Council of the EU

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# Council gives green light to first recovery disbursements

EU economic and finance ministers today adopted the first batch of Council implementing decisions on the approval of national recovery and resilience plans. **Austria, Belgium, Denmark, France, Germany, Greece, Italy, Latvia, Luxembourg, Portugal, Slovakia and Spain** got the green light for the use of EU recovery and resilience funds to boost their economies and recover from the COVID-19 fallout. The adoption of Council implementing decisions on the approval of the plans permits the member states to sign grant and loan agreements that will allow for up to 13% pre-financing.

The Council received a positive assessment for the 12 member states' plans from the Commission in June, accompanied by the proposals for the Council decisions on their approval. All 12 member states asked for **pre-financing** from their allocated funds. The decisions the Council adopted today are the final step before the member states can conclude **grant and loan agreements** with the Commission and start receiving funds to implement their national plans.

> The decisions at the ECOFIN Council on almost half of the national plans are a big step forward in the European economic recovery. They allow the member states to sign the first financing agreements and the pre-financing payments to take place. With the EU support, the member states can start the reforms and investments needed for the recovery, strengthening and transforming of our economies. The adopted Council decisions will allow the member states to use the funds not only to recover from the COVID-19 crisis but also to create a resilient, greener and more digital, innovative and competitive Europe for the next EU generations.
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> *Andrej Šircelj, Slovenia's Minister for Finance*

The EU financial assistance from the €672.5 billion Recovery and Resilience Facility aims to power the European economic recovery by supporting member states' **reforms and investment** projects. The measures approved in the national plans are centred around six policy areas ('pillars') set out in the regulation establishing the Recovery and Resilience Facility. The areas include the green and digital transition, smart, sustainable and inclusive growth, and social and territorial cohesion.

Individual member states' measures to achieve recovery and **enhance the EU's resilience** include, for example, decarbonisation of industry, building renovation, digitalisation of public administration and reskilling of the labour force. The plans also address the country-specific recommendations identified in the course of the 2019 and 2020 European Semester discussions.

## Background and next steps

The Recovery and Resilience Facility is the central part of Next Generation EU, the recovery package to revitalise the EU economy after the COVID-19 pandemic while also addressing the main challenges of our time, such as the **climate transition and digital transformation**. To receive support from the facility, member states need to submit their recovery and resilience plans to the Commission, which then assesses them against the country specific recommendations and the facility's six pillars.

Once an individual plan is submitted, and unless a postponement is agreed with the member state involved, the Commission has two months to assess it and to propose a Council implementing decision on its approval. The Council then, as a rule, examines the proposal within four weeks. After it adopts the proposed decision, the member state can sign bilateral financing agreements with the Commission and receive the agreed pre-financing within two months.

Further disbursements from the facility will be based on a positive **assessment of the implementation** of the recovery and resilience plan, taking into account the achievement of the milestones and targets set out in the individual plan.

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