



The Recovery and Resilience Facility

Presentation for the EMFF Expert Group

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The Recovery and Resilience Facility

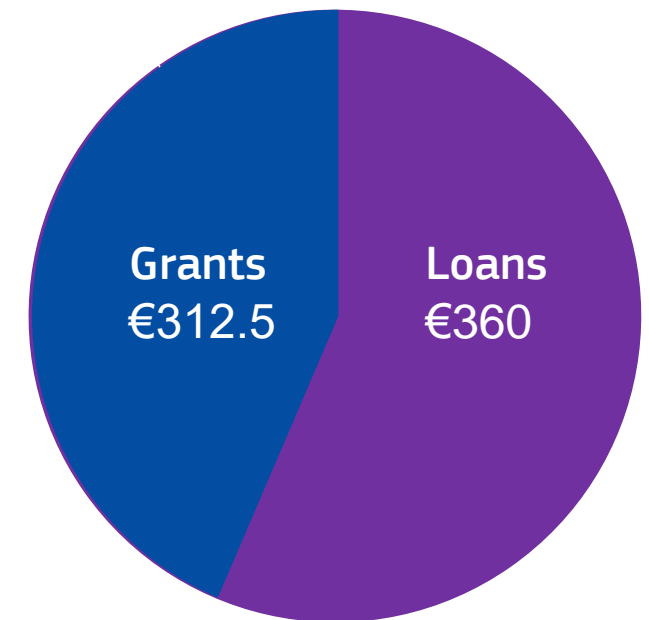
Despite a swift and decisive public response, the EU economy will experience a **recession** this year.

The Commission proposed the Recovery and Resilience Facility in May as the centrepiece of the **Next Generation EU** recovery instrument.

→ *To be operational as of 1 January 2021; support under the Facility until 2026*

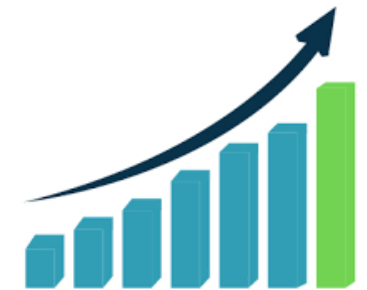
Effective implementation of Next Generation EU can deliver **2% of additional GDP by 2024** and create 2 million jobs.

**Total Budget
€672.5 billion**



National recovery and resilience plans

- Access to the Facility based on National Plans, drawn up and submitted by Member States
- Strategic orientations for the preparation of national recovery and resilience plans is set out in the **Commission's 2021 Annual Sustainable Growth Strategy**
- **Detailed guidance** and standard **template**
- Drafts to be submitted as **of 15 October 2020** (final deadline: 30 April 2021)
- **Member States are already engaging** with the Commission on the preparation of their recovery and resilience plans



Assessing the national plans

Commission's assessment will consider whether the plans:



- contribute to effectively addressing challenges identified in the relevant **country-specific recommendations**;



- contain measures that effectively contribute to the **green** and **digital transitions**;



- contribute to **strengthening the growth potential**, job creation and economic and social resilience of the Member State.

→ Commission's assessment will be **approved by the Council**

Green and digital dimension of the component

- To deliver on the European Council's commitments, each plan will have to include a minimum of:
 - **37% of expenditure related to climate** (c.f. 30% climate mainstreaming target)
 - **20% of expenditure related to digital**
- The guidance provides several examples that Member States can rely upon to identify their green and digital priorities:

Green priorities (examples)

Decarbonising industry, developing renewable energy capacities, building renovation.



Digital priorities (examples)

Secure networks, financing digital skills, Digital Innovation Hubs.



Elements contributing to green transition

- Reforms and investments to support **green transition** in the fields of e.g. energy, transport, decarbonizing industry, circular economy, water management and biodiversity
- 2050 climate neutrality - 2030 climate and energy targets – National Energy and Climate Plans
- GHG emissions reduction, share of renewables, energy efficiency, sustainable mobility, circular economy, improving environmental infrastructure and restoring biodiversity etc.
- ‘Do no significant harm’ principle



37% climate target - tracking

- **37% climate mainstreaming target** for each RRP.
- **Climate tracking methodology:** Table 1, Table 4 and Table 6 of Annex I draft CPR Regulation (COM proposal) for calculation of the coefficient for support to the climate change objectives. Annexes will have to be aligned with the outcome of the inter-institutional negotiations.
- **But green transition goes beyond climate tracking.** The need to track contributions to environmental objectives other than climate change is not addressed in the RRF Regulation.
- Guidance to Member States invites them to do so based on the CPR methodology and the six environmental objectives of the Taxonomy Regulation but this **does not count towards the 37% climate target.**

Do no significant harm (DNSH)

- The DNSH principle applies to **all measures** in the plan
- MS should ensure that no measure in the plan does significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) No 2020/852 (Taxonomy Regulation)
- **Article 17 of the Taxonomy Regulation** sets out what significant harm means for the six environmental objectives that are covered by the Taxonomy
- Recitals to Article 17 set out relevant applicable EU environmental legislation and additional information necessary for the interpretation of Article 17
- MS should provide a **detailed assessment** and analysis, allowing the Commission to understand whether a measure could do significant harm to climate and the environment

Thank you

Website:



www.europa.eu/
https://ec.europa.eu/info/departments/recovery-and-resilience-task-force_en



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