Council of the European Union

PRESS

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BACKGROUND[1]
Brussels, 9 July 2021

Economic and Financial Affairs Council
Brussels, 13 July 2021

The Economic and Financial Affairs Council will take place in Brussels and will start at 10.00. It will be chaired by Slovenia's Minister for Finance, Andrej Šircelj.

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The meeting will be held in person in Brussels. Discussions will be held in public session during the legislative deliberations.

Ministers will focus on the economic recovery. They will exchange views on the implementation of the Recovery and Resilience Facility. Ministers are expected to adopt the first batch of Council implementing decisions on the national recovery and resilience plans.

The Slovenian presidency will present its priorities and work programme in the ECOFIN field.

Ministers are expected to approve conclusions on the 2021 in-depth reviews in the context of the European Semester.

The Commission will present new parts of its sustainable finance package, after which ministers will hold a general discussion.

Ministers will be informed of the state of play of legislative proposals in the field of financial services.

They will also be informed of the outcome of the G20 finance ministers and Central Bank governors meeting of 9-10 July 2021.

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The Eurogroup will meet on Monday 12 June. The meeting will begin in 'inclusive format' (27 member states) (14.00), and ministers will exchange views with US Treasury Secretary Janet Yellen. They will also be briefed on the state of play concerning the banking union. After that (16.15), ministers will continue with the regular meeting. The topics will include the digital euro and the euro area fiscal stance.

Press conferences:

- after the Eurogroup meeting *(Monday evening)*
- after the Economic and Financial Affairs Council *(Tuesday afternoon)*

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Ecofin Council - meeting page

Eurogroup - meeting page

Ecofin Council - video coverage in broadcast quality (MPEG4) and photo gallery

Eurogroup - video coverage in broadcast quality (MPEG4) and photo gallery

Press conferences and public events by video streaming

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[1] This note has been drawn up under the responsibility of the Press Office.

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Implementation of the Recovery and Resilience Facility

Ministers will take stock of the implementation of the Recovery and Resilience Facility (RRF).

They are expected to adopt the first batch of the Council implementing decisions (CIDs) on the approval of the assessment of the recovery and resilience plans (RRPs).

By 24 June the Council had received positive assessments of the RRPs for the following countries: Austria, Belgium, Denmark, France, Germany, Greece, Italy, Latvia, Luxembourg, Portugal, Slovakia and Spain. The assessments were followed by proposals for CIDs.

Once the CIDs have been adopted, the Commission will sign grant and loan agreements with the member states, commit resources and proceed with the payment of the pre-financing (up to 13% of total grants and loans) within two months.

The Commission will use the resources collected on the financial markets following the completion of the ratification of the own resources decision (ORD). The ORD entered into force on 1 June 2021, which allowed the Commission to start raising funds. So far, two bond issuance events have taken place – on 15 and 29 June 2021 – raising €35 billion.

The national RRPs set out the member states' reform and investment agenda up to 2026. Their adoption is a precondition for the member states' use of the Recovery and Resilience Facility. The facility will make available €672.5 billion to foster the economic recovery from the COVID-19 fallout. €312.5 billion will be available as non-repayable support (grants) and €360 billion will be available in loans.

As provided for in the RRF regulation that entered into force in February 2021, the investments and reforms of the facility will focus on:

- green transition
- digital transformation
- smart, sustainable and inclusive growth
- social and territorial cohesion
- health, and economic, social and institutional resilience
- policies for the next generation

As of 9 July, Croatia, Cyprus, Lithuania and Slovenia had been added to the list of countries whose plans had received the green light from the Commission.

The procedure is that once a plan has been submitted, the Commission has up to two months to assess it, unless a postponement is agreed with the member state involved. The assessment is followed by proposals for CIDs that the Council should, as a rule, adopt within four weeks, and by disbursements of the pre-financing, when requested, within two months.

A recovery plan for Europe (background information)

The Recovery and Resilience Facility (European Commission)

Green light from all member states for EU recovery spending (press release, 31 May 2021)

The EU as a borrower – investor relations (European Commission)

Presentation of the presidency work programme

The Slovenian presidency will present its priorities and work programme in the ECOFIN field for the second half of 2021. The presidency's main priority is the economic recovery. It will also focus on the implementation of the Basel III standards, the Solvency II review, anti-money laundering and digital finance. The presidency will also work on sustainable finance and energy taxation.

[The programme of the Slovenian presidency of the Council of the EU]

[Events calendar of the Slovenian presidency of the Council of the EU]

Conclusions on the 2021 in-depth reviews (European Semester)

Ministers are expected to approve the conclusions on the in-depth reviews (IDRs) for 12 member states in the context of the macroeconomic imbalances procedure.

This year's macroeconomic imbalance procedure started with the alert mechanism report for 2021 prepared by the Commission. The report reviewed macroeconomic developments in individual EU member states and foresaw IDRs for member states already identified as having imbalances or excessive imbalances in the February 2020 IDRs.

Nine member states are currently identified as having imbalances (Croatia, France, Germany, Ireland, the Netherlands, Portugal, Romania, Spain and Sweden), while three member states (Cyprus, Greece and Italy) are identified as having excessive imbalances.

The Commission finalised the analysis of policies in the 2021 IDRs before the formal submission of member states' recovery and resilience plans, so the reviews do not draw on information included in the plans.

[Alert Mechanism Report 2021 (European Commission)]

[In-depth reviews (European Commission)]

[Communication on economic policy coordination in 2021 (European Commission)]

Sustainable finance package

The European Commission will present its recently adopted texts, after which ministers will have an opportunity to share their views.

On 6 July the Commission put forward its:

- strategy for financing the transition to a sustainable economy
- proposal for a regulation on European green bonds
- delegated act on the information which financial and non-financial companies need to disclose regarding the sustainability of their activities

The documents form part of the EU sustainable finance package that aims to guide the transition towards a sustainable economy. Economic activities classified as environmentally sustainable are listed in the taxonomy regulation. The strategy and proposals constitute the next step in bringing the financial system closer to the EU's climate and environmental objectives.

[Strategy for financing the transition to a sustainable economy]

[Proposal for a regulation on European green bonds]

[Delegated act on information to be disclosed concerning environmentally sustainable economic activities]

[EU taxonomy regulation]

Current legislative proposals in the field of financial services

The presidency will present the state of play of legislative proposals in the field of financial services.

Banking union (background information)

Capital markets union (background information)

Digital finance (background information)

International meetings

Ministers will be informed of the outcome of the G20 finance ministers and Central Bank governors meeting of 9-10 July 2021.

The main areas of work for the G20 Finance are based on the aim of sustaining the recovery, while developing long-term strategies to foster the transition towards healthier, greener and more digital and inclusive societies, and enhancing multilateralism.

More information on Italy’s 2021 G20 presidency