



Recovery and Resilience Facility – for a true green and just transition

In the face of the shock to all Europeans caused by the COVID-19 pandemic, the agreement to **raise 750 billion euros together and invest it in the common cause of making our societies and economies resilient** for the generations to come represents a **triumph of unity and solidarity over competition and self-interest**.

It would be the **biggest waste of collective economic resources in European history if we fail to build** a coordinated effort to use the Recovery and Resilience Facility to **preserve the environment we depend on and remove the barriers to social cohesion**.

The COVID19 crisis has laid bare the **overstretched supply lines, insufficient local production capacities for crucial goods, food and energy, underfunded healthcare and social protection systems and business models with little or no capacity to maintain jobs** even when faced with quite short-term stress.

The crisis has also illustrated the **crucial role of the public sector** as the ultimate guarantor of security and the protector of our common interests, and the **perils of underfunding**, including through unjust tax systems, **understaffing and privatizations** that fuel **damaging social inequalities**. This huge collective financial effort has to be spent responsibly on making our socio-economic system resilient to future shocks.

Investing in the resilience of our societies must be the **overarching objective** of the implementation of the RRF. This can be achieved if **Member States and EU institutions proactively engage with and fully inform all concerned stakeholders at the EU level and in their countries** and – especially at the **local and regional** levels closest to the people – in order to **identify and realize truly new and transformative projects**.

In designing, assessing, and implementing **the national plans**, Member States and the EU institutions must or should have taken the ambitions set out in the RRF regulation as the absolute minimum and involve stakeholders at all levels as well as exchanging best practice at the EU level.

The European Green Party calls on them to seize this, possibly final, opportunity to deliver the transition to environmental, social, and economic sustainability the people in the EU demand.

Therefore, the European Green Party:

1. recalls that Next Generation EU and the RRF represent the most ambitious expression of solidarity and unity in the Union's history when faced with the unprecedented disruption of the COVID19 pandemic and the existential threat of environmental degradation coming on top of the damaging social consequences of the misguided austerity policies across Europe in recent years;
2. believes that the mechanisms established for such burden sharing that lead to a shift of the financing of the EU's budget towards **own resources** and away from the political hostage game of GNI contributions and rebates, pave the way for the necessary broader fiscal coherence of the Economic and Monetary Union and a permanent fiscal capacity;
3. calls on the European Commission for a rapid deployment already in 2021 of the resources



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- in order to give immediate impetus to the green recovery in Europe; therefore insists that Member States which have not yet done so, to swiftly ratify the Own Resources decision;
4. calls on the Commission to encourage Member States to go beyond the minimum targets laid down in the RRF regulation for positive and transformative environmental and societal impact in their National Recovery Plans;
 5. insists, in order to ensure policy coherence and optimal efficiency in the use of funds, that Member States assess the combined environmental, social and economic impact of all potential projects and prioritize those that exhibit strong synergies;
 6. stresses in particular that there are many already implemented examples of emission-reducing and biodiversity-enhancing projects, with significant social benefits, such as new quality and meaningful long-term jobs in the green industries of the future, better and more affordable housing, better public health, and better recreation opportunities;
 7. calls on the Commission's guidelines to ensure that Recovery Plans stick closely to the letter and spirit of the Commission's **Gender Impact Assessment** guidelines for the Plans; notes, for example, that investing in historically male-dominated sectors without any mitigating measures may **worsen both the gender employment and gender pay gap**. Simply increasing the number of jobs in female-dominated professions, such as care and retail, is not enough **without simultaneously improving pay and conditions**;
 8. underlines, in particular, that Member States and EU institutions must **strictly apply the 'do no harm' principle** across all their projects; is adamant, from a European Greens perspective, that the principle must be respected **not only with regard to the environment**, as is explicit in the RRF regulation, **but also with regard to social cohesion**;
 9. insists that the Commission ensures all the tools and reporting are in place and effective to assess carefully that investment which is classified as contributing to climate and biodiversity targets does so in reality, focused only on infrastructure that is strictly required to achieve the necessary transformation to 100% renewable energy sources; stresses, in this regard, the importance of the **definitions** laid down in Union legislation of **what counts as sustainable investment** in the so-called '**Taxonomy**' regulation;
 10. demands that Member States use RRF funds for truly additional projects in accordance with RRF regulation and not to free funds already allocated in national budgets; insists that the Commission, Parliament and Council, in their respective roles, monitor national budgets alongside the design implementation of RRF plans to ensure this does not happen;
 11. insists, in order to maximise not only the **impact** but also the **public visibility and ownership** of the Recovery and Resilience projects, that Member States effectively **apply the partnership principle** in the identification, design and implementation of projects by ensuring the full participation of e.g regional and local stakeholders, social partners, civil society organizations and SMEs as is explicitly required in the RRF regulation, without compromising on requirement to achieve at least 37% of the expenditure for the green transition and at least 20% for the digital transition;
 12. stresses that, without full transparency and accountability to stakeholders at all levels – including the public, parliaments, and EU institutions – on the nature, progress and outcomes of the projects, intermediaries and end beneficiaries, the effectiveness and credibility of the



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RRF-led investment programme will be severely undermined; underlines, in particular, the necessity of a meaningful role for and cooperation with the European Parliament, as the direct representative at the EU level of the people in the Union;

13. insists, furthermore, that it is essential to the credibility of the massive mobilisation of common financial resources under the RRF that Member States not only ensure full disclosure of the final beneficiaries but implement adequate mechanisms to detect and combat diversion of funds, in particular where funds are misused to promote goals which are incompatible with the EU's fundamental values and the Rule of Law, and that those found responsible be prosecuted to the fullest extent also in the case where funds are wasted to the poor governance, with appropriate sanctions applied; stresses that penalties for such transgressions and associated remedies must not prevent RRF funds from reaching legitimate beneficiaries; allows for direct funding for local governments by the EU commission, in order to prevent governments from denying access EU and RRF funds to cities;
14. deems it essential that Member States, actively supported by the Commission, implement social and environmental fiscal reforms that address the tax gap in the EU that is still hundreds of billions of euros per annum by enacting legislation that eliminates unfair competition on taxes between Member States, and the irresponsible sweetheart deals with large corporations and high net worth individuals that shift the burden of financing the necessary transformation on to the less wealthy and taxpayers in other countries; believes, in this regard, that the opportunity presented by the recent US initiatives on minimum global tax rates must be seized by the EU;
15. warns of the major and unnecessary risk to economic stability of simply reinstating the current EU framework for economic governance until the social and economic impact of the pandemic has been fully addressed – which is why the escape clause should remain in place until at least 2023 - and without launching a serious reform of the current EU fiscal rules to enable more investments and to ensure its compatibility with the long-term environmental, social, and economic, sustainability that is essential to achieve resilience.