

# Recovery Plans: Update on EU process

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# Table of contents

1. RRF main elements
2. State of play in NRRPs assessment
3. The RRF Scoreboard
4. The European Parliament
5. The EU budget
6. What the EEB has done

## Recovery and Resilience Facility - main elements

### Functioning

- NRRPs to be delivered by the MS by 30 April 2021
- NRRPs must contain investments and reforms for the years up to mid-2026
- Payments in instalments when milestones and targets are met
- Member States to report twice a year in the framework of the European Semester

### Finance

- Grants €312.5bn Loans €360bn
- Pre-financing up to 13% available in 2021

### Assessment criteria

- Appropriate contribution to the 6 pillars
- Climate transition 37% (RRF: **Climate Tracking Methodology in the RRF**)
- Addressing country specific recommendations under the European Semester
- Appropriate balance between reforms and investments
- DNSH principle for all reforms & investments (RRF: **Guidance on application of DNSH**)
- Solid audit and control system to ensure that the financial interests of the Union are protected

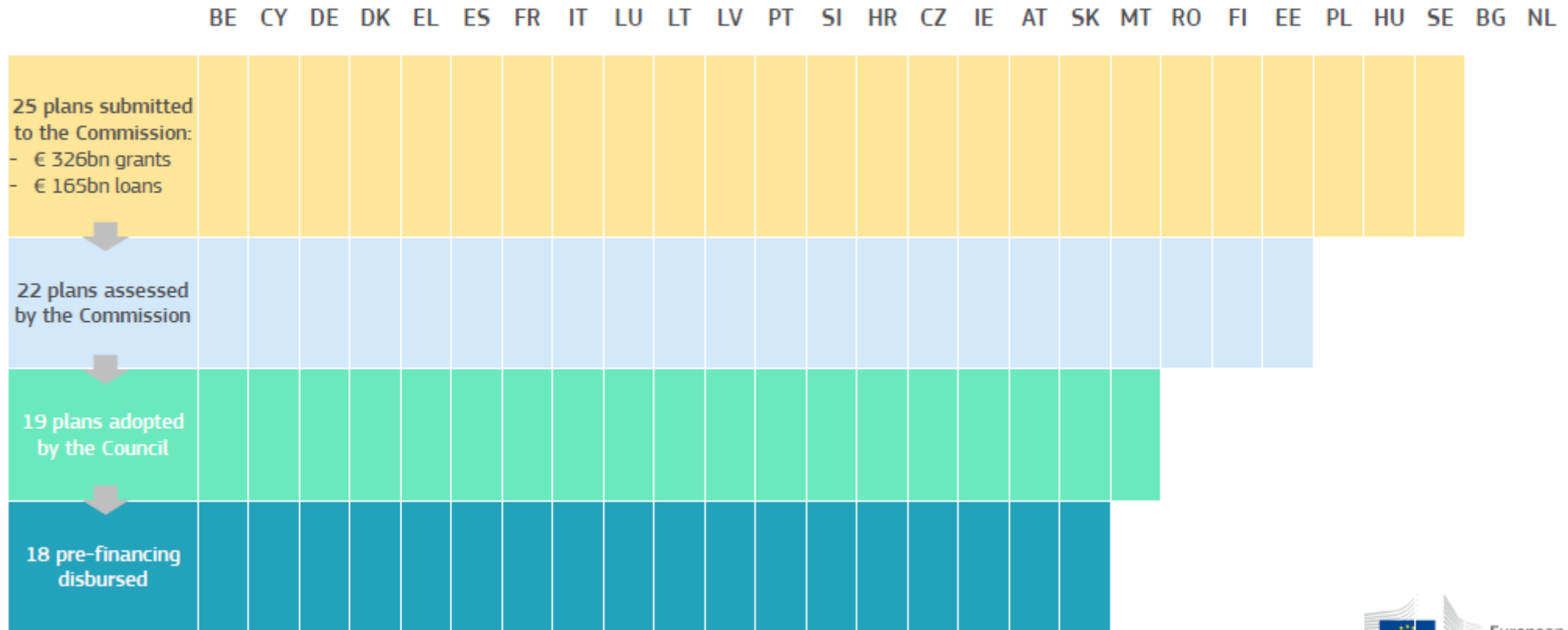
## The process - some key provisions

**Consistency with other initiatives:** Member States are “invited” to justify the various criteria and provide an explanation on how their recovery and resilience plan is consistent with other relevant plans and funds, in particular:

- 1) National Energy and Climate Plans
- 2) Partnership agreements and programmes

**Consultation process:** Both in preparatory work and **implementation**, consultations should involve as relevant local and regional authorities, social partners, **civil society organisations**, youth organisations and other relevant stakeholders (e.g. national fiscal boards, national productivity boards and other national advisory bodies, depending on the country-specific decision-making process and institutional setup).

## State of play



# Green transition

Around **40%** (€177bn) of total allocation<sup>1</sup> is tracked as contributing to climate objectives

In broader terms, **43%** (€192bn) is tracked as contributing to green objectives

40%



## Key reforms

- Promote inter-modality and tax incentives for clean vehicles
- Facilitate deployment of renewable energy
- Water and waste management and nature conservation
- Permitting and environmental taxation

## Key investments

- Sustainable mobility (€64bn)
- Renovation and energy efficiency (€50bn)
- Clean power and networks (€30bn)
- Biodiversity and climate change adaptation (€17bn)
- Circular economy and water management (€15bn)

## Cross-border projects

- TEN-T rail corridors
- Hydrogen
- Batteries

<sup>1</sup> Based on 22 assessed RRP by Commission, equivalent to €445bn

## Climate contribution in assessed plans

**Czech Republic: 41.6%** (EE, Sust Mobility = 50% + other and Clean Energy Networks)

**Latvia: 37.8%** (EE and Sust Mobility)

**Romania: 40.9%** (Sust Mobility and EE)

**Slovenia: 42.4%** (Sust Mobility and “Other”)- almost 50%)

**Slovakia: 45.0%** (EE more than 50% and Sust Mobility)



## Where is money going?

**Investments in Sustainable Mobility (around €64 bn in 22 plans):** 55% rail infrastructure, recharging and refueling stations

**Reforms:** promotion of intramodality, tax incentives for “clean vehicles”

**Investments in Energy Efficiency (around €50bn in 22 plans):** 55% energy renovation in private buildings, 29% in public buildings, 8% construction of new buildings

**Reforms:** phase out of “outdated” heating systems

**Clean power & networks (around €30bn):** 50% production of renewable energy, 25% **hydrogen**, 25% energy networks and infrastructure

**Reforms:** reforms of energy markets to facilitate deployment of renewable energy

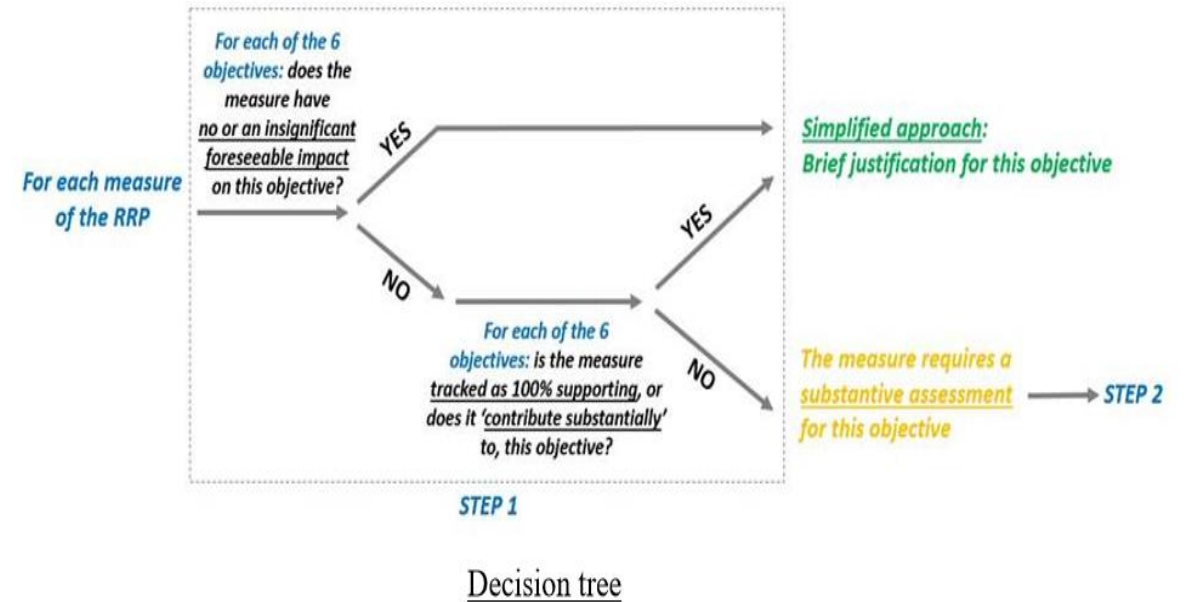
## Biodiversity

### Investments in Biodiversity (around €5bn in 13 out of 22 plans):

- ☐ restoration and preservation of wetlands and forests
- ☐ conservation of terrestrial and marine biodiversity
- ☐ green infrastructure

## Do no Significant Harm implementation

- ❑ Information by the EC is very vague on the DNSH implementation
- ❑ EC stressed that the DNSH compliance will “where relevant” also form part of the means of verification and monitoring indicators in the Operational Arrangements
- ❑ Wherever the milestone/target included specific DNSH conditions, these will form part of the assessment of the “satisfactory fulfilment of the milestone/target”
- ❑ DNSH compliance can also form part of audits and controls



## European Semester

The RRF and the European Semester are linked and complement each other

- ☐ The Semester will take into account the RRF implementation, use existing synergies and avoid double reporting
- ☐ The RRF makes it necessary to adapt the European Semester
- ☐ National Reform Programmes used for one of the twice-yearly reports by MSs under the RRF
- ☐ Country Reports will be resumed: to analyse remaining or emerging challenges, take stock of implementation of RRFs, and monitor progress made towards achieving the Sustainable Development Goals (SDGs)
- ☐ Country-specific recommendations on a needs basis: to cover emerging challenges and/or challenges unaddressed by the RRFs

# The RRF Scoreboard

## The Scoreboard

- ❑ **On 28 September 2021, the EC adopted the RRF Scoreboard (Regulation + Annex).** A public consultation took place between 28 July-25 August. Only 7 stakeholders have replied....

[TEXT + ANNEX https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13071-Recovery-and-resilience-scoreboard-common-indicators-and-detailed-elements\\_en](https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13071-Recovery-and-resilience-scoreboard-common-indicators-and-detailed-elements_en) Available in 23 languages

The Scoreboard will

- will constitute the performance reporting system of the RRF and monitor **progress of the implementation** of the RRP of the Member States in each of the six pillars covered by the scope of the RRF (fulfilment of milestones and targets reflecting the implementation of investments and reforms)
- display the progress made by the NRRPs in relation to the **common indicators set out in the Annex.**
- Member States to report twice a year (**mid April and beginning of October**) in the context of the European Semester the progress made in the achievement of their recovery and resilience plans, including the operational arrangements, and on the common indicators.

## The Scoreboard Annex

The Scoreboard Annex provides a **List of indicators** (*“Should a Member State’s recovery and resilience plan contain no measure contributing to some of the below indicators, it shall discuss with the Commission to decide whether to report on the indicator as “non-applicable”*).

### CLIMATE

- ☐ Savings in annual primary energy consumption
- ☐ Additional operational capacity installed for renewable energy
- ☐ Alternative fuels infrastructure (refuelling/recharging points) - *Alternative fuels also include fossil-fuels partly based fuels...*

## NGOs feedback (Bankwatch, CAN, EuroNatur)

Lack of specific indicators for:

- ☐ Biodiversity targets and objectives
- ☐ DNSH
- ☐ Civil society engagement in the implementation
- ☐ No indicators on monitoring phasing out of fossil fuels (we're not there yet...)



# The European Parliament

- ❑ The European Parliament set up an **RRF WG (ECON and BUDGET Committees)**
- ❑ The EP can invite the Commission every 2 months to discuss matters that concern the implementation of the RRF, such as:
  - the NRRPs of the Member States;
  - the assessment of the NRRPs of the Member States;
  - the main findings of the review report referred to in Article 16(2) of the RRF;

The EP can comment on the achievement of **milestones and targets**, horizontal and sectoral analysis, the **Implementing and Delegated Acts** (for instance common indicators or the RRF "Scoreboard") or the overall progress on the achievement of objectives such as the green dimension.

NB: "Milestones and targets" are measures of progress towards the achievement of a reform or an investment, with milestones being qualitative achievements and targets being quantitative achievements. Milestones and targets need to be achieved for the disbursement of the funds.

# The EU Budget

# Climate mainstreaming in the EU Budget (MFF)

## Climate

Climate mainstreaming target: 30%  
MFF programmes contribute to target

Individual targets for:

- European Regional Development Fund: 30%
- Common Agricultural Policy: 40%

Just Transition Fund:

- €30 billion Next Generation EU
- €7.5 billion MFF



| <i>All figures are in billion EUR<br/>2018 prices</i> | <b>Climate<br/>coefficient in<br/>the legal basis</b> | <b>Total Climate<br/>contribution</b> |
|---|---|---------------------------------------|
| Horizon Europe  | 35%   | 28 313                                |
| ITER  | 100%  | 5 000                                 |
| InvestEU Fund   | 30%   | 2 520                                 |
| Connecting Europe Facility                            | 60%   | 11 038                                |
| ERDF  | 30%   | 60 101                                |
| Cohesion Fund   | 37%   | 15 746                                |
| REACT EU  | 25%   | 11 875                                |
| Recovery and Resilience Facility                      | 37%   | 248 825 <sup>1</sup>                  |
| CAP 2021 - 2022 <sup>2</sup>                          | 26%   | 26 468                                |
| CAP 2023 - 2027                                       | 40%   | 96 857                                |
| EMFF  | 30%   | 1 629                                 |
| LIFE  | 61%   | 2 933                                 |
| Just Transition Mechanism <sup>3</sup>                | 100%  | 19 000                                |
| NDICI   | 25%   | 17 700                                |
| OCT   | 20%   | 89                                    |
| Pre-Accession Assistance                              | 16%   | 2 010                                 |
| <b>Total</b>  |   | <b>550 108</b>                        |



- ❑ 16 November: the **Council has reached an agreement with the European Parliament on the 2022 EU budget**, setting total commitments at €169,5 billion and payments at €170,6 billion.

## Increase of public resources under the Fit for 55 Package: how will this money be used?

- ☐ Review of the EU ETS (national and EU revenues)
- ☐ Review of Energy Taxation Directive (State subsidies)
- ☐ Carbon Border Adjustment (national and EU revenues)
- ☐ Social Climate Fund (NEW): 72.2 billion EUR as EU contribution and 144.4 billion EUR with 50% national contribution (national and EU revenues)
- ☐ New rules for State Aid for Climate Energy & Environment (State subsidies)

# What the EEB has done

## Some of our activities:

- ☐ Participation to EP WG Task Force meeting
- ☐ Participation in the Expert Group Greening the European Semester (13 October)
- ☐ Contribution to Civil Society Europe report on Civil Society and the NRRPs
- ☐ Letter to the ECOFIN Council on 3 November on RRP and EGD <https://eeb.org/library/letter-to-economic-and-financial-ministers-ahead-of-the-econ-council-meeting/>
- ☐ Letter and Statement on DNSH on EU Funds and DNSH (together with G10) [https://mk0eeborgicuypctuf7e.kinstacdn.com/wp-content/uploads/2021/11/Statement-of-the-Green-10-on-the-do-no-significant-harm-principle\\_.pdf](https://mk0eeborgicuypctuf7e.kinstacdn.com/wp-content/uploads/2021/11/Statement-of-the-Green-10-on-the-do-no-significant-harm-principle_.pdf)

## Our latest publications:

META article: How the green recovery look in CEE <https://meta.eeb.org/2021/11/22/how-the-green-recovery-looks-in-central-and-eastern-europe/>






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**Thanks for listening!**

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