



### **Questions and answers: European Commission endorses Portugal's €16.6 billion recovery and resilience plan**

Brussels, 16 June 2021

#### **How did the Commission assess Portugal's recovery and resilience plan?**

The Regulation ensures a transparent assessment on the basis of 11 criteria against the back of the six pillars of the Regulation. The 11 criteria require an assessment of whether:

- the measures have a lasting impact;
- the measures address the challenges identified in the country specific recommendations or a significant subset of it;
- the milestones and targets which allow for monitoring the progress with the reforms and investments are clear and realistic;
- the plans meet the 37% climate expenditure target and the 20% digital expenditure target;
- the plans respect the do no significant harm principle;
- the plans provide an adequate control and audit mechanism and set out the plausibility of the costing information.

The Commission has summarised its assessment in the proposal for the Council implementing decision. The accompanying staff-working document provides detailed documentation on the assessment.

#### **Does Portugal's recovery and resilience plan effectively support the green transition?**

The Portuguese plan's contribution to the green transition amounts to 38% of its total allocation of €16.6 billion. This is in excess of the minimum of 37% required by the RRF Regulation.

Of the 20 components in the plan, 16 include expenditure that contributes to the climate objectives. Large climate contributions are provided by measures that support the energy-efficiency of residential, public and service buildings across the country. Investments in sustainable urban transport will help reduce emissions, such as metro expansions in Lisbon and Porto or new electric and hydrogen buses for public transport.

Measures for adaptation to climate change, in the area of forest management and fire prevention, for example, also support the plan's climate objectives.

Some measures also enhance biodiversity, for example through better forest management or the promotion of a sustainable blue economy.

#### **Does Portugal's recovery and resilience plan effectively contribute to the digital transition?**

The Portuguese plan's contribution to the digital transition amounts to 22% of its total allocation of €16.6 billion. The Commission considers that the plan meets the digital target of 20%.

Overall, 14 of 20 components contain measures that contribute to the digital transition in areas like professional qualifications and competences, modernisation of the health system, culture, forest preservation and protection, R&D, social responses and infrastructures.

Measures cover actions such as training programmes on digital skills and advanced technologies, the digitalisation of educational resources, modernisation of the IT infrastructure of the public administration (including investment on digitalisation of health and justice), support and coaching provided to firms so as to help them adopt advanced technologies. It also includes measures to digitalise business processes with e-invoices and actions to increase trust on the use of new technologies, and connectivity investments in schools and business districts.

Measures will also support the integration of digital technologies in the primary and secondary education system with the use of digital resources in classrooms, the digitalisation of educational contents, the creation of laboratories with educational technologies like programmable robots.

## **Does the recovery and resilience plan represent a balanced response to Portugal's economic and social situation?**

The Commission considers that the Portuguese plan represents a comprehensive and adequately balanced response to the economic and social situation, thereby contributing appropriately to all six pillars referred to in Article 3 of the RRF Regulation.

The plan includes a broad range of climate related measures, with around three quarters of all components contributing to the green transition. Such measures include increasing the energy-efficiency of buildings, decarbonising industry, and adapting to climate change.

The plan addresses digital related challenges in multiple areas, with almost three quarters of all components contributing, including the digitalisation of public services and the adoption of digital technologies to promote entrepreneurship, and business scale-up with a view to boost the digital transition of the productive fabric.

It includes significant measures to address social vulnerabilities, which also have an important territorial dimension (they cover also the outermost autonomous regions of Madeira and Azores), such as strengthening health care and long-term care systems, and providing access to affordable social housing.

Social issues will also be addressed through the provision of a wide range of social services focusing on the elderly and people with disabilities, and integrated programmes to support disadvantaged communities in deprived metropolitan areas. The plan strengthens public transport networks in urban areas, which is particularly relevant for disadvantaged commuting workers, and reinforces labour rights, especially for atypical labour contracts linked to the digital economy. These measures address a number of principles of the European Pillar of Social Rights.

Important measures are targeted at children and youth, such as measures to raise the capacity of kindergartens and childcare services and favour the creation of permanent quality jobs for young people. The plan will also promote the enrolment in tertiary education courses, especially in science, technology, engineering, arts and mathematics, and establish a network of higher education institutions offering post-graduate courses of short duration.

## **Do the reforms effectively address all or a significant subset of the relevant country-specific recommendations issued to Portugal in the context of the European Semester?**

The Portuguese plan includes an extensive set of mutually reinforcing reforms and investments that contribute to effectively addressing all or a significant subset of the economic and social challenges outlined in the country-specific recommendations addressed to Portugal by the Council in the European Semester in 2019 and in 2020.

The plan includes key fiscal-structural reforms that have the potential to substantially improve the quality of public finances and strengthen overall expenditure control, cost efficiency and adequate budgeting.

It also includes reforms to enhance the sustainability and resilience of the health system, including in primary, mental and long-term care.

Reforms are included to boost the skills of the workforce, with a focus on digital skills, on increasing the relevance of adult learning in order to meet the needs of the labour market and on increasing the number of graduates, in particular in science, technology, engineering, arts and mathematics.

The plan addresses social challenges by providing a significant response to improving the effectiveness and adequacy of the social safety nets, notably in social housing and in social services, with a focus on elderly, children and vulnerable groups.

In addition, the plan includes reforms that address long-lasting bottlenecks in the business environment (licensing and regulated professions) and that aim at modernising and increasing the efficiency of the judicial system.

There are also reforms to boost research and innovation and to recapitalise firms.

The plan includes reforms aimed at decarbonising the economy, such as measures to increase the energy efficiency of buildings, promote renewable energy and to protect forests to mitigate the impact of climate change.

## **For More Information**

[Press release: European Commission endorses Portugal's €16.6 billion recovery and resilience plan](#)  
[Recovery and Resilience Facility: Questions and Answers](#)

[Factsheet on Portugal's recovery and resilience plan](#)

[Proposal for a Council Implementing Decision on the approval of the assessment of the recovery and resilience plan for Portugal](#)

[Annex to the Proposal for a Council Implementing Decision on the approval of the assessment of the recovery and resilience plan for Portugal](#)

[Staff-working document accompanying the proposal for a Council Implementing Decision](#)

[Recovery and Resilience Facility](#)

[Recovery and Resilience Facility Regulation](#)

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