



## Commission welcomes political agreement on REPowerEU under the Recovery and Resilience Facility

Brussels, 14 December 2022

The European Commission welcomes the political agreement reached between the European Parliament and the Council on financing [REPowerEU](#) and enabling Member States to introduce REPowerEU chapters in their recovery and resilience plans. This agreement builds on the Recovery and Resilience Facility (RRF) to further respond to the economic hardship and global energy market disruption caused by Russia's invasion of Ukraine.

Thanks to today's agreement, Member States will be able to get their **reforms and investments** rolling, thereby phasing out imports of Russian fossil fuels and providing clean, affordable and secure energy to households and businesses across Europe.

The agreement also covers the SAFE (Supporting Affordable Energy) measures under **Cohesion Policy**, which will enable Member States to use unspent funds under their 2014-2020 allocation to provide direct support to vulnerable families and small and medium-sized businesses (SMEs) to help them face increased energy costs, as proposed by the Commission in October.

### Main elements of the agreement

To support REPowerEU, **€225 billion is already available in loans under the RRF**. Today's agreement, which requires final approval by the European Parliament and the Council, provides that the **RRF financial envelope is increased** with:

- **€20 billion in new grants** to finance measures that Member States will be able to include in REPowerEU chapters in their recovery and resilience plans. These grants will be financed through the frontloaded sale of Emissions Trading System (ETS) allowances and the resources of the Innovation Fund, to be partly replenished through the Market Stability Reserve.
- **€5.4 billion of funds from the Brexit Adjustment Reserve** that Member States will be able to voluntarily transfer to the RRF to finance REPowerEU measures. This comes on top of the existing transfer possibilities of 5% from the cohesion policy funds (up to EUR 17.9 billion).

Member States will have the possibility to request **pre-financing of up to 20% of funds** allocated to REPowerEU chapters, payable in a maximum of two tranches.

The **do-no-significant-harm (DNSH)** principle will continue to apply to all the supported reforms and investments with a targeted derogation for energy infrastructure and facilities needed to meet immediate security of supply needs, subject to a positive assessment by the Commission that those measures using the DNSH derogation are strictly necessary.

To contribute to the European added value, Member States will be encouraged to include in their REPowerEU chapters measures with a cross-border or multi-country dimension or effect for an amount representing 30% of their REPowerEU Chapter.

Member States will have to **consult relevant stakeholders** when drafting the REPowerEU chapters. When Member States will request to revise their RRP, they will have to submit a summary of the consultation process and outcome to the Commission.

To further increase **transparency**, the agreement foresees the obligation for Member States to publish information on the 100 largest final recipients of RRF funds.

In the context of this legislative agreement, the European Parliament and Council also decided to give utmost priority to ensuring a sufficient size of the Innovation Fund, to adequately support the decarbonisation of industrial sectors, in the context of the ongoing negotiations on the revision of the [ETS Directive](#).

### Next steps

The text of the amended Regulation will now have to be finalised at technical level. The European

Parliament and the Council must then formally approve the text so that the amended Regulation can enter into force as soon as possible.

Once the amended Regulation is in force, all Member States who wish to revise their RRP to receive additional funding will also have to include a REPowerEU chapter in their request to the Commission.

## Background

The Commission has proposed to put the [Recovery and Resilience Facility](#) (RRF) at the heart of the REPowerEU Plan, supporting coordinated planning and financing of cross-border and national infrastructure, as well as energy projects and reforms. For this reason, in May 2022 the Commission proposed to make targeted amendments to the [RRF Regulation](#) to integrate dedicated REPowerEU chapters in Member States' existing recovery and resilience plans (RRPs). Today's agreement concerns these amendments.

The measures included in the REPowerEU chapters will come on top of the large number of relevant reforms and investments which are already in the RRPs. The country-specific recommendations in the 2022 European Semester cycle will also feed into the design and assessment of these measures.

In October 2022, as part of its Energy Emergency Communication, the Commission proposed to make the Cohesion policy framework 2014-2020 more flexible to help Member States and regions face the current energy crisis. They proposed to provide support to SMEs affected by the high energy prices, address energy poverty by providing support to vulnerable households, as well as to finance short-time work and equivalent schemes in order to maintain jobs.

President of the European Commission Ursula **von der Leyen** said: *"Today's political agreement with Council and Parliament unlocks additional investments and reforms to further realise our REPowerEU Plan and secure a clean energy future. In response to the disruption and hardship caused by Russia's invasion of Ukraine and Putin's energy blackmail, we unanimously agreed to reduce our imports of Russian gas by two-thirds before the end of this year and to phase them out completely as soon as possible. Putin is losing his unjustified war of aggression and we are accelerating our clean energy transition for the benefit of the whole EU, and the planet. We will continue our work until all families and businesses in the EU have access to affordable, secure and clean energy."*

## For More Information

[REPowerEU: A plan to rapidly reduce dependence on Russian fossil fuels and fast forward the green transition](#)

[REPowerEU Communication](#)

[Annexes to REPowerEU Communication](#)

[Commission webpage on the Recovery and Resilience Facility](#)

[Commission proposal for establishing a Recovery and Resilience Facility](#)

IP/22/7717

## Quotes:

Today's political agreement with Council and Parliament unlocks additional investments and reforms to further realise our REPowerEU Plan and secure a clean energy future. In response to the disruption and hardship caused by Russia's invasion of Ukraine and Putin's energy blackmail, we unanimously agreed to reduce our imports of Russian gas by two-thirds before the end of this year and to phase them out completely as soon as possible. Putin is losing his unjustified war of aggression and we are accelerating our clean energy transition for the benefit of the whole EU, and the planet. We will continue our work until all families and businesses in the EU have access to affordable, secure and clean energy.  
President Ursula von der Leyen

RePowerEU is our response to Putin's attempt to bring Europe to its knees by weaponising his fossil fuels. The agreement now reached to finance RePowerEU will give a huge boost to our energy transition and strengthen Europe's energy sovereignty. This winter and the next will be tough, but we will make it through. The EU will stay firmly on Ukraine's side: Putin will not manage to impose his autocratic vision on our continent.  
Frans Timmermans, Executive Vice-President for the European Green Deal

Russia's relentless aggression against Ukraine has made it more urgent than ever for the EU to rebalance its energy markets, focus on cleaner energy and cut dependence on Russian fossil fuels. Today's political agreement on financing the REPowerEU plan sets us on the right track to do this. As Member States put their Recovery and Resilience Plans into effect to make the REPowerEU goals a reality, we can secure our energy supplies and raise the use of renewables for a cleaner and greener environment, helping us to meet our 2050 climate targets.  
Valdis Dombrovskis, Executive Vice-President for an Economy that Works for People

With this agreement we take another step towards decoupling our energy system from Russia, upon which Europe has been too dependent for too long. In synergy with the Recovery and Resilience Facility and other EU funds, REPowerEU will unlock further resources to help our Member States to boost their energy security. As this dark year draws to a close and Putin's aggression continues unabated, we remain united in our solidarity with Ukraine - and resolute in our determination to safeguard European sovereignty.

Paolo Gentiloni, Commissioner for Economy

Today's agreement introduces targeted modifications to the 2014-2020 Cohesion Policy legal framework for Supporting Affordable Energy (SAFE) measures. SAFE comes on top of the Cohesion's Action for Refugees in Europe (CARE) and Flexible Assistance to territories (FAST-CARE) initiatives adopted earlier this year to help Member States and regions address the consequences of Russia's aggression against Ukraine. Thanks to Cohesion Policy, vulnerable households and SMEs will now receive important and swift support to face the energy crisis. Cohesion Policy will also support REPowerEU objectives through its long-term investments in renewables, energy efficiency and smart grids. Cohesion builds resilience and leaves no one behind.

Elisa Ferreira, Commissioner for Cohesion and Reforms

REPowerEU is our roadmap to get rid of Russian fossil fuels as soon as possible, while fast forwarding our clean-energy transition. I very much welcome this agreement which will provide the EU with the necessary financial firepower to make our energy system cleaner and more resilient.

Kadri Simson, Commissioner for Energy

Press contacts:

[Veerle NUYTS](#) (+32 2 299 63 02)

[Tommaso ALBERINI](#) (+32 2 295 70 10)

General public inquiries: [Europe Direct](#) by phone [00 800 67 89 10 11](#) or by [email](#)