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COMMISSION STAFF WORKING DOCUMENT

GUIDANCE TO MEMBER STATES

RECOVERY AND RESILIENCE PLANS

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DISCLAIMER

This template is to be taken as the structure for Member States to draft their recovery and resilience plans. The template should be read in line with the accompanying guidance, which contains further instructions. Member States are invited to contact the Commission in case of any further questions.

PART 1: GENERAL OBJECTIVES AND COHERENCE OF THE PLAN

This section covers the recovery and resilience plan as a whole.

1. General objective/Executive summary

Member States are invited to describe in this section the main challenges that they are facing and how addressing them through the recovery and resilience plan will contribute to the improvement of the Member State's situation in the policy areas set out in Article 3 of the Regulation:

- 1) Green transition;*
- 2) Digital transformation;*
- 3) Smart, sustainable and inclusive growth, including economic cohesion, jobs, productivity, competitiveness, research, development and innovation, and a well-functioning single market with strong SMEs;*
- 4) Social and territorial cohesion;*
- 5) Health, and economic, social and institutional resilience, including with a view of increasing crisis reaction and crisis preparedness; and*
- 6) Policies for the next generation, children and youth, including education and skills.*

2. Link with the European Semester

Member States should provide a detailed explanation of how the challenges identified in the country-specific recommendations, in particular the 2019 and 2020 Semester cycles, are addressed by the proposed measures. They should also explain how the plans are consistent with the challenges identified in the most recent Council recommendation on the economic policy of the euro area for Member States whose currency is the euro.

Member States are invited to list the flagships from the 2021 Annual Sustainable Growth Strategy that will benefit from funding from the Recovery and Resilience Facility.

Flagship	Existing strategies/targets	Investments	Reforms	Expected contribution to reaching EU objectives
<i>Power up</i>				
<i>Renovate</i>				
<i>Recharge and refuel</i>				

<i>Connect</i>				
<i>Modernise</i>				
<i>Scale-up</i>				
<i>Reskill and upskill</i>				

Explanation: Existing strategies/targets: Member States are invited to describe existing national strategies and targets and how they can be further developed to meet the EU-wide ambitions of each flagship. Investment and reforms: Please describe the planned investments and reforms. Contribution to reaching EU objectives: Please describe how the measures supported by the Facility contribute to the EU-wide ambitions of each flagship.

3. Gender equality and equal opportunities for all

Member States should describe the existing national challenges in terms of gender equality and equal opportunities for all, regardless of gender, racial or ethnic origin, religion or belief, disability, age or sexual orientation, in line with the principles 2 and 3 of the European Pillar of Social Rights and drawing on the Social Scoreboard. They should explain how these objectives have been mainstreamed in the plan, and how the reforms and investments will contribute to overcoming existing challenges.

4. Coherence

Member States should demonstrate coherence and links within each component of the plan, between components and of the overall plan, and in particular the coherence between reform and investment dimensions.

PART 2: DESCRIPTION OF REFORMS AND INVESTMENTS

This section covers each component of the recovery and resilience plan separately. Each component can include one or several reforms and/or investments..

For each component of the plan, please provide the information below. Each component should be focused on a specific challenge or need, and may include one or several closely linked or mutually dependent reforms and investments.

A. COMPONENT 1: [Insert title]

1. Description of the component

Member States are invited to fill in the summary box below.

Summary box [title of component]

Policy area/domain:

Objective:

Reforms and/or investments:

Estimated cost overall: xx EUR; requested under RRF: xx EUR *Please indicate the estimated overall cost of the component and the cost to be covered by the Recovery and Resilience Facility.*

2. Main challenges and objectives

Member States are invited to provide an indication of the challenges addressed by the component. This should include a clear and evidence-based analysis of the underlying issues (including, where relevant, type and extent of market failures, specific investment barriers, specific administrative obstacles) and how the component will address them, i.e. its objective. The description should include as relevant quantitative and qualitative indications of the expected impacts (e.g. on employment and skills gaps, growth, resilience, climate change, the environment, the digital transition, public health and health systems, the territorial and social cohesion). It should also be explained how the set of reforms and investments envisaged under a given component fits within an overall national strategic context in the relevant policy field.

- a) Main challenges
- b) Objectives

3. Description of the reforms and investments of the component

Member States are invited to describe in detail the component and its specific reforms and investments, as well as their interlinkages and synergies.

For reforms:

- *Member States should provide a clear and evidence-based analysis of the challenges addressed and the objectives of the reform.*
- *The nature, type and size of the reform should be described.*

- *Detailed information should be provided about who (e.g. business in general, small and medium sized enterprises [SMEs], specific sectors, the general population, families, students, sectoral workers) and/or what is targeted by the reform.*
- *Member States should clearly describe how the reform is implemented (means of implementation) including which administrations – central and/or local – will be involved, how they will coordinate among themselves and make sure they have the capacity to ensure the successful implementation of the reform.*
- *The main expected impediments to the reform and the related solution strategies should be substantiated.*
- *The overall timeline of the implementation of the reform should be described and be in line with the timeline of the Facility.*
- *An assessment of whether the measures entail State aid or not, and if so, whether they would be covered by a block-exemption regulation or an existing approved scheme should be provided. In case the measures would need to be notified to the Commission, an indication of the timeline for notification and compatibility basis used should be indicated.¹*

For investments:

- *Member States should provide a clear and evidence-based analysis of the challenges addressed and the objectives of the investment.*
- *The nature, type and size of the investment should be described.*
- *Detailed information should be provided about who (e.g. businesses in general, SMEs, the general population, families, students, sectoral workers) and/or what (e.g. installed capacity of renewable hydrogen electrolyzers) is targeted by the investment.*
- *Description of how the investment is implemented (means of implementation) should be included. This should refer to the administrative capacity of the Member State at both central and local levels, explain how the funds will be absorbed in a timely manner and how the funds are channelled to sub-national levels (if applicable).*
- *The timeline of the investment should be described and be in line with the timeline of the Facility.*
- *An assessment of whether the measures entail State aid or not, and if so, whether they would be covered by a block-exemption regulation or an existing approved scheme should be provided. In case the measures would need to be notified to the Commission, an indication of the timeline for notification and compatibility basis used should be indicated.²*

¹ This is without prejudice to the obligation of Member States to notify State aid measures to the Commission before granting them, in compliance with Article 108(3) TFEU.

² This is without prejudice to the obligation of Member States to notify State aid measures to the Commission before granting them, in compliance with Article 108(3) TFEU.

4. Open strategic autonomy and security issues

Member States are invited to describe to what extent the relevant reforms and investments will help make the Union more resilient by diversifying key supply chains and thereby strengthening the strategic autonomy of the Union alongside an open economy.

Specifically for investments in digital capacities and connectivity, Member States should provide a security self-assessment. This self-assessment should detail how identified issues will be addressed in order to comply with the relevant national and Union laws and policies. In particular for investments in connectivity, it should make reference to the actions set out in the EU toolbox³.

5. Cross-border and multi-country projects

Member States should indicate any cross-border and multi-country projects in the plan. Member States should indicate which other Member States are involved in such projects, the modalities for reporting, milestones and targets, and disbursements should be clearly divided between the concerned Member States to avoid overlaps and delays in assessment and implementation.

6. Green dimension of the component

Member States should explain to what extent the component will contribute to the green transition, including biodiversity, or address challenges resulting from the green transition. They should also demonstrate how the measures in the component contribute to the 37% climate mainstreaming target. They are also invited to explain and provide evidence how the component will contribute to reaching the EU's 2030 climate target and climate neutrality by 2050 and how the component relates to targets, objectives, contributions, policies and measures of National Energy and Climate Plans. Finally, they should explain how the proposed measures in the component will help to meet environmental objectives outlined in the guidance document.

7. Digital dimension of the component

Member States should explain to what extent the component will contribute to the digital transition or address the challenges resulting from it. They should demonstrate that at least 20% of the total allocation of the plan is attributed to digital expenditures. When explaining to what extent the proposed measures contribute to the digital transition or the challenges resulting from it, Member States should take into account the seven objectives mentioned under Part 2, section 7 of the guidance. Member States are also invited to take as a

³ https://ec.europa.eu/commission/presscorner/detail/en/ip_20_123 and COM(2020) 50. The toolbox was accompanied by Commission communication (COM(2020)50), which endorsed the Toolbox and identified areas of EU competence and/or EU added-value, such as funding programmes and projects.

reference, wherever possible, existing indicators such as those included in the Digital Economy and Society Index (DESI).

Impact on green and digital transition. Member States are invited to fill in table 2 on Green and Digital Impact, provided separately in excel format.

8. Do no significant harm

Member States should provide information on the ‘do no significant harm’ principle.

9. Milestones, targets and timeline

Member States should propose milestones and targets that will reflect the progress on implementing reforms and investments of this component. The fulfilment of these milestones and targets will be a condition for payments to be made to the Member State. For each milestone and target, Member States are invited to indicate:

- *what the milestone/target is measuring;*
- *how this will be measured, what methodology and source will be used, and how the proper completion of the milestone/target will be objectively verified;*
- *what is the baseline (starting point) and what is the level or specific point to be reached;*
- *by when it will be reached, in particular by which quarter (Member States are invited to chose either first and third quarters of each year, or the second and fourth quarter of each year);*
- *who and which institution will be in charge of measuring and reporting;*
- *why this specific milestone/target was chosen.*

Please refer to the guidance for more detailed information and instructions.

Milestones and targets. Member States are invited to fill in table 1 on Milestones and targets, provided separately in excel format.

10. Financing and costs

Member States should provide information on the estimated total cost of the component, backed up by appropriate justification. This should include for each reform and investment an explanation of:

- *The methodology used, the underlying assumptions made (e.g. on unit costs, costs of inputs) and justification for these assumptions*
- *The comparative cost data on the actual cost of similar reforms or investments that have been carried out in the past, in particular if available from past projects financed by EU funds.*
- *Within what timeframe these costs are expected to be incurred;*

- *Any information on what financing from other Union instruments is/could be foreseen related to the same component;*
- *Whether this component is covered by a potential request for additional financing with loans.*

In case similar measures are funded through other EU programmes, please state consistency with costing methodologies used for the EU funded measures.

In case the Member State has used an independent validation, it should provide the name of the validating entity and a reference to the independent validation.

This should be complemented by the appropriate detailed justification on the plausibility and reasonability of the estimated costs, as explained in the guidance. The justification and any data or evidence used should be annexed to the recovery and resilience plan.

Estimated cost of the plan. Member States are invited to fill in table 2 on Estimated cost of the plan, provided separately in excel format.

11. Loan request justification (if applicable)

Financial needs: Member States should explain the reasons for loan support, justified by higher financial needs linked to additional reforms and investments set out as regular components of the recovery and resilience plan.

Additional reforms and investments: For each of the components supported by a loan, Member States should describe them including all elements mentioned in part 2 sections 1 to 9 of the guidance.

PART 3: COMPLEMENTARITY AND IMPLEMENTATION OF THE PLAN

This part concerns the whole plan. Member States are therefore invited to justify the various criteria mentioned below for the plan as a whole.

1. Pre-financing request

Member States who wish to request pre-financing should indicate it clearly in this section. The request should contain the percentage of pre-financing in the form of non-repayable support and, where applicable, of loan support. Respectively, this should not exceed 13 per cent of the non-repayable financial support and, where applicable, of the loan support.

2. Consistency with other initiatives

Member States should provide an explanation on how their recovery and resilience plan is consistent with other relevant plans and funds, in particular:

- 1) National Energy and Climate Plans⁴*
- 2) Partnership agreements and programmes*
- 3) Youth Guarantee implementation plans*
- 4) Other relevant national policies and strategies*

3. Complementarity of funding

Member States should detail the processes and structures set up at national and regional levels to ensure complementarity and coordination of the management of various EU sources of funding in line with Article 22 of the Regulation.

4. Implementation

Member States are invited to explain how they intend to implement the proposed reforms and investments, focusing on elements below. In particular, Member States are invited to describe the institutional nature of the plan, as well as the decision-making process that has led to the adoption/submission of the recovery and resilience plans.

- 1) Effective implementation*
- 2) Uncertainties*
- 3) Administrative arrangements*

⁴ *Consistency should be demonstrated, at least, at the level of targets, objectives and contributions indicated by the National Energy and Climate Plans or, alternatively, at the level of individual policies and measures.*

5. Consultation process

Member States should also provide a summary of the consultation process of local and regional authorities, social partners, civil society organisations, youth organisations, and other relevant stakeholders, as implemented in accordance with the national legal framework, for the preparation and, where available, the implementation of the plan. The summary should cover the scope, type, and timing of consultation activities, as well as how the views of the stakeholders are reflected in the plan.

6. Control and audit

Member States should explain the system they will use to prevent, detect and correct corruption, fraud, and conflicts of interest, when using the funds provided under the Facility, as well as how they will avoid double funding from other Union programmes. Member States should therefore describe in detail the structure and functioning of their national management and control system(s) and any other relevant arrangements, such as audit plans.

7. Communication

Member States are invited to describe an outline of their intended national communication strategy aimed at ensuring public awareness of the Union funding. The national communication strategy sets out how a Member State plans to communicate on the RRF. It describes the underlying vision, the general framework for RRF communication, and fulfils the minimum requirements outlined in the guidance document.

Member States are invited to include the following information in their outline communication strategy: objectives; target audiences, communication activities/channels; planned budget; selected key projects; coordination arrangements with the Commission; and monitoring and evaluation.

PART 4: OVERALL IMPACT

This part covers the recovery and resilience plan as a whole..

1. Strengthening the economic, social and institutional resilience

Member States are requested to report on the macroeconomic, social and institutional impact of the plan. Elements to include are:

- *Macroeconomic and social outlook*
- *Macroeconomic and social impact*
- *Methodology*
- *Sustainability*
- *Social and territorial cohesion*

Impact of the plan. Member States are invited to fill in tables 3a (qualitative) and 3b (quantitative) on the impact of the plan, provided separately in excel format.

2. Comparison with the investment baseline

Member States are invited to provide evidence that their previous level of public investment, excluding the recovery and resilience plan's non-repayable contribution, will at least be maintained over the programme horizon.

Investment baseline. Member States are invited to fill in table 4 on Investment baseline, provided separately in excel format.

Annex 1: Further impact analysis

In addition to these main annexes, Member States can provide any other necessary evidence or other annexes.