



European
Commission

KEY INSTRUMENTS SUPPORTING THE RECOVERY PLAN FOR EUROPE

#EUBudget #EUSolidarity #StrongerTogether

27 May 2020

Every programme and every euro mobilised under **Next Generation EU** will be used to tackle the most crucial recovery needs of the EU Member States and their partners.

The funds will go to where they can make the greatest difference, complementing and amplifying the essential work under way in the Member States.

WHO BENEFITS	Regions, companies and citizens	Companies	Health sector	Global partners
	Twin green and digital transitions			
INSTRUMENTS	<ul style="list-style-type: none"> • European Recovery and Resilience Facility • REACT-EU (cohesion policy) • Reinforced cohesion and rural development • Reinforced Just Transition Mechanism 	<ul style="list-style-type: none"> • Solvency Support Instrument • Strengthened InvestEU • Strategic Investment Facility 	<ul style="list-style-type: none"> • New Health Programme • Reinforced Horizon Europe • Reinforced rescEU 	<ul style="list-style-type: none"> • External Action Guarantee • European Fund for Sustainable development
WHO INTERVENES	European Commission & Member states	European Investment Bank & other public finance partners	European Commission	European Commission & international organisations

Source: European Commission

The investments will be channelled via a variety of instruments under three pillars.

1 Supporting Member States to recover, repair and emerge stronger from the crisis

EUROPEAN RECOVERY AND RESILIENCE FACILITY

- Embedded in the **European Semester**.



To be used for:

Investments and reforms, including in green and digital transitions.



Mechanism:

Grants and loans by implementing Member States' national Recovery and Resilience plans defined in line with the objectives of the European Semester, including in relation to the green and digital transitions and the resilience of national economies.



Budget:

€560 billion of which €310 billion for grants and €250 billion in loans.



Distribution key:

Available to all **Member States**, focus on the most affected countries.

RECOVERY ASSISTANCE FOR COHESION AND THE TERRITORIES OF EUROPE (REACT-EU)

- **Additional funding** in 2020-2022 for the **current cohesion programmes** as well as for the **Fund for European Aid to the Most Deprived**.



To be used for:

Employment subsidies, short time work schemes and youth employment measures; liquidity and solvency for SMEs.



Mechanism:

Flexible cohesion policy grants for municipalities, hospitals, companies via Member States' managing authorities. No national co-financing required.



Budget:

€55 billion of additional cohesion policy funding between 2020 and 2022.



Distribution key:

Focus on the most affected countries and regions, taking into account the severity of the **economic and social impacts** of the crisis, including the level of youth unemployment and the relative prosperity of Member States.

SUPPORTING A JUST TRANSITION

The Commission is also proposing to support the transition towards climate neutrality via funds from Next Generation EU. To that end, the Commission is boosting the funding for the **Just Transition Fund** to up to €40 billion. This should help alleviate the socio-economic impacts of the transition in the regions most affected.

The Commission is also proposing to reinforce the budget for the **European Agricultural Fund for Rural Development** by €15 billion to support rural areas in making the structural changes necessary in line with the European Green Deal. This will also help to achieve the ambitious targets in the new biodiversity and Farm to Fork strategies.

2 Kick-starting the economy and helping private investment to get moving again

SOLVENCY SUPPORT INSTRUMENT

- New instrument to support equity of **viable companies** which suffer due to the coronavirus crisis.



To be used for:

Equity support to viable companies from all economic sectors to address solvency concerns, caused by the coronavirus pandemic, and help them through their green and digital transformation.



Mechanism:

Provisioning of an EU budget guarantee to the European Investment Bank Group in order to mobilise **private capital** (via financial intermediaries, for example independently managed funds or Special Purpose Vehicles).



Budget:

€31 billion



Distribution key:

Demand driven and available to **all Member States**, focus on those particularly hit by the coronavirus crisis, which are less able to intervene through national state aid, in the most affected sectors.



Enhanced InvestEU (INCLUDING A STRATEGIC INVESTMENT FACILITY)



To be used for:

Investments in sustainable infrastructure, R&I and digitisation, SMEs and midcaps, social investment and skills across the EU. In addition, the new Strategic Investment Facility will aim to develop **strong and resilient independent value chains** such as critical infrastructure, green and digital technologies and healthcare and enhance the autonomy of the Union's single market.



Mechanism:

Provisioning of an EU budget guarantee for financing of investment projects via the EIB group and national promotional banks.



Budget:

€15.3 billion for InvestEU. Additionally, a new Strategic Investment Facility to be equipped with €15 billion provisioning from Next Generation EU.



Distribution key:

Demand driven and available to **all Member States**.

3 Learning the lessons of the crisis and addressing Europe's strategic challenges

HEALTH PROGRAMME

- New programme, respecting the division of competences between the Union and Member States in this field, to help equip Europe against **future health threats**.



To be used for:

Investments in EU healthcare systems with a focus on:

- health security and capacity to react to crises;
- long-term disease prevention and surveillance, health access, diagnosis and treatment, cross-border collaboration in the health domain.



Mechanism:

Grants directly to beneficiaries by the European Commission, centrally-managed procurements by the European Commission.



Budget:

€9.4 billion.



Distribution key:

Centrally managed programme benefiting **all Member States**.



rescEU/ UNION CIVIL PROTECTION MECHANISM

- **Reinforcement** of the Union's civil protection support capacity to respond to **large-scale emergencies**.



To be used for:

Health emergencies response infrastructure: storage capacity, systems to transport medicines, doctors and patients within the EU or to bring them in from outside the EU.



Mechanism:

Grants and procurements managed by the European Commission.



Budget:

A total of €3.1 billion.



Distribution key:

Centrally managed programme benefiting **all Member States**.

The Commission is also proposing to **reinforce** other programmes to allow them to play their full role in making the Union more **resilient** and addressing challenges brought along by the pandemic and its consequences:

- A total of €94.4 billion for **Horizon Europe**, to increase European support for health and climate-related research and innovation activities;
- A total of €87 billion for the **Neighbourhood, Development and International Cooperation Instrument**, via a new External Action Guarantee, and the **European Fund for Sustainable Development** to support partners – in particular in the Western Balkans, the Neighbourhood and the rest of Africa – in their efforts to fight and recover from the impact of the pandemic;
- An increase of €5 billion for the **Humanitarian Aid Instrument**, reflecting growing humanitarian needs in the most vulnerable parts of the world;
- A total of €8.2 billion for **Digital Europe programme** to boost the Union's cyberdefences and support the digital transition;
- Investing in an up-to-date, high-performance transport infrastructure to facilitate cross-border connections, such as Rail Baltica, through an additional €1.5 billion for the **Connecting Europe Facility**;
- Creating the conditions for a well-functioning single market driving recovery by maintaining the proposed budgets for the **Single Market Programme** and for programmes supporting cooperation in the fields of **taxation and customs** at a level of €3.7 billion, €239 million and €843 million respectively;
- A top-up of €3.4 billion for **Erasmus Plus** bringing the total to €24.6 billion to invest in young people, as well as in the cultural and creative sectors through an increase of **Creative Europe** to a level of €1.5 billion;
- An increase of €4 billion for the **Common Agricultural Policy** and of €500 million for the **European Maritime and Fisheries Fund**, to strengthen the resilience of the agri-food and fisheries sectors and to provide the necessary scope for crisis management;



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- A total of €22 billion for the **Asylum and Migration Fund and Integrated Border Management Fund**, to step up cooperation on external border management as well as migration and asylum policy;
- A total of €2.2 billion for the **Internal Security Fund** and a total of €8 billion for the **European Defence Fund** to support the European strategic autonomy and security;
- A total of €12.9 billion for **pre-accession assistance**, to support our partners in the Western Balkans.

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Print ISBN 978-92-76-18251-1

doi:10.2761/995915

KV-01-20-262-EN-C

PDF ISBN 978-92-76-18209-2

doi:10.2761/02988

KV-01-20-262-EN-N