



Contribution of National Recovery & Resilience Plans to the six pillars & European Added value

27 May 2021

State of Play of RRP submission and assessment

- **18 plans** submitted so far, **8** more plans expected soon, **1** after the summer
- Timeline: Adoption of **Commission's proposals** from second half of June
- Plans received so far include ambitious investment and reforms and a **broad coverage of CSRs** and notably on:
 - green and digital transition
 - labour market/skills, social safety nets and inclusion; healthcare and long term care;
 - public finances and taxation;
 - investment bottlenecks; justice systems and public administration; anti-corruption / anti-fraud measures.

Contribution to the six pillars: a first overview

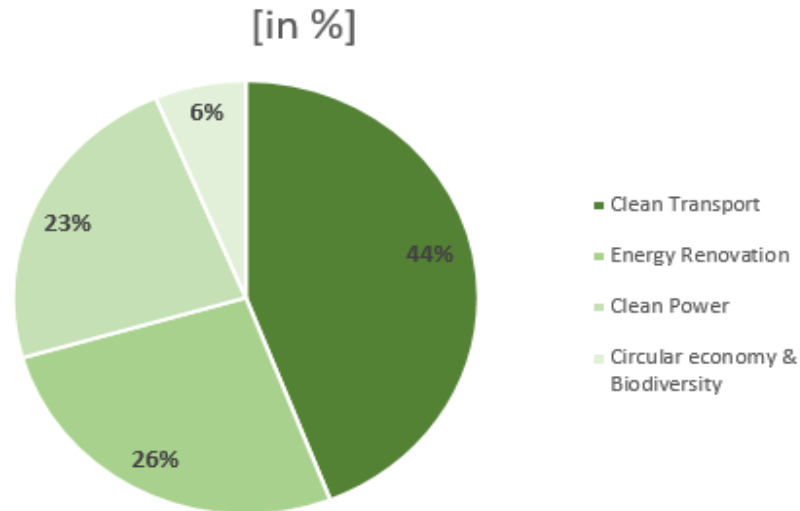


- The RRF Regulation refers to **policy areas of European relevance** structured in six pillars.
- All **six pillars are expected to be sufficiently addressed** in the plans.
- The following overview is based on a **preliminary review and thus subject to change**. It does not constitute an assessment of the Commission.
- The Commission will present a quantitative assessment of how plans contribute to the pillars in the **review report** by 31 July 2022 (Article 16 of the Regulation).

(a) Green transition



Overview based on provisional figures



Overview of green measures (preliminary estimates)

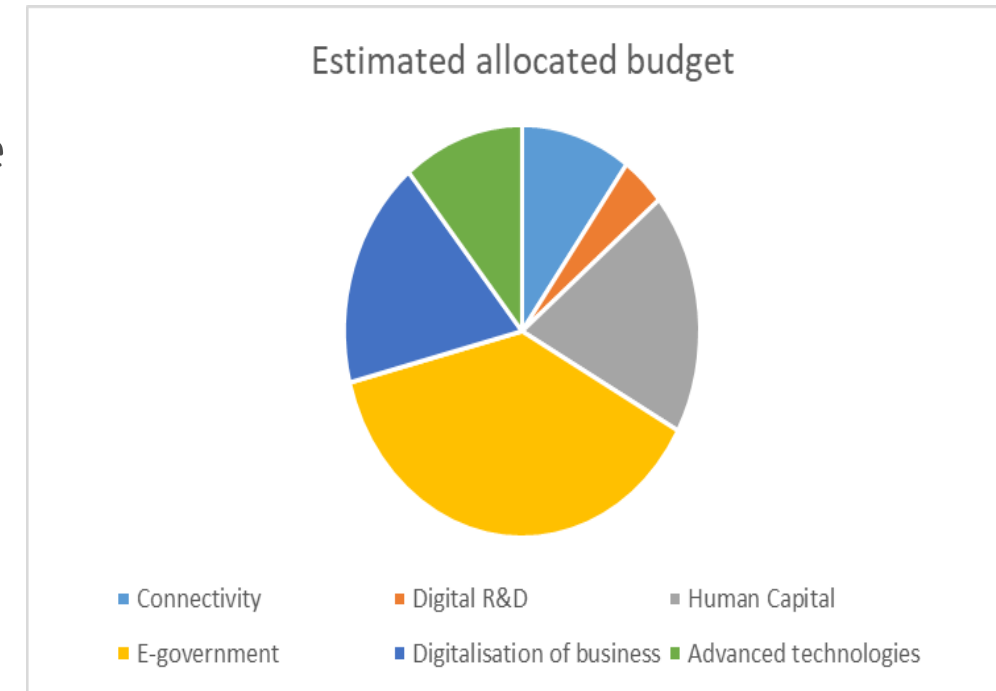
	Clean Transport	Building Renovations	Clean Power	Circular Economy & Biodiversity
EUR bn	85-90	50-55	45-50	approx. 10
# of MS	25	25	22	20

Note: based on 18 submitted RRP and 8 advanced draft RRP

- Investments in **clean power**, such as renewables production and storage, including hydrogen.
- **Building renovations**, such as renovations of residential, business, public, and social housing.
- **Sustainable transport**, such as (digital) railway infrastructure, charging points, urban mobility (incl. cycling).
- **Biodiversity** measures include reforestation and conservation.
- **Circular economy** measures include waste management and wastewater treatment.
- Besides investments, Member States have also committed to reforms such as **greening taxes** by broadening their base based on (CO₂) pollution

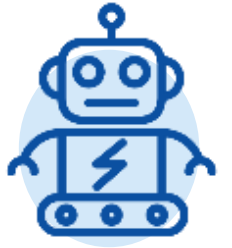
(b) Digital transformation*

- **Robust contribution to the pillar of digital transformation.**
 - Significant share of expenditure exceeding in aggregate the 20% requirement.
 - Strong focus on digitalisation of public services and human capital.
 - Good coverage of digital-related CSR, such as connectivity and digitalisation of the public administrations.
- Dedicated digital components but also digital spending across components
- Examples of key projects in the plans include **cross-border 5G corridors, broadband roll-out** to rural areas, **expansion of digital services** in the areas of authentication, health and justice, and development of the **next generation of microprocessors**



**NB: very provisional data subject to ongoing detailed checks; pie chart represents percentage of total allocated budget to digital transformation based on preliminary estimation*

(c) Smart, sustainable and inclusive growth



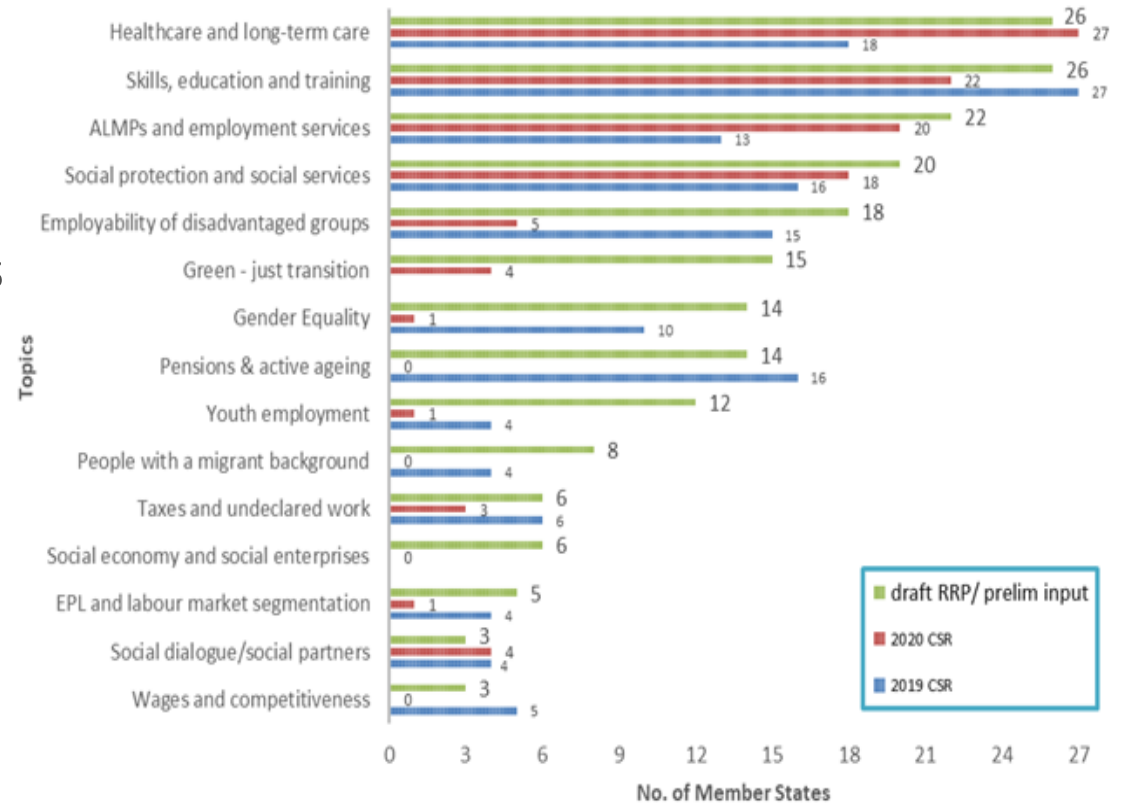
- To the benefit of the **single market**, plans contain **connectivity measures**, such as:
 - railways,
 - electricity interconnectors,
- To support **growth** and in particular **SMEs**, plans contain measures to:
 - Business environment: one stop shops, simplification, increasing competition.
 - Promoting private investments: bottlenecks and access to finance
 - support for **entrepreneurship** (financial support, entrepreneurial skills),
 - Reform of justice
 - Simplification and speeding-up **procurement procedures**
- Almost all Member States have included **R&I measures** in their plans.
- The plans will **support the public science base**, for instance through investments in research infrastructure and funding schemes for **research projects, accompanied by reforms**

(d) Social and territorial cohesion

Social cohesion



- Member States have rolled out **significant amount of measures** on social and employment policies
- Besides investing in skills and healthcare, measures to **improve employability of disadvantaged groups, gender equality, support for people with migrant background** figure prominently in the national RRP
- On labour market policies measures include the provision of **employment incentives** for specific disadvantaged groups, **reforms of employment protection legislation** and **labour contract regulation**.



(e) Health, economic, and institutional resilience

Health



- Virtually all MSs have measures related to health and long-term care such as:
 - **investing in health infrastructure,**
 - **upskilling health workforce,**
 - **strengthening resilience,**
 - or **deploying eHealth services**



Economic

- Measures addressing the **risks of macroeconomic imbalances**, e.g. housing market imbalances
- Strengthening the **insolvency framework**
- Making (more systematic) use of **spending reviews** to improve composition and efficiency of public spending;
- Improving **long-term sustainability of public finances** (e.g. pension reforms) or by strengthening the **governance of public finance**, (e.g. the introduction of a spending rule);

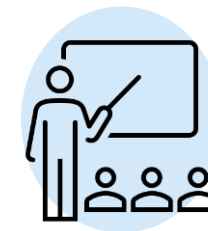
(e) Health, economic, and institutional resilience

Institutional



- Member States plan to spend significantly on **digitalisation of public administration, including justice.**
- Reforms and investments to reinforce the **fight against corruption** include trainings, awareness campaign, as well as, investment in corruption detecting infrastructure
- **Anti-Money-laundering and anti tax-fraud** measures,
- Measures to **reinforce tax administration.**
- Strengthening of **SOE governance**

(f) Policies for the next generation



- Measures aimed to improve **digital skills** are omnipresent in the national RRP
- Reforms of **vocational education and training**, as well as, focus on the **performance of education** are also on the top of the national agendas
- Increasing capacity in **higher education** is also a significant part of the policies for the next generation in the national plans
- Member States are also keen to address **youth unemployment, early school leaving**, and **child poverty**
- **Early childhood education and care** measures focus on accessibility, affordability, quality and inclusiveness - for example - by expanding the available childcare facilities



European Added value of the Recovery and Resilience Plans

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Cross-border and multi-country projects

- Cross-border projects have the potential to **address bottlenecks in the functioning of the single market**
- Member States often refer to the potential of their projects to **generate positive cross-border spillover effects** in light of closer European cooperation (e.g. Important Projects of Common European Interest)
- Recurring topics include developing **hydrogen technologies** strengthening cross-border **digital infrastructure** and cross-border **exchange of data**

Contribution of the RRF to EU policies

- **European Green Deal** and a just transition (investment in sectors + education and skill building)
- **Digital Education** Action Plan
- **Social Pillar** Action Plan
- Dedicated **SME** strategy
- European **Gender** Strategy
- **Biodiversity** Strategy

Strong growth effects of joint action on EU level

- A preliminary ECFIN simulation (work ongoing) shows that joint action yields significantly higher growth effects than an aggregation of individual effects of the MS's RRP

