for People, said: *"The*

*EU's three main institutions have now reached political agreement on the Recovery and Resilience Facility, which paves the way for €672.5 billion in loans and grants. This Facility will support national reforms and investments that will support the recovery and help overhaul of EU economies, making them greener and more digital in an inclusive and socially-fair way. Member States now have the certainty they need to finalise their national plans, so they can access this unprecedented funding. We will support them every step along the way to make the most of this opportunity. Our focus now is to get funds flowing to those who need them most and get the EU's collective recovery fully underway."*

Paolo **Gentiloni**, Commissioner for Economy, said: *"The Recovery and Resilience Facility opens the way for Europe not only to rebuild its economy after the pandemic but to transform it. I want to thank the German Presidency and the European Parliament's negotiators for helping to bring about this robust agreement. We now have a unique chance to deliver on our environmental commitments, to accelerate the digital transition, to boost skills and address inequality. To make a success of this opportunity, the Commission and national authorities must work hand in hand to approve swiftly and then implement effectively a set of ambitious, credible national plans. As this grim year draws to a close, let's look ahead to 2021 with both optimism and determination."*

## **Next steps**

The text of the Regulation will now have to be finalised at technical level. The European Parliament and the Council must then formally approve the text so that the Regulation can enter into force as soon as possible.

Once the Regulation is in force, Member States will be able submit their recovery and resilience plans, setting out a coherent package of reforms and investment projects.

## **Background**

On 10 November 2020, a political agreement was reached between the European Parliament, EU Member States in the Council as well as the Commission on the next long-term EU budget and NextGenerationEU. As a next step, the legal adoption of the MFF package along with the ratification of the Own Resources Decision is now urgently needed.

Once adopted, the EU's long-term budget, coupled with the NextGenerationEU initiative, which is a temporary instrument designed to drive the recovery of Europe, will be the largest stimulus package ever financed through the EU budget. A total of €1.8 trillion will help rebuild a post-COVID-19 Europe. It will be a greener, more digital and more resilient Europe.

## **For More Information**

[Commission webpage on the Recovery and Resilience Facility](#)

[Commission proposal for establishing a Recovery and Resilience Facility](#)

IP/20/2397

Press contacts:

[Marta WIECZOREK](#) (+32 2 295 81 97)

[Enda MCNAMARA](#) (+32 2 296 49 76)

General public inquiries: [Europe Direct](#) by phone [00 800 67 89 10 11](#) or by [email](#)