

RRF

The Recovery and Resilience Facility (RRF) with its unprecedented EUR 723.8 billion of loans and grants of financial support is the cornerstone of the EU Recovery Plan.

So far, the Commission has received 26 national recovery and resilience plans, and the Commission and Council have already approved 22 of them.

The implementation of approved plans is progressing as planned. In 2021, EUR 56.5 billion have been disbursed in pre-financing to 21 Member States.

The Commission has already received five payment requests and successfully processed two of them: Spain received its first instalment of EUR 10 billion on 27 December 2022 and France received EUR 7.4 billion on 7 March 2022.

*In the architecture of the Recovery and Resilience Facility (RRF), **reforms** and **investments** to support the green and digital transition are among the priority areas, with at least 37% of the total allocation of each plan devoted to measures contributing to climate objectives and at least 20% of the total allocation devoted to digital objectives.*

Main messages

- The COVID-19 pandemic has severely affected every one of us and every economic sector in the European Union and the world. The EU has shown its determination to act together to face the current economic, social and health crisis by setting up the recovery instrument **NextGenerationEU**.
- NextGenerationEU and the **Recovery and Resilience Facility (RRF)** at its core represents a historical increase in EU funding.
- The key objective of the RRF is not only to support Member States in overcoming the current crisis, but it also offers the opportunity to **re-build the economy in a resilient, sustainable and forward looking way**.
- As per the RRF Regulation, the main aim of the Facility is to **finance structural reforms** having long-lasting impact and support the green and digital transition of the economies. This will be done with an unprecedented **EUR 723.8 billion of loans and grants** of financial support to be disbursed in the crucial first years of the recovery.
- So far, the Commission has officially received 26 national recovery and resilience plans and 22 of them have been already approved by the Council.
- A year after the establishment of the Facility, major advancements have been made and implementation is firmly on its way. In 2021, **EUR 56.5 billion** have been disbursed in pre-financing to 21 Member States.
- **Payments** under the Recovery and Resilience Facility are **made against performance**. This means that the payment requests of Member States must be accompanied by evidence, demonstrating that a **specific set of milestones and targets** has been achieved.
- This, together with **strong monitoring and control**, will ensure effective delivery of the reforms and investments included in the approved plans.
- The first payment request, submitted by Spain in November, has been successfully processed and Spain received its first instalment of EUR 10 billion on 27 December 2022.
- The second payment request, submitted by France in November, has also been successfully processed and France received its first instalment of EUR 7.4 billion on 7 March 2022.

- Further countries submitted their first payment request: Italy and Greece (already endorsed by the Commission), and Portugal. The Commission is doing its utmost to process these payment requests as quickly as possible.
- The Commission is committed to the implementation of the RRF being a shared **success for all Europeans**. To that end, the Commission will continue to do its utmost to involve all relevant stakeholders for a successful implementation of the plans.

Digital contribution

- The RRF Regulation requires each Member State to **dedicate at least 20% of the plan's total allocation to digital objectives**. A total of almost €130 billion of estimated expenditure in the adopted plans is allocated to the digital transformation of European society and economy, exceeding the 20% target.
- A number of measures aim specifically at **supporting digital transformation** through the deployment of very high capacity and 5G network, the development of digital skills for the population and the workforce and the digitalisation of public services.
- Besides these, several investments are expected to present **significant opportunities for the business sector**. This is the case for the large investments supported by the Recovery and Resilience Facility in advanced digital technologies (cloud, artificial intelligence), cybersecurity, digitalisation of agriculture, sustainable mobility, digitalisation of businesses and several calls for research and development (R&D) projects.
- In addition, many Member States participate in multi-country projects that will support the development of EU key digital capabilities, including microelectronics, cloud and edge solutions, **enhancing coordination for critical investments** in strategic sectors. The two potential IPCEIs on microelectronics and cloud technologies are amongst the multi-country projects with the highest take-up in RRFs, followed by projects in Digital Innovation Hubs, 5G corridors and quantum communication.
- Small and large firms will also benefit from **reforms aiming at improving the business environment and reducing red tape**. These reforms are present in many national recovery and resilience plans and aim to simplify the procedures for **starting up businesses**, obtaining **permits and licenses**, or by introducing public administrations' **one-stop shops** and **electronic registries**. Other key reforms are foreseen in the area of **insolvency** procedures, **access to finance**, or for the promotion of private investments, **venture capital**, and other innovative forms of financing.

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