

EU Activated Next Generation Project

Thomas Wahl

News

Between August and September 2021, Union institutions made the Next Generation EU (NGEU) operational. The NGEU is the EU's economic recovery instrument in order to overcome the adverse impacts of the COVID-19 pandemic. The NGEU fund will operate from 2021-2023 and tied with the EU's 2021-2021 budget of the multiannual financial framework (MFF). The centrepiece of the NGEU is the Recovery and Resilience Facility (RRF) that allows the Commission to borrow money from financial markets. The RRF has a total of €723.8 billion (in current prices). Before the money is allocated a number of conditions have needed to be met and preparatory steps completed. This process includes the drawing up of national recovery and resilience plans by the Member States, their evaluation by the European Commission, and approval by the Council of the EU.

By August 2021, the Commission executed the first disbursements for Member States under the RRF. By the beginning of October 2021, most of the submitted national plans have already been positively assessed by the Commission (22) and approved by the Council (19). Transfers amounted to €51.5 billion (approx. 7% of the total RRF), which were disposed to 16 Member States. The deadline for submission of the national plans has been postponed for Bulgaria and the Netherlands, where recent elections and negotiations on the formation of new governments delayed the preparation of the plans. The plans from Hungary and Poland have not been finally approved yet since the Commission is not satisfied with their content. In addition, the EP exercised pressure by requesting that the recovery plans can only be approved if the countries address concerns about the rule of law and attacks on the judiciary, primacy of EU law, public procurement, corruption and unequal treatment of minorities (→ related links).

A major challenge for the EU remains how the unprecedented amount for reforms and investments under the RRF scheme can be protected from fraud and misappropriation (→ contributions in eucrim issue 3/2021).

Information on the current state of play of the EU's recovery plan is made available by the [EP Research Service](#) and on a dedicated [Commission website](#).

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