



# Powering Europe's recovery

The Recovery and Resilience Facility

*13 April 2021*

# From crisis management to recovery support



SGP/state aid temporary framework

SURE

CRII

CRII+

RescEU

medical equipment

clearing house

vaccine strategy

coordinating management of lockdowns

...



Recovery Plan for Europe: MFF+ NGEU

# Main Features of the Facility

## Functioning

- Works through grants and loans
- Linked to progress: Payments in installments, when milestones and goals are met
- National recovery and resilience plans **with reforms and investments** for the years up to mid-2026.
- Member States **report twice a year** in the framework of the European Semester

## Grants and Loans

- *Grants*: €312.5 billion
- *Loans*: €360 billion
- Member States present plans by **30 April 2021 as a rule**, can apply for grants until **31 December 2023**
- Maximum allocation according to agreed key
- Allocation of **up to 70% of complete contribution in 2021/22**; remaining allocation in 2023
- Prefinancing of up to 13% available in 2021

## Assessment Criteria

- Appropriate contribution to the 6 pillars
- *Climate transition*: 37%
- *Digital transformation*: 20%
- Addressing **country-specific recommendations**
- Appropriate balance between **reforms and investments**
- **Do-no-significant-harm** principle for all reforms and investment
- Solid audit and control system to ensure that the financial interests of the Union are protected

# Six Pillars

## Recovery and Resilience Facility



**Green Transition**



**Digital Transformation**



**Social and Territorial  
Cohesion**



**Smart, Sustainable and  
Inclusive Growth**



**Health; Economic, Social  
and Institutional  
Resilience**



**Policies for the next  
Generation**



# A tool to implement the EU Agenda



Enabler of EU policies



Substantial support to key investment priorities (flagships) including cross-border projects

## FLAGSHIP AREAS FOR INVESTMENTS AND REFORMS

### POWER UP

Clean technologies and renewables

### MODERNISE

Digitalisation of public administration

### RENOVATE

Energy efficiency of buildings

### SCALE-UP

Data cloud capacities and sustainable processors

### RECHARGE AND REFUEL

Sustainable transport and charging stations

### RESKILL AND UPSKILL

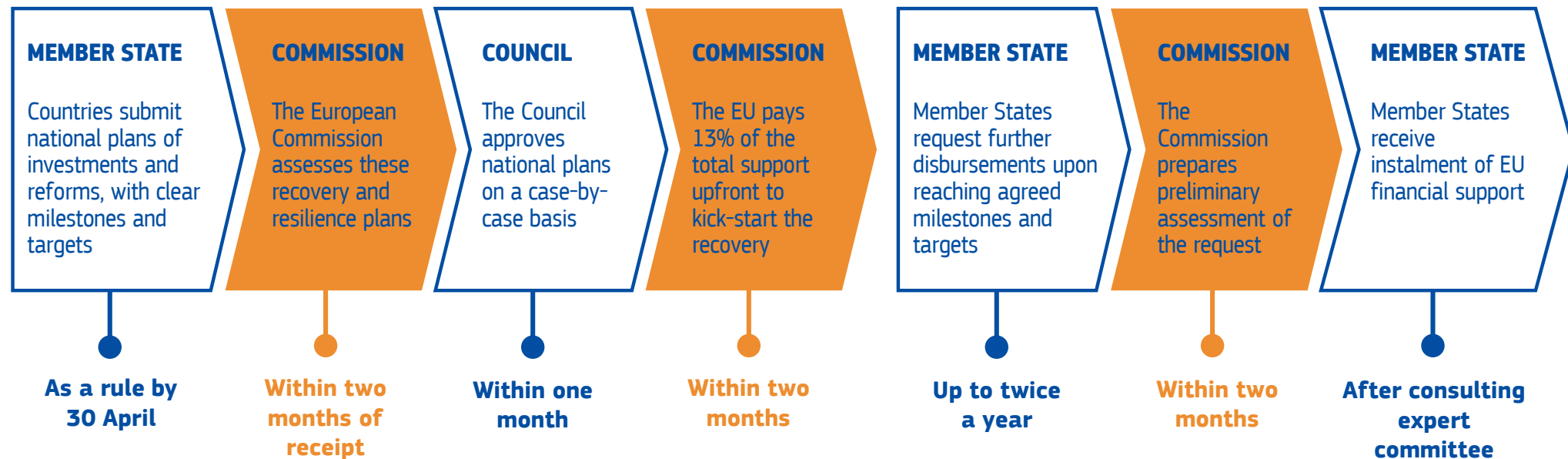
Education and training to support digital skills

### CONNECT

Roll-out of rapid broadband services

# The Recovery and Resilience Facility (RRF) – How will it work?

Commission raises necessary funds on markets by issuing bonds



# Strengthening social and economic resilience

Fair and inclusive recovery for all while making our economies more resilient



Sustainable **public**  
**finances**



Strong and effective  
**health care**



**Education, skills**  
**and equal**  
**opportunities** for all



Effective **active**  
**labour market**  
**policies** and **social**  
**protection**

**Involvement of social partners** in the design and implementation of the plans.

# Supporting the green transition

RRF as important vehicle to implement the European Green Deal



**Decarbonise** power generation and industry and foster renewables



Promote **building renovations**



Protect and restore **biodiversity**



Strengthen **sustainable mobility**

Minimum of **37% of climate-related expenditure** in every RRP

**Consistency between green investments and flanking reforms** (charging stations vs diesel subsidies)

**Do no significant harm principle** governing all expenditure

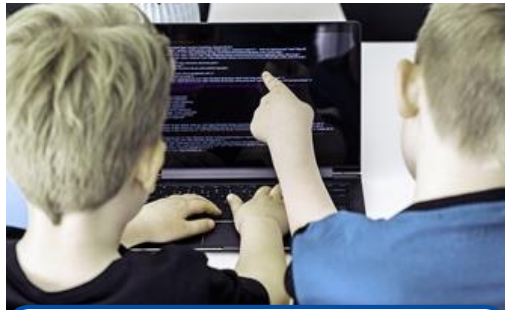


# Supporting the digital transition

Member States should focus on reforms and investments that:



Improve  
**connectivity**



Help citizens develop  
**digital skills**



Deploy **cutting edge technologies**  
such as artificial  
intelligence and high  
performance computing



Digitalize **public administrations and businesses**

Minimum **20% of expenditure related to digital** in RRP

# Active role of the European Parliament



## Transparency

The Commission provides Parliament with an overview of its preliminary conclusions on the achievement of milestones and targets in the national plans and shares all relevant information with the Parliament on an equal footing and simultaneously with the Council.



## Recovery and Resilience dialogue

Parliament can ask the Commission every two months to discuss the implementation of the facility (e.g. plans, preliminary conclusions).

The Commission will take into account the elements raised in this dialogue, including the resolutions of the European Parliament.

# Public Consultation



- In the preparatory phase of their plans, Member States should hold **public consultations with social partners, civil society organisations, youth organisations and other relevant stakeholders.**



- **Italy** consulted all **economic and social stakeholders** to gather ideas on the structure of its recovery and resilience plan already in June, a month after the original announcement of the RRF. Early in 2021, it then **consulted the Italian Parliament** on the draft recovery and resilience plan and opened another round of stakeholder consultation.



- **Belgium** formally consulted **social partners and civil society** on the first outline of the recovery plan and consecutive drafts. The **Belgian centre for gender equality** is to conduct a gender equality impact assessment of the plan. Belgium is also pro-actively reaching out to several **key stakeholders** in Belgium to help prepare the plan.

# 2021: Further guidelines and legal acts



## **Guidance** to the Member States

- Updated guidance for the preparation of the national plans, published on 21 January
- Publication of the guidance of the do-no-significant-harm principle on 19 February



## **Legal acts**

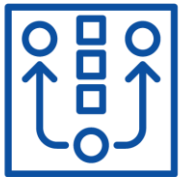
- Delegated acts by the end of December 2021 on 1) the common indicators, 2) the methodology on social expenditure and 3) the scoreboard
- Implementing acts approving the recovery and resilience plans



# Implementation – Dialogue with Member States



- Very tight timeframe: All Member States have documented their policy intentions to the Commission in the form of written submissions (drafts Plans/majority of the components)



- **Ongoing technical discussions with all Member States.** The current level of progress varies.



- Member States must now bring their draft plans into line with the agreed text of the regulation and the guidance.

# Horizontal Remarks on the Plans



More work is needed in the following areas:

- Bringing the draft RRPs in line with **all the requirements of the Regulation**
- Overall level of ambition and balance between **investments and reforms**, particularly in relation to investment bottlenecks.
- Ambitious, clearly defined and manageable set of **milestones and targets**, set at the right level of aggregation.
- Robust **cost estimates and economic impact assessments**.
- Effective and well-performing **control framework**.
- The **“do-no-significant-harm” principle** is to be fully respected.

# Thank you!

**More information:** [Commission webpage on the RRF](#)



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