State of play: the Recovery and Resilience Facility

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Recovery and Resilience Facility

The Recovery and Resilience Facility will:

- **provide large scale financial support to both public investments and reforms** to accelerate the **recovery** and to make Member States’ economies **more resilient** and better prepared for the future.

- **focus** on reforms and investments fostering the **green and digital transitions**

- **reduce** **economic and social divergences** in the Union

- **complement** other EU initiatives (such as REACT EU and SURE) focusing on shorter term crisis repair actions.
# Implementation

<table>
<thead>
<tr>
<th>General Features</th>
<th>Grants</th>
<th>Loans</th>
</tr>
</thead>
<tbody>
<tr>
<td>• The Facility can provide both grants and loans</td>
<td>• 2018 prices: €312.5 bln</td>
<td>• 2018 prices: €360 bln</td>
</tr>
<tr>
<td>• Payment in instalments, upon fulfilment of milestones and targets</td>
<td>• Cur. prices: €337.968 bln</td>
<td>• Cur. prices: €385.855 bln</td>
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<td></td>
<td>• Member States to submit recovery and resilience plans at the latest by April 2021/22</td>
<td>• Member States can request a loan until 31 December 2023, in addition to their grant</td>
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<td>• Maximum allocation formula based on predefined allocation key</td>
<td>• Request must be justified by higher financial needs linked to additional reforms and investments</td>
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<td>• Commitment of up to 70% of max allocation in 2021-2022; remaining commitment in 2023.</td>
<td>• Loans are capped – not to exceed 6.8% of MS GNI</td>
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<td>• Pre-financing of up to 13% to be available already in 2021</td>
<td>• The cap can be increased in exceptional circumstances</td>
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<td>• National Recovery and Resilience Plans to include reforms and investments for the subsequent years (up to mid-2026)</td>
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Scope of the Facility

Structured around six pillars (Article 3):

- Green transition
- Digital transformation
- Economic cohesion, productivity and competitiveness
- Social and territorial cohesion
- Health, and economic, social and institutional resilience
- Policies for the next generation
Elements of the plan

Article 15(3): What is new compared to the Council compromise?

<table>
<thead>
<tr>
<th>20 elements (previously 13)</th>
<th>Balanced response to the economic and social situation of the Member State</th>
<th>Growth potential, job creation, economic, social and institutional resilience (incl. social and youth), Social Pillar</th>
<th>Security self-assessment for digital investments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cross-border or multi-country projects</td>
<td>Gender equality</td>
<td>Summary of the consultation process</td>
<td>Control systems</td>
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*NB: The additions in evergreen also have corresponding assessment criteria.*
### Assessment criteria

*N.B. Bolded text means that the criterion must score an A for the plan to comply satisfactorily with the assessment criteria. In evergreen are the new criteria.*

<table>
<thead>
<tr>
<th>Relevance</th>
<th>Effectiveness</th>
<th>Efficiency</th>
<th>Coherence</th>
</tr>
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<tbody>
<tr>
<td>Comprehensive and adequately balanced response to the economic and social situation</td>
<td>Lasting impact</td>
<td>Reasonable and plausible total costs in line with the principle of cost-efficiency</td>
<td>Plans contains coherent actions</td>
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<td>All or a significant subset of CSRs, including fiscal and MIP</td>
<td>Effective monitoring and implementation of the plan</td>
<td>Control systems</td>
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<tr>
<td>Growth potential, job creation, and economic, <strong>institutional</strong> and social resilience of the Member State; Social Pillar, promotion of policies for children and youth</td>
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<td>Do no significant harm</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Green transition: revised method</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Digital transformation</td>
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*N.B. DNSH and control systems may only receive A or C.*
Governance

**Commission**
- **Assesses** Recovery and Resilience Plans based on the criteria in the Regulation
- **Makes a proposal for a Council Implementing Decision** within 2 months of submission of the plans, including the amount of grant and loan and the milestones and targets
- **Assesses** payment requests within 8 weeks, based on achievement of milestones & targets

**Council/Member States**
- **Adopts Implementing Decision on the Recovery and Resilience Plan** with qualified majority within 4 weeks of receiving the Commission proposal
- **Gives opinion** through the Economic and Financial Committee on satisfactory fulfilment of milestones & targets, to be taken into account by the Commission
- **Adoption of payment decision through examination procedure of comitology**
- **Receives** annual report by the Commission

**European Parliament**
- **Commission provides information simultaneously** to the Council and Parliament:
  - RRP, Council implementing decisions
  - Overview of preliminary findings on the satisfactory fulfilment of milestones and targets
  - On the assessment of RRP (if requested)
- **Recovery and Resilience Dialogue every two months**: Commission should take views expressed during the dialogue, including Resolutions, into account
Control framework

Relevant arrangements need to be explained in plans:

• National control systems serve as main instrument (risk-based control strategy).
• Obligations, among others:
  • Ensure compliance with Union and national laws, including that conflict of interests, corruption and fraud, and double funding are avoided;
  • Together with payment request management declaration and summary of audits;
  • Collection of data on final recipients of funds and make this available upon request.
Main elements of reporting by Commission

• **Scoreboard** (Article 23a), including common indicators and social expenditures—delegated acts

• **Annual report** (Article 24)

• **Review Report** (Article 13a)

• **Independent Evaluation Report** after 3 years and ex-post Evaluation Report by end 2028 (Article 25)
Finalisation of the RRF regulation

- 17 December: provisional agreement
- 22 December: COREPER endorsement
- 11 January: Endorsement by BUDG/ECON committees
- 9 February: adoption in EP plenary
- 10 February: Coreper
- Adoption by Council via written procedure (tbc)
- Exceptional signature outside the plenary sitting (tbc)
- Entry into force: second half of February (earliest date possible)
Thank you