



### **Questions and answers: European Commission endorses Spain's €69.5 billion recovery and resilience plan**

Brussels, 16 June 2021

#### **How did the Commission assess Spain's recovery and resilience plan?**

The Regulation ensures a transparent assessment on the basis of 11 criteria against the back of the six pillars of the Regulation. The 11 criteria require an assessment of whether:

- the measures have a lasting impact;
- the measures address the challenges identified in the country specific recommendations or a significant subset of it;
- the milestones and targets which allow for monitoring the progress with the reforms and investments are clear and realistic;
- the plans meet the 37% climate expenditure target and the 20% digital expenditure target;
- the plans respect the do no significant harm principle;
- the plans provide an adequate control and audit mechanism and set out the plausibility of the costing information.

The Commission has summarised its assessment in the proposal for the Council implementing decision. The accompanying staff-working document provides detailed documentation on the assessment.

#### **Does Spain's recovery and resilience plan effectively support the green transition?**

The Spanish plan's contribution to the green transition amounts to 40% of its total allocation of €69.5 billion. This exceeds the minimum of 37% required by the RRF Regulation.

Measures to support securing Spain's green transition include €3.9 billion for the development of innovative renewable energies and €3.4 billion to support the renovation of more than half a million residential buildings to improve their energy efficiency. It also includes measures to promote sustainable mobility; decarbonise industry; reduce energy dependency, and; measures to help mitigate the adverse effects of climate change by preserving coastal spaces, ecosystems and biodiversity. It promotes the circular economy by improving water and waste management in the country.

#### **Does Spain's recovery and resilience plan effectively contribute to the digital transition?**

The Spanish plan's contribution to the digital transition amounts to 28% of its total allocation of €69 billion. This exceeds the minimum of 20% required by the RRF Regulation.

Measures to support Spain's digital transition include €3.6 billion for digital skills training and €4.3 billion for the digital transformation of the public administration, health, justice, employment, education and social services systems. It also includes €4.6 billion investments to promote the digitalisation of industry and SMEs, investments in artificial intelligence, digitalisation of tourism and culture systems, and €4 billion to support fixed and 5G connectivity and related ecosystem.

#### **Does the recovery and resilience plan represent a balanced response to Spain's economic and social situation?**

The plan represents a balanced response to the economic and social situation of Spain. It contains measures which aim to improve the employability of the youth and reduce further the early school leaving rate. It also puts forward a simplification of the menu of contracts to reduce the abuse of

temporary hiring. There are substantial investments to upskill and reskill workers and to modernise the vocational education and training system. The plan also provides for specific actions in the area of active labour market policies, including reforming the system of hiring incentives, developing individual pathways for counselling, reinforcing the system of adult learning, and modernising public employment services.

### **Do the reforms effectively address a significant part of the country-specific recommendations issued to Spain in the context of the European Semester?**

The Spanish plan includes an extensive set of mutually reinforcing reforms and investments that contribute to effectively addressing all or a significant subset of the economic and social challenges outlined in the country-specific recommendations (CSRs) addressed to Spain by the Council in the European Semester in 2019 and in 2020.

The plan addresses CSRs in the areas of investment in the green and digital transitions, strategic sectors and research, development and innovation.

The plan includes measures to enhance the business climate, with important actions in improving regulation, the reduction of late payments, and the reform of the insolvency framework.

The plan addresses CSRs in the area of public finances, including a reform of the spending review system, a reform to enhance the fight against tax fraud, a reform of the public procurement framework and the tax system. The plan includes a reform of the pension system with the aim of preserving its adequacy and medium to long-term sustainability and supporting longer working lives. The final design of the reform is subject to the outcome of the process of social dialogue.

The plan also addresses CSRs on preserving employment. It proposes several labour market reforms, including a stabilisation and flexibility mechanism that would allow businesses to deal with adjustments in case of economic shocks, building on the existing short-time work scheme. The plan also includes a set of measures envisaged to address the longstanding challenge related to duality and precariousness of the labour market. The plan foresees action to reduce temporary contracts in the private and public sectors. The final design of several labour market reforms is subject to the outcome of the process of social dialogue. Furthermore, the plan includes measures to enhance active labour market policies.

The plan also contributes to social and territorial cohesion, with measures in health, education, professional skills and social policy.

### **For More Information**

[Press release: European Commission approves Spain's €69.5 billion recovery and resilience plan](#)

[Recovery and Resilience Facility: Questions and Answers](#)

[Factsheet on Spain's recovery and resilience plan](#)

[Proposal for a Council Implementing Decision on the approval of the assessment of the recovery and resilience plan for Spain](#)

[Annex to the Proposal for a Council Implementing Decision on the approval of the assessment of the recovery and resilience plan for Spain](#)

[Staff-working document accompanying the proposal for a Council Implementing Decision](#)

[Recovery and Resilience Facility](#)

[Recovery and Resilience Facility Regulation](#)

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