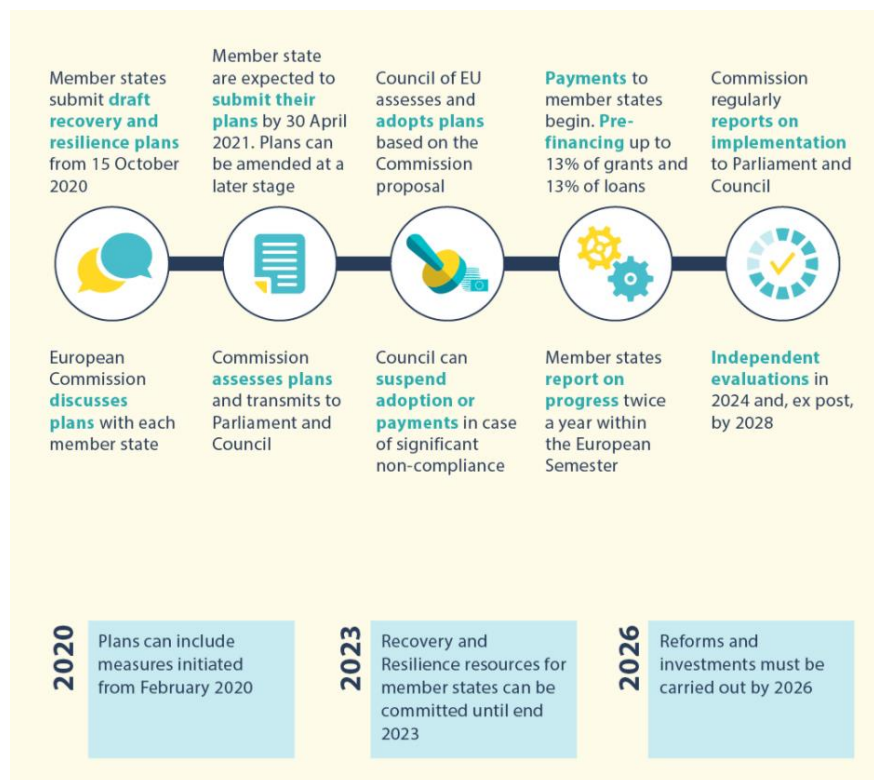


What are the National Recovery and Resilience plans?

The European Commission proposed in May 2020 the creation of a **temporary instrument** for EU Member States to **help recovering from the effects of the COVID-19** pandemic. This tool, called **NextGenerationEU**, is funded through the EU budget for 2021-2027. The **Recovery and Resilience Facility (RRF)** is the **centrepiece of NextGenerationEU**. It offers the opportunity to help speeding up the recovery in Europe and strengthening the Member States' commitments to the green and digital transitions. It was launched on 19 February 2021 and will finance the Member States' investments until 31 December 2026.

How they work

To access the funding of the RRF, Member States needed to submit their **National Recovery and Resilience Plans** by April 2021. Each plan stated the reforms and investments to be implemented by the end of 2026 and needs to comply with the **European Commission's priorities**. The Commission evaluated the Member States' plans within two months and translated their content into legally binding acts. The Commission assessed the national plans according to several targets — e.g., each plan had to include a minimum of 37% of expenditure for climate investment and reforms and a 20% to foster the digital transition. Following this procedure, the European Council had four weeks to adopt the Commission's proposal. Once the Council accepted the proposal, a pre-financing period up to 13% starts for the Member States. After that, the Commission reports on the plan implementation to the Council and the Parliament.



Areas covered

The RRF's goal is to promote economic, social, and territorial cohesion and securing a lasting recovery. It will allow to create “**European flagship areas for investments**,” as stated by the Commission, and reforms with strong benefits for the economy and for EU citizens.

The RRF covers policy areas structured around six pillars:

1. Green transition
2. Digital transformation
3. Smart, sustainable and inclusive growth
4. Social and territorial cohesion
5. Health, and economic, social and institutional resilience
6. **Policies for the next generation, children and youth, including education and skills.** It includes the promotion of education and skills, including digital skills, upskilling, reskilling and requalification of the active labour force will be achieved through reforms and investments in the next generation, children and youth.

Furthermore, Member States are encouraged to provide information about the components of their plan that will contribute to the seven European Flagships identified by the European Semester 2021, among which we find **reskilling and upskilling** as a key priority. The ambitions of the Commission in the field are that “*by 2025, 50% of the adult population should participate in training each year. By 2025, the share of Europeans aged from 16 to 74 with basic digital skills should increase to reach 70%. Education systems needs to be further adapted to the challenges of the 21st century. Member States should ensure that pupils’ digital competence is significantly improved, in order to reduce the share of 13-14 year old students who underperform in computer and information literacy to under 15%. By 2025, at least four in five VET graduates should be employed and three in five should benefit from on-the-job-training*”.¹

Money allocated

The amount agreed by the European Council for this initiative is up to €672.5 billion. The budget will be divided in two parts: grants will amount to €312.5 billion (in 2018 prices) and €360 billion (in 2018 prices) will be available as loans.

As for the allocation of the budget, 70% of the total of €312.5 billion available in grants will be based on each Member State’s population and its average unemployment rate over the past five years (i.e., 2015 to 2019) compared to the EU’s average. For the 30% left, consideration will be given to the loss in real GDP over 2020 and the observed loss in real GDP over the 2020-2021 period.

¹ European Commission (2021), *Staff Working Document: Guidance to Member States for the Recovery and Resilience Plans*. https://ec.europa.eu/info/sites/default/files/document_travail_service_part1_v2_en.pdf.

What role for regional and local authorities?

Even if the RRF remains a Member State-level top-down tool, regional and local authorities can still have a say in the way they are allocated through each specific national procedure for the participation of sub-national level entities in decision making and budget allocation processes. Especially for the reskilling and upskilling component, regional and local authorities remain the competent bodies in many European countries for the provision of skills, Vocational Education and Training (VET), and Adult Learning and Education (ALE), though the extent of these competences varies from one country to another and even among regions within the same country.

Therefore, EARLALL Member Regions are highly encouraged to get in touch with their national contact points for this area and identify the opportunities and challenges that remain at Member State level to access the RRF funds and develop initiatives that foster a quick and sustainable recovery from the COVID-19 crisis.

Furthermore, the NextGenerationEU instrument as a whole includes also includes €50.6 billion for REACT-EU for Recovery Assistance for Cohesion and the Territories of Europe. These funds have been mainstreamed for 2021-2022 into the European Social Fund (ESF), the European Regional Development Fund (ERDF) and European Fund for Aid to the Most Deprived (FEAD), along with other flagship programmes such as Horizon 2020. Further information is available at https://ec.europa.eu/info/strategy/recovery-plan-europe_en.

Useful documents

- Commission's explanation of the RRF: https://ec.europa.eu/info/business-economy-euro/recovery-coronavirus/recovery-and-resilience-facility_en#the-facility-and-nextgenerationeu.
- About the decision making process: [https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/679088/EPRS_BRI\(2021\)679088_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/679088/EPRS_BRI(2021)679088_EN.pdf). European Council's infographic: <https://www.consilium.europa.eu/en/infographics/20201006-recovery-resilience-rrf/>.
- Recovery and Resilience Plan of each countries: https://ec.europa.eu/info/business-economy-euro/recovery-coronavirus/recovery-and-resilience-facility/recovery-and-resilience-plans-assessments_en.

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