Press release

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Recovery and Resilience Facility: MEPs ready to start negotiations

- RRF to be forward-looking, greener and more democratic
- Budget of EUR 672.5 billion
- The core of the EU's recovery and resilience package

MEPs gave the green light to the Recovery and Resilience Facility, which is the EU's most important tool to fight the economic and social consequences of the pandemic.

Earlier this week, members of the budgetary and economic affairs committees adopted their position with a whopping majority, receiving a supportive plenary endorsement of their mandate. Eider Gardiazábal Rubial (S&D/ES), Siegfried Muresan (EPP/RO) and Dragoş Pîslaru (Renew/RO) will now lead talks with diplomats from the Council.

"The RRF is an exceptional instrument and we support it. However, there are some points that the Parliament wants to improve in the Council agreement. For example, it is important to ensure that the funds from the RRF are targeting investments, which will improve the long-term competitiveness of our economies and are not used to plug holes in the national budgets or finance tax cuts." said **Siegfried Muresan** from EPP.

Instead, MEPs propose an integrated approach when it comes to reforms and investments:100% of the money should be channeled to six existing European priorities: green, digital, productivity and competitiveness, social and territorial cohesion, institutional resilience and policies for the next generation such as lifelong learning, and upskilling and reskilling.

"We must not reinvent the wheel, resilience means the capacity to recover quickly, withstand and avoid a shock in the future. We can only do so by reforming our present and investing in our future. It is our priority that the next generation of Europeans will never be a 'lockdown generation'. We aim for 7% of the funds to be dedicated to measures for the citizens most affected by this pandemic: youth and children" commented **Dragoş Pîslaru** from Renew Europe.

MEPs also ask for 40% of each of the national packages of reforms and investment should be dedicated to climate and biodiversity. MEPs want the Commission to come up with a more precise and accurate climate tracking methodology. "We don't want targets to be set. We want them to be met." said **Eider Gardiazábal** from S&D. "Plans will also have to be in line with the



EU gender equality strategy." she added.

A direct link was also established between the facility and the Rule of Law mechanism. "Recovery money should not go to governments making a mockery of our values", the three rapporteurs said.

COVID-19 is here to stay. The effects of the second wave are already being felt across the continent. The EP position takes a pragmatic approach and ensures that financial help will be granted proportionally . "We are aware of the social consequences that the pandemic is having across the EU and that's why the RRF reinforces the social objectives enabling financing for the European Social Pillar of Social Rights." said **Eider Gardiazábal**

MEPs wish for the RRF commitments to last 4 years and not just 3 years — as wanted by the Council.

The level of pre-financing should go up from 10% to 20% of total support, and private investment should also be taken into account, not only the public one. "We need recovery money to reach business environments and citizens greatly— and quickly", said **Dragoş Pîslaru.**

MEPs want the Recovery and Resilience Facility to have a retroactive effect. Measures adopted by EU countries to fight COVID-19 since February 2020 should be eligible for a refund.

But recovery money will come with strings attached. "Equally important is to ensure transparency in the use of the funds: if projects or reforms do not comply with certain conditions, Member States shall either address these concerns or they will not receive financing. It is important that EU tax-payers know exactly where their money is being used and that is used in a sound manner" said **Siegfried Mureṣan**.

Reforms and investment will only work if accepted by the people. Plans should only be elaborated in consultation with local and regional authorities, social partners and other national stakeholders and proofs for the assessment are important in this sense. Elected representatives must have a say on how the Facility will work and the voice of citizens must be heard when approving money for reforms and investments that will affect societies. Council will get to vote on the national recovery plans put forward by member states. So should the only directly elected EU institution.

At 13:00, Siegfried Mureşan (EPP, Romania), Eider Gardiazabal Rubial (S&D, Spain) and Dragoş Pîslaru (Renew, Romania) will hold a press conference on their negotiating position for talks with member states on the Recovery and Resilience Facility. Further information and links to follow the press conference here.

Further information

Committee on Budgets
Committee on Economic and Monetary Affairs



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