The Recovery and Resilience Facility

Presentation for the EMFF Expert Group

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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.
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
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)**
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

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