

Inform EU Recovery

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Spring Economic Forecast

Growth map



% of GDP

≥ 1%

≥ 2%

≥ 3%

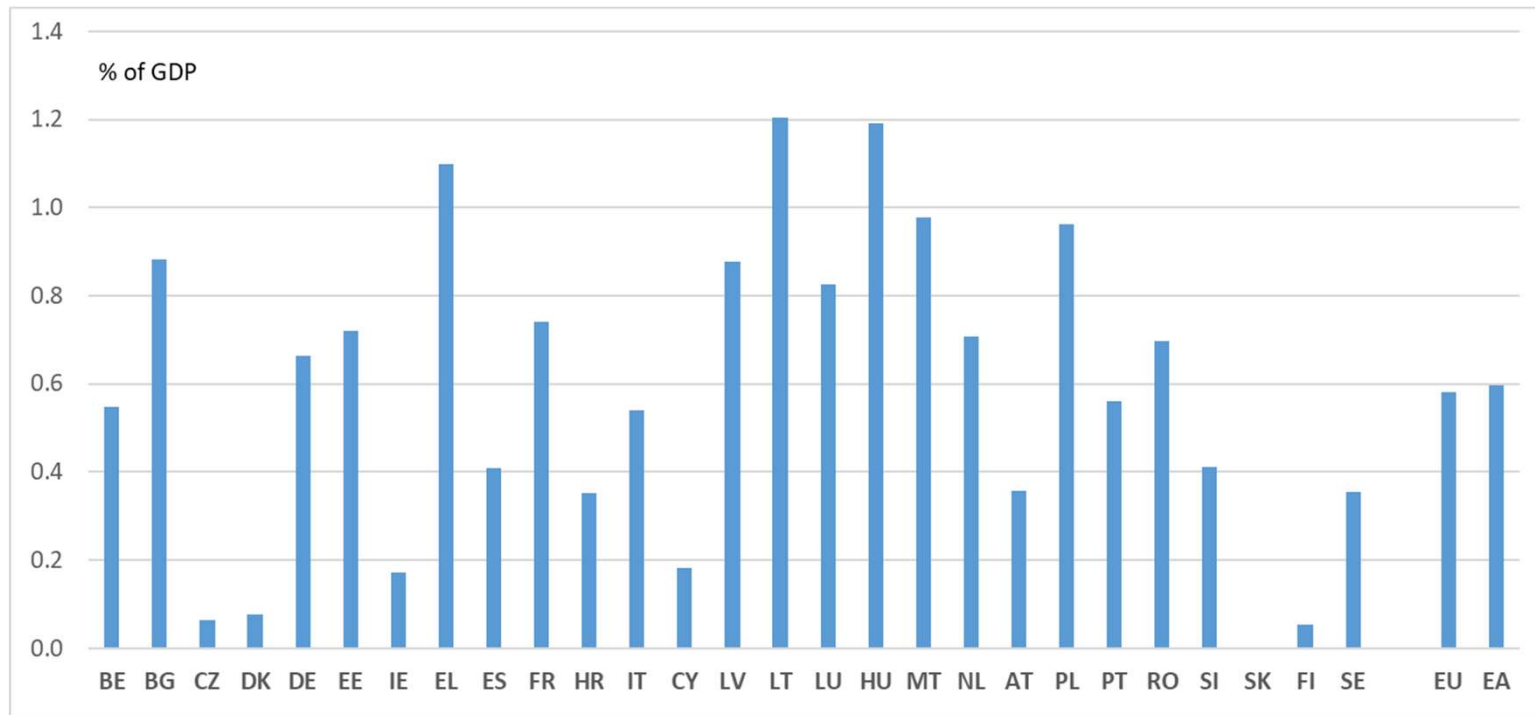
≥ 4%

≥ 5%

Lower output growth, higher inflation, declining deficits & debt

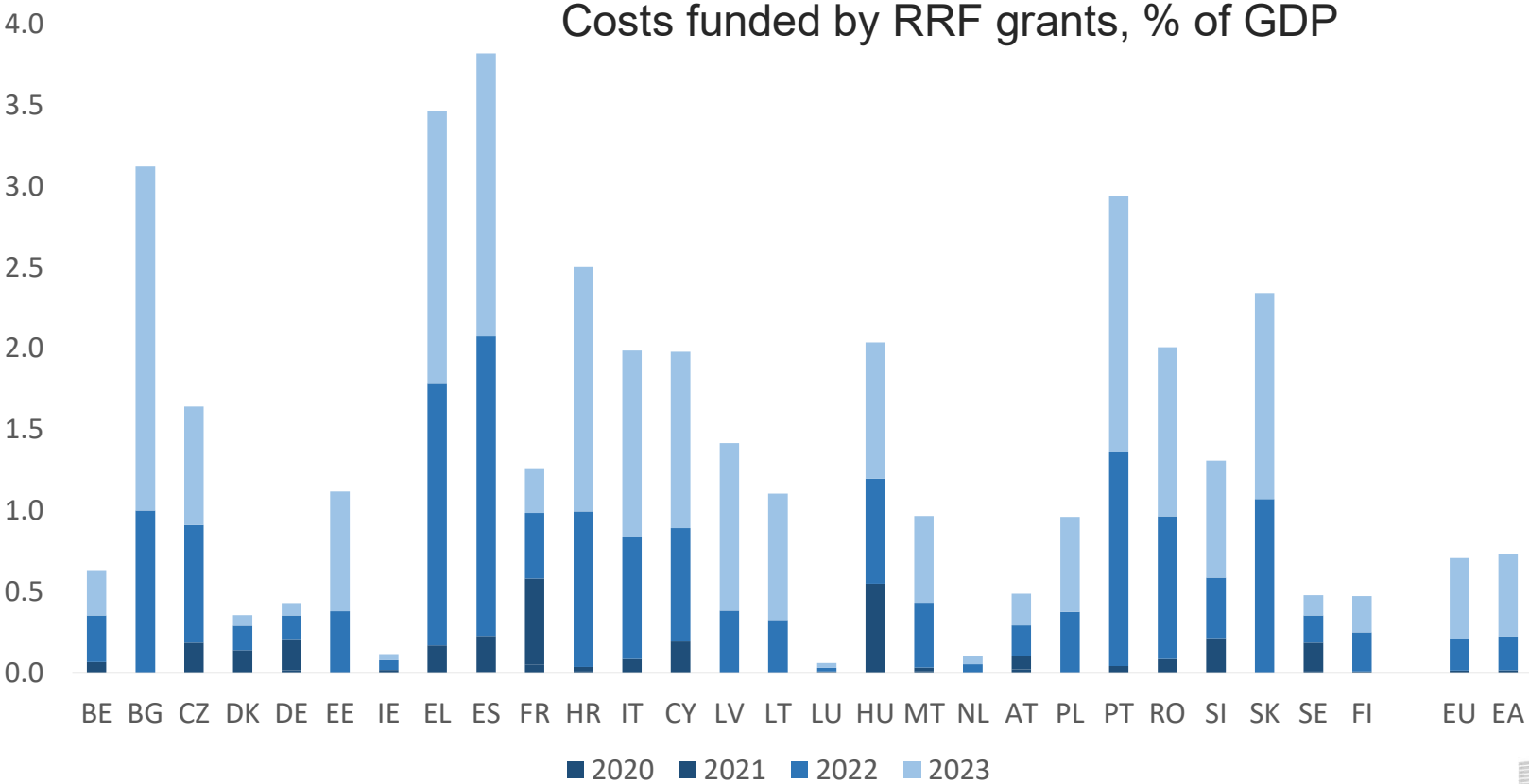
	2019	2020	2021	2022	2023
Real GDP growth (%)	1.8	-5.9	5.4	2.7	2.3
HICP inflation (%)	1.4	0.7	2.9	6.8	3.2
General government balance (% of GDP)	-0.6	-6.8	-4.7	-3.6	-2.5
Gross government debt (% of GDP)	79.1	91.7	89.7	87.1	85.2

Measures to mitigate the impact of high energy prices



- The significant increase in 2022 in government current expenditure (net of revenue measures) in most Member States is influenced by the measures taken in response to the energy crisis
- Most measures assumed to be phased out in 2023, reducing current expenditure in 2023

Recovery and Resilience Facility continues to support economies



Source: Commission 2022 spring forecast

European Semester Spring Package

- Maintain the **general escape clause** in 2023 and deactivate it as of 2024.
- The Commission does not propose to open new **excessive deficit procedures** in spring 2022.
- Recommendation to **all Member States**:
 - Fiscal policy should take into account continued temporary and targeted support to households most vulnerable to energy price hikes and to people fleeing Ukraine.
 - Expand public investment for the green and digital transition and for energy security



**Next
Gen
EU** 

RECOVERY AND RESILIENCE FACILITY

REPowerEU and the RRF

The REPowerEU plan - objectives



1st Pillar:
Diversify gas supplies
away from Russia



2nd pillar:
Reduce further the
Union's dependence on
fossil fuels

- **Phase-out the EU's dependence on fossil fuels** from Russia well **before 2030** and increase resilience of the EU-wide energy system based on 2 pillars:

1) Gas supply measures:

- Higher LNG imports and pipeline imports from non-Russian suppliers;
- Increase levels of sustainable biomethane and renewable or fossil-free hydrogen;

2) Measures to **reduce fossil fuel dependence** at the level of households, industry, and power systems:

- Boosting energy efficiency gains;
- Increasing the share of renewable energy sources;
- Addressing infrastructure bottlenecks;

REPowerEU plan and RRF

Diversify energy imports

- Setting up of EU's Energy Purchase Platform;
- Joint and coordinated purchases on behalf of participating Member States;

Accelerate permitting

- Measures to accelerate and simplify permitting procedures;

RRF

Addendum to top-up existing RRFs with the REPowerEU chapter

Speed up green transition

- Measures to boost renewables;
- Up- and re-skilling of workforce needed for green transition;

Save energy

- Measures on energy saving for transport, industry and private households;

REPowerEU package:
Joint European action for more
affordable, secure and sustainable energy



Why the RRF as a delivery tool?



- **The RRF is fit for purpose:** agile instrument to address challenges in a wide range of policy areas over short/medium-term horizon;
- **Reforms:** RRF combines investments and reforms to maximise the impact;



- **Performance-based nature:** an established system of milestones and targets creates a strong ownership;
- **Quick disbursements with scrutiny:** payments delivered fast while maintaining a high level of scrutiny under the monitoring framework;



- New sources of **grants:** ETS revenues and new transfer possibilities;
- Significant amount of **loans are still available;**
- **Dialogue with Member States:** well-established channels of communication with RRP coordination teams in Member States;

How will the RRF help deliver on REPower EU objectives?



Commission proposal on REPowerEU chapters in RRFs

- Introduces the obligation to provide a REPowerEU chapter when submitting a RRF;
- Plan modifications: existing RRF as a starting point + the REPowerEU chapter as an addendum



Guidance on RRFs in the context of REPowerEU

- 1 Explanation of the legal grounds for modification of adopted RRFs;
- 2
 - Instruction on the preparation and the contents of the REPowerEU chapter;
 - Specification of the information to be submitted on the reasons, objectives and the nature of the changes to RRFs;

Content of the REPowerEU Chapter

All **measures** addressing the **REPowerEU objectives**, namely:



- **improving energy infrastructure** and facilities to meet **immediate security of supply needs** for oil and gas, notably to enable diversification of supply in the interest of the Union as a whole;



- boosting **energy efficiency** in buildings, **decarbonising industry**, increasing production and uptake of **sustainable biomethane** and **renewable or fossil-free hydrogen** and increasing the share of **renewable energy**,



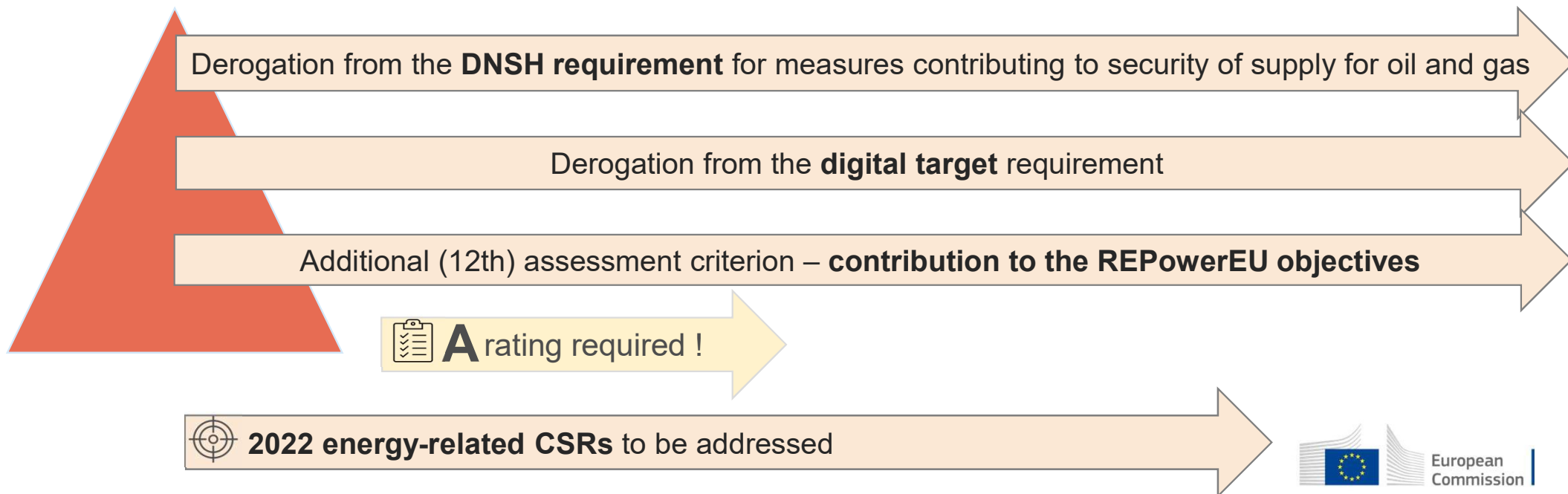
- addressing internal and cross-border energy **transmission bottlenecks** and supporting **zero emission transport** and its **infrastructure**, including railways,



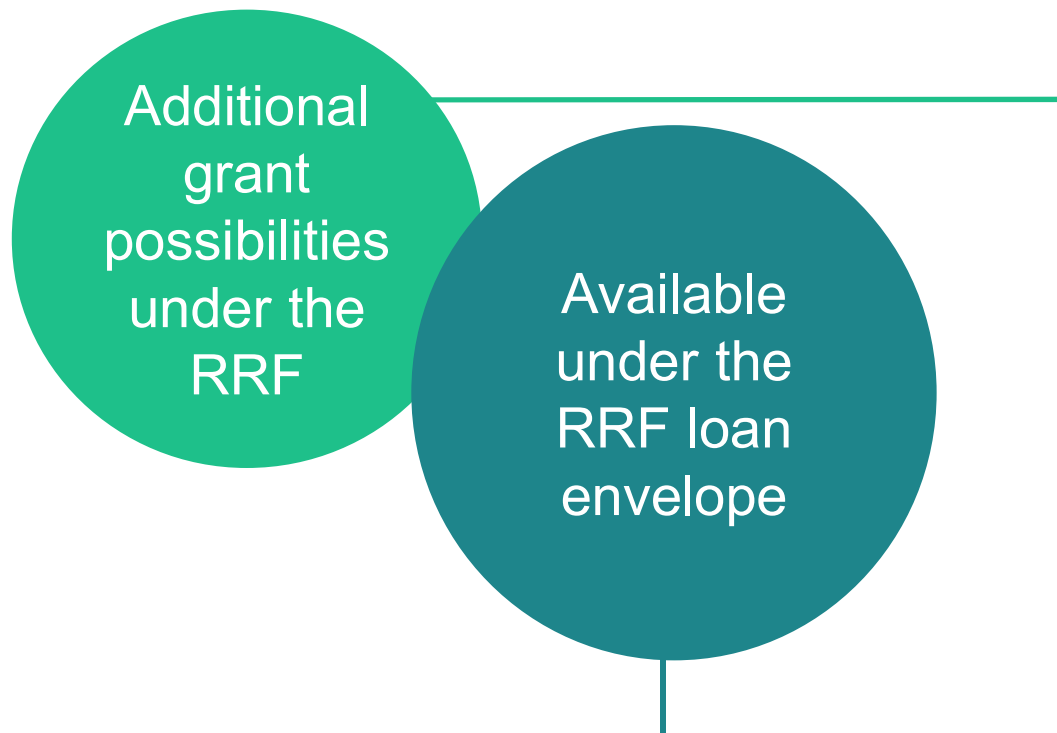
- supporting the objectives in points (a), (b) and (c) through an accelerated **requalification of the workforce** towards green skills, as well as support of the **value chains** in key materials and technologies linked to the green transition.

Special assessment of the REPowerEU chapter

- All modified plans subject to a new assessment, according to the criteria set out by the RRF Regulation. **Addressing the EU challenges as a whole is key for the assessment.**
- Special assessment regime for the REPowerEU chapter, justified by the **urgency** of the energy-related challenges:



How will REPowerEU be financed?



Member States shall communicate their intention to take up loans to allow for a distribution of the remaining funds.

The Commission proposes to **allow transferring to the RRF:**

- An **increased (up to 12,5%)** part of the allocation from funds governed by **the Common Provision Regulation;**
- Up to **12,5%** of the allocation under the **European Agricultural Fund for Rural Development;**
- EUR 20 billion of the revenues from auctioning **Emission Trading System allowances** held in the Market Stability Reserve.

The Commission proposes to **amend not only the RRF Regulation, but also the legal acts** corresponding to these **new financing sources.**

Monitoring of the measures in the REPowerEU chapter



Measures financed under the RRF – the **RRF** monitoring framework;

Measures financed outside of the RRF – monitoring under the **European Semester**;

REPowerEU: RRF and 2022 European Semester

Part of
the
Spring
Package

Country Reports

- Identify outstanding challenges that are not addressed by the RRFs and linked to REPowerEU;
- Analyse reform and investment needs to reduce energy dependence and accelerate decarbonisation;
- Impact of Russian invasion of Ukraine on Union's economies will be factored in;

Country-Specific Recommendations

- Focusing only on new and outstanding challenges, not adequately covered by the RRFs;
- Basis for designing reforms and investments tailored to the specific needs of each Member State and will take into account challenges aggravated by the Russian invasion of Ukraine;



23 May 2022



2022 energy-related CSRs to be addressed in the REPowerEU chapters

Updates

- Revised websites of RRF and European Semester
- RRF Annual Event
- Press conferences for first payment request disbursements
- Outreach of European Semester Officers on communicable projects

Recovery and Resilience Scoreboard

RRF grants disbursed



€66.32 billion

This graph displays the amount of grants disbursed so far under the RRF. Grants are non-repayable financial contributions. The total amount of grants given to each Member State is determined by an allocation key and the total estimated cost of the respective recovery and resilience plan.

RRF loans disbursed



€33.37 billion

This graph displays the amount of loans disbursed so far under the RRF. Loans are repayable financial contributions. The total amount of loans given to each Member State is determined by the assessment of its loan request and cannot exceed 6.8% of its 2019 GNI. Member States can request loans up to 2023 but are not obliged to do so.

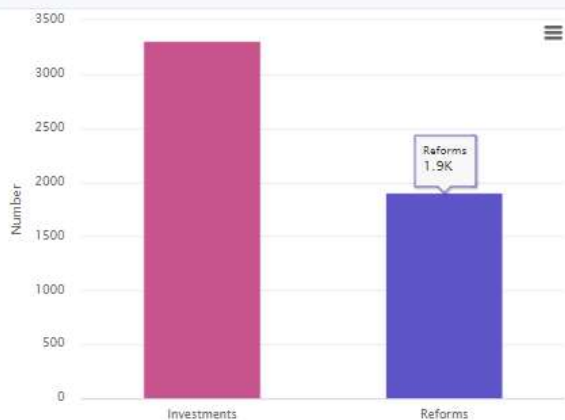
List of disbursements per country

Export

This table displays the disbursements made under the RRF per Member State. It indicates the date, the amount, as well as the type of the disbursement. Under the RRF, two types of disbursements can take place. The pre-financings are granted upon request of the Member States. They are paid just after the recovery and resilience plans have been endorsed, are limited to plans endorsed in 2021, and should not exceed 13% of the overall allocation to the Member State. All further disbursements are made upon request of the Member State and conditional on a positive assessment by the Commission as to the satisfactory fulfilment of a set of relevant milestones and targets.

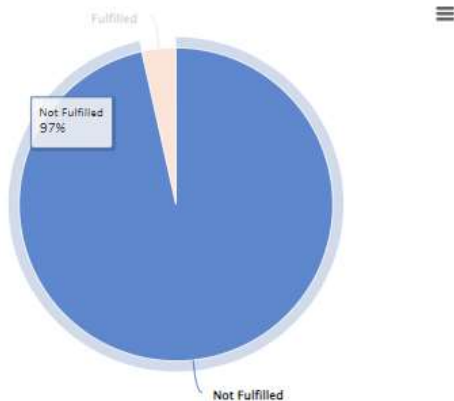
Country	Date	Budget Type	Payment Request Description	Amounts (€)
Portugal	09/05/2022	Grants	1st Payment	553,441,000
Portugal	09/05/2022	Loans	1st Payment	609,000,000
Italy	13/04/2022	Grants	1st Payment	10,000,000,000
Italy	13/04/2022	Loans	1st Payment	11,000,000,000

Milestones and targets per type of measure



This graph displays the overall number of milestones and targets, divided between reforms and investments.

Milestones and targets fulfilment status



This graph displays the share of fulfilled milestones and targets. A milestone or target is fulfilled once a Member State has provided the evidence to the Commission by submitting a payment request (maximum twice a year) that it has completed the milestone or target and the Commission has assessed it positively in an implementing decision.

List of fulfilled milestones and targets

Export

Displayed below are all the fulfilled milestones and targets, which means that they have been reported as completed by the Member States and subsequently assessed as satisfactorily fulfilled by the Commission. The list contains details on each fulfilled milestone or target, including the related measure and the policy pillars it contributes to. The list also includes quantitative indicators for targets and qualitative indicators for milestones. It also indicates the date of the disbursement related to that milestone or target.

- Green transition
- Digital transformation
- Smart, sustainable and inclusive...
- Social & territorial cohesion
- Health, economic, social...
- Policies for the next generation

Country	Measure	Measure Type	Milestone/Target	Milestone or Target	Disbursement Date	Policy Pillar
France	Housing policy	Reforms	Reform of the APL (« aides personnelles au logement »)	milestone	04/03/2022	Smart, sustainable and inclusive... Social & territorial cohesion
France	Energy renovation of private housing, including energy sieves	Investments	Number of MPR validated	target	04/03/2022	Green transition
France	Energy renovation and major rehabilitation of	Investments	Number of dwellings within the category of social housing receiving	target	04/03/2022	Green transition Social & territorial cohesion

Sustainable Mobility

29/04/2022



The transport sector is responsible for a quarter of climate and environmental goals. Making the transport sector more sustainable is a key goal. Due to the high fossil-based liquid fuels, decarbonising transport is a challenge. Member States have included in zero or low emissions vehicles, to develop urban infrastructure, and to modernise railway infrastructure introducing ambitious reforms, such as taxation reform in view of facilitating the roll out of zero-emission vehicles.

Social protection

29/04/2022



The COVID-19 crisis has been a powerful reminder of the need for social protection. The Recovery and Resilience Facility is strengthening Member States' social protection systems to ensure quality and resilience. Many plans include specific measures to support equality and well-being of socio-economically disadvantaged and vulnerable groups. Other measures are designed to improve the economic situation of households by strengthening the adequacy of benefits.

SME Support

21/01/2022



While the COVID-19 crisis had a heavy impact on medium-sized enterprises (SMEs) have particular measures helped mitigate some of the damage, both in Member States and across sectors, and some are expected to be rolled out in the coming years. The Recovery and Resilience Facility will not only help SMEs recover, but also make the transition towards a greener and more digital economy.

Thank you very much.