

## A FAST-TRACK FOR NEXT GENERATION EU FUNDS

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**The EU Recovery Plan is a historical opportunity to undertake the necessary investments and reforms to drive the twin green and digital transitions.** Swift deployment of national Recovery and Resilience Plans has become even more pressing in the context of Russia's war against Ukraine and initiatives such as the US Inflation Reduction Act, which risks un-levelling the global playing field, discriminating against European companies and delocalizing investments and projects outside of the European Union.

**In this regard, Spain welcomes the Commission's initiative to review the Temporary framework with a view to extending it and accelerating the State Aid authorization process.** It is indeed urgent to upgrade our tools to respond to current challenges, support the green and digital transitions and reinforce Europe's strategic autonomy, within a well-functioning internal market.

**The Spanish non-paper on competition policy circulated on November 4th, 2022, contains key features to drive this reform,** notably the creation of a temporary fast track for State Aid procedures relating to projects included in approved national Recovery and Resilience Plans.

**Investments and strategic projects of national Recovery and Resilience Plans need to be facilitated.** They are critical to ensure that our economy continues to grow and becomes more resilient to supply-side shocks in global markets and demand side restrictions derived from higher interest rates and diminishing liquidity. Despite the different updates and temporary frameworks, authorization processes still take too long, which is incompatible with a timely response to massive public support to industrial capabilities in other jurisdictions.

**A temporary adaptation of State Aid rules to allow for the swift deployment of investments under National Recovery Plans is the best instrument to tackle structural challenges of the European industry and, at the same time, avoid the threat to the level playing field that is implied by a general loosening of State Aid requirements.** This is why it is imperative to coordinate Recovery and Resilience Plans with the tools of the Temporary Crisis Framework designed to support productive investments in strategic sectors. Tools designed in this respect should consequently be in place during the whole lifetime of the Recovery and Resilience Mechanism, currently up to 2026.

**A more flexible Temporary framework covering strategic investments under national Recovery and Resilience Plans would enable an urgent response to safeguard Europe's economic and industrial technological base** while preserving competition in the long term when the conditions that currently distort markets disappear or new structural mechanisms are in place.