RECOVERY AND RESILIENCE FACILITY

Follow-up to the RRF and the European Semester: Lessons learned and way forward

20 April 2022
## State of play on implementation

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* No pre-financing requested
## Payment requests so far

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<tr>
<th>Member State</th>
<th>Requested amount (grants and/or loans)</th>
<th>Reforms and/or investments</th>
<th>Number of milestones and/or targets</th>
<th>Submission date</th>
<th>Status quo</th>
<th>Disbursement date</th>
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<td>ES</td>
<td>EUR 10 bn (grants)</td>
<td>Mainly reforms</td>
<td>52 milestones</td>
<td>11 November</td>
<td>Positively assessed</td>
<td>27 December</td>
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<td>FR</td>
<td>EUR 7.4 bn (grants)</td>
<td>Reforms and investments</td>
<td>38 milestones and targets</td>
<td>26 November</td>
<td>Positively assessed</td>
<td>4 March</td>
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<td>EL</td>
<td>EUR 3.6 bn (grants: 1.7 bn; loans: 1.8 bn)</td>
<td>Reforms and investments</td>
<td>15 milestones</td>
<td>29 December</td>
<td>Positively assessed</td>
<td>8 April</td>
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<td>EUR 21 bn (grants: 10 bn; loans: 11 bn)</td>
<td>Reforms and investments</td>
<td>51 milestones and targets</td>
<td>30 December</td>
<td>Positively assessed</td>
<td>13 April</td>
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<td>PT</td>
<td>EUR 1.3 bn (grants: 636 mn; loans: 700 mn)</td>
<td>Reforms and investments</td>
<td>38 milestones and targets</td>
<td>25 January</td>
<td>RRF comitology committee has to provide opinion</td>
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<td>HR</td>
<td>EUR 700 mn (grants)</td>
<td>Reforms and investments</td>
<td>34 milestones and targets</td>
<td>15 March</td>
<td>COM preliminary assessment ongoing</td>
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</table>
European Semester: 2022 cycle

• **2022 Annual Sustainable Growth Survey** outlines the policy priorities in the coming year and provides guiding principles for implementation.

• 2022 Semester marks a gradual **shift in economic policy coordination**:
  
  o From management of the COVID-19 crisis towards sustainable recovery post-COVID;
  
  o Now focus is on ensuring a transformational and inclusive recovery and stronger resilience – starting from the implementation of the Recovery and Resilience Plans;
  
  o Identifying and addressing outstanding and newly emerging challenges, including the current geopolitical situation.

• The policy priorities are structured around the four dimensions of competitive sustainability and in line with the **Sustainable Development Goals**.
# 2022 Semester cycle

<table>
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<th>What remains</th>
<th>What changes</th>
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| • Compass: **competitive sustainability**  
• Facts based assessment of economic and social challenges  
• **Dialogue** with stakeholders | • **Gap analysis** with RRP$s$  
• Stronger MS focus  
• **Content** of the Spring Package  
• Readability of documents |
**European Semester: Gap analysis**

**Country Reports** are the analytical basis for the 2022 country-specific recommendations. They identify country-specific vulnerabilities and priority reforms and investments, inter alia with a view to reduce dependency on Russian fossil fuels.

**Section 1: Economic Snapshot**
- providing a macro-picture in each country,
- taking into account spillover effects of the Russian invasion

**Section 2: The RRP is underway**
- taking stock on RRP implementation

**Section 3: Further Priorities Ahead**
- looking at further key priorities ahead beyond RRP measures,
- taking into account energy-related challenges

Any gap identified can be translated into additional reforms and investments to be financed by the RRF.
European Semester – CSRs

• National Recovery and Resilience Plans address most of past CSRs
  ➢ Focus on delta between the (still relevant) CSRs and the RRP
  ➢ Parsimonious approach to deliver tangible results

• New challenges have arisen
  ➢ Russian invasion of Ukraine, energy dependency and economic impact

• MS without an adopted plan
## Coverage of Country-specific recommendations (I)

<table>
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<tr>
<th>Broad Category</th>
<th>Public finances &amp; taxation</th>
<th>Financial sector</th>
<th>Labour market, education &amp; social policies</th>
<th>Structural policies</th>
<th>Public administration &amp; business environment</th>
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All CSRs of this policy area have been assessed as “significant progress” or “full implementation” prior to the RRP submission.
Coverage of Country-specific recommendations (II)

- Mapping by policy areas on shares of country-specific recommendations covered by the Recovery and Resilience Facility

- Based on 23 Recovery and Resilience Plans (22 adopted by the Council + SE positively endorsed by the Commission)*

- **Very high coverage** in the area of social policies, education and labour market

- **Good coverage** in area of business environment

- **Areas for improvement**: taxation and housing market

*Due to time lag of data, BG will be shown only in next iteration
European Semester: an agile framework to address new challenges

- Current Semester cycle will **address outstanding and newly emerging challenges** for our economies by identifying ways to:
  - accelerate our **transition to clean energy** and
  - reduce dependency from fossil energy sources
- Coordinated response: implementation of RRP\(s\) is **interlinked with the energy policies** connected to the REPowerEU plan
REPowerEU: RRF and European Semester

European Semester
- Country Report: identifying challenges linked to REPowerEU
- Country-specific recommendations: translating the EU-wide REPowerEU objectives in national objectives

Recovery and Resilience Plans
- Additional reforms and investments to address REPowerEU objectives
- CSRs are the basis for preparing the RRP: each plan needs to address all or a significant subset of challenges identified in the relevant CSRs

REPowerEU
- Diversifying of supplies: higher levels of biomethane and hydrogen, higher LNG imports and pipeline imports from non-Russian suppliers
- Accelerating the reduction of EU’s dependence on fossil fuels: increasing energy efficiency in buildings and industry, increasing the share of renewables
European Semester 2022: indicative calendar

**First half of April**
Commission shared draft Country Reports with Member States

**Second half of April**
Member States submit their National Reform Programmes (NRP) and Stability/Convergence Programmes (SCP)

**Second half of April – Early May**
Bilateral discussion on REPowerEU between each Member State and Commission to discuss energy-related reforms and investments identified in draft Country Reports and Country-specific recommendations

**Second half of May**
- Commission adopts Semester Spring Package
- Commission adopts REPowerEU package

Adoption of the European Semester documents by Council envisaged for July 2022.