

## Compromise amendments on RRF REPowerEU proposal (2022/0164 (COD))

**CA 1 (EPP, S&D, RE, ID, Greens, ECR) – on entire text of the Regulation *except* the following parts: Recital 6, Recital 13, Art.21c, Annex I and Annex Ia**

07/10/2022

### RECITALS (Amendments covered 33-64)

- (1) Since the adoption of Regulation (EU) 2021/241 of the European Parliament and of the Council establishing the Recovery and Resilience Facility,<sup>1</sup> unprecedented geopolitical events and their direct and indirect socio-economic consequences have considerably affected the Union's society and economy. In particular, it has become clearer than ever that the Union's energy security is indispensable for a successful, sustainable and inclusive recovery from the COVID-19 crisis, as it is also a major factor contributing to the resilience of the European economy.
  - (2) Due to the direct links between a sustainable recovery, building the Union's resilience and the Union's energy security, and its role for a just and inclusive transition, the Recovery and Resilience Facility is a well-suited instrument to contribute to the Union's response to these newly emerging challenges.
  - (3) The Versailles Declaration of 10-11 March 2022 of the Heads of States and Governments invited the Commission to propose by the end of May a REPowerEU plan to phase out the dependency on Russian fossil fuel imports, which was subsequently reiterated in the European Council Conclusions of 24-25 March 2022. This should be done well before 2030 in a way that is consistent with the EU's Green Deal and the climate objectives for 2030 and 2050 enshrined in the European Climate Law. Regulation (EU) 2021/241 should therefore be amended to enhance its ability to support reforms and investments dedicated to diversifying energy supplies, in particular fossil fuels, *as well as to make the energy system more secure, affordable, accessible and sustainable, in particular with the uptake of renewables, energy efficiency and increased energy storage capacity*, thereby strengthening the strategic autonomy of the Union alongside an open economy. Support should also be given to reforms and investments increasing the energy efficiency *and energy savings (RE 35)* of the Member States' economies *through better coherence with the Renewable Energy Directive, the Energy Efficiency Directive, the Energy Performance Buildings Directive and the Ecodesign for Sustainable Products Regulation*.
- (3 a) *The phasing out of the dependency on Russian fossil fuel imports should lead to a reduction of the overall energy dependency of the European Union. In line with the Recovery and Resilience Facility, the REPowerEU chapters of the RRF should*

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<sup>1</sup> Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility (OJ L 57, 18.2.2021, p. 17).

*contribute to increase and strengthening of the strategic autonomy of the Union. (EPP 38)*

- (3b) *Reducing the Union's dependency on fossil fuels imports should not lead to an increase of its dependency on raw materials imports from third countries thereby REPowerEU should aim to reduce our dependency on primary critical raw materials. (EPP 39, 40)*
- (4) To maximise complementarity, consistency and coherence of policies and actions taken by the Union and Member States to foster independence and security **accessibility and sustainability** of the Union's energy supply, these energy-related reforms and investments should be established through a dedicated 'REPowerEU chapter' of the recovery and resilience plans.
- (5) To maximise the scope of the Union's response, all Member States submitting a recovery and resilience plan after the entry into force of this Regulation should be required to include a REPowerEU chapter in their plan. **Member States should be encouraged to draft a RepowerEU chapter before submitting a revised recovery and resilience plan and receive assistance to perform that task.** This requirement should apply, in particular, to revised plans submitted by Member States from 30 June 2022 to take into account the updated maximum financial contribution.
- (7) An appropriate and technologically neutral assessment criterion should be added to serve as a basis for the Commission to assess reforms and investments included in the REPowerEU chapter and to ensure that reforms and investments are fit for achieving the specific REPowerEU-related objectives. **with a special focus on energy storage capacities.** An A rating should be required under this new assessment criterion for the relevant recovery and resilience plan to be positively assessed by the Commission.
- (8) Investments in infrastructure and technologies alone are not sufficient to ensure a reduction of dependency from fossil fuels. **Given the current crisis, it reveals the critical needs of qualified professionals in energy sectors. (EPP 49)** Resources should be dedicated to the reskilling and upskilling of people, to further equip the workforce with energy transition skills. This is in line with the objective of the European Social Fund Plus, which aims at supporting Member States in achieving a skilled and resilient workforce ready for the future world of work. In light of this, resources transferred from the European Social Fund Plus should help support measures for the reskilling and upskilling of the workforce. The Commission will assess whether the measures included in the REPowerEU chapters significantly contribute to supporting a requalification of the workforce towards the energy transition.
- (9) The application of this regime should be without prejudice to all other legal requirements under Regulation (EU) 2021/241 unless this Regulation provides otherwise.
- (10) The recovery and resilience plan, including the REPowerEU chapter, should contribute to effectively addressing all or a significant subset of the challenges identified in the relevant country-specific recommendations, **taking into account the specificities of the energy mix of each Member State (EPP 50)** including the country-specific recommendations to be adopted under the 2022 Semester cycle which refer inter alia to the energy challenges that Member States are facing.
- (11) An effective transition towards green energy and a reduction of energy dependency involves significant digital investments. In light of Regulation (EU) 2021/241, Member

States should provide an explanation of how the measures in the recovery and resilience plan, including those included in the REPowerEU chapter, are expected to contribute to the digital transition or the challenges resulting therefrom and whether they account for an amount contributing to the digital target based on the methodology for digital tagging. However, given the unprecedented urgency and importance of energy challenges faced by the Union, reforms and investments included in the REPowerEU chapter should not be taken into account when calculating the plan's total allocation for the purpose of applying the digital target requirement set by Regulation (EU) 2021/241.

- (12) Pursuant to Article 18(4) point (q) of Regulation (EU) 2021/241, the Member States should also provide a summary of the consultation process of local and regional authorities and other relevant stakeholders, including, as relevant, from the agricultural sector, for reforms and investments included in the REPowerEU chapter. Such summaries should explain the outcome of those consultations and outline how the input received *during consultations* was reflected in REPowerEU chapters *and how sustainable alternatives to building new fossil fuel infrastructure were prioritised.*(Greens51)
- (14) Further incentives should be provided for Member States to request loans, through *a quick, accessible and unburdensome (RE58)*~~the clarification of the loan allocation procedure~~ *while ensuring equal treatment, proportionality, solidarity and transparency.* In accordance with Regulation (EU) 2021/241, Member States may request loans until 31 August 2023. An intention to submit a loan request should be communicated to the Commission 30 days after the entry into force of this Regulation so that the redistribution of the remaining funds can be conducted in an orderly manner. *In order to ensure that the RepowerEU objectives are implemented coherently and fully, the European Commission will establish procedures for the Member States who have reached the maximum loan envelope. Where needed, the Commission could also grant technical support to the Member States for faster and more targeted implementation.*(RE 64)
- (14a) *The Commission should submit to the European Parliament an overview of the projects and of loan proposals put forward by the Member States and of suggested distribution of funds.*
- (15) In addition, to incentivise a high level of ambition for reforms and investments to be included in the REPowerEU chapter, new dedicated funding sources should be provided *to secure better and more effective use of the loans of the Members States, as well as more efficient and flexible mobilising of the existing funds.*(RE 59)
- (16) While extending the current intake rate of allowances to the Market Stability Reserve is needed to prevent in long term a significant increase of the surplus of allowances in the greenhouse gas emission allowance trading within the Union, the current economical and geopolitical situation requires the Union to mobilise available resources to rapidly diversify Union's energy supply and reduce dependence on fossil fuels before 2030. In this context, Decision (EU) 2015/1814 of the European Parliament and of the Council<sup>2</sup> and Directive 2003/87/EC of the European Parliament and of the Council<sup>3</sup> should be

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<sup>2</sup> Decision (EU) 2015/1814 of the European Parliament and of the Council of 6 October 2015 concerning the establishment and operation of a market stability reserve for the Union greenhouse gas emission trading scheme and amending Directive 2003/87/EC, OJ L 264/1

<sup>3</sup> Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003

amended to extend the doubling of the 24% intake rate of the Market Stability Reserve until 2030, while allowing for an exceptional release and monetisation of a portion of allowances from the Market Stability Reserve and directing revenues towards reforms and investments contributing to REPowerEU objectives, in the Recovery and Resilience Facility framework.

- (17) Regulation (EU) 2021/1060 of the European Parliament and of the Council<sup>4</sup> should be amended to provide for the possibility to transfer up to 7.5% of resources of shared management programmes governed by that Regulation to the Facility for the achievement of the REPowerEU objectives, in addition to the existing transfer possibility of up to 5%. Such a possibility is justified by the need to cover REPowerEU objectives, providing Member States with additional flexibility to address those urgent needs. Furthermore, the Facility allows for a fast disbursement of funds, making it particularly well suited for financing of urgent energy-related measures. Such transfers should be justified by a higher financial need linked to additional reforms and investments included in the REPowerEU chapter.
- (18) Regulation (EU) 2021/2115 of the European Parliament and of the Council<sup>5</sup> should also be amended to allow for a possibility to deliver up to 12.5% of the European Agricultural Fund for Rural Development through the Recovery and Resilience Facility. Such method of delivery is justified by complementarity and synergies between these instruments with regard to the objectives of reducing the use of synthetic fertilisers, or increasing production of sustainable biomethane or renewable energy, in accordance with the objectives of the Common Agricultural Policy set out in Article 39 of TFEU. The delivery via the Recovery and Resilience Facility should accelerate the disbursement of funds to beneficiaries from the agricultural sector which is vital considering the urgency of the energy-related objectives.
- (19) Disbursements under REPowerEU shall be made following the rules of the Recovery and Resilience Facility until the end of 2026. Payments in relation to the resources transferred from shared management funds shall be subject to the availability of funds approved in the annual EU budget.
- (20) A request for a dedicated funding for REPowerEU measures, including allocation from the Market Stability Reserve, transfers from the funds governed by Regulation (EU) 2021/1060 and allocated from European Agricultural Fund for Rural Development,

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establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC

<sup>4</sup> Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy (OJ L 231, 30.6.2021, p. 159).

<sup>5</sup> Regulation (EU) 2021/2115 of the European Parliament and of the Council of 2 December 2021 establishing rules on support for strategic plans to be drawn up by Member States under the common agricultural policy (CAP Strategic Plans) and financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) and repealing Regulations (EU) No 1305/2013 and (EU) No 1307/2013 (OJ L 435, 6.12.2021, p. 1).

submitted in a plan, should be justified by a higher financial need linked to additional reforms and investments included in the REPowerEU chapter.

- (21) The Commission should monitor the implementation of reforms and investments outlined in the REPowerEU chapter and their contribution to the REPowerEU objectives, as established in Regulation (EU) 2021/241. ***In particular, the Commission should assess how the recovery and resilience plans and their REPowerEU chapters contribute to upward economic and social convergence and prioritise energy poor and vulnerable consumers, also taking into account social and regional inequalities.*** (Greens 63)
- (22) Recent geopolitical events have affected prices of ***commodities, including*** energy and construction materials and have also caused shortages in the global supply chains. These developments may have a direct impact on the capacity to implement some investments included in the recovery and resilience plans. To the extent that Member States can demonstrate that such developments, ***due to the Russian military aggression against Ukraine***, make a specific milestone or target, either totally or partially, no longer achievable, such situations may be invoked as objective circumstances under Article 21. These developments cannot constitute objective circumstances for revising reforms, as reforms are generally not cost dependent. In addition, no request for amendments should undermine the overall implementation of the recovery and resilience plans.

## ARTICLES

### *Article 1*

Regulation (EU) 2021/241 is amended as follows:

***-1. In Article 2, the following definition is inserted:***

***(1a) ‘energy security’ means the continuous and uninterrupted availability of energy, security of supply and technical safety achievable by increasing efficiency and interoperability of transmission and distribution networks, promoting system flexibility, avoiding congestions, ensuring resilient supply chains, cybersecurity and the protection and climate adaptation of all, and in particular, critical infrastructure while reducing strategic energy dependencies;***

***(1b) ‘energy poverty’ means a household’s inability, linked to nonaffordability, to meet its basic energy supply needs and a lack of access to essential energy services to guarantee basic levels of comfort and health, a decent standard of living and health, including adequate heating, hot water, cooling, lighting, and energy to power appliances, in the relevant national context, existing social policy and other relevant policies, caused by one or a combination of the following factors: insufficient disposable income, high energy expenditures and poor energy efficiency of homes;***

- (1) In Article 4, paragraph 1 is replaced by the following:

‘1. In line with the six pillars referred in Article 3 of this Regulation, the coherence and synergies they generate, and in the context of the COVID-19 crisis, the general objective of the Facility shall be to promote the Union’s economic, social and territorial cohesion by improving the resilience, crisis preparedness, adjustment capacity and growth potential of the Member

States, by mitigating the social and economic impact of that crisis, in particular on women, **vulnerable groups and SMEs** (RE 66) by contributing to the implementation of the European Pillar of Social Rights, by supporting the green transition, by contributing to the achievement of the Union's 2030 climate targets set out in point (11) of Article 2 of Regulation (EU) 2018/1999, **and of the Union's 2030 renewable energy and energy efficiency targets set in the Renewable Energy and Energy Efficiency Directives** by complying with the objective of EU climate neutrality by 2050 and of the digital transition, **by increasing the resilience, security and sustainability of the Union energy system through a significant decrease of dependence on fossil fuels and through increasing the uptake of renewables, energy efficiency and energy storage capacity and** (Rapp 11, Greens 69, EPP 67) **diversification of energy supplies at Union level ('REPowerEU objectives')** thereby contributing to the upward economic and social convergence, restoring and promoting sustainable growth **compatible with the EU Green deal** (RE 68) and the integration of the economies of the Union, fostering high quality employment creation, and contributing to the strategic autonomy of the Union alongside an open economy and generating European added value.'

(2) Article 14 is amended as follows:

(a) In paragraph 3, the following point is inserted after point (b):

'(ba) where applicable, the reforms and investments in line with Article 21c(1);'

(b) paragraph 4 is replaced by the following:

'4. The loan support to the recovery and resilience plan of the Member State concerned shall not be higher than the difference between the total costs of the recovery and resilience plan, as revised where relevant, and the maximum financial contribution referred to in Article 11, **including, where relevant, the revenue referred to in Article 21a as well as, where relevant, resources from shared management programmes to support REPowerEU objectives referred to in Article 21b.**'

(c) paragraph 6 is replaced by the following:

'6. By derogation from paragraph 5, subject to the availability of resources, in exceptional circumstances the amount of the loan support may be increased, **considering the needs of the requesting Member State, as well as requests for loan support already submitted or planned to be submitted by other Member States, while applying the principles of equal treatment, solidarity, proportionality and transparency. To facilitate the application of these principles, Member States shall communicate to the Commission within 30 days after [the entry into force of this amending Regulation], whether they intend to request loan support.**'

(3) In Article 18 (4) (q) the following sentence is inserted:

'(q) for the preparation and, where available, for the implementation of the recovery and resilience plan, a **report summary** of the consultation process, conducted in accordance with the national legal framework, of local and regional authorities, social partners, civil society organisations, youth organisations and other relevant stakeholders, and how the input of the stakeholders is reflected in the recovery and resilience plan; **in particular, the report on the consultation process shall explain the timeline and the outcome of the consultations with local and regional authorities, and other relevant stakeholders such as experts and civil society representatives on reforms and investments included in the REPowerEU chapter and outline how the input received was reflected in the REPowerEU chapter;**'

(4) In Article 19(3), the following point is inserted:  
'(da) whether the reforms and investments referred to in Article 21c(1) effectively contribute towards *energy security (Rapp 12, EPP71)*, the diversification of the Union's energy supply, *increase of energy storage capacities* or *significant (Greens 73)* reduction of dependence on fossil fuels before 2030, *towards the Union's 2030 targets including energy efficiency and renewable energy and towards the EU's climate neutrality objective; (Rapp 12, EPP71)*

(4a) *In Article 21, paragraph 1 is replaced by the following:*

*'1. Where certain milestones and targets from the recovery and resilience plan are no longer achievable, either partially or totally, by the Member State concerned because of objective circumstances, including the crisis caused by Russian military aggression against Ukraine or, where new investments and reforms are relevant to combat the effects of the Ukraine crisis, the Member State concerned may make a reasoned request to the Commission to adopt a proposal to amend or replace the Council implementing decisions referred to in Article 20(1) and (3). To that end, that Member State may propose an amended or a new recovery and resilience plan. Member States may request technical support for the preparation of such proposal under the Technical Support Instrument.'*

(5) In Article 23, paragraph 1 is replaced by the following:

'Once the Council has adopted an implementing decision as referred to in Article 20(1), the Commission shall conclude an agreement with the Member State concerned constituting an individual legal commitment within the meaning of the Financial Regulation. For each Member State the legal commitment shall not exceed the **total** of the financial contribution referred to in point (a) of Article 11(1) for 2021 and 2022, the updated financial contribution referred to in Article 11(2) for 2023 **and the amount calculated under Article 21a(2).'**

(6) The following Chapter is inserted after Chapter III:

‘CHAPTER IIIa

REPowerEU

*Article 21a*

**New revenue**

- (1) EUR 20 000 000 000 in current prices shall be available, in line with Article 10e(4) of Directive 2003/87/EC, for implementation under this Regulation to increase the resilience, *security and sustainability as well as affordability* of the Union energy system through a *significant* decrease of dependence on fossil fuels and diversification of energy supplies, *increase energy storage capacities* at Union level *and by boosting investments in energy efficiency and renewable energy generation*. (Rapp 14, Greens 75, EPP 74) That amount shall be made available in the form of external assigned revenue within the meaning of Article 21(5) of the Financial Regulation.
- (2) The share of the resources referred to in paragraph 1 available for each Member State shall be calculated on the basis of the indicators defined for the maximum financial contribution, as set out in the methodology in Annex II for 70% of the amount and methodology set out in Annex III for 30% of the amount.

- (3) The amount referred to in paragraph 1 shall be allocated exclusively to measures referred to in Article 21c(1).
- (4) Commitment appropriations covering the amount referred to in paragraph 1 shall be made available automatically up to the respective amounts referred to in that paragraph as of [the date of entry into force of this amending Regulation].
- (5) Each Member State may submit to the Commission a request for allocation of an amount not exceeding its share, by including in its plan *its commitment to climate neutrality goal by 2050, (Hojsik 76)* the reforms and investments described in Article 21c(1) and indicating their estimated costs.
- (6) The Council implementing decision adopted pursuant to Article 20(1) following a proposal from the Commission shall lay down the amount of the revenue referred to in Article 10e (1) of Directive 2003/87/EC allocated to the Member State following the application of paragraph 2, to be paid in instalments, subject to available funding, in accordance with Article 24 of this Regulation, once the Member State has satisfactorily fulfilled the milestones and targets identified in relation to the implementation of the measures referred to in Article 21c (1).

#### Article 21b

#### **Resources from shared management programmes to support REPowerEU objectives**

- (1) Resources allocated to Member States under shared management may, at their request, be transferred or allocated to the Facility subject to the conditions set out in Article 26a of Regulation (EU) 2021/1060 and Article 81a of Regulation (EU) 2021/2115. Those resources shall be used exclusively for the benefit of the Member State concerned.
  - (a) Resources may be transferred under Article 26a of Regulation (EU) 2021/1060 to support measures referred to in Article 21c(1) of this Regulation, provided that the Member State has already requested transfers from a given Fund up to the ceiling of 5% in accordance with the first and second sub-paragraphs of Article 26(1).
  - (b) Resources allocated under Article 81a of Regulation (EU) 2021/2115 shall support measures in Article 21c(1)(b) of this Regulation for farm investments for the benefit of farmers or groups of farmers, in particular to contribute reducing the use of synthetic fertilisers, increasing production of renewable energy and sustainable biomethane, and boosting energy efficiency.
- (2) Payments shall be made in accordance with Article 24 of this Regulation and subject to available funding.
- (3) The Commission shall implement those resources directly in accordance with Article 62(1), first subparagraph, point (a) of the Financial Regulation.

#### Article 21d

#### **Monitoring implementation of REPowerEU chapters**

- (1) The Commission shall monitor the implementation of the measures outlined in the REPowerEU chapter and their contribution to the REPowerEU objectives,

*including the Union's 2030 energy efficiency and renewable energy targets, the gas storage target and the contribution for electricity storage as well as a quantification of the energy savings in the different sectors such as buildings, industry and transport.*

*(1a) The Commission shall assess how the measures outlined in the RePowerEU chapter prioritized support for energy poor and vulnerable consumers and how they address energy poverty. (Rapp 26 and GREENS 105)*

The Commission shall provide information on the progress of implementation of the REPowerEU chapter in the annual report to the European Parliament and the Council, in accordance with Article 31.'

(7) Annex V is amended in accordance with the Annex I to this Regulation.

## Article 2

Regulation (EU) 2021/1060, is amended as follows:

(1) In Article 11(1), the following point is added:

'(e) where applicable, the breakdown of financial resources by category of region drawn up in accordance with Article 108(2) and the amounts of allocations proposed to be transferred pursuant to Articles 26, **26a** and 111, including a justification for such transfers;'

(2) In Article 22(3)(g), the following point is added:

'(i) a table specifying the total financial allocations for each of the Funds and, where applicable, for each category of region for the whole programming period and by year, including any amounts transferred pursuant to Article 26, **Article 26a** or 27;'

(3) In Article 26(1), the following is inserted after the end of the first sub-paragraph :

'Where the Partnership Agreement has been approved and one or more programmes have not yet been adopted, a transfer to the Recovery and Resilience Facility in accordance with Regulation (EU) 2021/241 may be requested through notification of a revision of the information referred to in Article 11(1) points (c), (e) and (h) in accordance with Article 69(9).'

(4) In Article 26 (1), the following new sub-paragraph is inserted:

2. By way of derogation from Article 40(2), point (d) and the paragraph above, the monitoring committee shall be consulted on the programme amendment, where such amendment is strictly limited to what is necessary for the purposes of the transfer to the Recovery and Resilience Facility.

'3. Where the Partnership Agreement has been approved and the transfer is requested as part of a programme submission, the resulting inconsistency shall not be taken into account when assessing the programme pursuant to Article 23(1).'

(5) The following Article is inserted:

'Article 26a

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### **Transfer to the Recovery and Resilience Facility**

- (1) Member States submitting to the Commission a recovery and resilience plan containing a REPowerEU chapter in accordance with Regulation (EU) 2021/241 may request the transfer of up to 7.5% of their initial national allocation of each Fund to the Recovery and Resilience Facility, provided that the Member State has already requested transfers from that specific Fund up to the ceiling of 5% in accordance with the first and second sub-paragraphs of Article 26(1). The transfer request shall be made either in the Partnership Agreement, including through the notification of a revision of the information referred to in Article 11(1) points (c), (e) and (h) in accordance with Article 69(9) or in a request for an amendment of a programme. Where the request for transfer concerns an amendment of a programme, only resources of future calendar years may be transferred. Such transfers shall be additional to the possibility of transfer of resources envisaged under Article 26 of this Regulation.
  - (2) Transferred resources shall be implemented in accordance with the provisions of Regulation (EU) 2021/241 and shall be used for the benefit of the Member State concerned.
  - (3) Where the Partnership Agreement has been approved, and the transfer is requested before the approval of one or more programmes, the resulting inconsistency between the Partnership Agreement and the programmes shall not be taken into account when assessing the programme pursuant to Article 23(1). In such cases the Member State concerned shall submit a revision of the information referred to in Article 11(1) points (c), (e) and (h), which shall constitute a request for transfer within the meaning of this Article.
  - (4) Where a programme need to be amended for the purpose of transfers set out in this Article, by way of derogation from Article 24(2) and (4), the Commission shall adopt or refuse the amendment as regards the transfer and the resulting changes to the programme within one month after the date of submission of the programme by the Member State. By way of derogation from Article 40(2), point (d), the monitoring committee shall be consulted on the programme amendment. Requests for an amendment of a programme shall set out the total amount transferred for each year by Fund and by category of region, where applicable.
  - (5) JTF resources, including any resources transferred from the ERDF and the ESF+ in accordance with Article 27, shall not be transferable to the Recovery and Resilience Facility pursuant to this Article.
  - (6) Where the Commission has not entered into a legal commitment for resources transferred in accordance with paragraph 1, the corresponding uncommitted resources may be transferred back to the Fund from which they have been initially transferred and allocated to one or more programmes, in accordance with the provisions in Article 26(7), 26(8) and 26(9).'
- (6) Annexes II and V are amended in accordance with the Annex II to this Regulation.

### *Article 3*

Regulation (EU) 2021/2115 is amended as follows:

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- (1) The following Article is inserted:

#### Article 81a

##### **Use of EAFRD delivered through the Recovery and Resilience Facility**

- (1) Member States submitting to the Commission a recovery and resilience plan containing a REPowerEU chapter in accordance with Regulation (EU) 2021/241 of the European Parliament and of the Council may allocate, in the proposal for a CAP Strategic Plan referred to in Article 118 or in the request for amendment of a CAP Strategic Plan referred to in Article 119, up to 12.5% of its initial allocation for the EAFRD to the Recovery and Resilience Facility.
- (2) Member States shall determine the total amount contributed for each year. In case of request for amendment of a CAP Strategic Plan, those amounts shall concern only future years.
- (3) Where a CAP Strategic plan needs to be amended for the purpose of transfers set out in this Article, by way of derogation from Article 119(6), the Commission shall adopt or refuse the amendment containing the allocation and the resulting changes to the CAP Strategic Plan within one month after the date of submission of the request by the Member State. The amendment shall not count for the maximum number of requests for amendment provided for in Art. 119 (7).
- (4) Member States may revise the proposed CAP Strategic Plans for the purpose of allocation set out in this Article, at any time before their approval by the Commission.
- (5) The EAFRD allocation delivered through the Recovery and Resilience Facility, in accordance with paragraph 1, shall be fully included:  
in the calculation of the minimum financial allocation referred in Article 93 (1) and shall for the purpose of Article 93 (3) be considered as an intervention referred to in Article 93 (2). 100% of the allocated expenditure will be taken into account for the calculation referred to in Article 93(2);  
in the calculation of the reduction of the minimum financial allocation for eco-schemes as defined in Article 97(2) and shall for the purpose of Article 97 (3) be considered as an intervention in accordance with Articles 70, 72, 73 and 74.
- (6) Where the Commission has not entered into a legal commitment for resources allocated in accordance with paragraph 1, the corresponding uncommitted resources may be transferred back to the EAFRD.

To this end, the Member State shall submit a request for a CAP Strategic Plan amendment in accordance with Article 119, at the latest 4 months before the time limit for commitments set out in the first subparagraph of Article 114(2) of the Financial Regulation. Such amendment shall not count for the maximum number of requests for amendment provided for in Art. 119 (7).

Resources transferred back to the EAFRD shall be implemented in accordance with the rules set out in this Regulation as from the date of submission of the request for programme amendment according to point (a) above.

For the resources transferred back to the EAFRD in accordance with paragraph 6 of this Article, the decommitment time limit as defined Article 34(1) of Regulation (EU) 2021/2116 shall start in the year in which the corresponding budgetary commitments are made.

In Article 112(2), point (d) is replaced by the following:

‘(d) where relevant, transfer of Member State’s allocations from the EAFRD for support under InvestEU or the RRF in accordance with Article 81 or 81a of this Regulation respectively, under Regulation (EU) 2021/783 or under Regulation (EU) 2021/817 in accordance with Article 99 of this Regulation;’

#### *Article 4*

(1) In Directive 2003/87/EC, the following Article is inserted:

#### *Article 10e*

#### ***Recovery and Resilience Facility***

- (1) For the period until 31 December 2026, the allowances released pursuant to Article 1(6) of Decision (EU) 2015/1814 shall be auctioned until the amount of revenue obtained from such auctioning has reached EUR 20 billion. This revenue shall be made available to the Recovery and Resilience Facility established by Regulation (EU) 2021/241 and shall be implemented in accordance with the provisions of that Regulation.
- (2) The Commission shall ensure that the allowances destined for the Recovery and Resilience Facility are auctioned in accordance with the principles and modalities laid down in Article 10(4) of Directive 2003/87/EC and in accordance with Article 24 of Commission Regulation (EU) No 1031/2010<sup>[1]</sup>.
- (3) The European Investment Bank (EIB) shall be the auctioneer for the allowances to be auctioned pursuant to this Article on the auction platform appointed pursuant to Article 26(1) of Commission Regulation (EU) No 1031/2010<sup>[2]</sup> and shall provide the auction revenues to the Commission.
- (4) The proceeds from auctioning those allowances shall constitute external assigned revenue for the purpose of Article 21(5) of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council.’

#### *Article 5*

#### **Amendments to Decision (EU) 2015/1814**

Article 1 of Decision (EU) 2015/1814 is amended as follows:

In paragraph 5, first subparagraph, the third sentence is replaced by the following:

‘By way of derogation from the first and second sentences, until 31 December 2030, the percentages and the 100 million allowances referred to in those sentences shall be doubled.’

In paragraph 6, the following subparagraph is added:

‘By way of derogation from the first subparagraph, for a period until 31 December 2026, a number of allowances shall be released from the reserve and auctioned in

accordance with Article 10e of Directive 2003/87/EC, until the amount of revenue obtained from such auctioning has reached EUR 20 billion.’

#### Article 6

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

*For the European Parliament*  
*The President*

*For the Council*  
*The President*

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## ANNEX II

- (1) In paragraph 4.2 of Annex II of Regulation (EU) 2021/1060, the following is inserted:
- ‘Reference: Articles 26(1) **and 26a** CPR’
- In paragraph 3.1 of Annex V of Regulation (EU) 2021/1060, the following is inserted:
- ‘Reference: Articles 14, 26, **26a** and 27 CPR’
- In footnote 1 of paragraph 3.1 of Annex V of Regulation (EU) 2021/1060, the following is inserted:
- ‘<sup>1</sup> Applicable only to programme amendments in accordance with Articles 14, 26, **and 26a** except complementary transfers to the JTF in accordance with Article 27 CPR. Transfers shall not affect the annual breakdown of financial appropriations at the MFF level for a Member State. ’