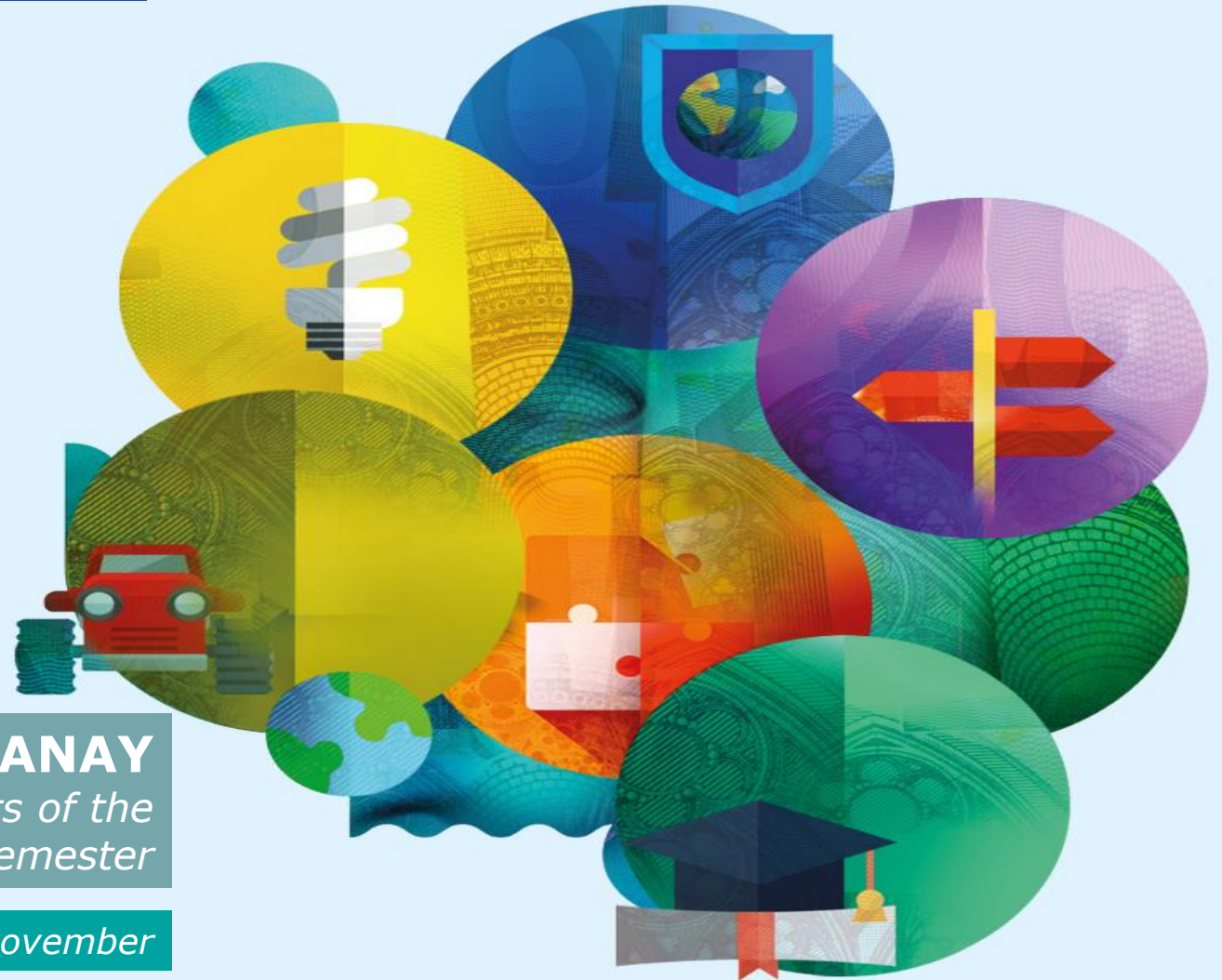


RRF and the European Semester in 2021

Filip TANAY

*Team Leader, Employment and social aspects of the
European Semester*

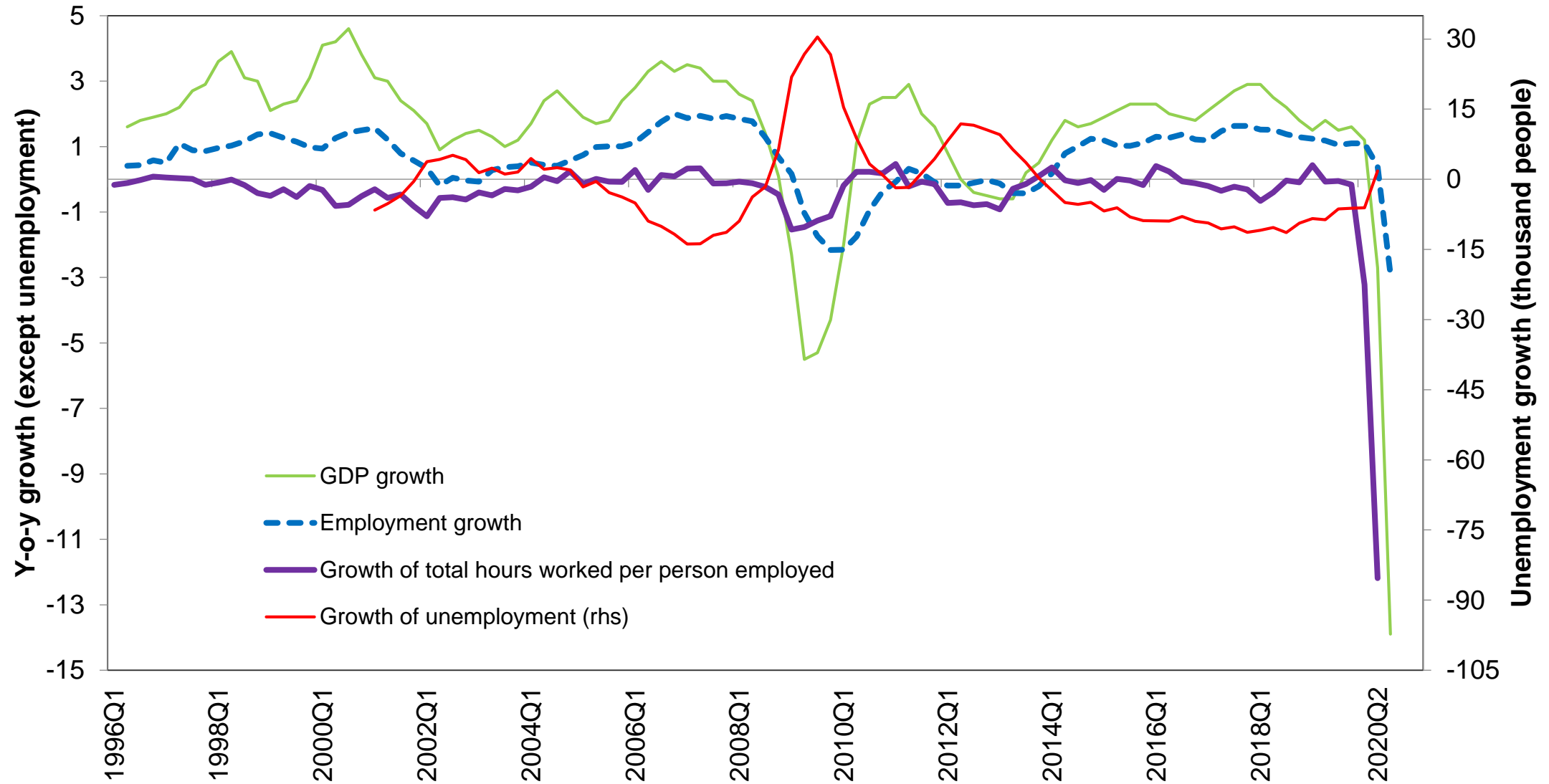
EAPN event - 19 November



Annual Sustainable Growth Strategy 2021

- **Annual Sustainable Growth Strategy** was adopted on 17/9 covers:
 - Political priorities for the upcoming Semester cycle:
 - 4-pillar economic strategy based on *environmental sustainability, digital transition and productivity, **fairness** and macroeconomic stability*
 - Explaining changes to Semester with launch RRF
 - Elements on RRF implementation
 - Flagships
- Published together with ASGS:
 - **Guidance to MSs on Recovery and Resilience Plans (RRPs)**
 - Template RRPs
 - Q&A on RRF

The macroeconomic context in the EU



The Joint Employment Report

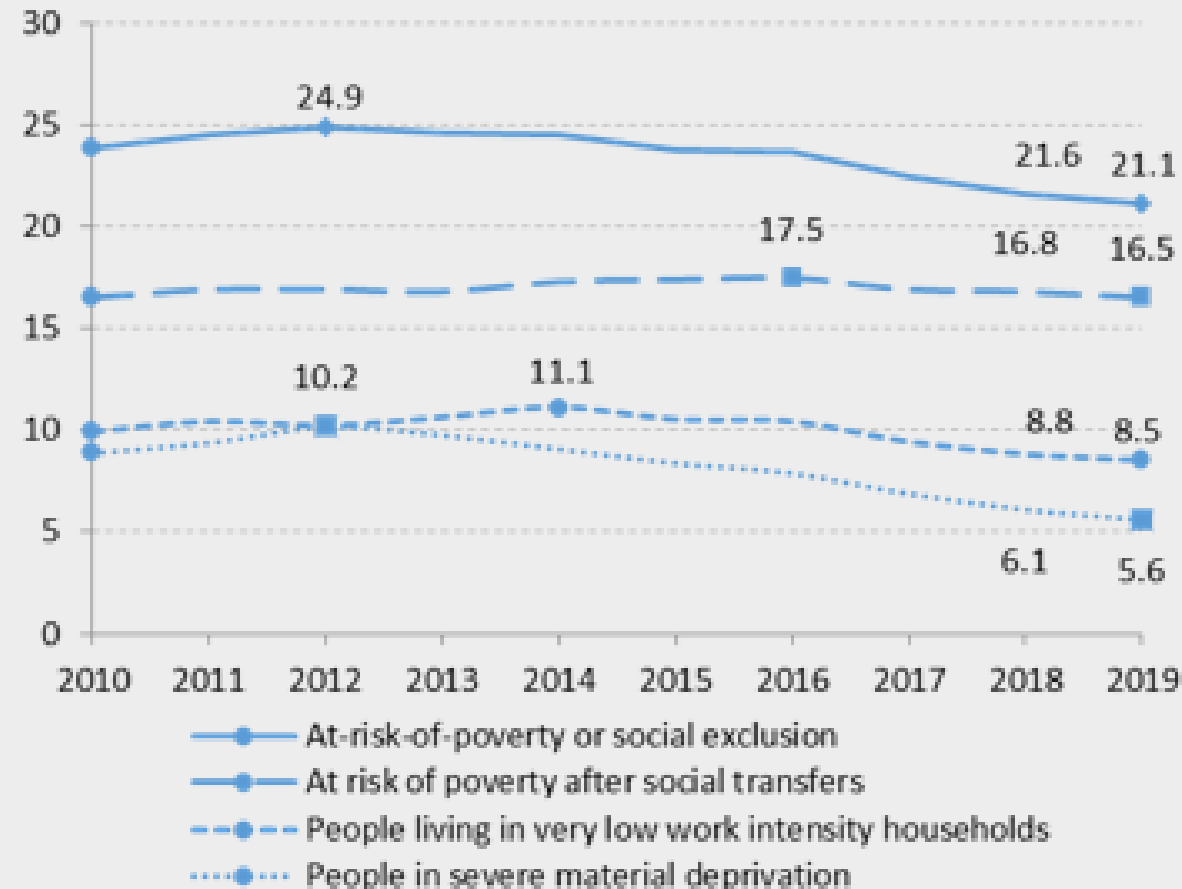
The AROPE rate was on the decline before the COVID-19 crisis, though at a slow pace

At-risk-of-poverty or social exclusion rate and its sub-components in the EU

92.4 million people at risk of poverty or social exclusion in EU-27 in 2019, 2.3 million fewer than in 2018

22.5% of children are at risk of poverty or social exclusion

9% of workers are at risk of poverty

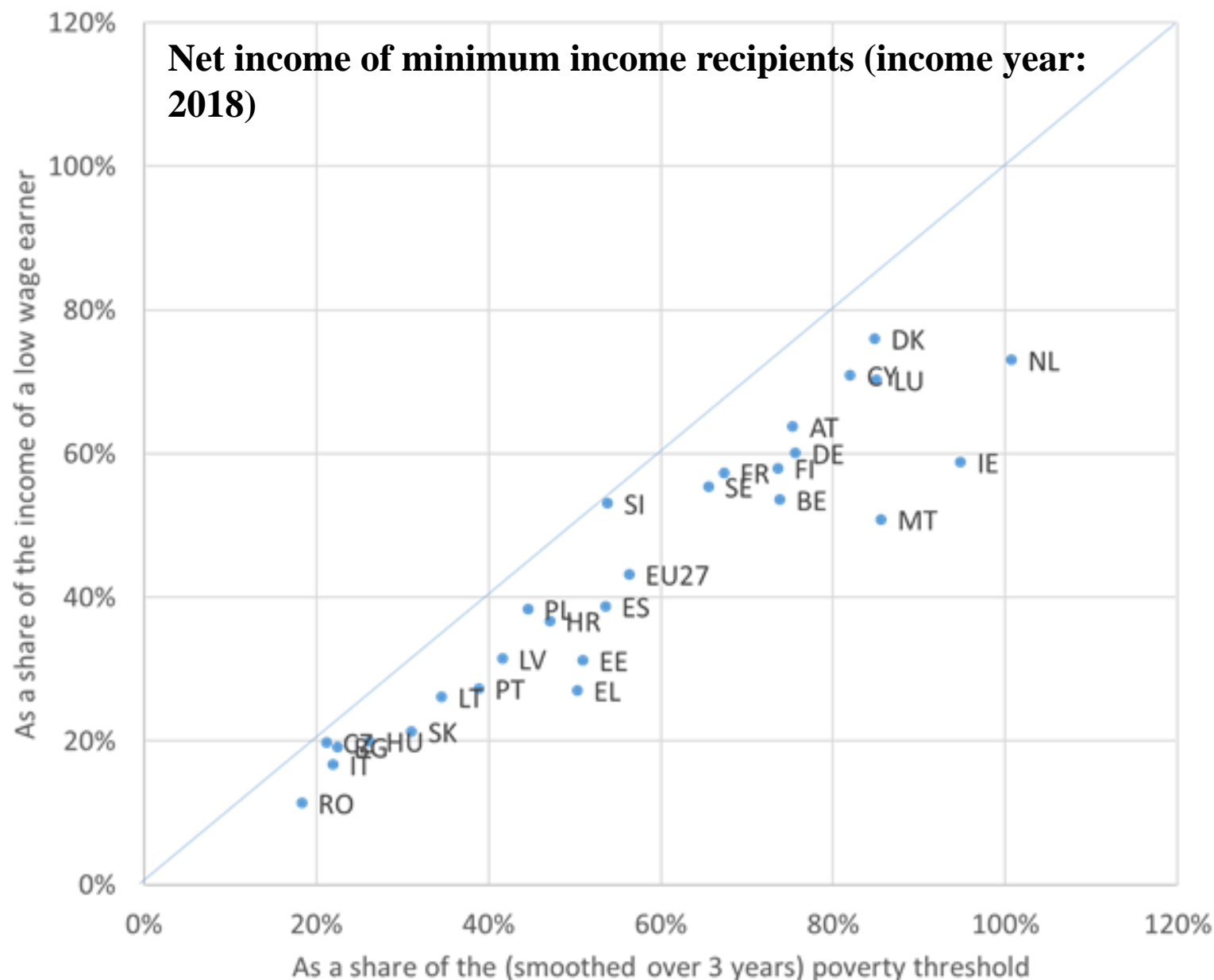


Source: Eurostat

The Joint Employment Report

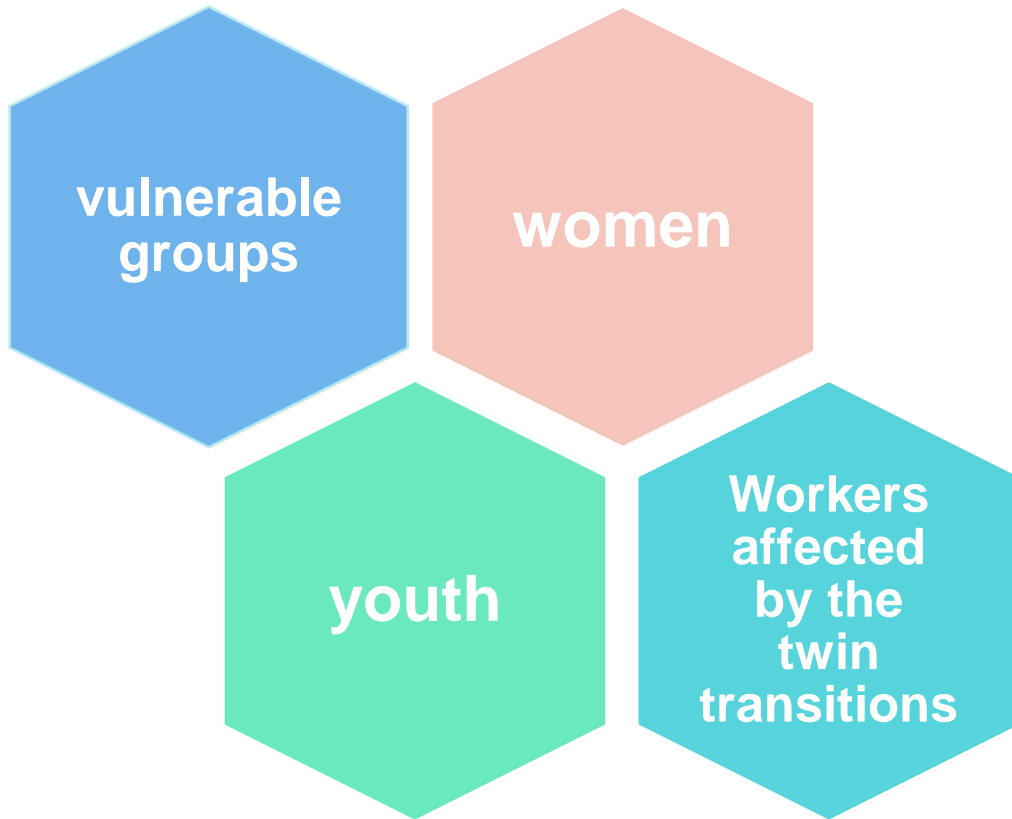
On average, **social transfers (excluding pensions)** reduce poverty by **32.7%**

63.9% of the EU population **at risk of poverty** received any kind of benefits in 2018



ASGS 2021: Fairness

Support **needed in particular for**



COVID highlighted **urgent need** to address long-standing **challenges affecting fairness** of our societies (EPSR as compass for action):

- Preparedness & resilience of and equal access to healthcare and long-term care
- Preparedness & resilience of our social protection systems
- Effectiveness of ALMPs
- Gender employment and pay gaps and work-life balance
- Inclusiveness of education and training systems

ASGS key messages

*“The COVID-19 pandemic has highlighted the urgent need to **address long-standing challenges that affect the fairness in society.** This includes the preparedness and **resilience of the national health and social protection systems as well as equal access to affordable and quality health care, long-term care and childhood care systems, demographic change, globalisation or the digital and green transitions.**”*



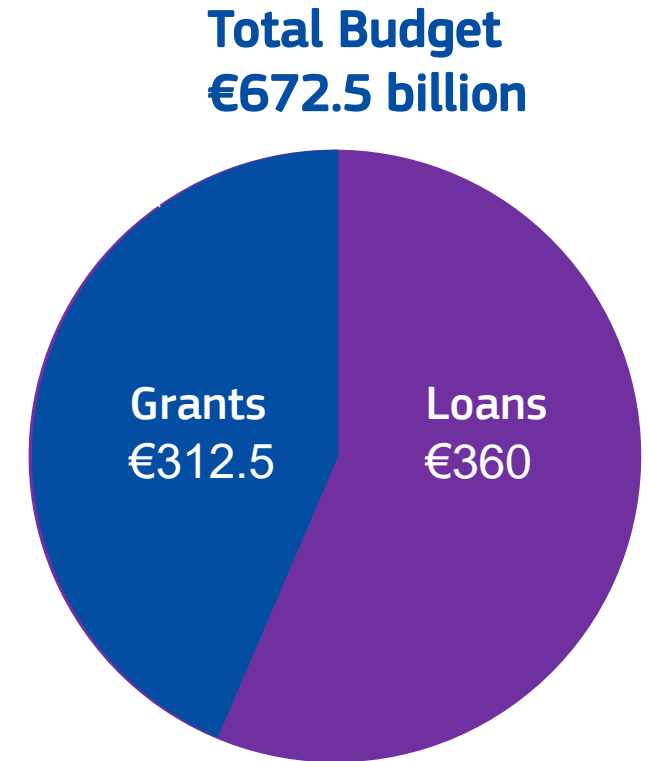
*“The recovery and transition process needs to be **fair for all Europeans** to **prevent growing inequalities**, ensure support from all parts of the society and has to contribute to social, economic and territorial cohesion.”*

The RRF supports the strategy

The Commission proposed the RRF in May as the centrepiece of the **Next Generation EU** recovery instrument.

→ *To be operational as of 1 Jan 2021 until 2026*

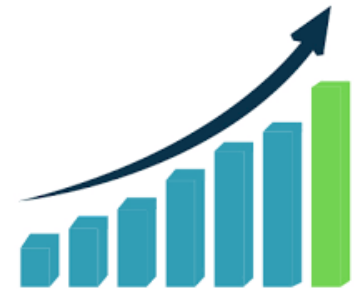
Effective implementation of Next Generation EU can deliver **2% of additional GDP by 2024** and create **2 million jobs**.



(Guidance to Member States on) Recovery and Resilience Plans

National recovery and resilience plans

- Provide an overview of reforms and investments in **line with the objectives of the RRF** and **CSRs** (in particular 2019 and 2020) and **EU flagships**
- Focus on:
 - ✓ Promoting **economic, social and territorial cohesion**
 - ✓ Strengthening **economic & social resilience**
 - ✓ Mitigating the **socio-economic impact of the crisis**
=> coherence with / contribution to **implementing EPSR**
 - ✓ Supporting the **green & digital transitions**



Strategic Guidance to MSs for preparing RRP

- Strategic guidance for the preparation of national RRP set out in the **2021 ASGS**
- Commission presented Member States with **detailed guidance** on how best to present their RRP together with a standard **template**
 - ✓ Detailed explanation of what MSs are expected to submit
 - ✓ Each RRP to include **min 37% of climate related expenditure** and COM proposes **min 20% of expenditure related to digital**
 - ✓ Importance of **dialogue with social partners and all other relevant stakeholders** in preparation of RRP



Strategic Guidance to Member States

Should include investments and reforms in the following flagship areas:



Power up – Frontloading future-proof clean technologies & accelerating the development and use of renewables



Renovate – Improving the energy efficiency of public and private buildings



Recharge and Refuel – Promoting future-proof clean technologies and the use of sustainable transport, charging stations and electrification in public transport



Connect – Fast rollout of rapid broadband services and households, including fiber and 5G networks



Modernise – Digitalisation of public administration and services, including judicial and healthcare systems



Scale-up – Increase in European industrial data cloud capacities and the development of the most powerful, cutting edge, and sustainable processors



Reskill and upskill – Digital skills and vocational education and training

Milestones and targets

- Milestones and targets: measures of progress on implementing reforms and investments, specifying a stage to be reached by a certain date
 - **Milestone:** objectively verifiable qualitative achievement (e.g. adopted legislation)
 - **Target:** quantitative result on agreed indicator (e.g. number of beneficiaries)
- Should follow the **SMART-principle**: specific, measurable, achievable, realistic, and time-bound
- 4 different stages of implementation of reforms/investments: **input** (ex: money spent); **output** (ex: teachers trained); **result** (no. of students with improved IT skills); **impact** (ex: decrease in no. of unfilled vacancies in IT sector)

Assessing the national plans

Commission's assessment will consider whether the plans:



- contribute to effectively addressing challenges identified in the relevant **country-specific recommendations**



- contain measures that effectively contribute to the **green** and **digital transitions**



- contribute to **strengthening the growth potential**, job creation and economic and social resilience of the Member State

→ Commission's assessment will be **approved by the Council**

Guidance to Member States on Recovery and Resilience Plans



“Member States are invited to describe any consultation and contribution of social partners, civil society and other relevant stakeholders, in the drafting and implementation of the recovery and resilience plan.”

Timeline

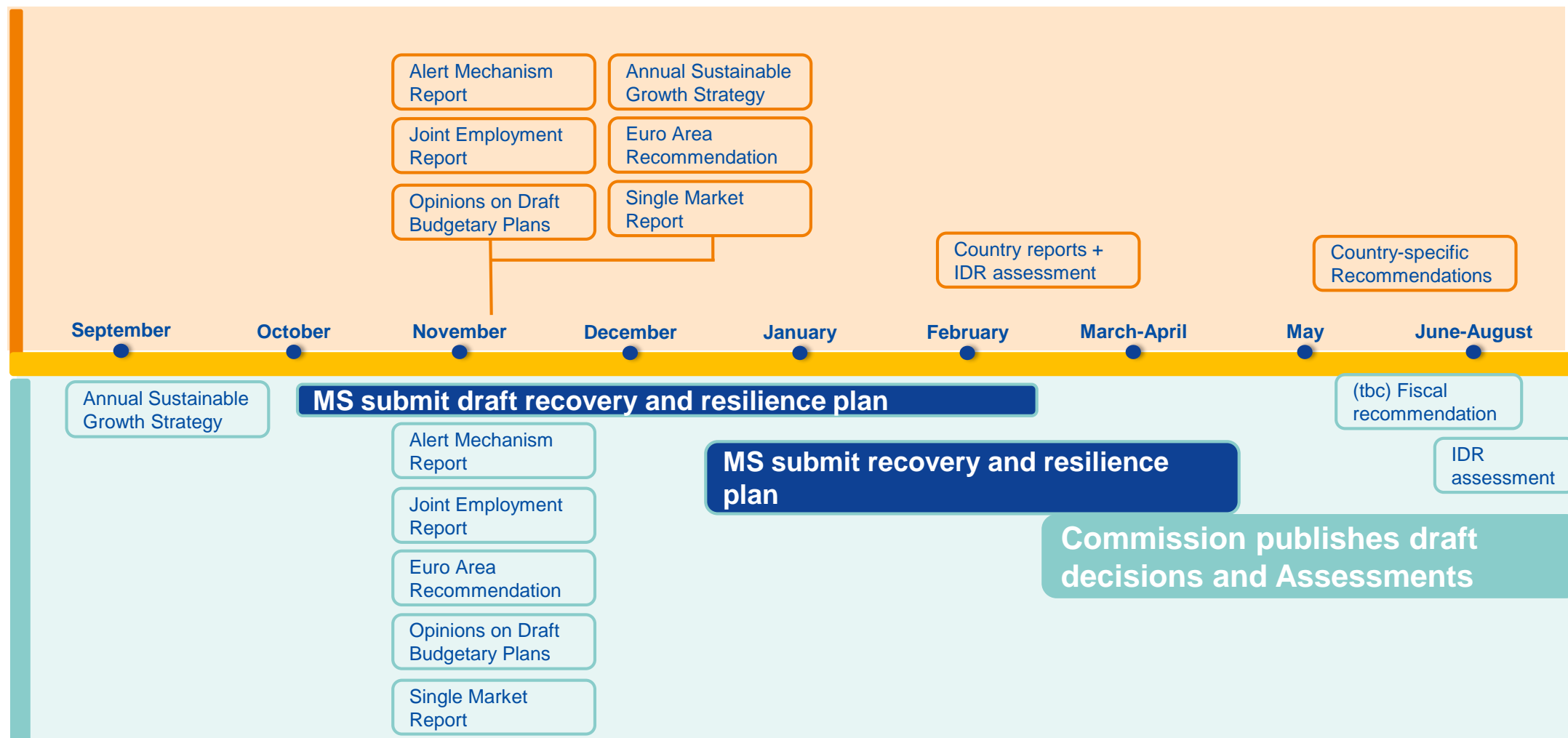
Semester cycle temporarily adjusted to RRF

- Other elements of **Autumn package** in November
- Submission of **Recovery and Resilience Plans (RRPs)**:
 - Draft encouraged from 15 Oct
 - Final submission by 30 Apr 2021
 - No Winter package (country reports)
- **Analytical documents assessing RRP**s, in staggered batches, together with **proposals for Council implementing acts**
 - **Fiscal CSRs only** in 2021
 - But reform implementation will continue to be monitored based on previous year's CSRs (**both 2019 and 2020 relevant**)
- **IDRs** on state of play on imbalances jointly with SCPs assessments

Aligning timing: 2021 European Semester cycle

The usual
European
Semester
cycle

The 2021
European
Semester
cycle



Thank you for your attention!

**Please get
involved!**

National recovery and resilience plans

