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Review report on the implementation of the Recovery and Resilience Facility

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July 2022

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Introduction

Regulation (EU) 2021/241 established the Recovery and Resilience Facility (RRF) on 19 February 2021 to promote cohesion by mitigating the social and economic fallout of the COVID-19 pandemic and by better preparing the Union for future challenges, notably by supporting the green and digital transitions. Eighteen months later, the implementation of the Facility is well on track, progressing quickly according to the timeline of reforms and investments set by Member States. To date, EUR 100 billion in RRF funds have already been disbursed: EUR 56.6 billion in pre-financing and EUR 43 billion on payments, and the implementation of the Recovery and Resilience Plans is producing tangible results on the ground, both for investments and reforms, across the six pillars covered by the Facility.

Following the publication of the first annual report[1] on the implementation of the Facility on 1 March 2022, and in line with Article 16 of the Regulation, this review report provides an update on the implementation of the Facility, with a quantitative assessment of the contribution of the recovery and resilience plans to the climate and digital targets, as well as to each of the six pillars. The report also describes how the recovery and resilience plans tackle the inequalities between women and men. It addresses the report on the implementation of the Recovery and Resilience Facility of the European Parliament[2], includes information on the implementation of the recovery and resilience plans till 30 June 2022 and is based on data published in the Recovery and Resilience Scoreboard. Further information are also promoted through the NextGenEU campaign launched by the Commission in May 2022.[3]

Article 16 of the RRF Regulation provides that the review report should also include observations and guidance to the Member States before the update of their recovery and resilience plans related to the 2022 update of the maximum financial contribution. However, responding to the geopolitical and economic developments triggered by Russia's invasion of Ukraine, the Commission anticipated its observations and guidance, which were part of the Commission's guidance on Recovery and Resilience Plans in the context of REPowerEU[4] published in May 2022.

[1] COM(2022)75 final
[2] Available at https://www.europarl.europa.eu/doceo/document/A-9-2022-0171_EN.html
[3] In line with Article 34(3) of the RRF Regulation, see https://europa.eu/next-generation-eu/index_en
[4] The Guidance note is available at https://ec.europa.eu/info/sites/default/files/c_2022_3300_1_en_0.pdf

I. RRF-IMPLEMENTATION UNDERWAY: EMERGING STRONGER FROM A GLOBAL PANDEMIC

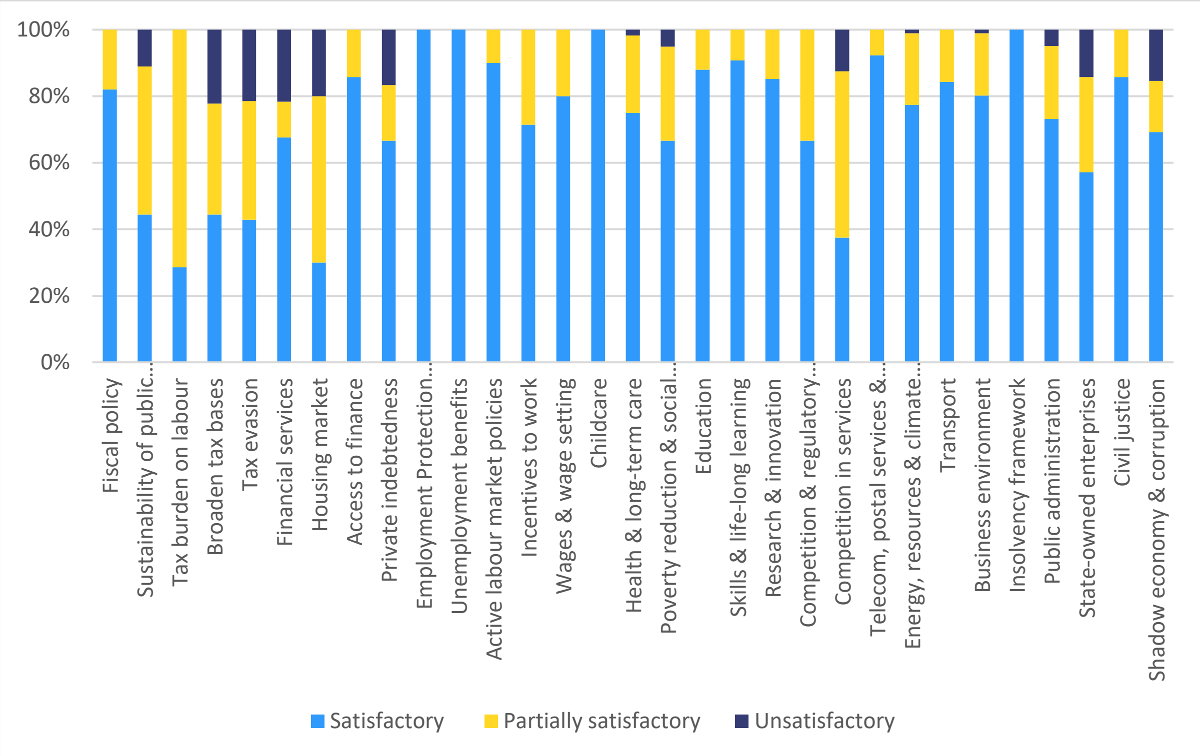
I.a. An investment and reform momentum for the European economy

It has been more than two years since the Recovery and Resilience Facility was unveiled as Europe's answer to an unprecedented crisis. The European economy is undergoing a fundamental transformation in a disrupted global context clouded by large uncertainties. For that reason, the main aim of the RRF is to promote the Union's economic, social and territorial cohesion by financing reforms and investments having long-lasting impact and providing all-encompassing support to the green and digital transitions. In doing so, the performance-based logic of the Recovery and Resilience Facility aims to ensure an effective reform momentum in each Member State until 2026. Estimates[5] show that, if well used, funds from NextGenerationEU are expected to boost the EU's GDP by around 1.5%, while supporting the creation of new jobs. The roll-out out of the Multiannual Financial Framework and NextGeneration EU together with the trillions of euros already spent by governments on national measures made the EU more resilient and better equipped to face the challenges posed by the pandemic and other future crises. Recent forecasts acknowledge the robust growth potential of the EU economy in spite of ongoing turbulences and fuel shortages in the global markets caused by the war in Ukraine. The growth projections are however surrounded by exceptional uncertainty and subject to strong downside risks. Looking ahead, in the face of the recent surge of inflation and rise of interest rates, the need for RRF support is more acute than ever and the RRF can provide essential support to Member States facing challenging circumstances.

The Recovery and Resilience Plans (RRPs) of 25 Member States have been endorsed by the Commission and the Council. Reforms and investments included in the RRPs contribute to effectively addressing all or a significant subset of challenges identified in the relevant country specific recommendations addressed to the Member States in the context of the European Semester (highlighted in Figure 1).

[5] See Pfeiffer P., Varga J. and in 't Veld J. (2021), "Quantifying Spillovers of NGEU investment", European Economy Discussion Papers, No. 144 and Afman et al. (2021), "An overview of the economics of the Recovery and Resilience Facility", Quarterly Report on the Euro Area (QREA), Vol. 20, No. 3 pp. 7-16. Both studies also highlight the sensitivity of the results to key assumptions.

Figure 1. Shares of CSRs covered by the 25 RRPs, by policy areas (as defined in CeSaR)



Source: European Commission

The implementation of the Facility has gradually reached cruising speed, thanks to the continued commitment of Member States. Work is ongoing on the operational arrangements between many Member States and the Commission. The signature of these is a pre-requisite to the submission of the payment request. To date, 13 operational arrangements have been concluded,[6] leading to the submission of 11 payment requests[7] and the disbursement to 6 Member States[8]. The continuation of the commitment demonstrated by Member States to fulfil their milestones and targets in a timely manner is indispensable to the Facility's success in the long-term. The success of the RRF also depends on the close involvement of social partners, civil society organizations, local and regional authorities, NGOs and other stakeholders, who have contributed to the design of the plans and are now playing a key role in their implementation. In addition, Member States could also rely on the European Commission's Technical Support Instrument to implement their plans.

Progress towards digital and climate targets set out in the Regulation

The Recovery and Resilience Facility puts forward a rich spectrum of reforms and investments that will support environmental and digital objectives across the EU. All

[6] Operational arrangements signed with Croatia, Cyprus, Estonia, France, Greece, Italy, Latvia, Lithuania Portugal, Romania, Slovakia, Slovenia, and Spain. 12 additional operational arrangements are expected to be signed by the end of 2022.
[7] Payment requests submitted by Croatia, France, Greece, Italy, Portugal, Romania, Slovakia and two by Spain and Italy.
[8] Payments disbursed to Croatia, France, Greece, Italy, Portugal, and Spain.

national Recovery and Resilience Plans strongly support the green transition. Each Recovery and Resilience Plan needs to include a minimum of 37% of the allocated funds to climate action. In addition to the 37% climate target, every individual measure must comply with the 'do no significant harm principle' in relation to the wider set of environmental objectives. Whilst all plans exceed the 37% benchmark (40% of the plans' allocation are dedicated to climate objectives), a number of Member States have used more than half of their allocation towards climate objectives. In addition, the Facility will contribute to the digital transformation of the EU. It supports reforms and investments in digital infrastructure, skills, digital technologies and R&I to support Europe's technological excellence as well as the digitalisation of business and public services. Member States were mandated by the Regulation to devote more than 20% of their allocation on digital transformation measures, but most Member States went beyond that - 26% of the plans' total allocation are dedicated to digital objectives. For instance, Germany and Austria will invest about 53% and Luxembourg, Lithuania and Ireland 32% respectively of their maximum total allocation towards digital goals.

Based on the information gathered in the bi-annual reporting, milestones and targets are being implemented in a timely manner. At the end of April 2022, Member States reported on the implementation of their plans as part of the second bi-annual reporting round. The data submitted highlights the steady progress made in the implementation of the plans, as Member States are well on track in the implementation of their RRPs.

There is balanced progress in implementing both reforms and investments across the RRPs with fulfilled milestones and targets.

Examples of reforms with fulfilled milestones

- **Croatia** adopted an Act on the Alternative Transport Fuels
- **France** implemented a reform related to the governance of public finances
- **Greece** adopted and started implementing a law on waste management
- **Italy** adopted legislation to reform the justice system
- **Portugal** adopted its National Strategy to Combat Poverty
- **Spain** adopted its National Digital Competences Plan

Member States have also carried out a significant number of investments. Some examples are shown in the box below.

Examples of investments with fulfilled targets

- **Croatia** provided support to companies to boost energy efficiency and the use of renewable energy in the industry sector
- **France** granted 400.000 bonuses for private housing renovation
- **Greece** tendered the construction of 13 Regional Civil Protection Centres (PEKEPP) through public-private partnerships schemes
- **Italy** extended the incentives to promote energy efficiency in residential buildings
- **Portugal** signed the necessary contracts for the planned purchase of 600 000 individual computers for pupils and teachers
- **Spain** approved a 2021-2025 Plan for the Digitalisation of SMEs to boost the digitisation of small businesses and promote technological innovation.

Finally, it is worth stressing that in the first phase of RRPs' implementation, Member States fulfilled a number of milestones to support the use of investments at national level, while ensuring adequate control systems. For instance, Italy introduced new administrative procedures to simplify and standardise the set of obligations for businesses accessing RRF funds, and developed a repository system for monitoring the implementation of the RRF across regions. Similarly, France improved the control and audit system by setting out roles and responsibilities of the coordinating body and relevant ministries, introducing procedures for RRF data collection and storage and by defining the audit strategy ahead of payment requests.

I.b. Providing immediate financial support

The steady implementation of the Recovery and Resilience Plans has already led to the disbursement of around 20% of the allocated RRF funds. Over EUR 56.6 billion in pre-financing has been paid out to 21 Member States, while EUR 43 billion EUR were paid upon fulfilment of milestones and targets. Since the first payment request submitted by Spain on 11 November 2021, the Commission received 10 more payment requests[9] and in 2022 more than 30 payment requests are expected to be submitted. As of 30 June[10], 6 countries received first payments (Croatia, France, Greece, Italy, Portugal, and Spain) and the recent disbursement to Croatia brought the total RRF amount disbursed by the Commission to the symbolic 100 billion landmark, only one year after the official submission of the first plans. The swift pace of disbursements so far shows the effectiveness of the RRF financial instrument and the high commitment of Member States to implement related reforms and investments.

[9] Spain for a second time on 30/04, France on 26/11/2021, Greece, Italy, Portugal, Croatia, Slovakia on 29/04 and Romania on 31/05.

[10] The first payment request of Slovakia and the second payment request of Spain were approved by the Commission on 21/07/2022. Both payments would bring the overall paid out sum to EUR billion 112,4.

RRF – Communication and visibility

Article 34 of the RRF Regulation sets out the communication requirements for Member States and the RRPs. It explains that Member States shall acknowledge the origin and ensure the visibility of the Union funding, including by displaying the emblem of the Union and a funding statement that reads 'funded by the European Union – NextGenerationEU', and that they shall provide effective and proportionate targeted information to multiple audiences, including the media and the public. These requirements are further laid down in the financing agreement signed by the Commission with all Member States receiving support under the RRF and Member States have specified their communication strategy in the RRPs.

Member States have taken a number of actions to ensure the visibility of RRF support. This includes: launching national RRF websites; publishing the respective Recovery and Resilience Plans and implementing the communication strategies outlined in the RRPs. Member States (and final beneficiaries) also display appropriate funding statements accompanied by the Union emblem, where applicable.

The Commission provides Member States with regular guidance and continues to support their efforts in raising the visibility of the RRF. In addition to launching the Recovery and Resilience Scoreboard, the Commission has put in place the Recovery and Resilience Facility website[11]), which also features the national Recovery and Resilience Plans and includes links to the respective national websites. The Commission also regularly discusses RRF topics with Member States in the context of the INFORM EU network (an EU-wide network of communication officers responsible for communicating EU and Member State projects under EU funds, including the RRF). The Commission organised five dedicated INFORM EU clinics to provide advice to Member States' experts and allow exchanges of best practices on specific issues related to RRF communication and visibility.

The Commission also organises together with Member States joint events that highlight the European dimension of RRF-supported projects. Of particular note are Annual Events, which constitute a key communication moment bringing together institutions, stakeholders (in particular social partners and civil society) and beneficiaries of RRF support to discuss the progress and state of play of the RRP implementation.

Four Annual Events already took place in 2022 (EE, LV, MT and PT), with the others to follow in the autumn. European Semester Officers, posted in the Commission representations, play a central role in the organisation of the Annual Events and, more generally, in fostering cooperation on communication in Member States.

In addition, the Commission regularly invites local media to briefing sessions in the context of processing of payment requests, in order to address all possible questions on the Commission's assessment.

Finally, the Commission has also launched the corporate communication campaign NextGenEU, to raise awareness across Europe about the scope and objectives of the recovery

[11] https://ec.europa.eu/info/business-economy-euro/recovery-coronavirus/recovery-and-resilience-facility_en

plan. Launched in spring 2021, the campaign will soon increase its focus on communicating the concrete benefits of NextGenerationEU-funded projects in each Member State.

II. PROGRESS SO FAR: CONTRIBUTION TO THE OBJECTIVES OF THE SIX PILLARS AND TO EQUALITY BETWEEN WOMEN AND MEN

II.a. Six pillars for a future-proof recovery: Review of fulfilled milestones and targets

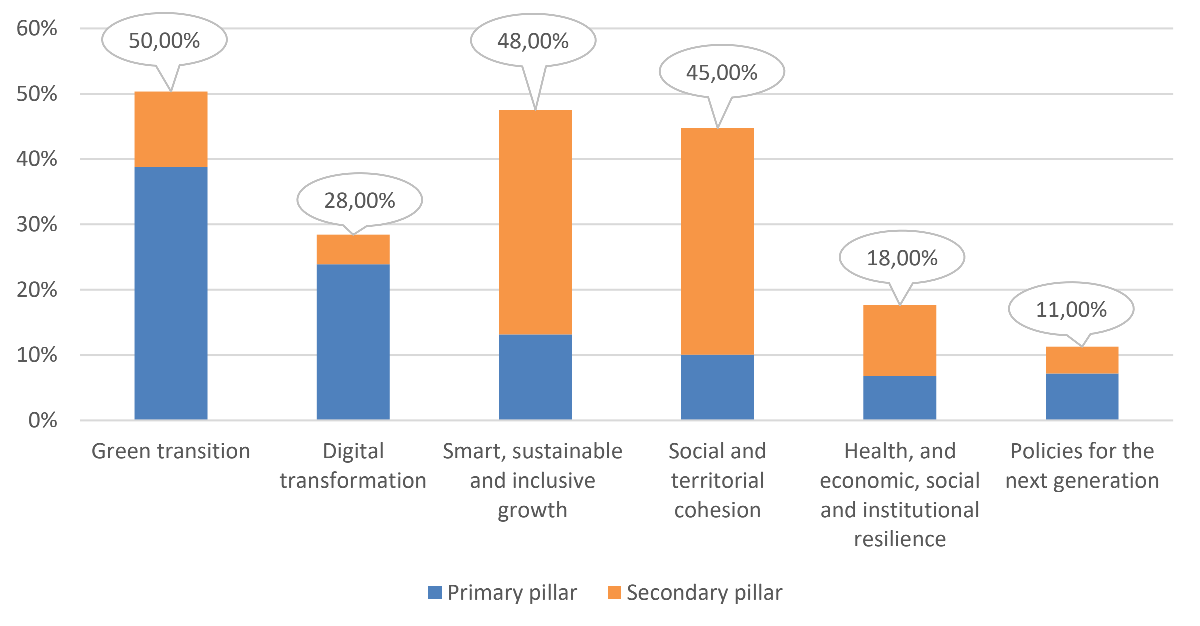
Article 29 (3) of the Regulation calls on the Commission to report on the contribution of each Recovery and Resilience Plan to the Facility's six pillars set out in Article 3 (a) to (f). The six pillars are:

- green transition;
- digital transformation;
- smart, sustainable and inclusive growth, including economic cohesion, jobs, productivity, competitiveness, research, development and innovation, and a well-functioning internal market with strong small and medium enterprises (SMEs);
- social and territorial cohesion;
- health, and economic, social and institutional resilience with the aim of, inter alia, increasing crisis preparedness and crisis response capacity;
- policies for the next generation, children and the youth, such as education and skills.

The six policy pillars reflect priority policy areas of European relevance and the overall scope of the RRF. To be consistent with the multifaceted nature of the individual measures, where a measure is often linked to several pillars, the reporting is based on the assignment of each measure (or sub-measure) to two policy pillars (i.e. a primary and secondary pillar).[12] The figure below provides an overview of the estimated expenditure per policy pillar based on 25 plans adopted by the Council. Green transition, smart sustainable and inclusive growth, as well as social and territorial cohesion are on the top of the spending priorities (with a contribution rate between 40 to 50%) for the examined Member States. 29% of the measures' expenditure contribute to the digital transformation, and 16% to policies related to health, economic, social and institutional resilience reflecting also the responses to the COVID pandemic. Last but not least, over 12% of the expenditure contribute to policies for next generation, including education and skills.

[12] Measures are assigned to primary and secondary pillars based on their relevance. The predominant policy area of the measure (e.g. green, digital, etc.) determines its primary assignment. The secondary assignment is based on the second most relevant policy area of the measure.

Figure 2. Share of RRPs estimated expenditure per policy pillar

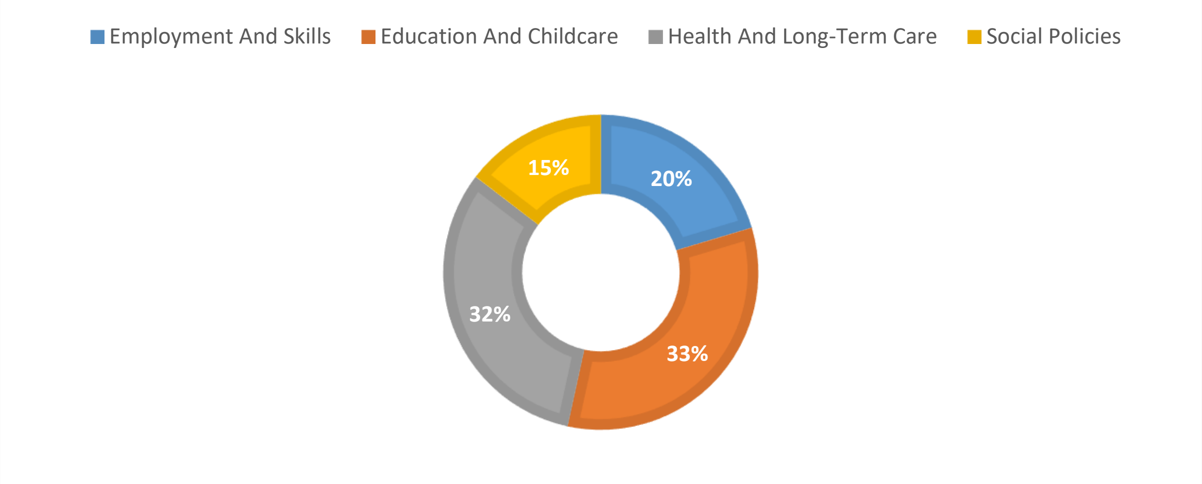


Source: Recovery and Resilience Scoreboard. Note: Each measure contributes towards two policy areas of the six pillars (primary and secondary), therefore the total contribution to all pillars displayed on this chart amounts to 200% of the estimated cost of approved RRPs. The percentages calculated for the contribution to the green transition and digital transformation pillars are different from the percentages calculated for the contribution to the climate and digital objectives; the latter are calculated according to a different methodology (detailed in Annexes VI and VII of the RRF Regulation).

More than a quarter of the total expenditure in the adopted plans is estimated to contribute to social expenditure, including on children and the youth (Figure 3). Given the importance of social spending in the aftermath of the COVID pandemic, the RRF Regulation empowered the Commission to adopt a delegated act establishing a methodology to report on social expenditure, including on children and the youth, under the Recovery and Resilience Facility (Art 29 (4) (b)).[13] The methodology adopted by the Commission classifies all expenditure financed by the Facility relating to reforms and investments into nine broad policy areas, which are then aggregated into four social categories: (1) employment and skills, 2) education and childcare, 3) health and long-term care, and 4) social policies. A total of 135 billion EUR allocation contributes to social spending, which represents about 30% of the total estimated expenditure. Around one third of this amount is dedicated to spending on education and childcare, another one third on health and long-term care, while the rest is divided between spending on employment and skills, and social policies.

[13] Delegated Regulation 2021/2105

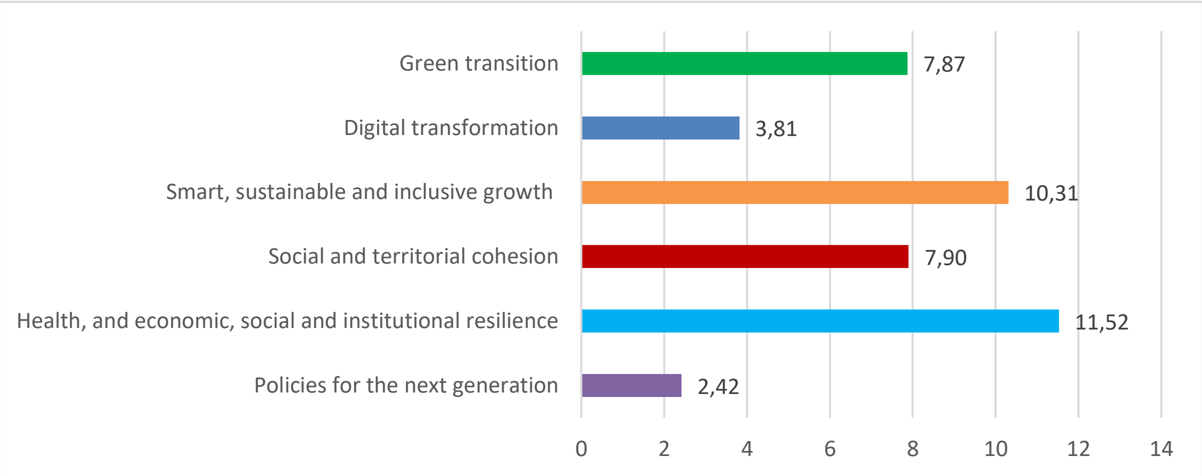
Figure 3. Share of RRF social expenditure by main social categories



Note: This figure shows the breakdown of estimated social expenditures in all endorsed RRPs. Social categories are defined and applied based on the methodology adopted by the Commission in consultation with the European Parliament and the Member States in the *Delegated Regulation 2021/2105*.

So far, payments with fulfilled milestones and targets related to measures in health, economic, social and institutional resilience, and smart and sustainable and inclusive growth are the largest in size (roughly EUR 10 billion each). Around 8 billion EUR has been paid out to the fulfilment of milestones and targets related to the green transition and social and territorial cohesion. The remaining EUR 6 billion of estimated expenditure are divided between the digital transformation and policies for the next generation, children and the youth (Figure 4).

Figure 4. Payment by pillar (in billion EUR) - prefinancing excluded

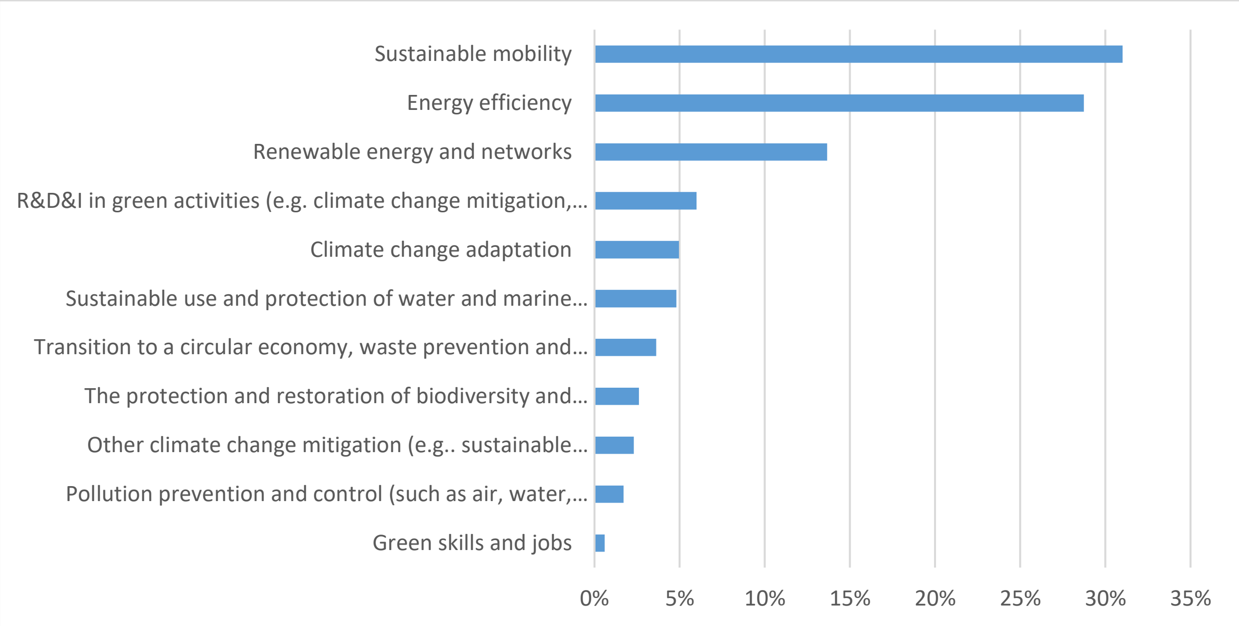


Note: This graph is based on a methodology developed by the Commission to monitor the progress of spending across pillars. According to this methodology, each payment is distributed across the six pillars based on the pillar categories assigned to the measures associated with the set of milestones and targets of the payment request.

Pillar 1: Green transition

The RRF will help achieve the EU's targets to reduce net greenhouse gas emissions by at least 55% by 2030 and to reach climate neutrality by 2050. Along with contributing to deliver on the climate ambition and on the REPowerEU objectives such as promoting sustainable mobility, increasing energy efficiency and a higher deployment of renewable energy sources, the measures supported by the RRF will also ensure progress towards other environmental objectives such as reducing air pollution, promoting the circular economy or restoring and protecting biodiversity, etc. A total of EUR 249 billion of Member States' total allocation has been dedicated to measures contributing to the green transition pillar, which can be broken down in 11 policy areas (see figure 5).

Figure 5. Breakdown of expenditure supporting the green transition per policy area



Source: Recovery and Resilience Scoreboard.
The percentage relates to the overall share tagged under this policy pillar of the 25 plans adopted as of 30 June 2022

Among those that have been fulfilled so far, 89 milestones and targets contribute to pillar 1.[14] Few examples are presented below.

Examples of measures with fulfilled milestones and targets

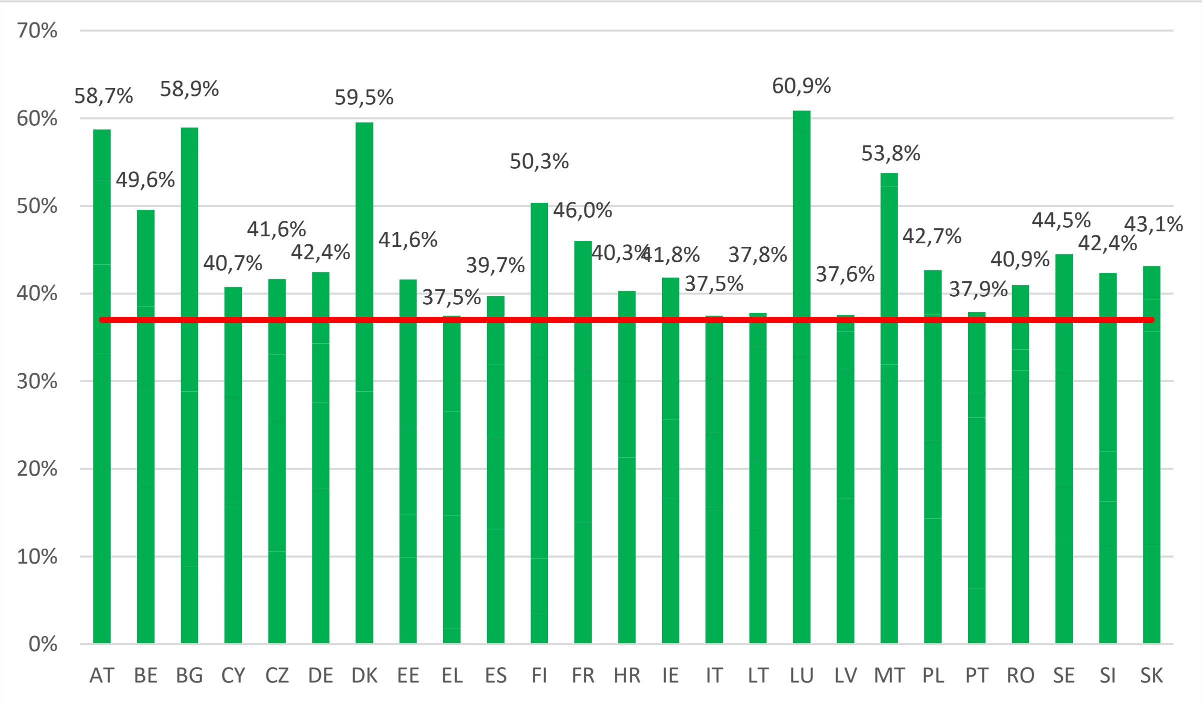
- **France** has put in place investments to support energy-efficiency renovation and major rehabilitation of private and social housing.
- **Italy** introduced new legislation to promote biomethane production and consumption.

[14] A milestone and target can contribute to more than one pillar.

- **Spain** introduced a reform to set up an enabling framework for the integration of renewables into the energy system: networks, storage and infrastructure.
- **Portugal** approved a reform supporting the implementation of the Innovation Agenda for Agriculture 2030, targeting R&I to the needs of the agricultural sector, food and agro-industry, and has opened a first call for tender on investments to support the decarbonisation of industry.
- **Greece** passed a reform to set up a framework for the installation and operation of charging infrastructure for electric vehicles.
- **Croatia** adopted programmes for energy efficiency of buildings and to reduce energy poverty, introduced an Energy Efficiency Programme for decarbonising the energy sector and adopted the Alternative Fuels for Transport Act.

The RRF Regulation requires that at least 37% of the total allocation in each RRP shall support climate objectives. The reforms and investments proposed by Member States have exceeded the 37% target (see also figure 6 below). Total estimated climate expenditure in the adopted plans amounts to EUR 198 billion, about 40% of the total plans' allocation as calculated according to the climate tagging methodology.[15]

Figure 6. Contribution to climate objectives as share of RRP allocation



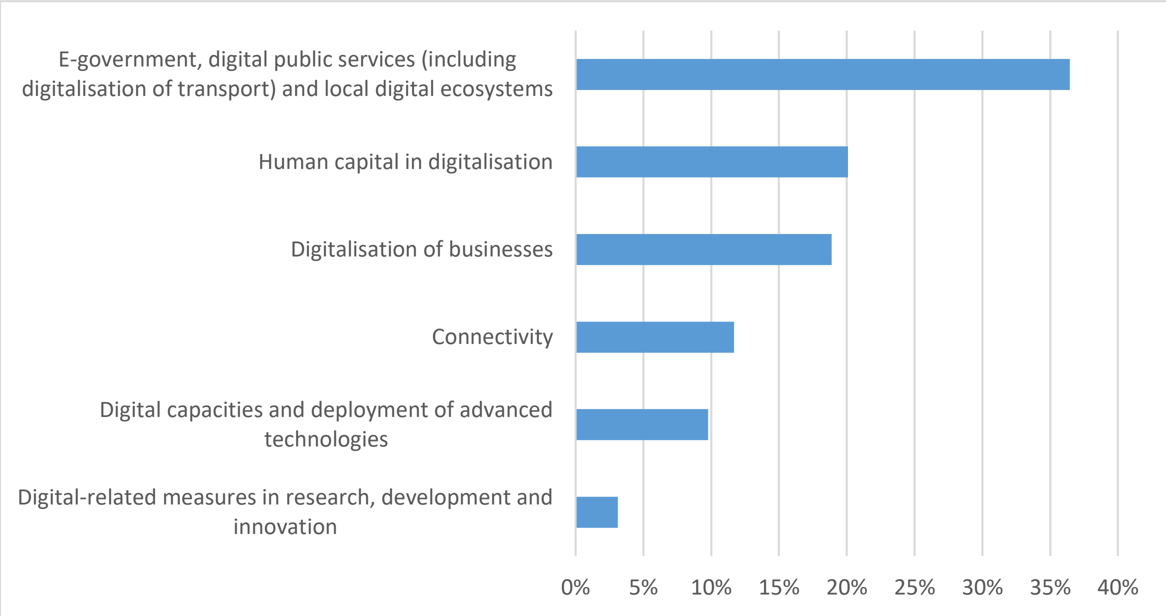
Source: Recovery and Resilience Scoreboard.

[15] The RRPs had to specify and justify to what extent each measure contributes fully (100%), partly (40%) or has no impact (0%) to climate objectives, using Annex VI to the RRF Regulation. Combining the coefficients with the cost estimates of each measure allows calculating to what degree the plans contribute to the climate target.

Pillar 2: Digital transformation

The Recovery and Resilience Facility provides a significant contribution to the digital transformation in the Union. Plans include a range of measures, including deployment of next generation digital infrastructures and advanced technologies, digital skills development for the population and the workforce, and support to the digitalisation of enterprises as well as of public services. A total of EUR 141 billion will contribute to the digital transformation pillar, and distributed across digital policy areas as shown in figure 7.

Figure 7. Breakdown of expenditure supporting the digital transformation per policy area



Source: Recovery and Resilience Scoreboard.
The percentage relates to the overall share tagged under this policy pillar of the 25 plans adopted as of 30 June 2022.

To date, 44 milestones and targets contributing to the digital pillar have been fulfilled. A few examples drawing from payment requests which have been positively assessed are presented below.

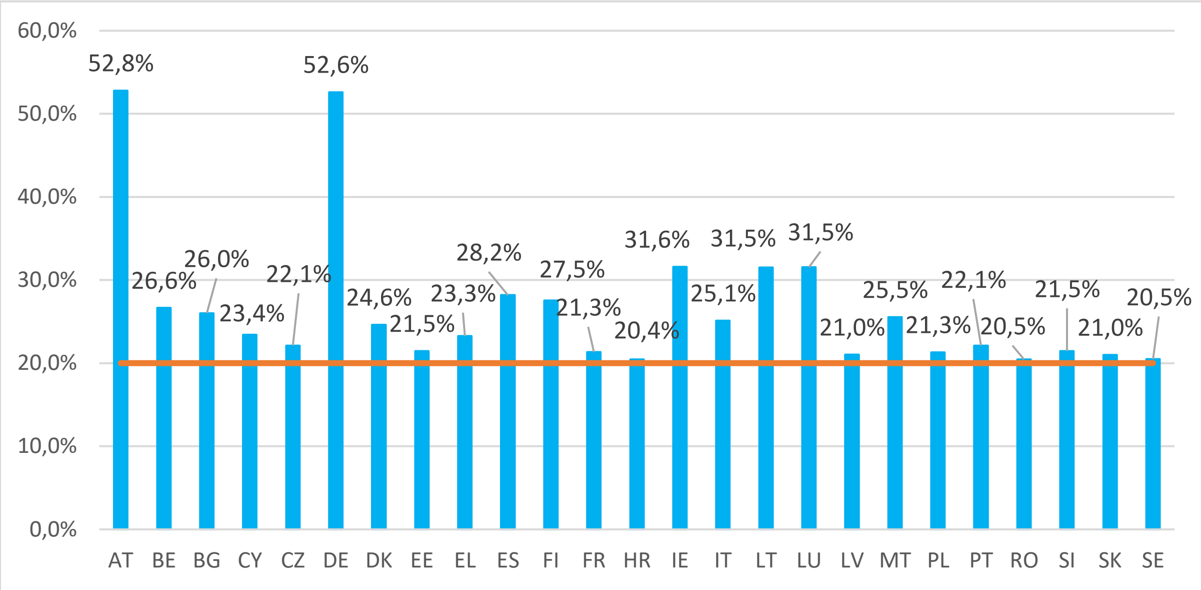
Examples of measures with fulfilled milestones and targets

- **Italy** awarded contracts for the development of a Digital Tourism Portal and launched calls for identification of national projects for the IPCEIs on microelectronics and cloud.
- **Spain** adopted its Digitalisation of SMEs Plan 2021-2025 and a Digital Competences Plan.
- **Portugal** signed contracts for the purchase of 600 000 new laptops to lend to teachers and pupils and selected 17 Digital Innovation Hubs which will support companies in their digitalisation efforts.
- **France** adopted six ‘acceleration strategies’ for innovation in key digital technologies (quantum technologies, cybersecurity, Digital education, cultural and creative industries, 5G, cloud).
- **Greece** launched a call for commercial banks under their RRF loan facility. At least 20% of the funding will support digital objectives.
- **Croatia** established a Unit for Implementation and Management of Digital Transformation Projects in the Ministry of Agriculture, which will ensure the achievement of at least 30 digitalised public services, operational Smart Agriculture platform and publicly accessible traceability information system.

The RRF Regulation requires that at least 20% of the total allocation in each RRP supports digital objectives. The reforms and investments proposed by Member States have exceeded the 20% digital target; total digital estimated expenditure in the adopted plans amounts to EUR 127 billion, 26% of the total allocation of the plans as calculated according to the digital tagging methodology.[16]

[16] The RRPs had to specify and justify to what extent each measure contributes fully (100%), partly (40%) or has no impact (0%) to digital objectives, using Annex VII of the RRF Regulation. Combining the coefficients with the cost estimates of each measure allows calculating to what degree the plans contribute to the digital target.

Figure 8. Contribution to digital objectives as share of RRP allocation



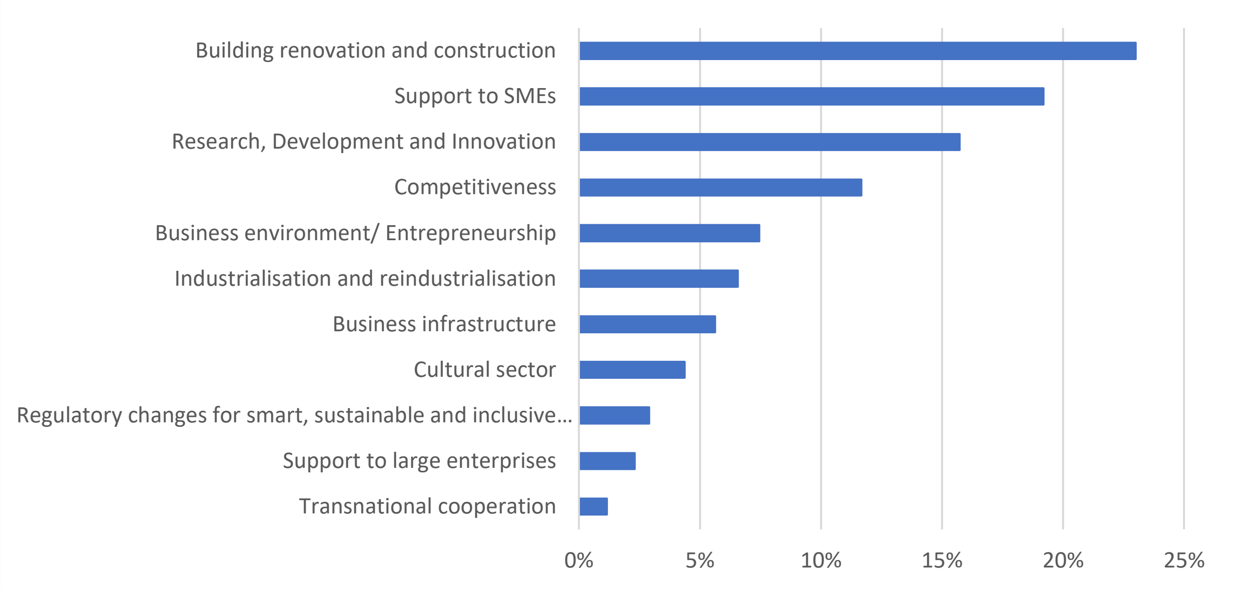
Source: Recovery and Resilience Scoreboard.

Pillar 3: Smart, sustainable and inclusive growth, including economic cohesion, jobs, productivity, competitiveness, research, development and innovation, and a well-functioning internal market with strong SMEs

In their plans, Member States have included many reforms and investments which contribute to promoting smart, sustainable and inclusive growth and to making their economies as well as the Union's economy as a whole more resilient. In particular, considering the importance of small, medium-sized and large enterprises (SMEs) for our economies and for the recovery process, Member States have put forward a significant number of measures directly and indirectly supporting SMEs[17]. In total, the 25 plans adopted by the Council as of 30 June, contribute to pillar 3 with around 235 billion promoting smart, sustainable and inclusive growth across a range of different policy areas (see figure 9).

[17] More information and concrete examples of measures providing support to SMEs can be found in the "SME support" thematic analysis published on the Recovery and Resilience Scoreboard: https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/assets/thematic_analysis/3_SME.pdf

Figure 9. Breakdown of expenditure supporting smart, sustainable and inclusive growth per policy area



Source: Recovery and Resilience Scoreboard.
The percentage relates to the overall share tagged under this policy pillar of the 25 plans adopted as of 30 June 2022

In particular, out of 228 fulfilled milestones and targets, 115 contribute to pillar 3, illustrating that important progress is being made towards restoring and promoting sustainable growth. Few examples of measures with fulfilled milestones and targets are reported in the box below.

Moreover, Member States are on track in their implementation of reforms and investments to support SMEs in their recovery and to improve their access to finance, including through RRF funds. For instance, Croatia is implementing a reform of the business and regulatory environment to strengthen the competitiveness of the economy which pays particular attention to the economic effects of regulation on SMEs. Greece will reform its business environment by reducing the administrative and regulatory burden on businesses, including SMEs. More specifically, the reform will reduce the complexity, cost and length of various processes such as getting credit, obtaining an electricity connection, registering property, and getting a construction permit. A reform of the public procurement framework is also envisaged under the Greek plan, inter alia, to improve SMEs' access to public contracts. Italy's public procurement reform will simplify public procurement rules and processes, increase legal certainty for businesses, accelerate the award of public contracts and reduce late payments by public administrations, which will also benefit SMEs.

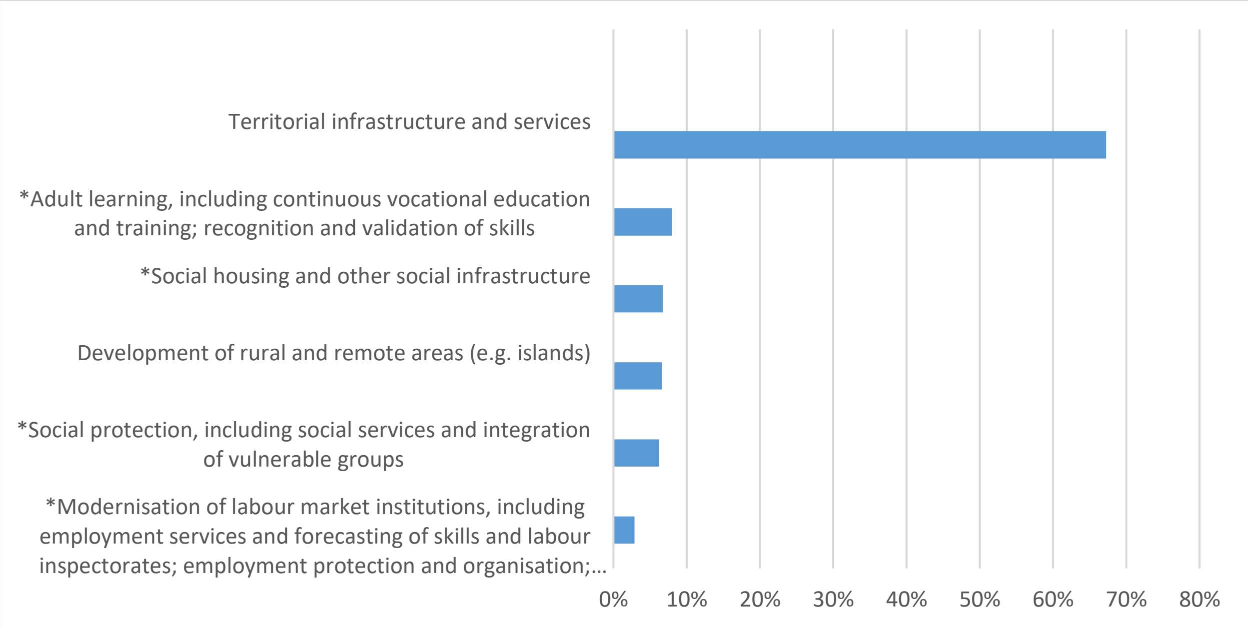
Examples of measures with fulfilled milestones and targets

- **Portugal** has issued a reform to create the necessary legislative and regulatory conditions for the gradual introduction of renewable hydrogen, framed by a National Hydrogen Strategy; and put in place investments to modernise business reception areas for interventions to improve environmental sustainability and digitalisation.
- **France** supported investments for research in advanced technologies for the green transition (projects falling under seven 'acceleration strategies': (i) decarbonised hydrogen, (ii) decarbonisation of industry, (iii) sustainable agricultural systems, (iv) recycling and reincorporation of recycled materials, (v) sustainable cities and innovative buildings, (vi) digitalisation and decarbonisation of mobility, and (vii) biosourced products and industrial biotechnologies – sustainable fuels) to foster innovation for the green transition of the economy.
- **Greece** designed a reform through the drafting of legislation to implement an incentives regime to promote productivity and extroversion of enterprises (increasing the size of enterprises).
- **Italy** has set up investments to support firms operating in the tourism sector, in particular through funds to increase the competitiveness of tourism enterprises. In addition, 4000 SMEs have already benefitted from targeted support and funding through the refinancing and remodelling of Fund 394/81 managed by SIMEST.
- **Croatia** adopted an Act on the institutional framework for EU funds which shall improve their absorption capacities and facilitate faster implementation of investment projects.
- **Spain** introduced two important reforms, to regulate the audio-visual regulatory framework, which will enable Spain to become the audio-visual hub of Europe; and to reorganise the public research organisations and rationalisation of their structure and operation.

Pillar 4: Social and territorial cohesion

Member States have included a significant number of measures to support social and territorial cohesion, especially contributing to the implementation of the European Pillar of Social Rights. More precisely, the 25 RRPs adopted by the Council so far, will support pillar 4 with around EUR 222 billion. The breakdown of expenditure within the pillar are shown in figure 10.

Figure 10. Breakdown of expenditure supporting social and territorial cohesion per policy area



Source: Recovery and Resilience Scoreboard.
The percentage relates to the overall share tagged under this policy pillar of the 25 plans adopted as of 30 June 2022. The methodology for reporting social expenditure, as defined in Delegated Regulation (EU) 2021/2105, is fully aligned and integrated into the methodology for reporting expenditure under the six pillars. Under this pillar, the policy areas marked with an asterisk (*) are used for reporting social expenditure, including children and youth, under the Facility.

Looking at the payment requests positively assessed as of 30 June 2022, 82 of the fulfilled milestones and targets support pillar 4. It is worth stressing that 28 of the fulfilled milestones and targets support employment in the broad sense,[18] showing a strong commitment by Member States to high quality employment creation from the initial stages of the RRPs' implementation.

[18] These milestones are linked to measures contributing to the "Employment" social category, as defined by the Delegated Regulation 2021/2105.

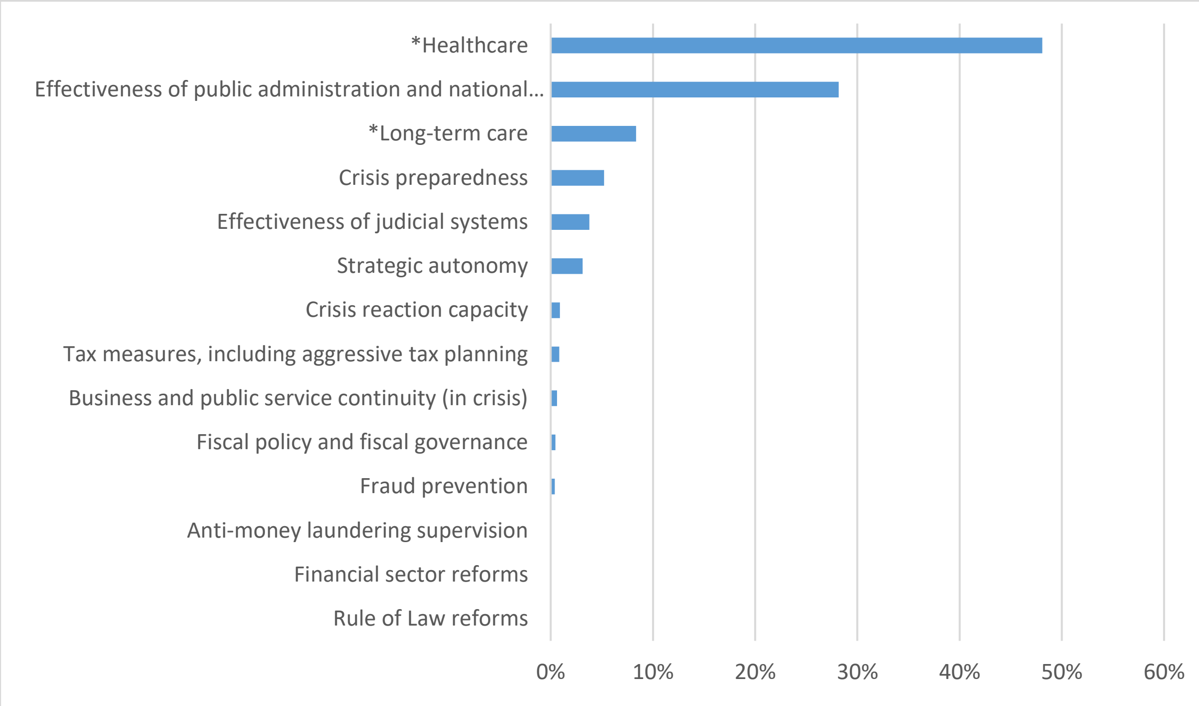
Examples of measures with fulfilled milestones and targets

- **France** deployed investments to support territorial infrastructure and services such as the renovation of local railway lines and approved a reform to transfer powers to local territories. Also, France adopted funding agreements for projects such as building reserved lanes for public transport and carpooling.
- **Italy** has put in place investments to support vulnerable people and prevent institutionalisation through support to vulnerable families; deinstitutionalisation of elderly care, reinforcement of home social services to prevent hospitalization and improvement of social services to prevent burnout among social workers and introduced a new reform to modernise active labour market policies and improve the vocational training system.
- **Portugal** issued a new reform to set up a National housing plan accompanied by relevant investments to improve housing conditions in the housing stock at regional level.
- **Greece** has set up an energy poverty action plan, which includes targeted policy measures to improve energy efficiency of residential buildings among economically vulnerable households.
- **Croatia** has adopted the National Plan against Poverty and Social Exclusion 2021-2027 with the aim to improve the daily lives of people at risk of poverty and those living in severe material deprivation. This Plan creates important preconditions for a legislative reform on the National Plan for the Development of Social Services contributing to the deinstitutionalisation and development of home services and community-based services for long-term care. Croatia has also improved its labour legislation by amending the Minimum Wage Act, ruling out the possibility of renouncing to the minimum wage and strengthening controls and redefining penalties to prevent non-payment, among others.

Pillar 5: Health, and economic, social and institutional resilience, with the aim of, inter alia, increasing crisis preparedness and crisis response capacity

Measures to promote health, and economic, social and institutional resilience feature prominently in the recovery and resilience plans, aiming to strengthen health systems and the resilience and preparedness of institutions. Reforms and investments contribute to achieving the goals of pillar 5 with about EUR 87 billion (see breakdown in figure 10), and 98 milestones and targets have already been fulfilled, serving as a clear example that Member States have dedicated significant efforts to increase their resilience and make progress towards the open strategic autonomy of the Union.

Figure 11. Breakdown of expenditure supporting Health, and economic, social and institutional resilience



Source: Recovery and Resilience Scoreboard. The percentage relates to the overall share tagged under this policy pillar of the 25 plans adopted as of 30 June 2022. The methodology for reporting social expenditure, as defined in Delegated Regulation (EU) 2021/2105, is fully aligned and integrated into the methodology for reporting expenditure under the six pillars. Under this pillar, the policy areas marked with an asterisk (*) are used for the social expenditure methodology.

Few examples of measures with fulfilled milestones and targets are presented below.

Examples of measures with fulfilled milestones and targets

- **France** improved the national health system with a reform which includes the simplification of the governance of hospitals giving them more flexibility in their organisation.
- **Greece** adopted a roadmap for a comprehensive reform for the codification and simplification of tax legislation and new investments for the construction of regional Civil Protection Centres.
- **Italy** reformed the civil and criminal justice and provided investments for the digital update of the digital equipment of hospitals.
- **Portugal** supported the digitalisation of public administration towards digital, simple, inclusive and secure public services for citizens and businesses and adopted a new mental health decree law which sets out the principles for the organisation of mental health care.
- **Spain** modernised the institutional architecture of economic governance.
- **Croatia** adopted the Budget Act to improve the budgetary processes and strengthen the fiscal framework. The new Law on the Prevention of Conflict of Interest and the Anti-corruption strategy for 2021-2030 have been adopted to strengthen the anti-corruption framework. Furthermore, National Health Development Plan 2021-2027 was adopted and sets out sets out specific objectives, measures, and activities aiming to improve the health system and health outcomes.

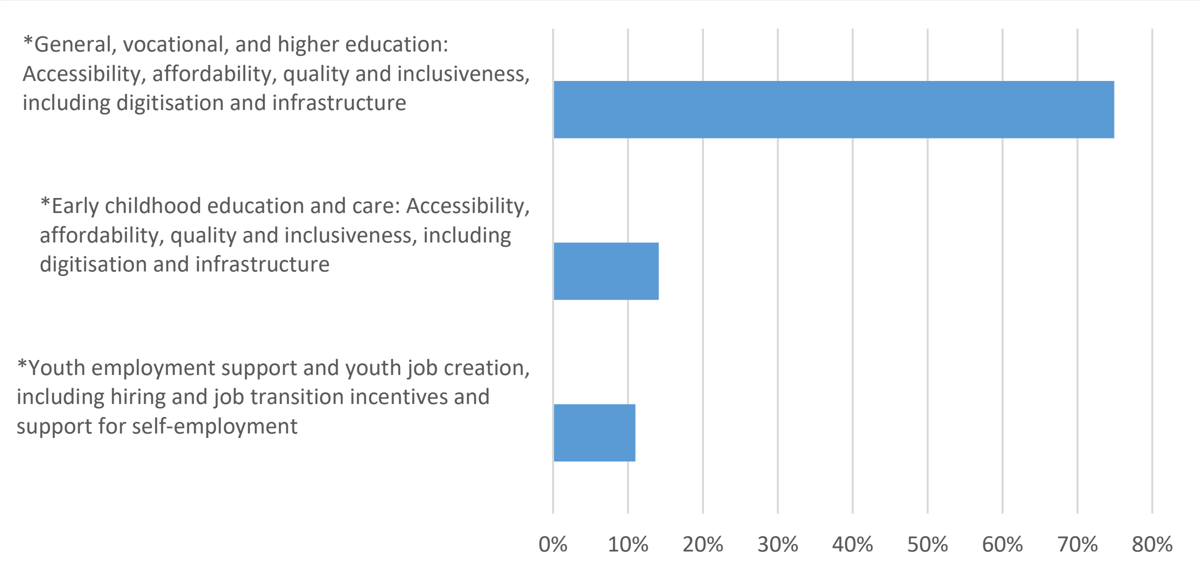
Strengthening institutions and enhancing crisis preparedness and response capacity also entails promoting the open strategic autonomy of the Union. A number of Member States will invest in strengthening their cybersecurity frameworks in this regard. Spain will strengthen the cybersecurity capacity of citizens, SMEs and professionals and aims to improve the sector's overall ecosystem, while Romania will ensure the cybersecurity of public and private entities owning critical value infrastructure. Slovakia will construct and upgrade RES electricity sources and will increase the flexibility of electricity systems for greater RES integration, which will contribute to increasing its energy independence. Some Member States will also invest in industrial projects considered as of strategic importance, for instance, the aeronautics and space sectors in the case of France.

Pillar 6: Policies for the next generation

Measures under the policies for the next generation, children and youth, focus primarily on education, training, early childhood education and care, as well as, measures to support youth employment. Around three quarters of the total expenditure related to pillar six EUR 56 billion contribute to general, vocational, and higher education. The remaining 25%

is almost equally split between early childhood education and care, and youth employment support.

Figure 12. Breakdown of expenditure supporting policies for next generation per policy area



Source: Recovery and Resilience Scoreboard. The percentage relates to the overall share tagged under this policy pillar of the 25 plans adopted as of 30 June 2022. The methodology for reporting social expenditure, as defined in Delegated Regulation (EU) 2021/2105, is fully aligned and integrated into the methodology for reporting expenditure under the six pillars. Under this pillar, the policy areas marked with an asterisk (*) are used for the social expenditure methodology.

Out of the milestones and targets related to pillar 6, 18 have been fulfilled. These milestones and targets are associated with measures on active labour market policies, supporting digital transformation in education, support for teaching, hiring subsidies for apprenticeships, as well as, support for the higher education of youth.

Examples of measures with fulfilled milestones and targets

- **Spain** introduced an Action Plan to tackle youth unemployment, in the framework of a broader reform to modernise active labour market policies.
- **Portugal** supported digital transition in education through new investments.
- **France** introduced new subsidies for apprenticeships, boost higher education for post-baccalaureate students and support teaching, research, development and innovation ecosystems.
- **Italy** has put in place new investments for vulnerable people to prevent institutionalization.

II. b. Contribution of the RRF to tackling gender inequalities

Impact of Covid-19 crisis on gender equality

The COVID-19 crisis has exposed and exacerbated gender inequality challenges in the EU. The impact of parenthood on employment and hours worked was exacerbated during the crisis, with the employment rate of women with small children in the EU being 11.8 pps lower than of women without children in 2020.[19] Unpaid care responsibilities keep around 7.7 million women in the EU away from participating in the labour market, compared to only 450 000 men.[20] Behind these developments are long-standing differences in representation of women and men in sectors and occupations affected by the crisis, such as women's over-representation in sectors badly hit by lockdowns, gender differences in the use of telework, and the implications of sudden increases in unpaid care work.

The physical and psycho-social impact of the pandemic has also increased inequalities and impacted women, children and disadvantaged groups[21] in particular. Important factors to be noted are the intensified domestic violence and the higher mental health impact of the pandemic on women and disadvantaged groups.[22]

Gender equality considerations under the European Semester

Every year, under the European Semester the Commission proposes to the Council a number of country specific recommendations (CSRs) to enhance coordination among Member States on economic, fiscal, employment and social policy. This is part of the European Union's economic governance framework. Following the proclamation of the European Pillar of Social Rights, the European Semester also provides a framework for coordinating and monitoring Member States' efforts in delivering on the principles and rights set out by the Pillar on equal opportunities and access to the labour market, fair working conditions, and social protection and inclusion. Principle 2 specifically addresses gender equality, and principle 3 equal opportunities.

A significant subset of challenges identified in the 2019 country-specific recommendations related to gender equality are addressed by Member States in the Recovery and Resilience Plans that have been endorsed so far. In 2019, CSRs relevant for gender equality were issued to nine countries (Austria, Cyprus, Czech Republic, Estonia, Germany, Ireland, Italy, Poland, and Slovakia). They covered the need to increase female labour market participation and to provide early childhood education and care as well as long-term care as a

[19] Joint Employment Report 2022, see https://ec.europa.eu/info/sites/default/files/economy-finance/2022_european_semester_proposal_for_a_joint_employment_report_0.pdf.
[20] EIGE, Gender inequalities in care and consequences for the labour market, 2021.
[21] Such as people with disabilities, older people and people with a minority racial or ethnic background
[22] EIGE, see https://eige.europa.eu/publications/gender-equality-index-2021-health.

prerequisite for increasing such participation, the need to reduce fiscal disincentives to work more hours and the need to reduce the gender pay gap.

Against the backdrop of the COVID-19 pandemic, the CSRs issued in 2019 remained valid in 2020 and were complemented by recommendations addressing the additional challenges posed by the crisis. As the thematic scope of the country-specific recommendations significantly changed in the 2020 European Semester, no CSR with explicit references to gender equality was issued, but 22 Member States received CSRs that refer to disadvantaged groups in general. Recitals of many CSRs also addressed equality considerations, emphasising their importance in a variety of policy areas. While no non-fiscal CSRs were proposed in 2021, CSRs relevant for gender equality were proposed for three countries (Austria, Germany, Poland) in 2022, focussing on female labour market participation and the provision of childcare.

RRF and gender equality

Equality considerations feature prominently in the RRF, although they do not constitute a formal criterion for the Commission's assessment of national plans. The RRF Regulation requires Member States to explain how their respective plans contribute to gender equality and equal opportunities for all, in line with the principles 2 and 3 of the European Pillar of Social Rights and with Sustainable Development Goal (SDG) 5 (achieve gender equality and empower all women and girls) and, where relevant, with the national gender equality strategy.[23] The Regulation also requires Member States to describe the coherence and complementarity of their measures with other policies as well as with funding from other EU sources, including from the European Social Fund+ (ESF+).

The general objectives of the Regulation specify that the Facility shall pay special attention to women in mitigating the impact of the crisis (see in particular Article 4 and Article 18(4)(o)). In addition, the scope of the Facility includes pillar 4 (see Article 3(d)), which focuses on social and territorial cohesion, where the notion of 'social' includes improving gender equality and equal opportunities. Equality considerations are also addressed through the aim to reduce social vulnerabilities, which is part of one of the assessment criteria of the plans.

Finally, Article 17(3) of the Regulation requires that the plans address all or a significant subset of the challenges identified in the relevant CSRs, including those addressed to Member States in 2019 and 2020 which were directly or indirectly linked to the objective of improving gender equality. During the preparation of the plans, the Commission consistently called on Member States to reflect equality considerations in their national plans. In line with the dual approach of the Gender Equality Strategy,[24] the Commission encouraged

[23] Article 18(4)(o) of Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility.

[24] The Strategy pursues a dual approach of gender mainstreaming combined with targeted actions.

Member States to include targeted measures to promote equality as well as to mainstream equality considerations throughout the plans.

Reporting on gender equality in the implementation of the Recovery and Resilience Plans

The Commission has promoted the development of reporting tools at EU and Member State level to monitor the implementation of the RRF and ensure that it contributes to making the EU and the recovery more inclusive, including by ensuring that various reported data are disaggregated by gender. To this end, the Commission adopted two delegated acts a) on the recovery and resilience scoreboard and common indicators and b) the ex-post reporting on social expenditure. They both entered into force on 2 December 2021.

These delegated acts contain several provisions to track the gender impact of the RRF:

- Delegated Regulation (EU) 2021/2106[25] establishes 14 common indicators against which Member State report on the progress towards the objectives of the Facility and four of these common indicators require disaggregation of data by gender.
- In order to track the RRF contribution to gender equality, the Commission, in consultation with Member States, assigned in its assessment tools a flag to measures with a focus on gender equality, in line with the methodology set out in Delegated Regulation (EU) 2021/2105.[26]

Importantly, due to methodological constraints, the ex-ante nature of the assessment and the performance-based nature of the RRF, the real impact and expenditure on gender equality cannot be directly derived from the plans themselves.

Measures having a focus on gender equality in national plans

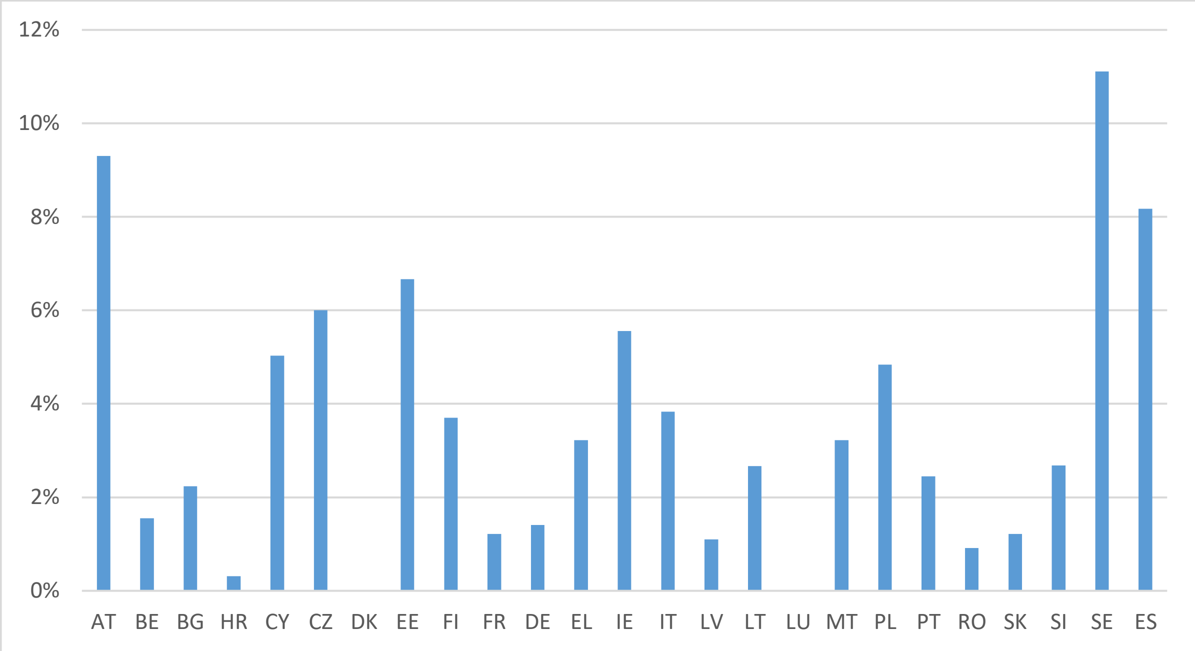
Based on the attribution by the Commission of gender equality flags to the respective measures of the plans, in consultation with Member States, 129 measures in the 25 plans

[25] Delegated Regulation (EU) 2021/2106 setting out the common indicators and the detailed elements of the recovery and resilience scoreboard.

[26] Delegated Regulation (EU) 2021/2105 of 28 September 2021 supplementing Regulation (EU) 2021/241 of the European Parliament and of the Council establishing the Recovery and Resilience Facility by defining a methodology for reporting social expenditure. It should be noted that the Commission applied this methodology not only to measures of a social nature, but also to all other measures included in adopted RRPs having a focus on gender equality, in order to better capture such throughout the plans. This focus did not have to be the main focus of the concerned measures. This implies that measures not flagged may also have an impact on gender equality. In addition, given the methodological constraints, the ex-ante nature of the assessment and the performance-based nature of the RRF, the real impact and expenditure on gender equality cannot be directly derived from the flags.

adopted as of 30 June 2022 are considered to have a focus on gender equality. See the breakdown per Member State in figure 13.[27]

Figure 13. Share (in %) of measures having a focus on gender equality in adopted RRPs



Source: Recovery and Resilience Scoreboard

While specific measures mostly contribute to pillars 4 (Social and territorial cohesion), 5 (Health, and economic, social and institutional resilience), and 6 (Policies for the next generation) of the RRF, gender equality is also supported through measures contributing to pillars 1 (Green transition), 2 (Digital transformation) and 3 (Smart, sustainable and inclusive growth).

For instance, some measures supporting the green transition under pillar 1 contribute to gender equality objectives (e.g. Belgium, Czech Republic, Finland, Slovakia and Spain), by promoting training in green skills among women or creating and renovating childcare facilities with higher energy efficiency.

In measures supporting the digital transition under pillar 2, several Member States (e.g. Cyprus, Estonia, Finland, Latvia, Portugal, Spain, and Sweden) have included actions to improve girls' and women's digital skills as well as equal representation in STEM and ICT (e.g. Portugal, Italy).

[27] Figures are illustrative, meant to be used for qualitative analysis, and do not constitute a comparative assessment of Member States' RRPs. The number and structure of the measures in each national plan vary greatly, as well as the approach to reflect commitments to gender equality. More detailed analysis can be found in the Staff Working Documents adopted by the European Commission for each endorsed plan.

Under pillar 3 on smart, sustainable and inclusive growth, some Member States mainstreamed gender equality considerations by including measures to improve access to finance for women entrepreneurs and to support start-ups owned by women. Similarly, there are measures to help women improve their entrepreneurial skills. Several Member States also introduced specific gender-based reporting obligations or targets (e.g. Cyprus, France, Italy, Portugal, Slovenia, and Spain).

Measures under pillar 4 include reforms to reduce the pension gender gap (e.g. Austria), improve work-life balance and working conditions (e.g. Croatia and Slovenia), and to reinforce gender mainstreaming in active labour market policies (e.g. Spain), as well as investments to incentivise participation of women in the labour market (e.g. Italy), and to improve women's financial literacy (e.g. Cyprus).

Many measures to strengthen the health and long-term care systems under pillar 5 aim to improve the quality and delivery of formal and informal care at both national and regional or local level, reducing care responsibilities that are often taken up by women in the households (e.g. Austria, Czech Republic, Estonia, Italy, Lithuania, Slovenia, Spain, Sweden). In addition, some measures will specifically contribute to supporting socially disadvantaged pregnant women and to improving the working conditions for professions predominantly occupied by women, such as nursing (e.g. Austria and Sweden).

Finally, measures under pillar 6 include reforms and investments to increase access to early childhood education and care (e.g. Austria, Belgium, Cyprus, Czech Republic, Germany, Greece, Italy, Poland, Slovakia and Spain), which constitutes an important aid and condition for supporting women's participation in the labour market.

To date, 13 measures with a focus on gender equality include fulfilled milestones and targets, see few examples below.

Examples of measures with a focus on gender equality with fulfilled milestones and targets

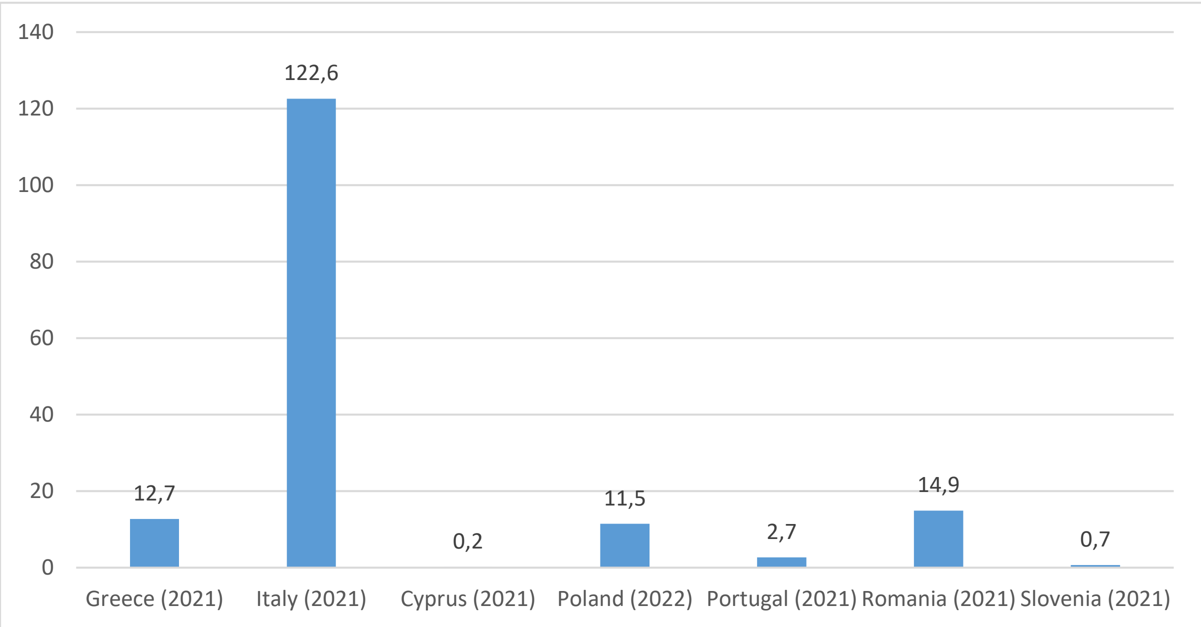
- **Italy** has created a fund to support women's entrepreneurship and envisaged investment to prevent potential vulnerabilities in families, including by supporting parents of children aged 0-17.
- **Greece** established a new framework to improve work-life balance and close the gender employment gap.
- **Portugal** provided new digital equipment in schools to promote the equal development of digital skills for girls and boys and support equal participation in STEM.
- **Spain** introduced new obligations for employers to ensure equal pay for men and women and pay transparency. This reform will help identify discriminatory situations due to incorrect job assessments (i.e. lower pay for work of equal value). In addition, it revised the compensation for parents, primarily mothers, for the cost of a birth and childcare, in order to reduce the gender pension gap in the long run.

III. WAY FORWARD: A FLEXIBLE INSTRUMENT TAILORED TO EMERGING CHALLENGES

III.a. Reinforcing national recovery and resilience plans to address new challenges

Funding under highly favourable financing terms is available for Member States under the RRF to support additional reforms and investments. It is important to keep in mind that Member States have the possibility to reinforce their plans by adding new reforms and investments to be financed through loans. The RRF Regulation sets the maximum amount of loans to EUR 360 billion in 2018 prices. So far, around EUR 165 billion of loan support have been committed, as shown in Figure 13 below. Therefore, the amount of RRF loans which remains available for request by Member States is around EUR 225 billion when converted in current prices. RRF loans can be combined with private funding to leverage their impact. In order to process requests for loans swiftly and to ensure a fair and transparent process, the Commission has suggested, as part of the proposed amending Regulation on REPowerEU, that Member States express their intention regarding the possible uptake of RRF loans 30 days after the entry into force of the new Regulation.

Figure 14. Overview on loans committed (billion EUR)



Source: European Commission

The RRF as a tool to support achieving the REPowerEU plan's objectives

In view of Russia's invasion of Ukraine and the recent geopolitical events, Member States are facing unprecedented challenges. It has become more important than ever to boost the resilience of Member States and invest in strategically important areas in a joint and coordinated manner across the Union, adhering to the principles of fairness and solidarity. The focus shifted even more to accelerating the green and digital transition as well as moving ahead with reforms and investments to increase crisis preparedness and crisis response capacity. A large number of Recovery and Resilience Plans already covers measure to tackle these challenges, and speeding up the implementation of these existing measures is certainly a priority.

The Commission has proposed a REPowerEU plan, using the RRF as one of the main delivery tools. The REPowerEU plan aims to respond to the double urgency to transform Europe's energy system: phasing out the EU's dependence on Russian fossil fuels, which are used as an economic and political weapon and cost European taxpayers nearly EUR 100 billion per year, increasing our resilience and fast forwarding the clean transition. Building on the Fit for 55 package and completing the actions on energy security of supply and storage, the REPowerEU Plan puts forward an additional set of actions to: 1) save energy and boost energy efficiency, 2) diversify energy supplies, 3) accelerate clean energy transition, and 4) smartly combine investments and reforms. The Commission proposal aims to ensure that Member States propose a REPowerEU chapter in any modified Recovery and Resilience Plan. Such chapter a should be focused on measures contributing to REPowerEU’s objectives to support energy savings, diversify energy supplies and accelerate the roll-out of renewable energy to replace fossil fuels in homes, industry, transport and power generation. Such a chapter should support these objectives through an accelerated requalification of the workforce towards green skills, as well as support of the value chains in key materials and technologies linked to the green transition.

Additional resources have been proposed for the RRF to respond to these unprecedented geopolitical challenges. Increasing the diversification and security of the Union’s energy supply and reducing the EU’s dependency on fossil fuels is vital for a successful and sustainable recovery. Member States have the possibility to make use of the remaining loan envelop under the RRF and use loans to support measures in line with REPowerEU objectives. The Commission has also proposed to increase the RRF’s available funds by EUR 20 billion from the sale of EU Emission Trading System allowances currently held in the Market Stability Reserve to help Member States address these challenges. Finally, the proposal provides the Member States with the possibility at their request to transfer to the RRF a part of their allocation under shared management programmes. In particular, a larger share of their 2021-2027 allocation under the funds of the Common Provision Regulation (increase from 5% to up to 12.5%) and up to 12.5% of their national allocation under the European Agricultural Fund for Rural Development can be allocated to the RRPs, in light of the high alignment between the RRF and those programmes’ objectives.

Recovery and Resilience Plans are well positioned to implement these urgent priorities. Member States’ Recovery and Resilience Plans will serve as a strategic framework for reforms and investments to ensure joint European action for more resilient, secure and sustainable energy systems in line with the objectives of the REPowerEU plan. The modified plans will need to address the 2022 country-specific recommendations, and in particular those in the field of energy.

III.b. Moving ahead: guidance to Member States on updating the plans

The new guidance note on the RRPs in the context of REPowerEU provides the necessary information and instructions for Member States to modify their plans in relation to the updated allocation, while also adding reforms and investments to address the REPowerEU objectives.

The new Guidance is focused on the process to modify existing plans whereas the guidance of January 2021[28] remains valid for the preparation of RRPs overall. Specifically, the new guidance note sets out the way the REPowerEU chapter should be structured and what it should contain:

The Commission has also made clear in the Guidance that the addition of REPowerEU Chapters in the RRPs should not delay the implementation of the RRPs. It is important that Member States continue to focus on the implementation of the existing RRPs, to allow progress with milestones and targets, considering their relevance to recover faster from the economic impact of the pandemic and become more resilient.

The modification of RRPs should therefore be well justified and limited to a specific range of situations in order to allow for a swift adoption and mobilisation of the additional investments and reforms. The ambition of the RRPs should not be reduced, including notably on reforms addressing country specific recommendations.

Conclusion

The RRF was established in February 2021 to promote the Union's economic, social and territorial cohesion and provide significant financial support to Member States in the context of the Covid-19 crisis , by stepping up the implementation of sustainable reforms and investments. Eighteen months later, major progress has been made: the implementation of the ambitious reform and investment agenda put forward by the Member States is firmly on its way, suppporting the acceleration of Europe's green and digital transitions.

Moreover, the Recovery and Resilience Facility has become the cornerstone of the European Union's future-oriented strategy, as national Recovery and Resilience Plans set the investment and reform agenda to boost an inclusive and sustainable growth for the coming years. In this regard, the RRF will help Member States to tackle inequalities between

[28] Commission Staff Working Document (2021) 12 final

women and men through measures specifically focusing on gender equality and by supporting equality mainstreaming across the six policy pillars.

The unique nature of the Facility, as a demand-driven, performance-based instrument, has also positively demonstrated its effectiveness in this early phase. It supports the implementation of a combination of mutually reinforcing reforms and investments, which are designed together with Member States, and tailored-made to their needs, and provide the adequate incentives to ensure their implementation over the medium term.

Since the creation of the Recovery and Resilience Facility, unprecedented geopolitical and economic events have drastically impacted the Union's society and economy, which are now confronted to a new crisis stemming from the impact of Russia's invasion of Ukraine. The measures included in the existing Recovery and Resilience Plans to deliver on the green and digital transitions remain essential and need to be implemented to their full extent. Furthermore, a large number of measures included in Member States' Recovery and Resilience Plans are already expected to contribute to the new challenges. At the same time, the recent geopolitical and economic developments call for an even greater sense of urgency and a higher level of ambition to significantly improve the resilience of the Union's energy supply, decrease the dependency on energy imports, and support just transitions. This requires a combination of additional investments and reforms, both at EU and national level.

In this context, given the first tangible successes of the Recovery and Resilience Facility, the Commission proposed to make it the main delivery tool of REPowerEU.[29] The available loan capacity of the RRF, as well as the proposed additional funding sources, can contribute to strengthening Europe's open strategic autonomy, reduce Union's dependency on fossil fuels, and support renewable energy and reduce energy consumption overall. With a REPowerEU chapter to strengthen their ambition, the recovery and resilience plans are well positioned to serve as a key Europe's strategic framework for reforms and investments to ensure joint European action for more resilient, secure and sustainable energy systems.

[29] Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) 2021/241 as regards REPowerEU chapters in recovery and resilience plans and amending Regulation 2021/1060, 2021/2115, 2003/87/EC and Decision 2015/1814. Full text available at https://ec.europa.eu/info/files/proposal-regulation-european-parliament-and-council-amending-regulation-eu-2021-241-regards-repowereu-chapters-recovery-and-resilience-plans-and-amending-regulation-2021-1060-2021-2115-2003-87-ec-2015-1814_en