



ECON-BUDG Working Group on the scrutiny of the Recovery and Resilience Facility

**On draft delegated acts on the common indicators and the scoreboard
and on a methodology for reporting on social expenditures**

Meeting of 3 June 2021

Draft Delegated Act

supplementing Regulation (EU) 2021/241 of the European Parliament and of the Council establishing the Recovery and Resilience Facility by setting out the common indicators and the detailed elements of the Recovery and Resilience Scoreboard

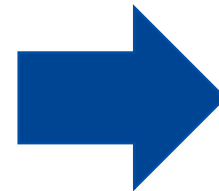
Recovery and resilience scoreboard and Common indicators - interlinkages

According to Article 30 of the RRF Regulation, **the recovery and resilience scoreboard** shall display progress of the implementation of the RRP's :

- In each of the 6 pillars
- In relation to the common indicators

Article 30(4): the **scoreboard** should be **updated twice a year** by the Commission

Article 27: Member States should report to the Commission **twice a year** on the **common indicators**



Given the link between the Scoreboard and Common indicators, these delegated acts **have been combined into one**

Recovery and resilience scoreboard



Objective: enhance transparency and accountability by providing concise information on progress with the implementation of recovery and resilience plans in each of the six pillars



Format: website, publicly available



Content: indicators reflecting the progress of the implementation of the RRP, including common indicators



Update: twice a year, following the biannual reporting by Member States in the context of the European Semester (30 April, 15 October)

Indicators reflecting progress on the implementation of the RRP's in each of the pillars, notably through:

- 1. Level of fulfilment of milestones and targets** at Member State level, at aggregate EU level and per pillar.
- 2. Status of request for payments, suspension, and termination of the financial contribution and loan support**, per Member States and at EU level
- 3. Progress with disbursement of the financial contribution and loans**, per Member States, at EU level and per pillar (based on the ex-ante breakdown)
- 4. Common indicators reflect the achievement of general and specific objectives, but also pillars (see next).**

The common indicators

- 1. Targeted additional indicators:** RRF is a performance-based instrument, which means there are already numerous indicators of performance thanks to the milestones and targets.
- 2. Consistency with ESIF indicators:** to limit the administrative burden on Member States and use indicators they are familiar with and have already been agreed on.
- 3. Focus on most solid and relevant indicators:** to ensure that the indicators will cover as many RRFs as possible, and that most Member States can report data on all of them.
- 4. Reflect RRF objectives:** as required by Article 29(4)(a)

List of draft common indicators grouped by pillar

RRF financed government expenditures and other costs as a percentage of GDP	Number of participants in education or training	Capacity of new or modernised health care facilities	Number of people in employment or engaged in job searching activities	Capacity of new or modernised childcare and education facilities	Population benefiting from actions for socio-economic inclusion of disadvantaged groups (1)
Savings in annual primary energy consumption	Additional operational capacity installed for renewable energy	Alternative fuels infrastructure (refuelling/recharging points)	Length of new, upgraded, reconstructed, or modernised rail	New or upgraded capacity for waste recycling	Additional population benefiting from protection measures against floods, wild fires, and other climate related natural disasters
Total area of forest, wetland, floodplain and other land restoration	Surface area covered by protection and restoration measures (2)	Additional dwellings with broadband access of very high capacity	Enterprises supported to develop digital products, services and application processes	Users of new and upgraded public digital services, products and processes	Researchers working in supported research facilities

- (a) Green transition
 ■ (b) Digital transformation
 ■ (c) Smart, sustainable and inclusive growth including economic cohesion, jobs, productivity, competitiveness, research, development and innovation, and a well-functioning internal market with strong SMEs
- (d) Social and territorial cohesion
 ■ (e) health, economic, social and institutional resilience
 ■ (f) policies for the next generation, children and the youth, such as education and skills

(1) Population covered by support in the framework of integrated actions for socio-economic inclusion of marginalised communities, low income households and disadvantaged groups
 (2) Surface of Natura 2000 sites covered by protection and restoration measures or of green infrastructure supported for other purposes than adaptation to climate change.

Recovery and resilience scoreboard

What the website could look like

What could the RRS include?

Explanatory page (e.g. context and general purpose of the Scoreboard, frequency of reporting, data collection method, progress achieved by the Recovery and Resilience Facility as a whole).

Pages at EU and at MS level. Each EU and MS page will show the following:

1. Progress of implementation of milestones and targets at Member State level and at aggregate EU level through data provided by MS in payment requests and during the twice yearly reporting (Article 27 of the RRF Regulation, indicatively 30 April and 15 October).

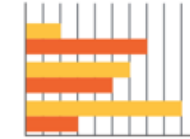


The Scoreboard is the performance reporting system of the Recovery and Resilience Facility. It monitors the progress of the implementation of the Facility and the Member States' national recovery and resilience plans (RRPs).

Grants/Loans allocated



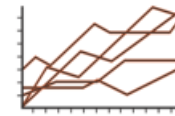
Grants/Loans allocated per MS



Amount disbursed per RRF pillar



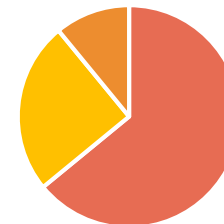
Disbursements



Choose Member State

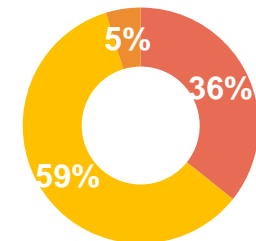


Milestones & targets at EU level



■ On track ■ Met

Milestones & targets Country X



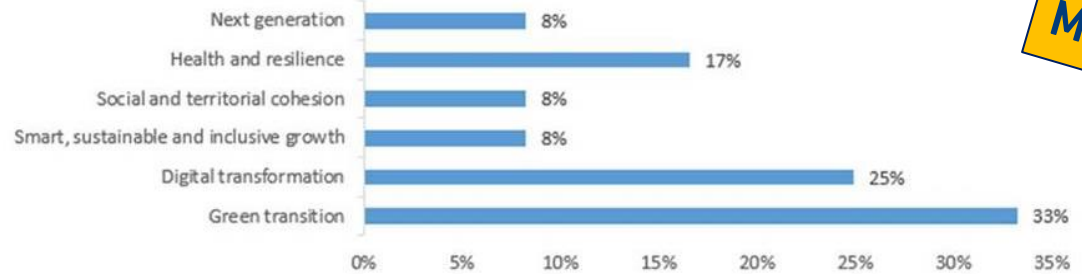
■ On track ■ Met

What could the RRS include?

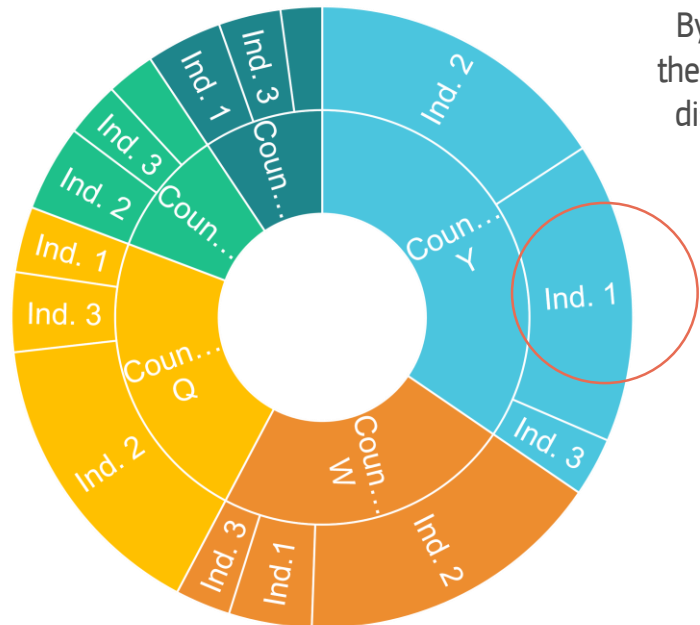
2. Contribution to the six pillars of the Regulation, such as the milestones and targets fulfilled per pillar.

3. Overview of common indicators set out by the Delegated Act.

M&T fulfilled by pillar

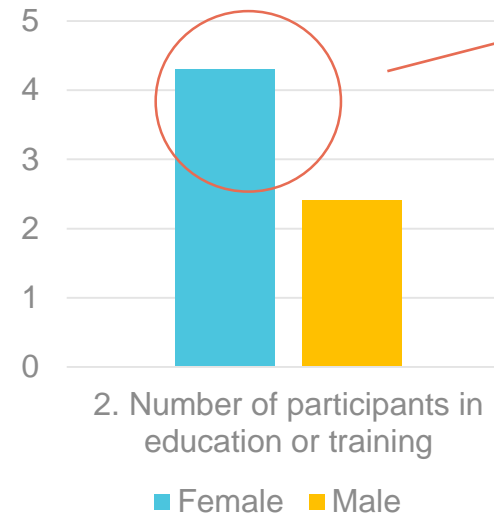


Mock-ups

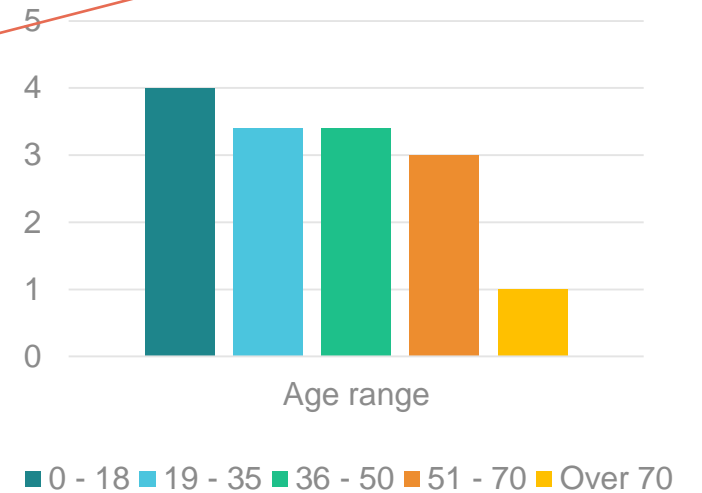


By clicking on an indicator, the dashboard provides more disaggregated information (where available)

Country X



Female

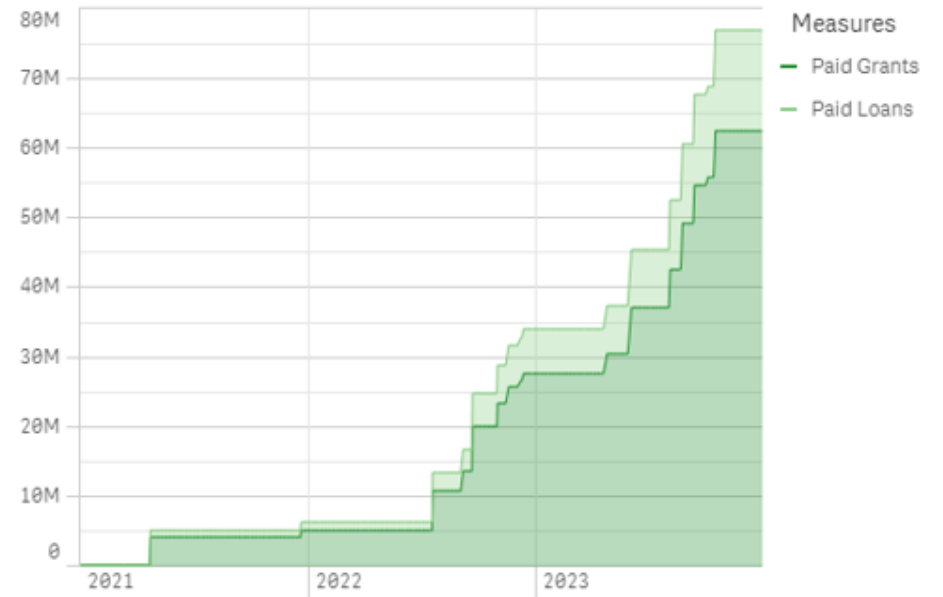


What could the RRS include?

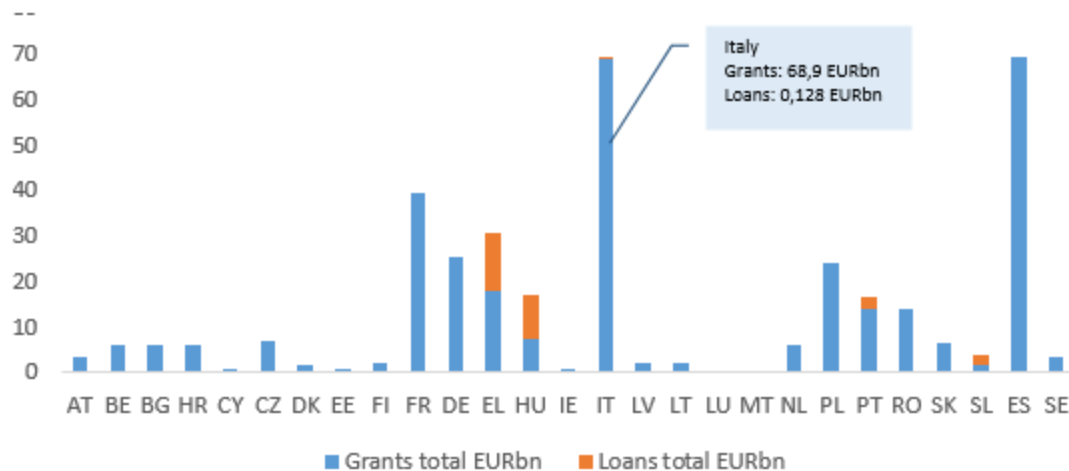
4. **Status of payment** requests, suspension and termination of grants and loans and the progress with the disbursement of the grants and loans per Member State.

Mock-ups

Cumulative evolution of the Payments



Grants and Loans allocated per Member States



Payment disbursement per Member State (share of total allocation envisaged in the RRP)





Draft Delegated Act

supplementing Regulation (EU) 2021/241 of the European Parliament and of the Council establishing the Recovery and Resilience Facility by establishing a methodology for reporting social expenditure

Reporting on social expenditure

Why

Scope of the RRF and legal requirement

Article 29(4)(b): Methodology for reporting social expenditure, including on children and the youth (by Dec 2021)

Article 31(3)(c): Information on the expenditure financed by the Facility under the six pillars incorporating social expenditure, including on children and the youth in the annual reporting by the Commission

What

Variety of areas of social investments and reforms in RRFs

Education



Health



Employment



Social



Who

The Commission based on information in the RRFs

- Ex- post reporting done by the Commission
- Based on the break-down of the estimated expenditure provided in the approved RRFs

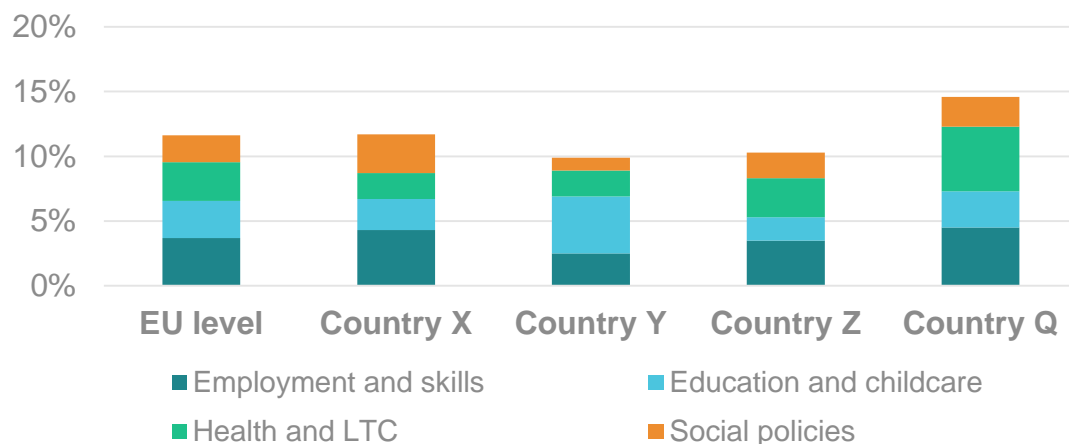
The proposed methodology

Step 1

Each reform and investment included in the RRP with a primary social dimension shall be associated to one of **nine social policy areas** (set out by the Delegated Act), aggregated into **four broader social categories**

Mock-up

% of social expenditure in RRP at EU and Member State level



NINE POLICY AREAS WITHIN THE FOUR MAIN SOCIAL CATEGORIES	
Social category: Employment and skills	
1.	Adult learning, including vocational education and training; recognition and validation of skills
2.	Employment support and job creation, including hiring and job transition incentives and support for self-employment
3.	Modernisation of labour market institutions, including infrastructure, employment services and forecasting of skills and labour inspectorates; employment protection and organisation; social dialogue and wage setting mechanisms; adaptation of workplaces
Social category: Education and childcare	
4.	Early childhood education and care - Accessibility, affordability, quality and inclusiveness, including digitisation and infrastructure
5.	General, vocational and higher education - Accessibility, affordability, quality and inclusiveness, including digitisation and infrastructure
Social category: Health and long-term care	
6.	Healthcare – resilience, sustainability, adequacy, availability, accessibility, affordability and quality, including digitisation and infrastructure
7.	Long-term care – resilience, sustainability, adequacy, availability, accessibility, affordability and quality, including digitisation and infrastructure
Social category: Social policies	
8.	Social housing and other social infrastructure
9.	Social protection, including social services and integration of vulnerable groups

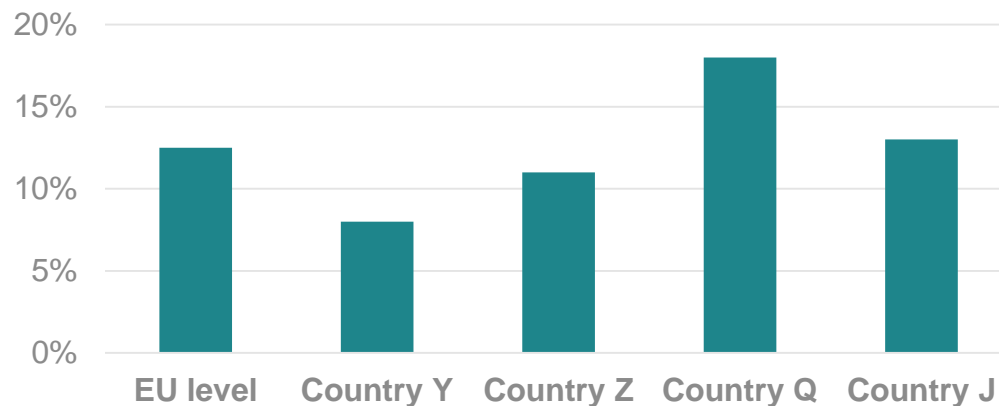
Reporting on social measures with a focus on children and the youth

Step 2

- For each measure of a social nature that includes a focus on **children and the youth**, the Commission will attribute a flag, allowing for a specific reporting - in line with Art. 29.4(b).
- Although not legally required by the RRF Regulation, reporting on expenditure on **gender equality** is deemed essential in view of the emphasis put on this matter by the Regulation.

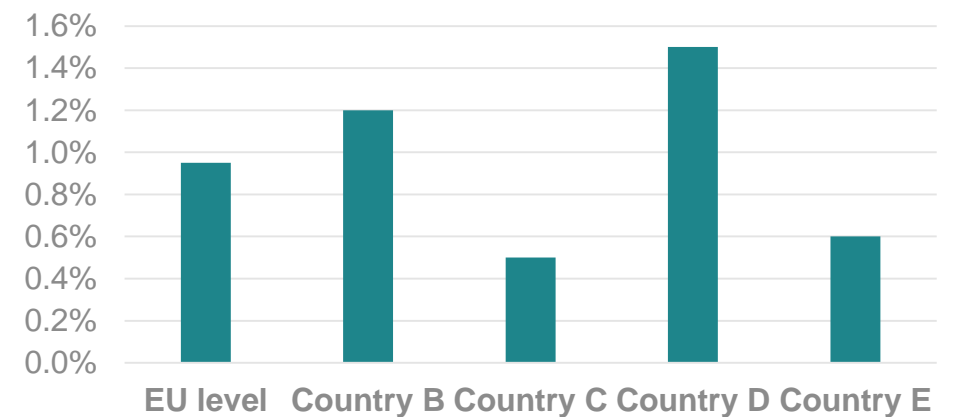
Mock-up

% of RRP social measures with a focus on children and the youth at EU and Member State level



Mock-up

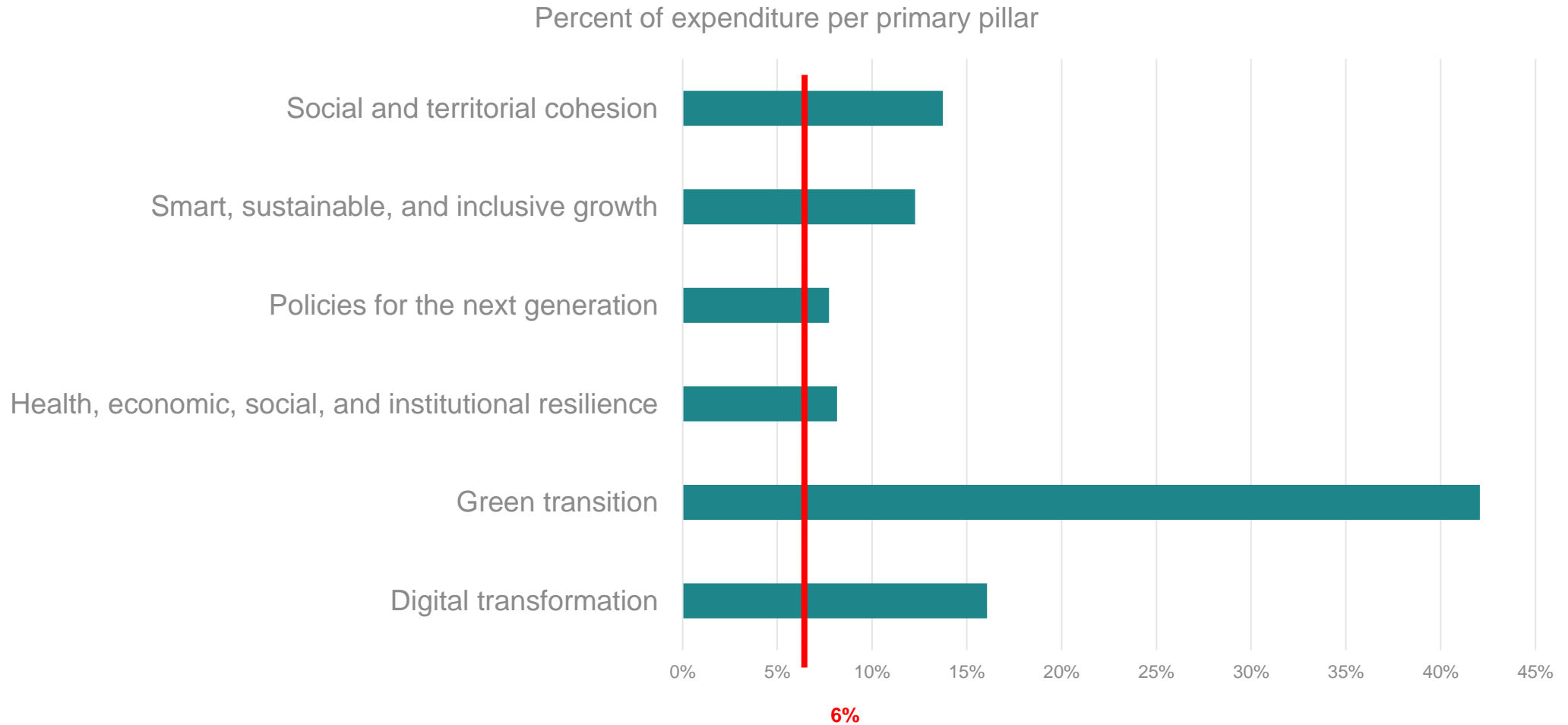
% of RRP social measures with a focus on gender equality at EU and Member State level



Next steps for both delegated acts

- Members of the Expert group send written comments by Friday 4 June 2021
- Publication on better regulation website
- Adoption by Commission
- Transmission to Parliament & Council with 1+1 objection period
- Publication and entry into force

Planned spending under the six policy pillars



Preliminary results based on a representative set of MS based on data included in the RRP (not yet fully verified)

Thank you



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