



**European Committee
of the Regions**

ECON-VII/009

140th plenary session, 12-14 October 2020

OPINION

Recovery plan for Europe in response to the COVID-19 pandemic: Recovery and Resilience Facility and Technical Support Instrument

THE EUROPEAN COMMITTEE OF THE REGIONS

- welcomes the fact that the budget size of this new instrument, namely EUR 360 billion in grants and EUR 312.5 billion in loans, provides a macroeconomic response commensurate with the scale of the 2020 recession, the worst ever to have been experienced in the history of the European Union. The CoR also supports the balance the proposal strikes between grants and loans. The risk of further widening of socio-economic divergences justifies the rapid adoption and implementation of the "Recovery Plan for Europe" and the post-2020 EU budget as of autumn 2020;
- cautions that the European Semester as a governance mechanism for the Fund (referred to as "Facility") remains a centralised and top-down exercise that is not appropriate for a tool that is supposed to strengthen economic, social and regional cohesion; therefore reiterates its proposal for a code of conduct to involve LRAs in the European Semester. This code is more urgent and necessary than ever if the Semester is to become more transparent, inclusive and democratic, and also more effective, by involving regional and local authorities;
- stresses the role that the proposed instrument must play for the climate, but considers that the recovery plans should be earmarked for at least 40% of spending on climate action to enable the European Union to meet its climate commitments. The CoR also believes that the Commission's proposal should incorporate all the SDGs as a strategic planning framework;
- opposes the option of transferring resources to the instrument from the Structural and Investment Funds, as such an option entails the risk of recentralising and undermining the management of the ESIFs, which operate on the partnership principle.

Rapporteur-general

Christophe Rouillon (FR/PES), Mayor of Coulaines

Reference documents

Proposal for a Regulation of the European Parliament and of the Council establishing a Recovery and Resilience Facility – COM(2020) 408 final

Proposal for a Regulation of the European Parliament and of the Council establishing a Technical Support Instrument – COM(2020) 409 final

Opinion of the European Committee of the Regions – Recovery plan for Europe in response to the COVID-19 pandemic: Recovery and Resilience Facility and Technical Support Instrument

I. RECOMMENDATIONS FOR AMENDMENTS

Proposal for a Regulation of the European Parliament and of the Council establishing a Recovery and Resilience Facility

Amendment 1

COM(2020) 408 final – Recital 3

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
<p>At Union level, the European Semester of economic policy coordination ('European Semester'), <i>including</i> the principles of the European Pillar of Social Rights, is the framework to identify national reform priorities and monitor their implementation. Member States develop their own national multiannual investment strategies in support of those reforms. Those strategies should be presented alongside the yearly National Reform Programmes as a way to outline and coordinate priority investment projects to be supported by national and/or Union funding.</p>	<p>At Union level, the European Semester of economic policy coordination ('European Semester'), <i>incorporating the Sustainable Development Goals (SDGs) and</i> the principles of the European Pillar of Social Rights, is the framework to identify national <i>and regional</i> reform priorities and monitor their implementation, <i>by means of clear national and regional indicators</i>. Member States, <i>in cooperation with local and regional authorities within their spheres of competence and taking account of the specific features of the different regions they represent</i>, develop their own national multiannual investment strategies in support of those reforms. Those strategies, <i>developed in partnership with regional and local authorities on the basis of a code of conduct setting out guidelines on good governance for the programming of recovery plans and projects</i>, should be presented alongside the yearly National Reform Programmes as a way to outline and coordinate priority investment projects to be supported by national and/or Union funding. <i>There is also a need for these strategies to use EU funding in a more consistent manner and to maximise the added value of the financial support provided, notably from the European Structural and Investment Funds, the Recovery Fund and the InvestEU Programme.</i></p>

Reason

The content of this paragraph should be brought into line with that of the proposed regulation and the Interinstitutional Agreement on the InvestEU Programme, in particular as regards recognition of the role of local and regional authorities in the European Semester and consistency in the use of EU funds and instruments. It should also be pointed out that the Semester must incorporate the SDGs.

Amendment 2

COM(2020) 408 final – Recital 4

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
<p>The outbreak of the COVID-19 pandemic in early 2020 changed the economic outlook for the years to come in the Union and in the world, calling for an urgent and coordinated response from the Union in order to cope with the enormous economic and social consequences for all Member. [...] Reforms and investments to address structural weaknesses of the economies and strengthen their resilience will therefore be essential to set the economies back on a sustainable recovery path and avoid further widening of the divergences in the Union.</p>	<p>The outbreak of the COVID-19 pandemic in early 2020 changed the economic and social outlook for the years to come in the Union and in the world, calling for an urgent and coordinated response from the Union in order to cope with the enormous economic and social consequences for all Member [States], where the impact varies considerably from one region to another. [...] The European Union's support for implementation of reforms and investments in the Member States that implement the objectives of the European Union, address structural weaknesses of the economies, strengthen their resilience and contribute to an economic model that reflects the Sustainable Development Goals and the European Green Deal will therefore be essential to set the economies back on a sustainable and inclusive recovery path, strengthen economic, social and territorial cohesion and avoid further widening of the divergences in the Union.</p>

Reason

Since the legal basis for the proposal for a regulation is Article 175(third paragraph) TFEU, it is imperative that cohesion be clearly recognised in its objectives.

Amendment 3

COM(2020) 408 final – Recital 5

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
<i>The implementation of reforms helping national economies to achieve a high degree of resilience, building adjustment capacity and unlocking growth potential are among the EU's policy priorities. They are therefore crucial to set the recovery on a sustainable path and support the process of upward economic and social convergence. This is even more necessary in the aftermath of the pandemic crisis to pave the way for a swift recovery.</i>	

<i>Reason</i>
Recital redundant in the light of the previous one.

Amendment 4

COM(2020) 408 final – Recital 6

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
<p>Past experiences have shown that investment is often drastically cut during crises. <i>However, it is essential to support investment in this particular situation to speed up the recovery and strengthen long-term growth potential. Investing in green and digital technologies, capacities and processes aimed at assisting clean energy transition, boosting energy efficiency in housing and other key sectors of the economic are important to achieve sustainable growth and help create jobs.</i> It will also help make the Union more resilient and less dependent by diversifying key supply chains.</p>	<p>Past experiences have shown that investment, <i>including the majority share of public investments made by local and regional authorities</i>, is often drastically cut during crises, <i>which exacerbates the detrimental effect on economic development and on economic, social and territorial cohesion. In order to achieve the objectives of the European Green Deal, sustainable and inclusive growth, strengthen the infrastructure of essential services for the population and help create jobs</i>, however, it is essential to <i>revive investment in sustainable development projects, improving the quality of life and education, the knowledge economy and supporting the digital and clean energy transition, including by boosting energy efficiency in housing. These investments</i> will also help make the Union more resilient and less dependent by diversifying key supply chains.</p>

Reason

Local and regional authorities are responsible for more than half of public investment in the EU and are particularly affected by investment cuts in times of crisis. It also seems important to highlight the detrimental consequences of this under-investment.

Amendment 5

COM(2020) 408 final – Recital 7

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
<i>Currently, no instrument foresees direct financial support linked to the achievement of results and to implementation of reforms and public investments of the Member States in response to challenges identified in the European Semester, and with a view to having a lasting impact on the productivity and resilience of the economy of the Member States.</i>	

Reason

This statement may be open to debate, particularly in view of the role played by European Structural and Investment Funds in addressing the problems identified by the European Semester.

Amendment 6

COM(2020) 408 final – Recital 8

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
Against this background, it is necessary to strengthen the current framework for the provision of support to Member States and provide direct financial support to Member States through an innovative tool. To that end, a Recovery and Resilience <i>Facility (the ‘Facility’)</i> should be established under this Regulation to provide effective financial <i>and significant</i> support to step up the implementation of reforms and related public investments in the Member States. <i>The Facility should be comprehensive and should also benefit from the experience</i>	Against this background, it is necessary to strengthen the current framework for the provision of support to Member States and provide direct financial support to Member States <i>and to local and regional authorities</i> through an innovative tool. To that end, a Recovery and Resilience <i>Fund (the ‘Fund’)</i> should be established under this Regulation to provide effective <i>and sufficient</i> financial support to step up the implementation of reforms and related public investments in the Member States <i>and in local and regional authorities, particularly in</i>

<i>gained by the Commission and the Member States from the use of the other instruments and programmes.</i>	<i>view of reaching the objectives of the new sustainable growth strategy presented in the European Green Deal, as well as to ensure that Member States and Local and Regional Authorities have the necessary capacity for a coordinated response by funding the establishment for regional or local monitoring.</i>
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<i>Reason</i>
The term "Facility" sounds too technocratic and is insufficiently grounded in local and regional reality. Moreover, local and regional authorities account for more than half of public investment in the EU. They are also key actors for cohesion, for achieving the SDGs, and for the green and digital transitions. They must be able to benefit fully from this mechanism. The potentially "global" nature of the "Facility" still needs to be clarified.

Amendment 7

COM(2020) 408 final – Recital 11

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
Reflecting the European Green Deal as Europe's sustainable growth strategy and the translation of the Union's commitments to implement the Paris Agreement and the United Nations' Sustainable Development Goals, the <i>Facility</i> established by this Regulation will contribute to mainstreaming climate actions and environmental sustainability and to the achievement of an overall target of 25% of the EU budget expenditures supporting climate objectives.	Reflecting the European Green Deal as Europe's sustainable growth strategy and the translation of the Union's commitments to implement the Paris Agreement and the United Nations' Sustainable Development Goals, the <i>Fund</i> established by this Regulation will contribute to mainstreaming climate actions and environmental sustainability and to the achievement of an overall target of <i>at least 30%</i> of the EU budget expenditures supporting climate objectives. <i>Given that the potential contribution of some EU policies to this target has been overestimated¹, the Fund should offset the deficit by earmarking at least 40% of its spending for climate action.</i>

<i>Reason</i>
The CoR reiterates here the position it adopted in October 2019 in its resolution on the 2021-2027 Multiannual Financial Framework, and in the opinion on the MFF presented in October 2018 by

¹ See the European Court of Auditors' report on this matter (2 July 2020).
https://www.eca.europa.eu/Lists/ECADocuments/RW20_01/RW_Tracking_climate_spending_EN.pdf

Mr Dobroslavić (HR/EPP).

Amendment 8

COM(2020) 408 final – Recital 13

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
<p><i>In order to enable measures to be taken that link the Facility to sound economic governance, with a view to ensuring uniform implementing conditions, the power should be conferred on the Council to suspend, on a proposal from the Commission and by means of implementing acts, the period of time for the adoption of decisions on proposals for recovery and resilience plans and to suspend payments under this Facility, in the event of significant non-compliance in relation to the relevant cases related to the economic governance process laid down in the Regulation (EU) No XXX/XX of the European Parliament and of the Council [CPR] (...). The power to lift those suspensions by means of implementing acts, on a proposal from the Commission, should also be conferred on the Council in relation to the same relevant cases.</i></p>	

Amendment 9

COM(2020) 408 final – Recital 14

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
<p>The Facility's general objective should be the promotion of economic, social and territorial cohesion. For that purpose, it should contribute to improving the resilience and adjustment capacity of the Member States, mitigating the social and economic impact of the crisis, and supporting the green and digital transitions aimed at achieving a climate neutral Europe by 2050, thereby restoring the growth potential of the economies of the Union in the aftermath of the crisis, fostering employment creation and to promoting sustainable growth.</p>	<p>The Fund's general objective should be the promotion of economic, social and territorial cohesion. For that purpose, it should contribute to improving the resilience capacity of the Member States and of all regions throughout the European Union, mitigating the social and economic impact of the crisis, which is distributed unevenly across the Member States but also within each of them, and supporting the green and digital transitions aimed at accomplishing the SDGs by 2030 and achieving a climate neutral Europe by 2050, thereby restoring the growth potential of the economies of</p>

	the Union in the aftermath of the crisis, fostering employment creation and to promoting sustainable growth.
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Amendment 10

COM(2020) 408 final – Recital 16

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
<p>To ensure its contribution to the objectives of the Facility, the recovery and resilience plan should comprise measures for the implementation of reforms and public investment projects through a coherent recovery and resilience plan. The recovery and resilience plan should be consistent with the relevant country-specific challenges and priorities identified in the context of the European Semester, with the national reform programmes, the national energy and climate plans, the just transition plans, and the partnership agreements and operational programmes adopted under the Union funds. To boost actions that fall within the priorities of the European Green Deal <i>and</i> the Digital Agenda, the plan should also set out measures that are relevant for the green and digital transitions. <i>The measures should enable a swift deliver of targets, objectives and contributions set out in national energy and climate plans and updates thereof.</i> All supported activities should be pursued in full respect of the climate and environmental priorities of the Union.</p>	<p>To ensure its contribution to the objectives of the Facility, the recovery and resilience plan should comprise measures for the implementation of reforms and public investment projects through a coherent, <i>relevant, effective and efficient</i> recovery and resilience plan. The recovery and resilience plan should be consistent with the relevant country-specific challenges and priorities identified in the context of the European Semester, with the national reform programmes, the national energy and climate plans, the just transition plans, and the partnership agreements and operational programmes adopted under the Union funds. <i>In addition, the recovery and resilience plans should be consistent with the principle of European added-value.</i> To boost actions that fall within the priorities of the European Green Deal, the Digital Agenda, <i>the Industrial and SME strategies, the European Skills Agenda, the Child Guarantee and the Youth Guarantee,</i> the plan should also set out measures that are relevant for the green and digital transitions. All supported activities should be pursued in full respect of the climate and environmental priorities of the Union. <i>At least 40% of the recovery and resilience plans should be dedicated to mainstreaming climate and biodiversity actions and environmental sustainability objectives.</i></p>

Amendment 11

COM(2020) 408 final – Recital 18

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
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<p>To inform the preparation and the implementation of the recovery and resilience plans by Member States, the Council should be able to <i>discuss</i>, within the European Semester, the state of recovery, resilience and adjustment capacity in the Union. To ensure appropriate evidence, this discussion should be based on the Commission's strategic and analytical information <i>available</i> in the context of the European Semester and <i>,if available</i>, on the basis of the information on the implementation of the plans in the preceding years.</p>	<p>To inform the preparation and the implementation of the recovery plans by Member States, the Council and the European Parliament should be able to <i>decide on an equal footing</i>, within the European Semester, the state of recovery and resilience capacity in the Union. This decision should be based on the strategic and analytical information <i>presented by the Commission</i> in the context of the European Semester and on the basis of the information on the implementation of the plans in the preceding years, and in particular on the basis of a set of quantitative and qualitative indicators for implementing the Sustainable Development Goals. This decision should also be reached by involving the European Committee of the Regions in establishing the European framework for the recovery plans and in the bodies monitoring compliance with the European Semester, and by instructing the Committee to carry out a biannual assessment of the regional implementation of the recovery plans.</p>
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Amendment 12

COM(2020) 408 final – Recital 21

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
<p>In order to ensure the national ownership and a focus on relevant reforms and investments, Member States wishing to receive support should submit to the Commission a recovery and resilience plan that is duly reasoned and substantiated. The recovery and resilience plan should set out the detailed set of measures for its implementation, including targets and milestones, and the expected impact of the recovery and resilience plan on growth potential, job creation and economic and social resilience; it should also include measures that are relevant for the green and the digital transitions; it should also include an explanation of the consistency of the proposed recovery and resilience plan with the relevant country-specific challenges and priorities</p>	<p>In order to ensure the national ownership and a focus on relevant reforms and investments, Member States wishing to receive support should submit to the Commission a recovery plan that is duly reasoned and substantiated. In accordance with the principles of subsidiarity and partnership, the recovery plan should be established in close and structured cooperation with local and regional authorities, insofar as the reforms and investments to be supported fall within their sphere of competence as established in national law. The recovery plan should set out the detailed set of measures for its implementation, including targets and milestones, and the expected impact of the recovery plan on economic, social and territorial cohesion,</p>

<p>identified in the context of the European Semester. Close cooperation between the Commission <i>and</i> the Member States should be sought and achieved throughout the process.</p>	<p>growth potential, job creation and economic and social resilience; it should also include measures that are relevant for the green and the digital transitions; it should also include an explanation of the consistency of the proposed recovery plan with the relevant country-specific challenges and priorities identified in the context of the European Semester. Close cooperation between the Commission, the Member States, <i>the European Committee of the Regions and local and regional authorities</i> should be sought and achieved throughout the process.</p>
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<p>Reason</p>
<p>Local and regional authorities hold key political competences and financial responsibilities for achieving the objectives of the Fund (cohesion, sustainable development, etc.) and it is therefore crucial that recovery plans be drawn up in close and structured cooperation with these authorities. This concerns not only the legitimacy and fairness of the instrument but also its effectiveness. The instrument's legal basis also requires the plans to contain a report on the impact on cohesion of the measures to be financed.</p>

Amendment 13

COM(2020) 408 final – Recital 33

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
<p>For effective monitoring of implementation, the Member States should report on a <i>quarterly</i> basis <i>within the European Semester process</i> on the progress made in the achievement of the recovery <i>and resilience</i> plan. Such reports prepared by the Member States concerned should be <i>appropriately</i> reflected in the National Reform Programmes, which should be used as a tool for reporting on progress towards completion of recovery <i>and resilience</i> plans.</p>	<p>For effective monitoring of implementation, the Member States should report on a <i>biannual</i> basis on the progress made in the achievement of the recovery plan. Such reports prepared by the Member States concerned should be reflected in the National Reform Programmes, which should be used as a tool for reporting on progress towards completion of recovery plans.</p>

<p>Reason</p>
<p>Quarterly reports may appear to be an excessive bureaucratic burden.</p>

Amendment 14

COM(2020) 408 final – Recital 37

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
<p>It is opportune that the Commission provides an annual report to the European Parliament <i>and</i> the Council on the implementation of the <i>Facility</i> set out in this Regulation. This report should include information on the progress made by Member States under the recovery <i>and resilience</i> plans <i>approved</i>; it should also include information on the volume of the proceeds assigned to the Facility under the European Union Recovery Instrument in the previous year, broken down by budget line, and the contribution of the amounts raised through the European Union Recovery Instrument to the achievements of the objectives of the Facility.</p>	<p>It is opportune that the Commission provides an annual report to the European Parliament, the Council, <i>the European Committee of the Regions and the European Economic and Social Committee</i> on the implementation of the Facility set out in this Regulation. This report should include information on the progress made by Member States under the recovery plans <i>and an assessment of the implementation of these plans in the regions</i>; it should also include information on the volume of the proceeds assigned to the Facility under the European Union Recovery Instrument in the previous year, broken down by budget line, and the contribution of the amounts raised through the European Union Recovery Instrument to the achievements of the objectives of the Facility.</p>

Amendment 15

COM(2020) 408 final, Article 1

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
<p>This Regulation establishes a Recovery <i>and Resilience Facility</i> (<i>the 'Facility'</i>). [...]</p>	<p>This Regulation establishes a Recovery <i>Fund</i> (<i>the 'Fund'</i>). [...]</p>

Reason

In line with the amendment to Recital 8, the term "Facility" sounds too technocratic and may be misleading, given the fact that the fund is based on grants and loans.

Amendment 16

COM(2020) 408 final – Article 2

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
<p><i>Definitions</i> For the purposes of this Regulation, the following</p>	<p><i>Definitions</i> For the purposes of this Regulation, the following</p>

<p>definitions apply:</p> <ol style="list-style-type: none"> 1. 'Union Funds' means the funds covered by Regulation (EU) YYY/XX of the European Parliament and of the Council [CPR successor]; 2. 'Financial contribution' means non-repayable financial support available for allocation or allocated to the Member States under the Facility; <i>and</i> 3. 'European Semester of economic policy coordination' (hereinafter 'European Semester') means the process set out by Article 2-a of Council Regulation (EC) No 1466/97 of 7 July 1997. 	<p>definitions apply:</p> <ol style="list-style-type: none"> 1. 'Union Funds' means the funds covered by Regulation (EU) YYY/XX of the European Parliament and of the Council [CPR successor]; 2. 'Financial contribution' means non-repayable financial support available for allocation or allocated to the Member States under the Facility; 3. 'European Semester of economic policy coordination' (hereinafter 'European Semester') means the process set out by Article 2-a of Council Regulation (EC) No 1466/97 of 7 July 1997; 4. <i>'Reforms' eligible for support from the Fund are those which:</i> <ol style="list-style-type: none"> (i) <i>implement the objectives of the EU Treaty</i> (ii) <i>contribute to convergence and the reduction of regional disparities, including the mitigation of structural territorial constraints, in the spirit of the legal basis of the Regulation, Article 175 of the Treaty on the Functioning of the European Union (TFEU)</i> (iii) <i>are able to trigger public investment and stimulate long-term sustainable and inclusive growth consistent with the Sustainable Development Goals.</i> 5. <i>Compliance with the 'do no significant harm' principle means refraining from supporting or carrying out economic activities that significantly harm environmental objectives pursuant to the provisions of Article 17 of the Regulation (EU) 2020/852 (Taxonomy Regulation).</i> 6. <i>The 'minimum safeguards' means procedures defined in Article 18 of the Regulation (EU) 2020/852 (Taxonomy Regulation).</i>
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<p><i>Reason</i></p> <p>The CoR reiterates here a definition already proposed in its opinion on <i>The Reform Support Programme and the European Investment Stabilisation Function</i> (ECON-VI/037), adopted on</p>

5 December 2018.

Amendment 17

COM(2020) 408 final – Article 4(2)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
To achieve that general objective, the specific objective of the Recovery and Resilience Facility shall be to provide Member States with financial support with a view to achieving the milestones and targets of reforms and investments as set out in their recovery and resilience plans. That specific objective shall be pursued in close cooperation with the Member States concerned.	To achieve that general objective, the specific objective of the Recovery Fund shall be to provide Member States and local and regional authorities with financial support with a view to achieving the milestones and targets of reforms and investments as set out in their recovery plans. That specific objective shall be pursued in close cooperation with the Member States concerned.

Amendment 18

COM(2020) 408 final – Article 5(1)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
Measures referred to in Article 2 of Regulation [EURI] shall be implemented under this Facility : a) through amount of EUR 334 950 000 000 referred to in point (ii) of Article 3(2)(a) of Regulation [EURI] in current prices, available for non-repayable support, subject to Article 4(4) and (8) of Regulation [EURI]. These amounts shall constitute external assigned revenues in accordance with Article 21(5) of the Financial Regulation. b) through amount of EUR 267 955 000 000 referred to in Article 3(2)(b) of Regulation [EURI] in current prices, available for loan support to Members States pursuant to Article 12 and 13, subject to Article 4(5) of Regulation [EURI].	Measures referred to in Article 2 of Regulation [EURI] shall be implemented under this Fund : a) through the amount of EUR 360 000 000 000 referred to in point (ii) of Article 3(2)(a) of Regulation [EURI] in 2018 prices, available for non-repayable support, subject to Article 4(4) and (8) of Regulation [EURI]. These amounts shall constitute external assigned revenues in accordance with Article 21(5) of the Financial Regulation. b) through the amount of EUR 312 500 000 000 referred to in Article 3(2)(b) of Regulation [EURI] in 2018 prices, available for loan support to Members States pursuant to Article 12 and 13, subject to Article 4(5) of Regulation [EURI].

Reason

Update based on the conclusions of the European Council of 17-21 July 2020

Amendment 19

COM(2020) 408 final – Article 6

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
<p><i>Resources from shared management programmes</i></p> <p><i>Resources allocated to Member States under shared management may, at their request, be transferred to the Facility. The Commission shall implement those resources directly in accordance with point (a) of Article 62(1) of the Financial Regulation. Those resources shall be used for the benefit of the Member State concerned.</i></p>	

Reason

The option of transferring resources to the Recovery and Resilience Fund from the Structural and Investment Funds entails the risk of recentralising and undermining the management of the Structural and Investment Funds, which operate on the partnership principle.

Amendment 20

COM(2020) 408 final – Article 9

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
	<p><i>Measures linking the Facility to the protection of the Union's budget in case of generalised deficiencies as regards the rule of law</i></p> <p><i>1. In the event of generalised deficiency as regards the rule of law in a Member State affecting the principles of sound financial management or the protection of the financial interests of the Union, as defined in Article 3 of Regulation [.../...] on the protection of the Union's budget in case of generalised deficiencies as regards the rule of law in the Member States, the Commission shall, adopt a decision by means of an implemented act to suspend the time period for the adoption of the decisions referred to in Articles 17(1) and 17(2) or to suspend payments under the Recovery and</i></p>

	<p><i>Resilience Facility.</i></p> <p><i>The decision to suspend payments referred to in paragraph 1 shall apply to payment applications submitted after the date of the decision to suspend.</i></p> <p><i>The suspension of the time period referred to in Article 17 shall apply from the day after the adoption of the decision referred to in paragraph 1. In case of suspension of payments, Article 4(3) of Regulation [...] on the protection of the Union's budget in case of generalised deficiencies as regards the rule of law in the Member States shall apply.</i></p> <p><i>2. In the event of a positive assessment by the Commission in accordance with Article 6 of Regulation [...] on the protection of the Union's budget in case of generalised deficiencies as regards the rule of law in the Member States, the Commission shall, adopt a decision by means of an implementing act to lift the suspension of the time period or of payments referred to in the previous paragraph.</i></p> <p><i>The relevant procedures or payments shall resume the day after the lifting of the suspension.</i></p> <p><i>3. Where the Member State in question makes inadequate use of the allocated funding or in case of deficiency with regards to rule of law, regional and local level actions that contribute to addressing those challenges shall continue to benefit from the Facility.</i></p>
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Amendment 21

COM(2020) 408 final – Article 10

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
<p>Maximum financial contribution</p> <p>A maximum financial contribution shall be calculated for each Member State for the allocation of the amount referred to in Article</p>	<p>Maximum financial contribution</p> <p>A maximum financial contribution shall be calculated for each Member State for the allocation <i>during the period up until</i></p>

<p>5(1)(a), using the methodology set out in Annex I, based on the population, the <i>inverse of</i> the per capita Gross Domestic Product (GDP) and the <i>relative</i> unemployment rate of each Member State.</p>	<p>31 December 2022 of the amount referred to in Article 5(1)(a), using the methodology set out in Annex I, based on the population <i>and</i> the <i>detrimental impact that the health crisis has had on</i> the per capita Gross Domestic Product (GDP) and the unemployment rate of each Member State.</p>
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Amendment 22

COM(2020) 408 final – Article 11

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>Allocation of financial contribution</p> <p>1. For a period until 31 December 2022, the Commission shall make available for allocation EUR 334 950 000 000, referred to in point (a) of Article 5(1). Each Member State may submit requests up to their maximum financial contribution, referred to in Article 10, to implement their recovery <i>and resilience</i> plans.</p> <p>2. For a period starting after 31 December 2022 until 31 December 2024, <i>where financial resources are available, the Commission may organise calls in line with the calendar of the European Semester. To that effect, it shall publish an indicative calendar of the calls to be organised in that period, and shall indicate, at each call, the amount available for allocation. Each Member State may propose to receive up to a maximum amount corresponding to its allocation share of the available amount for allocation, as referred to in Annex I, to implement the recovery and resilience plan.</i></p>	<p>Allocation of financial contribution</p> <p>1. For a period until 31 December 2022, the Commission shall make available for allocation EUR 252 000 000 000, referred to in point (a) of Article 5(1). Each Member State may submit requests up to their maximum financial contribution, referred to in Article 10, to implement their recovery plans.</p> <p>2. For a period starting after 31 December 2022 until 31 December 2024, <i>a revision of the methodology set out in Annex I shall be proposed by the Commission by 15 June 2022, in order to agree on the distribution of the EUR 108 000 000 000 still available and to take account of the territorial, economic and social impact of the pandemic during the period 2020-2021 on the basis of consolidated statistical data.</i></p>

<i>Reason</i>
<p>The allocation of any resources still available should be based not on a "call for tender" but on factual statistical data during the period 2020-2021.</p>

Amendment 23

COM(2020) 408 final – Article 14(1)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
<p>In pursuance of the objectives set out in Article 4, Member States shall prepare national recovery and resilience plans. These plans shall set out the reform and investment agenda of the Member State concerned for the subsequent four years. Recovery and resilience plans eligible for financing under this instrument shall comprise measures for the implementation of reforms and public investment projects through a coherent package.</p>	<p>In pursuance of the objectives set out in Article 4, Member States shall prepare national recovery and resilience plans. These plans shall set out the reform and investment agenda of the Member State concerned for the subsequent four years. Recovery and resilience plans eligible for financing under this instrument shall comprise measures for the implementation of reforms and public investment projects through a coherent package. <i>For the preparation of the recovery and resilience plans, Member States can make use of the Technical Support Instrument in accordance with Regulation XX/YYYY [establishing Technical Support Instrument]. Measures starting from 1 February 2020 related to the economic and social consequences caused by the COVID-19 pandemic onwards shall be eligible. Reflecting the European Green Deal as Europe’s sustainable growth strategy and the translation of the Union’s commitments to implement the Paris Agreement and the United Nations’ Sustainable Development Goals, at least 40% of the amount of each Recovery and Resilience Plan shall contribute to mainstreaming climate and biodiversity actions and environmental sustainability objectives. By means of a delegated act, the Commission shall adopt the relevant methodology to help the Member States to fulfil that requirement. Reflecting the future-oriented character of the Next Generation EU recovery instrument and acknowledging the importance of the Digital Skills Agenda, the Child Guarantee and the Youth Guarantee for preventing the young people of today from becoming a “lockdown generation”, each recovery and resilience plan shall contribute to tackling the risk of long-lasting damage to young people’s labour market prospects and to their overall well-being through comprehensive employment, education and skills solutions and responses targeting young people.</i></p>

Amendment 24

COM(2020) 408 final – Article 15(2)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
The recovery <i>and resilience</i> plan presented by the Member State concerned <i>shall constitute an annex to its National Reform Programme and</i> shall be officially submitted at the latest by 30 April. <i>A draft plan may be submitted by Member State starting from 15 October of the preceding year, together with the draft budget of the subsequent year.</i>	The recovery plan presented by the Member State concerned shall be officially submitted at the latest by 30 April.

Reason

The deadlines set under the European Semester hardly lend themselves to a process of "annexing" recovery plans, let alone providing "pre-notification" more than six months in advance. The competent authorities must be allowed greater flexibility and adaptability for presenting their plans.

Amendment 25

COM(2020) 408 final – Article 15(3)(c)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
The recovery <i>and resilience</i> plan shall be duly reasoned and substantiated. It shall in particular set out the following elements: [...] (c) an explanation of how the measures in the plan are expected to contribute to the green and the digital transitions or to the challenges resulting from them;	The recovery plan shall be duly reasoned and substantiated. It shall in particular set out the following elements: [...] (c) an explanation of how the measures in the plan <i>contribute to achieving the Sustainable Development Goals and</i> are expected to contribute to the green and the digital transitions or to the challenges resulting from them;

Amendment 26

COM(2020) 408 final – Article 15(3)(d) (new)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
	<i>(d) a detailed explanation of how the measures are expected to ensure that at least 40% of the amount requested for the recovery and resilience</i>

	<i>plan contribute to mainstreaming climate and biodiversity actions and environmental sustainability objectives based on the methodology provided by the Commission in accordance with Article 14(1);</i>
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Amendment 27

COM(2020) 408 final – Article 15(4) (new)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
	<i>When drawing up their proposals for recovery plans, and insofar as the reforms and investments to be supported fall within the sphere of local and regional authorities' competence as defined by the national legal framework, Member States shall establish a mechanism for structured cooperation with local and regional authorities aimed at ensuring their full participation in the preparation of plans and showing due regard for the principle of subsidiarity. Member States shall reflect this in their recovery plans.</i>

<i>Reason</i>
See amendment to Recital 21.

Amendment 28

COM(2020) 408 final – Article 16(3)(b)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
The Commission shall assess the importance and coherence of the recovery and resilience plan and its contribution to the green and digital transitions, and for that purpose, shall take into account the following criteria: [...] (b) whether the plan contains measures that effectively contribute to the green and the digital transitions or to addressing the challenges resulting from them;	The Commission shall assess the importance and coherence of the recovery plan and its contribution to the green and digital transitions, and for that purpose, shall take into account the following criteria: [...] (b) whether the plan contains measures that effectively contribute to the green and the digital transitions, to achieving the Sustainable Development Goals or to addressing the

	challenges resulting from them;
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Amendment 29

COM(2020) 408 final – Article 20

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>Article 20 Reporting by the Member State in the European Semester</p> <p>The Member State concerned shall report on a <i>quarterly</i> basis <i>within the European Semester process</i> on the progress made in the achievement of the recovery <i>and resilience</i> plans, including the operational arrangement referred to in Article 17(6). To that effect, the <i>quarterly</i> reports of the Member States shall be appropriately reflected in the National Reform Programmes, which shall be used as a tool for reporting on progress towards completion of the recovery <i>and resilience</i> plans.</p>	<p>Article 20 Reporting by the Member State in the European Semester</p> <p>The Member State concerned shall report on a <i>biannual</i> basis on the progress made in the achievement of the recovery plans, including the operational arrangement referred to in Article 17(6). To that effect, the reports of the Member States shall be appropriately reflected in the National Reform Programmes, which shall be used as a tool for reporting on progress towards completion of the recovery plans.</p>

<i>Reason</i>
See amendment to Recital 33.

Amendment 30

COM(2020) 408 final – Article 22 (new)

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
	<p><i>Recovery and resilience scoreboard</i></p> <p><i>1. The Commission shall establish a recovery and resilience scoreboard (the ‘Scoreboard’) displaying the status of implementation of the</i></p>

	<p><i>agreed reforms and investments through the recovery and resilience plans of each Member State.</i></p> <p><i>2. The Scoreboard shall include key indicators, such as social, economic and environmental indicators, that evaluate the progress registered by the recovery and resilience plans in each of the priority policy areas that define the scope of this Regulation as well as a summary of the monitoring process regarding the compliance with the minimum shares of expenditure on climate and other environmental objectives.</i></p> <p><i>3. The Scoreboard shall indicate the degree of fulfilment of the relevant milestones of the recovery and resilience plans and the identified shortcomings in their implementation, as well as the recommendations of the Commission to address the respective shortcomings.</i></p> <p><i>4. The Scoreboard shall also summarise the main recommendations addressed to the Member States as regards their recovery and resilience plans.</i></p> <p><i>5. The Scoreboard shall serve as a basis for a permanent exchange of best practices between Member States which will materialise in the form of a structured dialogue organised on a regular basis.</i></p> <p><i>6. The Scoreboard shall be constantly updated and shall be publicly available on the Commission's website. It shall indicate the status of payment claims, payments, suspensions and cancellations of financial contributions.</i></p> <p><i>7. The Commission shall present the Scoreboard at a hearing organised by the competent committees of the European Parliament.</i></p>
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<i>Reason</i>
The effectiveness of the measures should be made measurable and transparent.

Proposal for a Regulation establishing a Technical Support Instrument

Amendment 31

COM(2020) 409 final – Recital 4

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
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<p>At Union level, the European Semester of economic policy coordination is the framework to identify national reform priorities and monitor their implementation. Member States develop their own national multiannual investment strategies in support of those reform priorities. Those strategies are presented alongside the yearly National Reform Programmes as a way to outline and coordinate priorities to be supported by national and/or Union funding. They should also serve to use Union funding in a coherent manner and to maximise the added value of the financial support to be received notably from the programmes supported by the Union under the structural and cohesion funds, and from other programmes.</p>	<p>At Union level, the European Semester of economic policy coordination (<i>the ‘European Semester’</i>), <i>including the principles of the European Pillar of Social Rights and incorporating the Sustainable Development Goals (SDGs)</i>, is the framework to identify national reform priorities and monitor their implementation. Member States, <i>in cooperation with local and regional authorities within their spheres of competence</i>, develop their own national multi-annual investment strategy in support of these reforms. Those strategies are presented alongside the yearly National Reform Programmes as a way to outline and coordinate priorities to be supported by national and/or Union funding. They should also serve to use Union funding in a coherent manner and to maximise the added value of the financial support to be received notably from the programmes supported by the Union under the structural and cohesion funds, <i>the Recovery Fund, the InvestEU programme</i> and from other programmes.</p>
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<i>Reason</i>
<p>The content of this paragraph should be brought into line with that included in the proposal for a regulation and the Interinstitutional Agreement concerning the InvestEU programme, and with the proposal concerning the "Recovery and Resilience Facility", including the recognition of the role of local and regional authorities in the European Semester. It should also be noted that the Semester must incorporate the Sustainable Development Goals.</p>

Amendment 32

COM(2020) 409 final – Recital 8

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
<p>The general objective of the technical support instrument should be to promote the Union’s economic, social and territorial cohesion by supporting Member States efforts to implement reforms necessary to achieve economic and social recovery, resilience and convergence. To that effect, it should support the strengthening of the</p>	<p>The general objective of the technical support instrument should be to promote the Union’s economic, social and territorial cohesion by supporting Member States’ <i>and local and regional authorities’</i> efforts to implement reforms necessary to achieve economic and social recovery, resilience and convergence. To that</p>

administrative capacity of the Member States to implement Union law, in relation to challenges faced by institutions, governance, public administration, and economic and social sectors.	effect, it should support the strengthening of the administrative capacity of the Member States and of local and regional authorities to implement Union law, in relation to challenges faced by institutions, governance, public administration, and economic and social sectors.
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Reason
Consistency should be ensured with Articles 2 and 4 of the proposed regulation, which state that the instrument is intended to support all public authorities in the Member States, including local and regional authorities, which are responsible for the implementation of a significant proportion of Union law, as well as for more than half of public investment and one third of public expenditure as a whole.

Amendment 33

COM(2020) 409 final – Recital 10

Text proposed by the European Commission	CoR amendment
<i>With a view to helping Member States address reform needs in all the key economic and societal areas,</i> technical support should continue to be provided by the Commission, upon request from a <i>Member State</i> , in a <i>broad range of policy domains, which include</i> areas related to public financial and asset management, institutional and administrative reform, business environment, the financial sector, markets for products, services and labour, education and training, sustainable development, public health and social welfare. Specific emphasis should be given to the actions that foster the green and digital transitions.	Technical support should continue to be provided by the Commission, upon request from a <i>national authority</i> , in <i>the areas necessary for the implementation of the objectives of the Treaty on European Union and which are</i> related to public financial and asset management, institutional and administrative reform, business environment, the financial sector, markets for <i>local</i> products, services and labour, education and training, sustainable development, public health, social welfare <i>and gender equality</i> . Specific emphasis should be given to the actions that foster the green and digital transitions, <i>with a particular focus on narrowing the digital divide that affects women</i> .

Reason
Consistency with the legislative amendments to Articles 2 and 4. See amendment to Recital 8.

Amendment 34

COM(2020) 409 final – Article 2(1)

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>For the purposes of this Regulation, the following definitions apply:</p> <p>(1) technical support’ means measures that help Member States to carry out institutional, administrative and growth-sustaining and resilience-enhancing reforms;</p>	<p>For the purposes of this Regulation, the following definitions apply:</p> <p>(1) technical support’ means measures that help national, regional and local authorities to carry out institutional and administrative reforms, and reforms likely to bring about sustainable growth, cohesion and resilience. In order to be eligible for recourse to the Technical Support Instrument, such reforms shall meet the following criteria:</p> <p>(i) they shall be necessary for the implementation of the objectives of the Treaty on European Union;</p> <p>(ii) they shall contribute to convergence and the reduction of regional disparities in the spirit of the legal basis of the Regulation, Article 175 of the Treaty on the Functioning of the European Union (TFEU); and</p> <p>(iii) they shall be able to trigger public investment and stimulate long-term sustainable and inclusive growth consistent with the Sustainable Development Goals;</p>

<i>Reason</i>
<p>Consistency with Articles 2(2) and Article 4 as regards the instrument's beneficiaries and with Articles 3, 4 and 5 as regards the objective of the reforms.</p>

Amendment 35

COM(2020) 409 final – Article 3

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>The general objective of the instrument shall be to promote the Union’s economic, social and territorial cohesion by supporting Member States efforts to implement reforms necessary to achieve economic and social recovery, resilience</p>	<p>The general objective of the instrument shall be to promote the Union’s economic, social and territorial cohesion by supporting Member States’ and local and regional authorities’ efforts to implement reforms necessary to</p>

and upward economic and social convergence, and to support Member States' efforts to strengthen their administrative capacity to implement Union law in relation to challenges faced by institutions, governance, public administration, and economic and social sectors.	achieve economic and social recovery, resilience and upward economic and social convergence, and to support Member States' and local and regional authorities' efforts to strengthen their administrative capacity to implement Union law in relation to challenges faced by institutions, governance, public administration, and economic and social sectors.
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Amendment 36

COM(2020) 409 final – Article 5(e)

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>policies for implementing the digital and the green transitions, e-government solutions, e-procurement, connectivity, data access and governance, e-learning, use of Artificial Intelligence based solutions, the environmental pillar of sustainable development and environmental protection, climate action, mobility, promoting the circular economy, energy and resource efficiency, renewable energy sources, achieving energy diversification and ensuring energy security, and for the agricultural sector, soil and biodiversity protection, fisheries and the sustainable development of rural areas; and</p>	<p>policies for implementing the digital and the green transitions, e-government solutions, e-procurement, connectivity, data access and governance, e-learning, use of Artificial Intelligence based solutions, the environmental pillar of sustainable development and environmental protection, climate action, mobility, promoting the circular economy, the complete water cycle, energy and resource efficiency, renewable energy sources, achieving energy diversification and ensuring energy security, and for the agricultural sector, soil and biodiversity protection, fisheries and the sustainable development of rural areas; and</p>

Reason

The water sector is of fundamental strategic importance for the well-being of Europe's citizens and economy, as it is an essential resource, as well as an economic sector that generates sustainable and high-quality jobs. The use of renewable energies is a key goal in the fight against climate change.

Amendment 37

COM(2020) 409 final – Article 8

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
<p>1. A Member State wishing to receive technical support under the instrument shall submit a request for technical support to the Commission, identifying the policy areas and the priorities for support within the scope as set out in Article 5.</p>	<p>1. A national, regional or local authority wishing to receive technical support under the instrument shall submit a request for technical support to the Commission, identifying the policy areas and the priorities for support within the</p>

<p>These requests shall be submitted by 31 October of a calendar year. The Commission may provide guidance on the main elements to be included in the request for support.</p> <p>2. <i>Members States</i> may submit a request for technical support in the following circumstances linked to:</p> <p>(a) the implementation of reforms by <i>Member States</i>, undertaken on their own initiative, in particular to support recovery [in line with Regulation (EU) No YYY/XX], achieve sustainable economic growth and job creation and enhance resilience; [...]</p>	<p>scope as set out in Article 5. These requests shall be submitted by 31 October of a calendar year. The Commission may provide guidance on the main elements to be included in the request for support.</p> <p>2. <i>National, regional or local authorities</i> may submit a request for technical support in the following circumstances linked to:</p> <p>(a) the implementation of reforms by <i>national, regional or local authorities</i>, undertaken on their own initiative, in particular to support recovery [in line with Regulation (EU) No YYY/XX], achieve sustainable economic growth and job creation and enhance resilience; [...]</p>
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II. POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS (CoR),

With regard to what is referred to as the "Recovery and Resilience Facility",

1. welcomes the fact that the budget size of this new instrument, namely EUR 360 billion in grants and EUR 312.5 billion in loans to be committed by the end of 2024, provides a macroeconomic response commensurate with the scale of the 2020 recession, the worst ever to have been experienced in the history of the European Union, with a fall of 8.3% in GDP². The CoR also supports the balance the proposal strikes between grants and loans. The risk of further widening of socio-economic divergences justifies the rapid adoption and implementation of the "Recovery Plan for Europe" and the post-2020 EU budget as of autumn 2020;
2. emphasising that the legal basis of the proposal (Article 175 TFEU) relates to the objective of cohesion, the CoR is concerned at the weak territorial dimension of the Commission's proposal, given that the social and economic repercussions of the coronavirus crisis are unevenly distributed between Member States and, within them, between regions: firstly, because the health and human impact has been highly regionalised and healthcare capacities are unevenly distributed; secondly, because coronavirus prevention measures have also varied in duration and severity depending on the regional health situation; and thirdly, because some economic sectors are disproportionately affected with the socio-economic impact at local and regional level therefore depending on the most important industries, the type of jobs available and exposure to global value chains in each region. Without specific mitigation measures, the coronavirus crisis

² Commission summer economic forecast (July 2020): https://ec.europa.eu/info/sites/info/files/economy-finance/ip132_en.pdf

is therefore likely to create or reinforce regional disparities within and between Member States. Cohesion and solidarity must be placed at the forefront of our investment priorities;

3. cautions that the European Semester as a governance mechanism for the Fund (referred to as "Facility") remains a centralised and top-down exercise that is not appropriate for a tool that is supposed to strengthen economic, social and regional cohesion; therefore reiterates its proposal for a code of conduct to involve local and regional authorities (LRAs) in the European Semester³. This code is more urgent and necessary than ever if the Semester is to become more transparent, inclusive and democratic, and also more effective, by involving regional and local authorities;
4. recognises that the specific Next Generation EU recovery measures represent an opportunity for all regions, especially those hardest hit by the economic crisis arising from the COVID-19 pandemic, to promote the modernisation of their economic models and to make them more productive and resilient. Regrets, however, that the proposed allocation key for the first tranche of 70% of commitments, in the form of transfers from the Recovery Fund, is based on socio-economic indicators that refer to the situation prior to the health crisis, and does not take into account the impact of the pandemic on these indicators, since the economic effects of the crisis have, from the outset, been distributed unevenly across the regions;
5. points out that the economic downturn is occurring at a time when many key industry sectors are already facing major challenges as a result of the digital and environmental transformation. To manage the change, the EU must not fall behind in global competition in innovation. This demands substantial investment in research and development and in skills acquisition and upgrading; the Recovery and Resilience Facility should also be used to make such investment possible;
6. insists, therefore, that LRAs should be involved in drawing up plans for recovery through structured cooperation with the Member States, insofar as the reforms and investments to be supported fall within the sphere of local and regional authorities' competence, and in accordance with the national legal framework for the division of powers between tiers of government. The Committee encourages the Commission, in consultation with the CoR, to already present guidelines to this end in autumn 2020. For its part, it undertakes to organise a biannual assessment of the implementation in the regions of the recovery plans;
7. considers, furthermore, that the deadlines set within the European Semester hardly lend themselves to a process of "annexing" the recovery plans to the National Reform Programmes, let alone providing "pre-notification" more than six months in advance. The competent authorities must be allowed greater flexibility and adaptability for presenting their plans;

³ CoR opinion: [Improving the governance of the European Semester – a Code of Conduct for the involvement of local and regional authorities](#) – Rapporteur Rob Jonkman (NL/ECR), adopted on 11/05/2017. Ref.: COR-2016-05386.

8. notes that on 17 September 2020, the Commission presented the parallel publication of the Guidance to Member States on Recovery and Resilience Plans⁴ and the Annual Sustainable Growth Strategy (ASGS). In this context, points out that:
- it currently seems that the Commission is proposing to merge the national recovery and resilience plans and national reform programmes and that it no longer plans to propose country-specific recommendations;
 - while the Commission asks the Member States to "describe the institutional nature of the plan, as well as the role of their national/regional parliaments, other regional/local authorities, and national advisory bodies such as national fiscal boards and national productivity boards in the decision process leading up to the adoption/submission of the Recovery and Resilience Plans", it does not set any requirements as to the involvement of local and regional authorities in preparing them;
 - the territorial dimension does not seem to be a programming priority in these documents;
 - the Commission is presenting seven flagship initiatives⁵ which the recovery and resilience plans are expected to fit into. These flagship initiatives may be seen as additional constraints on the strategic planning of the recovery and resilience plans. Furthermore, none of these seven flagship initiatives relates to social cohesion, despite the fact that it has been undermined by the COVID-19 pandemic;

Proposes organising a "Recovery and Resilience Forum" jointly with the European Commission, in order to boost local and regional authorities' participation in the recovery plan and to assess their contribution to cohesion and to the green and digital transitions;

9. points out, lastly, that LRAs are responsible for more than half of public investment in the EU – much of it in key sectors such as health, education, social services, housing, transport and tourism– and that it would therefore be absurd for them not to be able to benefit from this support for public investment. Support of this kind is particularly necessary in times of crisis, with the last decade having illustrated the harmful pro-cyclical consequences of cuts in public investment, which is all too often used as an adjustment variable in the face of budgetary constraints;
10. stresses the role that the proposed instrument must play for the climate, but considers that the recovery plans should be earmarked for at least 40% of spending on climate action to enable the European Union to meet its climate commitments. The CoR also believes that the Commission's proposal should incorporate all the Sustainable Development Goals as a strategic planning framework;
11. opposes the option of transferring resources to the recovery and resilience instrument from the Structural and Investment Funds (Article 6), as such an option entails the risk of recentralising

⁴ Only available in English at this stage.

⁵ Clean technologies and renewable energy; energy efficiency of building stock; innovative mobility; connectivity (5G, fibre optics); modernisation of public administration; development of a European cloud for industrial data and powerful microprocessors; digitisation of education systems and the development of digital skills.

and undermining the management of the Structural and Investment Funds, which operates on the partnership principle;

12. sees the application of macroeconomic conditionality as a useful measure that would help to ensure targeted use of EU funds in the Member States;
13. reiterates its call for a clear definition of the reforms eligible for support from the "Recovery Fund" and/or the Technical Support Instrument, showing due regard for the principle of subsidiarity, by stating that they should respond to the following criteria and be:
 - i. relevant for the implementation of the objectives of the Treaty on European Union;
 - ii. relevant to convergence and the reduction of regional disparities in the spirit of the legal basis of Article 175 of the Treaty on the Functioning of the European Union (TFEU);
 - iii. able to trigger investment and stimulate long-term sustainable growth, consistent with the Sustainable Development Goals;
14. stresses that before the recovery and resilience "fund" can be rolled out, local and regional authorities implementing projects need a stable legal framework for state aid at European and national level. In particular, they need to know whether the European framework for state aid will be set up on an ad hoc basis to take account of the increased volume of aid and obtain guarantees on the responsibilities and deadlines for notifying aid;
15. stresses that the term "Facility" appears too technocratic, is incomprehensible to mere mortals and is ambiguous in a number of official EU languages, thus creating an obstacle to decentralised communication on the subject of the EU's responses to recovery and resilience; suggests, therefore, that the term "Facility" be replaced by "Fund";

With regard to the Technical Support Instrument,

16. welcomes the Commission's presentation of the proposal for a regulation establishing a Technical Support Instrument, which is likely to contribute to strengthening the administrative capacity of public authorities and thus to better implementation of reforms and more effective public management;
17. strongly supports the fact that the instrument is intended not only for national administrations but also for LRAs, as stated in Article 2 of the proposal;
18. considers, however, that the proposal for a regulation needs to be clarified and made more consistent, in particular as regards Article 8 on requests for technical support, which must come from a national authority within the meaning of Article 2 and not exclusively from a Member State;

Brussels, 12 October 2020

The President
of the European Committee of the Regions

Apostolos Tzitzikostas

The Secretary-General
of the European Committee of the Regions

Petr Blížkovský

III. PROCEDURE

Title	Recovery plan for Europe in response to the COVID-19 pandemic: Recovery and Resilience Facility and Technical Support Instrument
References	Proposal for a Regulation of the European Parliament and of the Council establishing a Recovery and Resilience Facility – COM(2020) 408 final Proposal for a Regulation of the European Parliament and of the Council establishing a Technical Support Instrument COM(2020) 409 final
Procedural basis	Rule 41(a) of the Rules of Procedure
Legal basis	Articles 175(3) and 307 TFEU
Date of Council/EP referral	10 June 2020
Date of President's decision	20 July 2020
Commission responsible	Commission for Economic Policy (ECON)
Rapporteur	Christophe ROUILLON (FR/PES), Mayor of Coullaines
Analysis	9 July 2020
Discussed in commission	29 September 2020
Date adopted by commission	N/A
Result of the vote in commission (majority, unanimity)	N/A
Date adopted in plenary	12, 13 and 14 October 2020
Previous Committee opinions	CoR opinion on <i>The Reform Support Programme and European Investment Stabilisation Function</i> , ECON-VI/037, adopted on 5 December 2018
Date of subsidiarity monitoring consultation	N/A