To the kind attention of rapporteurs:
MEP Siegfried Mureșan
MEP Eider Gardiazabal Rubial
MEP Dragoș Pîslaru

In copy:
MEP José Manuel Fernandes
MEP Costas Mavrides
MEP Luis Garicano
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MEP Roberts Zīle
MEP José Gusmão
MEP Dimitrios Papadimoulis

Brussels, 21 October 2020

The Recovery & Resilience Facility should channel funding towards renewable, smart, and efficient electricity-based solutions that deliver a green and digital recovery and a just transition. It should exclude support for fossil fuel investments that generate stranded assets.


Next Generation EU will only be as green as the projects it finances and the jobs it creates. In this regard, the Recovery and Resilience Plans must bolster the clean and cost-efficient electrification of our economy in line with the EU's environmental commitments. Concretely, the Recovery and Resilience Facility should be used to finance the development of additional renewable energy capacity, the integrated renovation of buildings, the deployment of modernized heating and cooling solutions, of electric vehicles and smart charging infrastructure, as well as smart grid projects to unlock distributed flexibility resources in the energy system.

We are convinced that the Recovery and Resilience Facility is the opportunity to reshape our energy and industrial future, increase competitiveness, boost employment, and enhance system efficiency to lay the groundwork for climate neutrality in the EU. Up to €23 billion could be saved on energy bills in Europe with breakthrough levels of smart electrification. Furthermore, renewable energy investments generate three times as many jobs than fossil fuels investments and deep building retrofits could lead to the net creation of 1.8 million jobs.

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1 Element Energy and Cambridge Econometrics (2019), Towards Fossil-free Energy in 2050
3 Element Energy and Cambridge Econometrics (2019), Towards Fossil-free Energy in 2050
For this reason, we call on the European Parliament to ensure that the Recovery and Resilience Facility drives the deployment of renewable, smart, clean and efficient electricity-based solutions that deliver a green and digital recovery and a just transition. It should exclude support for fossil fuel investments that generate stranded assets.

Ahead of the ECON/BUDG Committee vote on the 2nd and 3rd of November, we call on you to:

1. **Ensure the Recovery and Resilience Plans are consistent with the EU’s commitments under the Paris Agreement:** investments and reforms supported by the Recovery and Resilience Facility must be fully in line with the EU’s 2030 climate and energy targets and climate neutrality by 2050. Fossil fuel investments should be excluded from the 37% of the Recovery and Resilience Facility funds that have been earmarked for the green transition. Beyond this, all investments and reforms supported by the Recovery and Resilience Facility should exclude activities that are not compliant with the ‘do no significant harm’ principle referred to in Regulation (EU) 2020/852.

2. **Include the targets of the 7 European Flagship Initiatives in the evaluation criteria of the Recovery and Resilience Facility:** the European Commission has “strongly encouraged” Member States to include, in their Recovery and Resilience Plans, investments and reforms that contribute to 7 European Flagship initiatives. The EU-wide targets under these Flagship Initiatives should be included in Annex II of the Regulation establishing a Recovery & Resilience Facility as overarching criteria to evaluate the plans collectively. This applies in particular to the Power Up, Renovate, Recharge and Refuel, and Reskill and Upskill Flagships. Where national Recovery & Resilience Plans do not measurably contribute to the targets of the Flagships they should be revised.

3. **Earmark funds to finance integrated energy renovations across the EU:** as identified in the European Commission’s Renovation Wave Strategy one of the principal barriers for citizens and businesses to carry out building renovations is access to finance, while mobilising finance can be difficult at regional and local level. In line with the objectives of the Renovate Flagship Initiative and of the comprehensive assessments on heating and cooling (due by end of 2020), the Recovery and Resilience Facility should earmark funds for Member States to finance the integrated renovation of buildings that combine energy efficiency improvements with policies that boost on-site renewable generation, promote demand-side flexibility and transition away from pure fossil-based heat supply by prioritising direct electrification.

We are eager to provide further details during the legislative co-decision procedure and support you in the upcoming negotiations.

Sincerely yours,

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