



Council of the European Union  
General Secretariat

**Brussels, 10 July 2020**

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**Interinstitutional files:  
2020/0104(COD)**

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**WK 7588/2020 INIT**

**LIMITE**

**ECOFIN**

**REGIO**

**CADREFIN**

**CODEC**

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**WORKING DOCUMENT**

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From:	Presidency
To:	Working Party of Financial Counsellors
Subject:	RRF - Presidency Steering note

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Delegations will find attached the Presidency steering note on the Recovery and Resilience Facility Regulation to be discussed at the Financial Counsellors Working Party on 14 July 2020.

## **Financial Counsellors' Working Party on 14 July 2020**

**Brussels, 10 July 2020**

### **Recovery and Resilience Facility (RRF)**

Written comments and drafting proposals by Delegations have shown that further reflection is needed among others about the proposed concept of investments including their link to reforms, possible limits and minimum requirements as well as on the timeline and cut-off dates for measures contained in Member States' submissions. At the meeting of Financial Counsellors Working Party on 14 July 2020, the Presidency will ask Delegations to express their views on these issues. The Presidency will ask the Commission to react to factual questions raised by Member States in their written submissions as well as discuss and open a procedure for written comments on Annexes II and III.

### **Concept, limit and requirements for investments and their link to reforms**

The RRF proposal does not contain a definition of the term public investments and it does not clearly define the link to reforms. The text specifies that national Recovery and Resilience plans proposed by Member States shall comprise measures for the implementation of reforms and public investments projects through a coherent package to be eligible for financing (Art. 14(1)). The plans shall further be consistent with the relevant country-specific challenges and priorities identified in the context of the European Semester, in particular those relevant for or resulting from the green and digital transition (Art. 14(2)). In this context, Delegations are invited to express their views on the following questions:

- What is the scope of the investment projects and areas that shall be supported by the RRF in your view? Do you see a need to further clarify the term public investments? Should measures that ultimately aim at fostering private investments be covered?
- Do you see the need to exclude specific areas or types of investments or to introduce minimum requirements for investments in specific areas?
- What is your view on the link to reforms? What shall be in your view the requirements for "coherent" packages of reforms and investments? How do both elements interact?

## Timeline

In discussions, many Member States shared an interest in getting the RRF operational as soon as possible to allow for funding as early as possible in 2021. Particularly, some have raised questions regarding the timing of measures that can become part of national recovery and resilience plans. The proposal leaves this question open. In addition, some Member States have expressed support for some form of prefunding. At the same time, other Member States pointed out that careful balancing is needed with the goal to use the instrument to induce additional and ambitious reforms and investments by Member States. While the debate on governance and decision-making remain the remit of the MFF debate, the Presidency deems an exchange on the particulars of the first cycle of submissions useful for further deliberation. The presidency would like to get Members views on the following questions:

- What is your view on the timing of measures that are eligible for RRF financing? Should it be possible to include measures that have been decided upon or partially implemented before the approval of national plans? Do you see the need for a cut-off date?
- How do you see the balance between allowing funding as soon as possible in 2021 and the goal to ensure the RRF induces additional and ambitious reforms and investments?