Helping power the EU’s recovery:
Recovery and Resilience Facility

CIFAL Flanders and SDSN Belgium
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The Commission’s “whole of government approach” to SDGs

18.11.2020: Commission Staff working document “Delivering on the UN’s Sustainable Development Goals – A comprehensive approach”
The European Semester = EU’s economic governance framework

- **Annual** integrated cycle for **coordination** of Member States’
  - Economic policies (incl. surveillance of fiscal policies & macro-economic imbalances)
  - Employment policies
  - Social policies

- **Well established, dynamic & agile instrument**
  - European Pillar of Social Rights
  - Strengthened link with cohesion policy
  - **2020 cycle: Integration of Sustainable Development Goals**
  - 2021 cycle: Refocus & enhanced role in response to COVID-19 crisis
The European semester takes the form of a continuous dialogue

- Sets out **policy priorities** (Annual Sustainable Growth Strategy)
- Analyses & monitors **economic & social developments** and assesses progress
- Adresses **country-specific recommendations**
- Submits **policy plans** (National Reform Programme)
- Submits **fiscal plans** as euro-area member (Stability Programme and draft budgetary plan)
Competitive sustainability is at the heart of the EU social market economy…

- Building an economy that works for people & the planet
- Help EU & Member States achieve UN Sustainable Development Goals
- On track for climate neutrality in 2050
Recovery & Resilience Facility at the heart of EU Recovery Plan
How does the Recovery and Resilience Facility work?

- Member states submit **draft recovery and resilience plans** from 15 October 2020.
- Member states are expected to **submit their plans** by 30 April 2021. Plans can be amended at a later stage.
- Council of EU assesses and **adopts plans** based on the Commission proposal.
- **Payments** to member states begin. **Pre-financing** up to 13% of grants and 13% of loans.
- Commission regularly **reports on implementation** to Parliament and Council.

- **European Commission** discusses plans with each member state.
- Commission **assesses plans** and transmits to Parliament and Council.
- Council can **suspend adoption or payments** in case of significant non-compliance.
- **Member states report on progress** twice a year within the European Semester.
- **Independent evaluations** in 2024 and, ex post, by 2028.
The Facility has six policy pillars

Six SDG Transformations*

1. Education, gender & inequality
2. Health, well-being & demography
3. Energy decarbonisation & sustainable industry
4. Sustainable food, land, water & oceans
5. Sustainable cities & communities
6. Digital revolution for sustainable development

National Recovery & Resilience Plan – some key features

National Recovery & Resilience Plan

• **Coherent** package of reforms & public investments
• **Performance-based:**
  • SMART milestones & targets, clear timeline
  • Costs reasonable, plausible & commensurate
  • Disbursement linked to performance
• **National ownership key** = important role of stakeholders in preparation
• **Complementarity**
  • Consistency w/ other initiatives (e.g. National Reform Programme, National Energy and Climate Plan, partnership agreements under cohesion policy)
  • Complementarity of funding: “additionality principle”: no double EU funding of same cost
• **State aid compliance**
• **Audit & controls**
Supporting the green transition = implementation of EU Green Deal

- Decarbonise power generation and industry
- Promote a more circular economy
- Protect and restore biodiversity
- Strengthen sustainable mobility

• Min. 37% of climate-related expenditure
• Each measure to respect “do no significant harm” principle
Supporting the digital transition

- Min. 20% of digital-related expenditure

- Improve connectivity
- Help citizens develop digital skills
- Deploy cutting edge technologies
- Improve cyber security
A tool to address common Member State challenges

- 7 EU flagship areas
- Multi-country/cross-border projects scaling up EU strategic digital & green capacities

**FLAGSHIP AREAS FOR INVESTMENTS AND REFORMS**

**POWER UP**
Clean technologies and renewables

**MODERNISE**
Digitalisation of public administration

**RENOVATE**
Energy efficiency of buildings

**SCALE-UP**
Data cloud capacities and sustainable processors

**RECHARGE AND REFUEL**
Sustainable transport and charging stations

**RESKILL AND UPSKILL**
Education and training to support digital skills

**CONNECT**
Roll-out of rapid broadband services
Country-specific challenges in 2019-2020 Country-Specific Recommendations – example of Belgium

Public finances
- Spending reviews
- Fiscal policy coordination
- Sustainability of pension system

Employment and training
- Disincentives to work
- Skills development
- Effectiveness of active labour market policies
- Performance and inclusiveness of education and training

Green and digital transition
- Energy transition & circular economy
- Sustainable mobility
- Digital infrastructure
- Research & innovation

Business environment
- Regulatory and administrative burden
- Competition in services

SDSN, IEEP, Europe Sustainable Development Report 2020, Belgium
Key messages

- SDGs are clearly embedded in the European Semester of economic governance.

- The Recovery and Resilience Facility is solidarity in action. It offers a historic opportunity for the EU and Member States to kickstart economic repair and recovery in a sustainable way, accelerating the 2030 UN Agenda delivery in this way.

- National ownership will be key to ensure the Facility is a lasting success.
Further information

• European Semester:

• EU Recovery Plan:
  • EU Recovery Plan: [https://ec.europa.eu/info/strategy/recovery-plan-europe_en](https://ec.europa.eu/info/strategy/recovery-plan-europe_en)

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