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PARLIAMENT AND OF THE COUNCIL establishing a Recovery and
Resilience Facility

Delegations will find attached document COM(2020) 408 final.

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ANNEXES 1 to 3

ANNEXES

to the Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

establishing a Recovery and Resilience Facility

ANNEX I

Methodology for the calculation of the maximum financial contribution (i.e. the non-repayable financial support) per Member State under the Facility

This annex sets out the methodology for calculating the maximum financial contribution available for each Member State. The method takes into account:

- Population;
- The inverse of GDP per capita;
- The average unemployment rate over the past 5 years compared to the EU average (2015-2019).

To avoid excessive concentration of resources:

- the inverse GDP per capita is capped at 150% of EU average
- the deviation of individual country's unemployment rate from the EU average is capped to 150% of EU average
- To account for the generally more stable labour markets of wealthier Member States (with GNI per capita above EU average) the deviation of their unemployment rate from the EU average is capped to 75%.

The maximum financial contribution of a Member State under the Facility (MFC_i) is defined as follows:

$$MFC_i = \alpha_i \times (FS)$$

where:

FS (Financial Support) is the available financial envelope under the facility as referred to Article 5(1)(a); and

α_i is the allocation key of Member State i , defined as:

$$\alpha_i = \frac{\frac{GDP_{average}^{PC} * pop_i * U_i}{GDP_i^{PC} * pop_{EU} * U_{EU}}}{\sum_{i=1}^{19} \frac{GDP_{average}^{PC} * pop_i * U_i}{GDP_i^{PC} * pop_{EU} * U_{EU}}},$$

with $1.5 \geq \frac{GDP_{average}^{PC}}{GDP_i^{PC}}$

and with $1.5 \geq U_i/U_{iEU}$ and $0.75 \geq U_i/U_{iEU}$ for Member States with $GDP_i^{PC} > 100\% * GDP_{average}^{PC}$

With:

α_i is the allocation key of country i

GDP_i^{PC} is the 2019 Gross domestic product per capita of country i ,

$GDP_{average}^{PC}$ the 2019 weighted Average Gross Domestic product per capita of the EU-27 Member States,

pop_i is the 2019 total population in country i ,

pop_{EU} is the 2019 total population in EU-27 Member States

U_i is the average unemployment rate over the period 2015-2019 of country i

U_{EU} is the average unemployment rate over the period 2015-2019 in the EU-27

The application of the methodology will result in the following share and amount for the maximum financial contribution per Member State.

Maximum financial contribution per EU Member State		
	<i>Share as % of total</i>	<i>Amount (million)</i>
BE	1.55	5203.35
BG	1.98	6624.70
CZ	1.51	5054.76
DK	0.56	1861.71
DE	6.95	23275.85
EE	0.32	1085.36
IE	0.39	1306.59
EL	5.77	19312.74
ES	19.88	66579.13
FR	10.38	34757.03
HR	1.98	6618.58
IT	20.45	68482.82
CY	0.35	1169.19
LV	0.70	2344.60
LT	0.89	2989.05
LU	0.03	109.49
HU	1.98	6629.54
MT	0.07	244.44
NL	1.68	5614.95
AT	0.95	3187.62
PL	8.65	28966.05
PT	4.16	13944.47
RO	4.36	14591.84
SI	0.55	1829.23
SK	1.98	6634.37
FI	0.71	2373.13
SE	1.24	4159.41
Total	100.00	334950.00

ANNEX II

Assessment guidance for the Facility

1. Scope

The purpose of these assessment guidelines is to serve together with this Regulation as a basis for the Commission to assess - in a transparent and equitable manner - the proposals for recovery and resilience plans put forward by Member States and to determine the financial contribution in conformity with the objectives and any other relevant requirements laid down in this Regulation. These guidelines notably represent the basis for the application of the assessment criteria and the determination of the financial contribution as referred to, respectively, in Articles 16(3) and 17(3).

The assessment guidelines are designed to:

- (a) give further guidance on the assessment process of the proposals for recovery and resilience plans submitted by Member States;
- (b) provide further details on the assessment criteria and provide for a rating system, to be established with a view to ensuring an equitable and transparent process; and
- (c) define the link between the assessment to be made by the Commission under the assessment criteria and the determination of the financial contribution to be set out in the Commission decision in relation to the recovery and resilience plans selected.

The guidelines are a tool to facilitate assessment by the Commission of the proposals for recovery and resilience plans as submitted by Member States, and to ensure that the recovery and resilience plans support reforms and public investment that are relevant and display high added value, while ensuring equal treatment among the Member States.

2. Assessment criteria

In accordance with Article 16(3), the Commission shall assess the importance and coherence of the recovery and resilience plans, and its contribution to the green and digital transitions, and for that purpose, it shall take into account the following criteria:

- (a) whether the recovery and resilience plan is expected to contribute to effectively address challenges identified in the relevant country-specific recommendations addressed to the Member State concerned or in other relevant documents officially adopted by the Commission in the European Semester;
- (b) whether the plan contains measures that effectively contribute to the green and the digital transitions or to addressing the challenges resulting from them;
- (c) whether the recovery and resilience plan is expected to have a lasting impact on the Member State concerned;
- (d) whether the recovery and resilience plan is expected to effectively contribute to strengthen the growth potential, job creation, and economic and social resilience of the Member State, mitigate the economic and social impact of the crisis, and contribute to enhance economic, social and territorial cohesion;
- (e) whether the justification provided by the Member State on the amount of the estimated total costs of the recovery and resilience plan submitted is reasonable

and plausible and is commensurate to the expected impact on the economy and employment;

- (f) whether the recovery and resilience plan contains measures for the implementation of reforms and public investment projects that represent coherent actions;
- (g) whether the arrangements proposed by the Member States concerned are expected to ensure an effective implementation of the recovery and resilience plan, including the envisaged timetable, milestones and targets, and the related indicators.

As a result of the assessment process, the Commission shall give ratings to the recovery and resilience plans submitted by the Member States, under each of the assessment criteria referred to in Article 16(3), in order to assess the importance and coherence of the plans and with a view to establishing the financial allocation in accordance with Article 17(3).

For the sake of simplification and efficiency, the rating system shall range from A to C, as set out in the following:

2.1 The recovery and resilience plan is expected to contribute to effectively address challenges identified in the relevant country-specific recommendations addressed to the Member State concerned or in other relevant documents officially adopted by the Commission in the European Semester.

The Commission shall take into account the following elements for the assessment under this criterion:

Scope

- The recovery and resilience plan is expected to contribute to effectively address challenges identified in the relevant country-specific recommendations, including fiscal aspects, or in other relevant documents officially adopted by the Commission in the European Semester addressed to the Member States concerned,

and,

- these challenges are considered as significant to boost the growth potential of the economy of the Member State concerned,

and,

Following the completion of the proposed reforms and investments, the related challenges would be expected to have been resolved or addressed in a satisfactory manner.

and

- The recovery and resilience plan represents a comprehensive and adequate response to the economic and social situation of the Member State concerned;

Rating

A – The recovery and resilience plan contributes to effectively address challenges identified in the CSRs, or in other relevant documents officially adopted by the Commission in the European Semester, and the plan represents an adequate response to the economic and social situation of the Member State concerned.

B – The recovery and resilience plan contributes to partially address challenges identified in the CSRs, or in other relevant documents officially adopted by the Commission in the European Semester and the plan represents a partially adequate response to the economic and social situation of the Member State concerned.

C – The recovery and resilience plan does not contribute to address any challenges identified in the CSRs, or in other relevant documents officially adopted by the Commission in the European Semester and the plan does not represent an adequate response to the economic and social situation of the Member State concerned.

2.2 The plan contains measures that effectively contribute to the green and the digital transitions or to addressing the challenges resulting from them.

The Commission shall take into account the following elements for the assessment under this criterion:

Scope

- the implementation of the envisaged measures is expected to significantly contribute to establish climate- and environmental-friendly systems and to the greening of economic or social sectors with a view to contribute to the overall objective of a climate-neutral Europe by 2050;

or

- the implementation of the envisaged measures is expected to significantly contribute to the digital transformation of economic or social sectors;

or

- the implementation of the envisaged measures is expected to significantly contribute to address the challenges resulting from the green and/or digital transitions

and

- the implementation of the envisaged measures is expected to have a lasting impact.

Rating

A – To a large extent

B – To a moderate extent

C – To a small extent

2.3 The recovery and resilience plan is expected to have a lasting impact on the Member State concerned

The Commission shall take into account the following elements for the assessment under this criterion:

Scope

- the implementation of the envisaged measures is expected to bring about a structural change in the administration or in relevant institutions;

or

- the implementation of the envisaged measures is expected to bring about a structural change in relevant policies;

and

- the implementation of the envisaged measures is expected to have a lasting impact.

Rating

A – To a large extent

B – To a moderate extent

C – To a small extent

2.4 The recovery and resilience plan is expected to effectively contribute to strengthen the growth potential, job creation, and economic and social resilience of the Member State, mitigate the economic and social impact of the crisis, and contribute to enhance economic, social and territorial cohesion;

The Commission shall take into account the following elements for the assessment under this criterion:

Scope

- the recovery and resilience plan contains measures that aim at addressing weaknesses of the economy of the Member States and at boosting the growth potential of the economy of the Member State concerned, stimulating job creation and mitigating the adverse effects of the crisis, while avoiding adverse impacts of those measures on climate and environment.

and

- the recovery and resilience plan is aimed at reducing the vulnerability of the economy of the Member State to shocks,

or

- the recovery and resilience plan is aimed at increasing the capacity of the economic and/or social structures of the Member State to adjust to and withstand shocks

and

the recovery and resilience plan is expected to contribute to enhancing economic, social and territorial cohesion

Rating

- A – High expected impact on growth potential and economic and social resilience, and on cohesion
- B – Medium expected impact on growth potential and economic and social resilience, and on cohesion
- C – Low expected impact on growth potential and economic and social resilience, and on cohesion

2.5 The justification provided by the Member State on the amount of the estimated total costs of the recovery and resilience plan is reasonable and plausible and is commensurate to the expected impact on the economy and employment;

The Commission shall take into account the following elements for the assessment under this criterion:

Scope

- the Member State provided sufficient information and evidence that the amount of the estimated total cost of the recovery and resilience plan is appropriate (“reasonable”);
- and
- the Member State provided sufficient information and evidence that the amount of the estimated total cost of the recovery and resilience plan is in line with the nature and the type of the envisaged reforms and investments (“plausible”).
- and
- the Member State provided sufficient information and evidence that the amount of the estimated total cost of the recovery and resilience plan to be financed under the instrument is not covered by existing or planned Union financing.
- and
- the amount of the estimated total cost of the recovery and resilience plan is commensurate to the expected impact of the envisaged measures included in the plan on the economy of the Member State concerned.

Rating

- A – To a high extent
- B – To a medium extent
- C – To a low extent

2.6. The recovery and resilience plan contains measures for the implementation of reforms and public investment projects that represent coherent actions.

The Commission shall take into account the following elements for the assessment under this criterion:

Scope

- the recovery and resilience plan includes measures that contribute to reinforce the effects of one another.

Rating

- A – To a high extent
- B – To a medium extent
- C – To a low extent

2.7 The arrangements proposed by the Member States concerned are expected to ensure effective implementation of the recovery and resilience plan, including the proposed milestones and targets, and the related indicators

The Commission shall take into account the following elements for the assessment under this criterion:

Scope

- a structure is tasked within the Member State with: (i) the implementation of the recovery and resilience plan; (ii) the monitoring of progress on milestones and targets; and (iii) the reporting;

and

- the proposed milestones and targets are clear and realistic; and the proposed indicators are relevant, acceptable and robust;

and

- the overall arrangements, proposed by the Member States in terms of organisation (including provision to ensure sufficient staff allocation) of the implementation of the reform and investment, are credible.

Rating

- A – Adequate arrangements for effective implementation
- B – Minimum arrangements for effective implementation
- C – Insufficient arrangements for effective implementation

3. Determination of the financial contribution under the budgetary instrument for recovery and resilience

In accordance with Article 17(3), the Commission shall determine the financial contribution taking into account the importance and coherence of the recovery and resilience plan proposed by the Member State concerned, as assessed under the criteria set out in Article 17(3). For that purpose, it shall apply the following criteria:

- (a) where the recovery and resilience plan complies satisfactorily with the criteria set out in Article 16(3), and the amount of the estimated total costs of the recovery and resilience plan is equal to, or higher than the maximum financial contribution for that Member State referred to in Article 10, the financial contribution allocated to the Member State concerned shall be equal to the total amount of the maximum financial contribution referred to in Article 10;

- (b) where the recovery and resilience plan complies satisfactorily with the criteria set out in Article 16(3), and the amount of the estimated total costs of the recovery and resilience plan is lower than the maximum financial contribution for that Member State referred to in Article 10, the financial contribution allocated to the Member State shall be equal to the amount of the estimated total costs of the recovery and resilience plan;
- (c) where the recovery and resilience plan does not comply satisfactorily with the criteria set out in Article 16(3), no financial contribution shall be allocated to the Member State concerned.

For the purpose of the implementation of this subparagraph, the following formulas shall apply:

- for (a) above: *If $C^i \geq MFC^i$ the Member State i receives MFC^i*
- for (b) above: *If $C^i < MFC^i$ the Member State i receives C^i*
- where:
- i refers to the Member State concerned
- MFC is the maximum financial contribution for the Member State concerned
- C is the amount of the estimated total costs of the recovery and resilience plan

As a result of the assessment process, and taking into account the ratings:

The recovery and resilience plan complies satisfactorily with the assessment criteria:

If the final rating for criteria 2.1 to 2.7 includes scores with:

- an A for criteria 2.1 and 2.2;

and for the other criteria:

- all A's,

or

- a majority of A's over B's and no C's,

The recovery and resilience plan does not comply satisfactorily with the assessment criteria:

If the final rating for criteria 2.1 to 2.7 includes scores with:

- not an A in criteria 2.1 and 2.2;

and for the other criteria:

- a majority of B's over A's

or

- at least one C

ANNEX III

Indicators

The achievement of the objectives referred to in Articles 4 shall be measured on the basis of the following indicators, broken down by Member State and by area of intervention.

Indicators shall be used in accordance with data and information available, including quantitative and/or qualitative data.

Output indicators:

- (a) number of recovery and resilience plans as approved in the implementing act of the Commission;
- (b) overall financial contribution allocated to the recovery and resilience plan;

Result indicators:

- (c) number of recovery and resilience plans implemented;

Impact indicators established by this Regulation

- (d) The objectives set in the recovery and resilience plan, which have been achieved due, inter alia, to the overall financial support (including, where appropriate, the loan support) received under the Recovery and Resilience Facility established by this Regulation;

The ex-post evaluation referred to in Article 25 shall be undertaken by the Commission also with the purpose of establishing the links between the overall financial support (including, where appropriate, the loan support) from Recovery and Resilience Facility and the implementation of the relevant measures in the Member State concerned with a view to enhancing recovery, resilience, sustainable growth, jobs and cohesion.