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

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 RRPs:

- 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 RRPs, 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 RRPs 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 RRPs 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

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

- **(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**

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(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).
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.
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**

- **Grants and Loans allocated per Member States**
- **Payment disbursement per Member State (share of total allocation envisaged in the RRP)**

- **Italy**
  - Grants: 46.0 EURbn
  - Loans: 12.0 EURbn
Draft Delegated Act

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 RRP

**Who**
The Commission based on information in the RRP

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

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*European Commission*
The proposed methodology

Step 1

Each reform and investment included in the RRPs 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.

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

Mock-up

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

EU level | Country X | Country Y | Country Z | Country Q
---|---|---|---|---
Employment and skills | | | | |
Education and childcare | | | | |
Health and LTC | | | | |
Social policies | | | | |
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.
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

### Percent of expenditure per primary pillar

- **Social and territorial cohesion**: 10%
- **Smart, sustainable, and inclusive growth**: 15%
- **Policies for the next generation**: 5%
- **Health, economic, social, and institutional resilience**: 10%
- **Green transition**: 40%
- **Digital transformation**: 15%

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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