



Questions and answers: European Commission endorses Germany's recovery and resilience plan

Brussels, 22 June 2021

How did the Commission assess Germany's recovery and resilience plan?

The Commission is assessing the recovery and resilience plans based on eleven criteria set out in the Recovery and Resilience Facility (RRF) 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 Germany's recovery and resilience plan effectively support the green transition?

The German plan's contribution to the green transition amounts to at least 42% of its total allocation of €25.6 billion. This exceeds the minimum of 37% required by the RRF Regulation.

The plan has a strong focus on the green transition pillar. To support climate objectives in areas such as energy transition and adaptation to climate change, the plan envisages a broad range of measures that can be grouped in three main areas of actions. Firstly, a number of actions in the plan focus on developing efficient hydrogen economy in the industry and in the economy at large, with a focus on renewable hydrogen. Secondly, a sizeable effort is also made to accelerate investments in climate-friendly mobility in order to address Germany's challenges relating to sustainable transport. Lastly, the plan contains a series of measures to step up climate-friendly construction and renovation, with a prominent focus on energy efficiency renovation.

These measures contribute directly to the green transition, in particular climate change mitigation. They also indirectly contribute to the other objectives of the green transition, in particular by promoting the circular economy, and reducing air pollutant emissions, and are aligned with the German National Energy and Climate Plan ('NECP') for 2021-2030 and the German Climate Action Plan 2050.

Does Germany's recovery and resilience plan effectively contribute to the digital transition?

The German plan's contribution to the digital transition amounts to at least 52% of its total allocation of €25.6 billion. This exceeds the minimum of 20% required by the RRF Regulation.

With a significant share of the total allocation and a prominence of digital aspects across the majority of its components, Germany's plan puts a strong emphasis on the digital transition and the challenges resulting therefrom across all sectors.

The digital transformation of public services, including health services, and of businesses, are addressed in the plan. The plan includes a full component on the modernisation of public administration through accelerated digitalisation. Moreover, within a component dedicated to health,

two measures aim at accelerating the digital transformation of public health services and hospitals respectively. As far as businesses are concerned, the plan includes investments supporting the automotive industry's digital and green transitions.

The plan also includes important measures addressing human capital and investments in advanced digital technologies, with a component on the digitalisation of education and another which includes contributions to two large-scale European initiatives on microelectronics, and on next generation cloud and edge technologies

Does the recovery and resilience plan represent a balanced response to the economic and social situation of Germany?

The German plan represents a comprehensive and adequately balanced response to Germany's economic and social situation, thereby contributing appropriately to all six pillars referred to in the RRF Regulation.

Measures to support disadvantaged groups and cap social security contributions promote social cohesion. The plan includes a reform, for example, to provide additional courses and mentoring to pupils with a learning backlog, with a focus on core subjects and core competences to tackle the learning disparities created by the COVID-19 crisis.

The plan includes measures to strengthen education and skills, in particular by supporting the digitalisation of education. The plan foresees to invest €630 million to create the first national online education platform to help learners acquire competences based on their individual learning pathways. Further €500 million are to create 90,000 additional childcare places by building new childcare facilities and refurbishing existing ones. Expanding high-quality, full-time early childhood education and care and all-day schools will contribute to improved student outcomes and improved labour market participation of women. Several skills-related measures such as financial incentives for companies to retain and hire apprentices will also benefit the next generation. The plan devotes €725 million to supporting apprentices during the crisis. Additionally, efforts to accelerate planning procedures and support municipalities in requesting investment subsidies and digitalising their schools will help areas with infrastructural challenges, thus contributing to territorial cohesion. Major cross-border initiatives in the plan will also contribute to cohesion and convergence in the EU. Public administration reforms and investments to strengthen the healthcare system will also increase resilience.

Do the reforms presented by Germany effectively address a significant part of the country-specific recommendations issued to it in the context of the European Semester?

The Commission considers that Germany's plan includes an extensive set of mutually reinforcing reforms and investments that contribute to addressing all or a significant subset of the economic and social challenges outlined in the country-specific recommendations (CSRs) addressed to Germany by the Council in the European Semester in 2019 and in 2020.

The plan includes measures to increase investment and reduce administrative burdens. In particular, the establishment of a joint working group at federal and regional level to introduce measures to speed up planning and authorisation procedures will enhance public investment and promote private investment. More generally, investment will increase, reflecting the plan's commitments to support decarbonisation, sustainable mobility, R&D, and digitalisation.

The plan will also contribute to addressing CSRs that relate to education, labour market participation, labour taxation and social policy by enhancing the digitalisation of education, supporting students with disadvantages, enhancing the provision of childcare, improving transparency of pensions and curbing increases in the tax wedge.

The plan provides a solid basis for further reform and investment efforts in the coming years, to address further structural challenges.

For More Information

[Press release: European Commission endorses Germany's recovery and resilience plan](#)

[Recovery and Resilience Facility: Questions and Answers](#)

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

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

[resilience plan for Germany](#)

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

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

[Recovery and Resilience Facility](#)

[Recovery and Resilience Facility Regulation](#)

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