



Setting milestones and targets for the RRP

Designing Recovery and Resilience Plans

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Introduction

- The Recovery and Resilience Facility is a **performance-based instrument** that disburses funds on the basis of the achievement of milestones and targets (M&T).
- According to Article 2 of the RRF regulation, ‘milestones and targets’ are **measures of progress towards the achievement of a reform or an investment**, with milestones being qualitative achievements and targets being quantitative achievements.
- M&T should be clear and realistic, and the proposed indicators relevant, acceptable and robust. They should be **discussed with COMM before RRFs are finalized**.
- It is important that M&T remain **within the control of the Member State** and are not conditional on external factors such as the macroeconomic outlook or the evolution of the labour market.

Reference documents on milestones and targets

- Regulation establishing the Recovery and Resilience Facility:

https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.L_.2021.057.01.0017.01.ENG&toc=OJ%3AL%3A2021%3A057%3ATOC

- Guidance to Member States on the Recovery and Resilience Plans:

https://ec.europa.eu/info/sites/info/files/document_travail_service_part1_v2_en.pdf

- Template of the Recovery and Resilience Plans:

https://ec.europa.eu/info/sites/info/files/document_travail_service_part2_v3_en.pdf

- Annex tables to the Recovery and Resilience Plans:

https://ec.europa.eu/info/files/annex-guidance-member-states-recovery-and-resilience-plans-tables-template-0_en

General principles for setting milestones and targets

Practical advice

Keeping the number manageable

- There should be on average **15 milestones and targets per disbursement, for a total of around 150 M&T.**
- But some flexibility might be required for RRP's with large financial envelopes and/or front-loaded time horizons, in which case **larger disbursements will be reflected by a higher number of M&T.**
- Each disbursement will cover M&T reflecting progress on various components of the plan, although all components do not need to be reflected in all disbursements

Reflecting the key steps in implementation

- M&T should be designed around a **life-cycle approach of reforms and investments**.
- They should verify that the objectives of the plan and its components have been achieved. There is no one-size-fits-all; the design of M&T should match the specificities of each measure.
- **Each reform/investment could be covered by 3 milestones/targets:**
 - An initial milestone/target: to ensure reforms/investments are launched
 - A mid-point milestone/target: to verify that implementation is underway
 - A final milestone/target: to verify that objectives have been achieved/completed

Making use of existing indicators for targets

- There are likely to be output targets that are common to many RRP: in which cases it is useful to use indicators with **standard definitions used for cohesion funds**.
 - *Ex: Dwellings/public buildings with improved energy performance; Public institutions supported to develop digital services, products and processes; Dedicated cycling infrastructure supported; Capacity of new or modernised health care facilities*
- Mid-point targets could include targets that measure **budgetary execution**
 - *Ex: Budget execution in projects promoting sustainable mobility to reach [EUR XXX million] by Q2 2022*
- Final target at the end of the RRP should not only rely on budget execution but also include **output targets to verify achievement of objectives**.

Setting an adequate number of milestones and targets

Sequential approach to setting milestones and targets

Differentiating between the Council implementing decision and the operational arrangements

Council Implementing Decision

- M&T will be used to trigger payments.
- In practice this means around 3 M&T per reform/investment.
- M&T should clearly define the key elements of reforms/investments that need to be achieved.

Operational Arrangements

- Indicators for monitoring purposes will be further specified in the OA.
- Will ensure regular reporting on implementation of all reforms and investments in the RRP.
- Will also contain further specification of the M&T featuring in the CID.

Focusing the plans on structural reforms and investments

- Recovery and resilience plans should not contain hundreds of small scale measures.
- The plans are for **structural reforms and investments that will significantly influence** the situation of the Member States.
- If needed, **smaller measures can be deleted or aggregated** into larger umbrella ones.
- However, one should not over-aggregate, in particular not combine unrelated investments, especially if the responsibility for implementation fall under different public authorities.
- Aggregating may be particularly appropriate for investments.

Thank you



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