



# *The Recovery and Resilience Facility and the European Semester*

Presentation for the SDSN

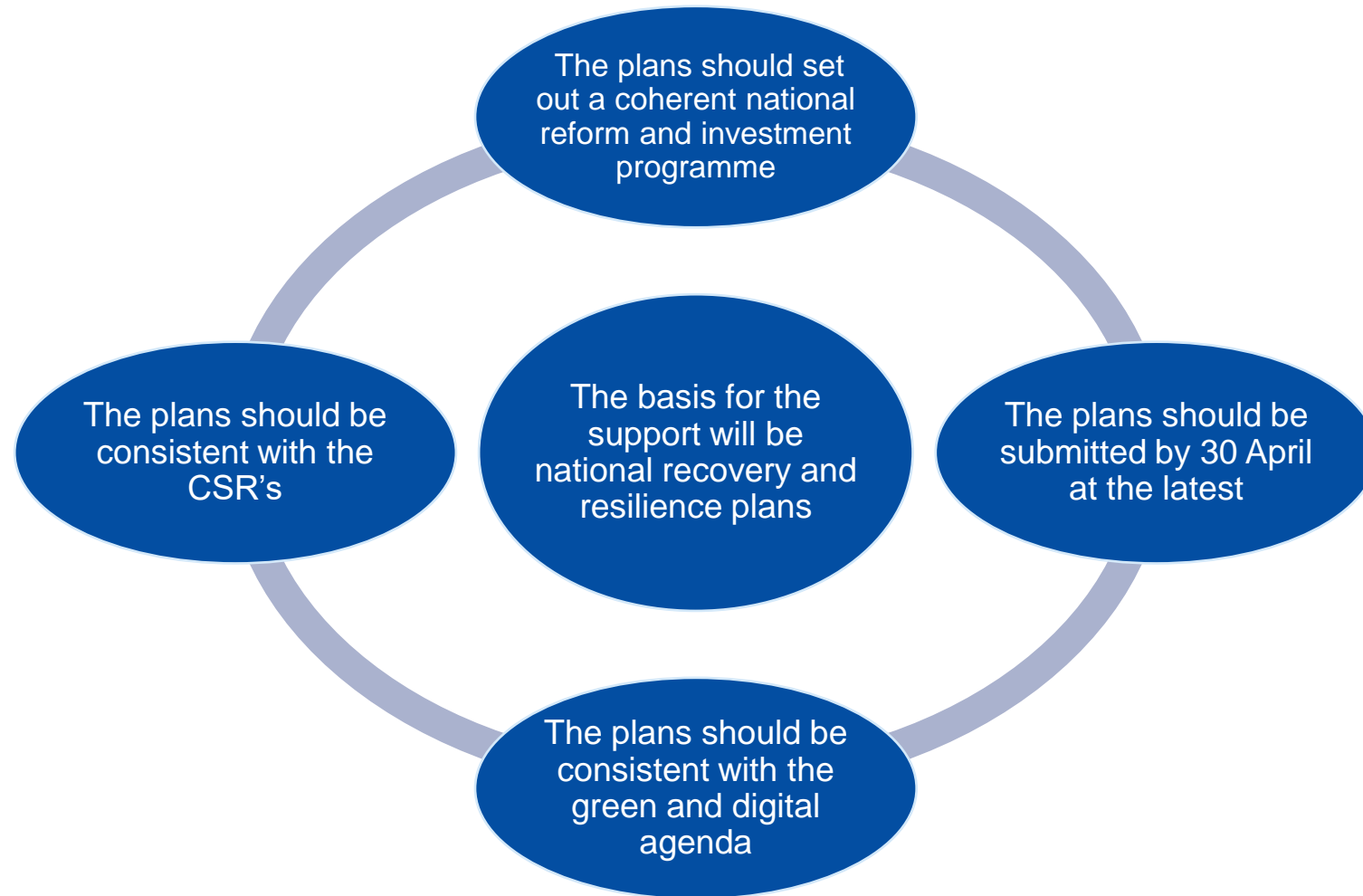
*Estelle Göger, cabinet C SSR Gentiloni*

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# Recovery and Resilience Facility

- **90% of the 750bn of Next Generation EU** (312bn of grants and 360bn of loans)
- **large scale financial support to both public investments and reforms** to accelerate the **recovery** and to make Member States economies **more resilient** and **better prepared for the future**
- **focus** on reform and investments fostering **green and digital transitions**
- reduce **economic and social divergences** in the Union
- **Complement** other EU initiatives (such as REACT EU and SURE) focusing on shorter term crisis repair actions.
- Legislative process ongoing

# The Facility will be fully embedded in the European Semester



# Link with the European Semester (I)

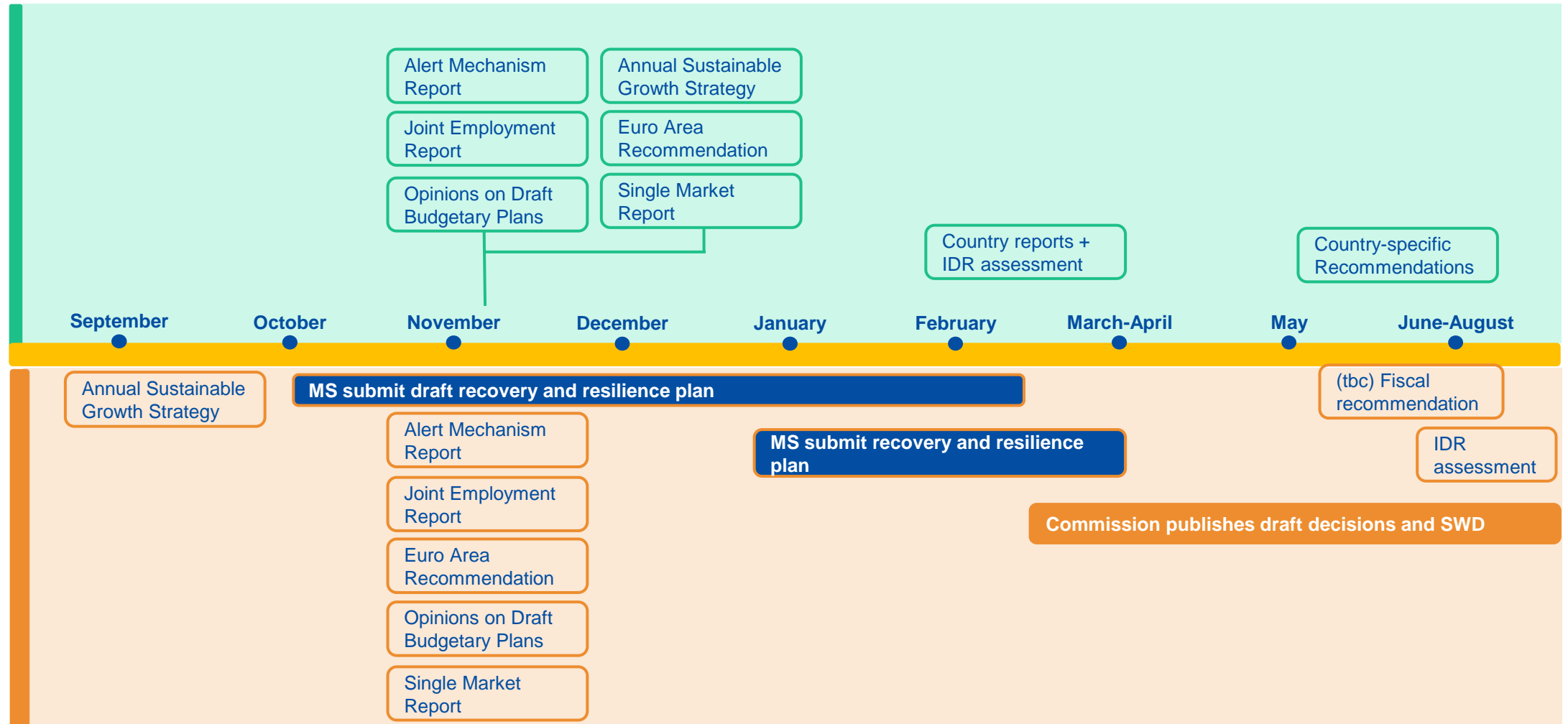
- The Recovery and Resilience Plans will become the main reference documents on the Member States' policy initiatives.
- The European Semester will be temporarily adapted to address overlapping deadlines and avoid duplications:
  - Member States are encouraged to submit their National Reform Programme and their Recovery and Resilience Plan in a single integrated document.
  - In 2021, the Commission will accompany its proposals for Council implementing acts with an analytical document assessing the substance of the plans. This will replace next year's country reports.

# Link with the European Semester (II)

- There will be no need for the Commission to propose country-specific recommendations in 2021 for those Member States that have submitted a plan.
- The Commission will propose recommendations on the budgetary side.
- Surveillance of macroeconomic imbalances will continue with a focus on emerging risks of new imbalances due to the COVID-19 crisis.
- Reporting activities under post-programme surveillance and enhanced surveillance will be aligned, as much as possible, with the streamlined timetable of the European Semester.

# Aligning timing: 2021 European Semester cycle

The usual  
European  
Semester  
cycle



The 2021  
European  
Semester  
cycle

# Green and digital dimension

- Each RRP will have to include a minimum of 37% of expenditure related to climate, to follow the commitment of the European Council on the climate mainstreaming target of 30%.
- To ensure an ambitious digital transition, the Commission proposes that each Recovery and Resilience Plan includes a minimum level of 20% of expenditure related to digital.

# Supporting the green transition

MS should focus on reforms and investments that:

- **Decarbonise** the industry (SDGs 7, 9 and 13)
- Promote a more **circular economy** (SDGs 7, 8, 9, 12 and 13)
- Improve **environmental infrastructure** (SDGs 6, 7, 8, 9, 12 and 13)
- Protect and restore **biodiversity** (SDGs 14-15)
- Strengthen **sustainable mobility (SDG 7)**
- Accelerate the **reduction of emissions** (SDGs 7, 8, 9, 12, 13)



# Supporting the Digital transition

Member State should focus on reforms and investments that

- Improve **connectivity** (SDGs 8, 9, 10)
- Help citizens develop **digital skills** (SDGs 4, 5, 10)
- Deploy **cutting edge technologies** such as artificial intelligence and high performance computing (SDGs 8-9)
- Improve **cyber security** (SDGs 8, 16-17)



# Strengthening social and economic resilience

The recovery and transition process needs to be fair for all Europeans.

Member States are encouraged to:



- take measures to **ensure equal opportunities**, inclusive education, fair working conditions and adequate social protection (SDGs 1, 2, 3, 4, 5, 8, 10)



- ensure the provision of **high quality health care services** (SDG 3)

# Milestones, targets and timeline

- Milestones and targets should reflect the progress on implementing reforms and investments, specifying a stage to be reached by a certain date.
  - Milestone: objectively verifiable qualitative achievement (e.g. adopted legislation).
  - Target: quantitative result (e.g. number of beneficiaries, etc.).
- Milestones and targets should follow the SMART-principle (specific, measurable, achievable, realistic, and time-bound).
- They should be associated with a clear timeline (indicative date).  
Disbursements will be tied to the satisfactory completion of a group of milestones and targets (maximum twice a year).

# Assessing the national plans

## Commission's assessment will consider whether the plans:



- contribute to effectively addressing challenges identified in the relevant **country-specific recommendations**;



- contain measures that effectively contribute to the **green** and **digital transitions**;



- contribute to **strengthening the growth potential**, job creation and economic and social resilience of the Member State.

→ Commission's assessment will be **approved by the Council**

# Thank you



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