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CM 1670/21

CODEC
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WRITTEN PROCEDURE

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Subject: Draft Regulation of the European Parliament and of the Council
establishing the Recovery and Resilience Facility [2020/0104 (COD)]
Outcome of the written procedure initiated by CM 1611/21:
– Adoption of the legislative act, and
– Approval of the joint declaration

Delegations are informed that the written procedure, opened by CM 1611/21 of 10 February 2021 was completed on 11 February 2021 and that all delegations voted in favour of:

1. the adoption of the Regulation of the European Parliament and of the Council establishing the Recovery and Resilience Facility, as set out in document PE- CONS 75/20;
2. the approval of the joint declaration, as set out in document 5856/21 ADD 1 and its publication in the *Official Journal of the European Union* together with the joint declaration by the European Parliament and the Commission and the declarations by the Commission, as set out in document 5856/21 ADD 2 REV 1.

The required qualified majority has been reached. Therefore, the above Regulation is adopted and the accompanying joint declaration is approved.

The joint declaration by the European Parliament, the Council and the Commission, the joint declaration by the European Parliament and the Commission and the declarations by the Commission are reproduced in the Annex I to this CM and will be published in the *Official Journal*¹.

The statement by Malta is reproduced in the Annex II to this CM.

The above joint declarations, the declarations by the Commission and the statement by Malta will be included in the summary of acts adopted by the written procedure as statements to be entered in the Council minutes, in accordance with the third subparagraph of Article 12(1) of the Council's Rules of Procedure.

¹ C series.

JOINT DECLARATION BY THE EUROPEAN PARLIAMENT, COUNCIL AND COMMISSION ON THE ESTABLISHMENT OF REPORTING REQUIREMENTS TO ENABLE THE ISSUANCE OF BONDS CONTRIBUTING TO ENVIRONMENTAL OBJECTIVES FOR NEXTGENERATIONEU

The Commission recalls the shared political ambition of the European Green Deal. Within this framework it underlines its ambition to raise at least 30 % of the funds to be borrowed in the capital markets for the needs of NextGenerationEU through the issuance of bonds contributing to environmental objectives.

The three Institutions agree to seriously explore the possibility of introducing rules establishing reporting obligations for the Member States, in order to ensure availability of information for the purpose of evaluating the contribution to environmental objectives of the funds borrowed in the capital markets. To that end, the Commission will endeavour to make a legislative proposal to this end during the first quarter of 2021.

JOINT DECLARATION BY THE EUROPEAN PARLIAMENT AND THE COMMISSION ON DATA COLLECTION FOR EFFECTIVE CONTROLS AND AUDITS

The European Parliament and the Commission recall the need to ensure effective controls and audits for the purposes of avoiding double funding and preventing, detecting and correcting fraud, corruption and conflict of interests in relation to the measures supported by the Recovery and Resilience Facility. The two institutions consider essential that Member States collect and record data on final recipients and beneficiaries of Union funding in an electronic standardised and interoperable format and use the single data mining tool to be provided by the Commission.

ADDITIONAL DECLARATION BY THE COMMISSION ON DATA COLLECTION FOR EFFECTIVE CONTROLS AND AUDITS

The European Commission recalls its unilateral declaration on this matter under the Common Provisions Regulation, which applies mutatis mutandis to Article 22 of the Recovery and Resilience Facility Regulation.

COMMISSION DECLARATION ON THE METHODOLOGY FOR CLIMATE TRACKING

The Commission considers that, in order to ensure consistency, the methodology of Annex VI of the Regulation establishing the Recovery and Resilience Facility should be incorporated in the Common Provisions Regulation.

Statement by Malta

Malta welcomes the formal adoption of the Recovery and Resilience Facility (RRF) Regulation. Nevertheless, Malta reiterates the concerns raised previously namely in relation to the climate tracking methodology and the overall complex nature of the instrument. With regard to the climate tracking methodology, while taking due note of the Commission's position and statement, Malta regrets that this was not discussed in Council, and also regrets that investments in road infrastructure are assigned a zero coefficient. Malta recalls that its unique national circumstances and limited emissions reduction potential make investments in more efficient road infrastructure, in conjunction with the electrification of vehicles, one of the few key opportunities for Malta to continue building on a holistic approach towards decarbonisation and progress towards climate neutrality. These same national circumstances are also the main contributing factor to the absence of railways. Malta therefore stresses that agreement on the RRF should not in any way prejudice the upcoming discussions on Annex I of the Common Provisions Regulation.

Malta also regrets that the RRF progressively developed into a substantially more complex instrument than originally intended, featuring multiple conditions and reporting obligations to abide to in order to be accessed. In this respect and particularly in terms of the formulation of National Recovery and Resilience Plans and their assessment, Malta recalls the importance of Commission maintaining a realistic and pragmatic approach, as previously announced.