



EU Resilience and Recovery Autumn Package

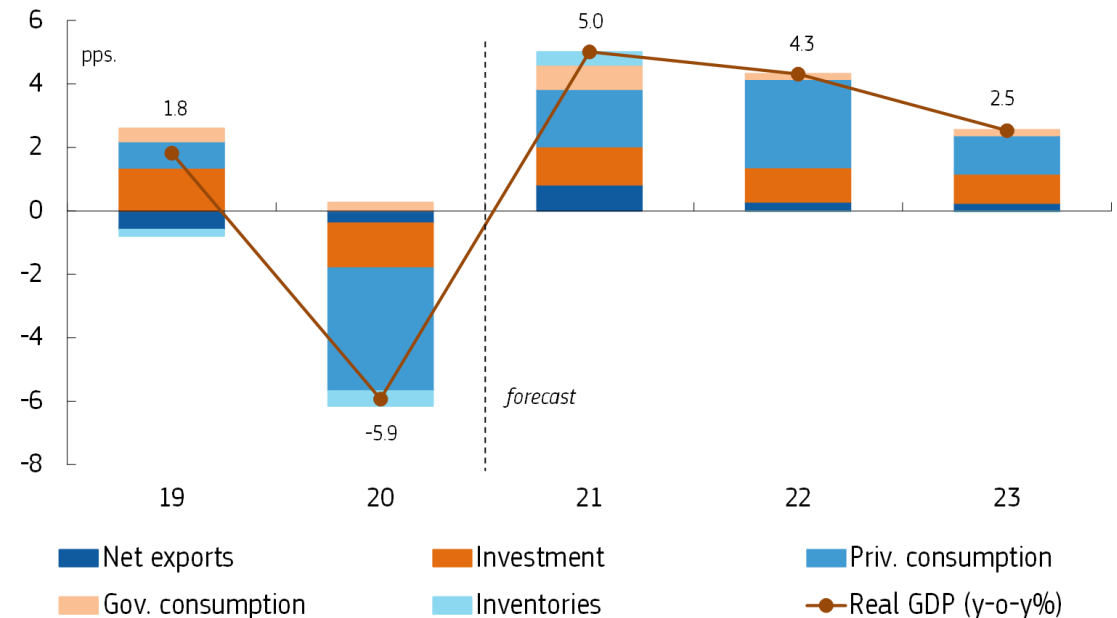
ESDN Conference, November 2021

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Key messages from the Autumn 2021 European Economic Forecast

1. Domestic demand to pull the economy through temporary headwinds
2. Unemployment returning to pre-pandemic levels and declining further
3. Inflation expected to moderate after peaking this year
4. Government deficits narrow as emergency measures are withdrawn
5. Risks to the outlook tilted to the downside

Real GDP growth and contributions, EU



Source: European Commission 2021 Autumn Forecast

Autumn Package

Economic and Employment Policy Coordination

- Annual Sustainable Growth Survey
- Alert Mechanism Report
- Recommendation for the euro area
- Proposal for a Joint Employment Report

Fiscal Coordination

- Commission opinions on draft budgetary plans for euro area countries, Chapeau communication and statistical annex
- Communication assessing action taken by Romania (excessive deficit procedure)

Post-programme docs

- Enhanced surveillance report for Greece
- Post-programme surveillance reports for Spain, Ireland, Portugal and Cyprus

Annual Sustainable Growth Survey

Annual Sustainable Growth Survey

- As the EU economy moves from recovery to expansion, **shift of focus** from crisis management towards transformational and inclusive recovery in the medium-term.
- Policy priorities remain structured around the **four dimensions of competitive sustainability** and in line with the **Sustainable Development Goals**.
- The **Recovery and Resilience Facility** will be the **key tool to implement the policy agenda** in the months and years ahead.
- The 2022 European Semester cycle will **closely integrate** the Recovery and Resilience Facility and pursue its transition to a 'new normal', resuming issuance of country reports and country-specific recommendations.

Four dimensions of competitive sustainability as guiding principles for the EU's recovery

COMPETITIVE SUSTAINABILITY



The four dimensions are **closely interrelated** and **mutually reinforcing**:

- ✓ Environment and Productivity: e.g. efficient use of resources and energy.
- ✓ Fairness, Environment and Productivity: e.g. education, training and skills for the twin transitions.

They are also aligned with the **Sustainable Development Goals**.

Recovery and resilience plans will be a driver of EU's competitive sustainability

Environmental sustainability

187 reform measures
872 investment measures
€183.4 billion

Examples:

- ✓ Reforms favouring renewable energy
- ✓ Renovation of public and private buildings
- ✓ Sustainable transport regulations and infrastructure
- ✓ Nature protection and adaptation to climate risks

Fairness

312 reform measures
542 investment measures
€111.2 billion

Examples:

- ✓ Modernising education, training and skills
- ✓ Improved active labour market frameworks
- ✓ Investment into health care and long-term care provision
- ✓ Development of regional infrastructure and services

Productivity

395 reform measures
872 investment measures
€152.6 billion

Examples:

- ✓ Support schemes for research and innovation
- ✓ Adoption of advanced digital technologies by companies
- ✓ Digital infrastructure and ITC equipment
- ✓ Digitalisation of public administration and simplifications favouring business environment

Macroeconomic stability

- 107 reform measures
- 41 investment measures
- €2.5 billion

Examples:

- ✓ Reviews of quality of fiscal spending
- ✓ Improved supervision of financial markets
- ✓ Fight against corruption and money laundering

The 2022 European Semester cycle

- Resuming its broad economic and employment policy coordination, while evolving in line with the RRF implementation requirements.
- Publication of country reports and proposals for country-specific recommendations in Spring 2022.
- Substantive focus:
 - Challenges that are only partially or not addressed by the recovery and resilience plans and emerging challenges.
 - Further integration of the Sustainable Development Goals
- Process: Synergies and streamlining reporting requirements between Semester and RRF
- Revamped RRF and Semester web-site: [Recovery and Resilience Facility | European Commission \(europa.eu\)](https://ec.europa.eu/rrf/)

Alert Mechanism Report (AMR)

Alert Mechanism Report (AMR)

- Purpose: to identify those Member States for which **in-depth reviews (IDRs)** should be undertaken, to assess whether they are affected by imbalances in need of policy action
- How: economic reading of a **scoreboard** of selected indicators + reinforced **forward-looking assessment** of risks
- Next steps: Commission services will complete in-depth reviews as part of Spring Semester Package

Euro Area Recommendation

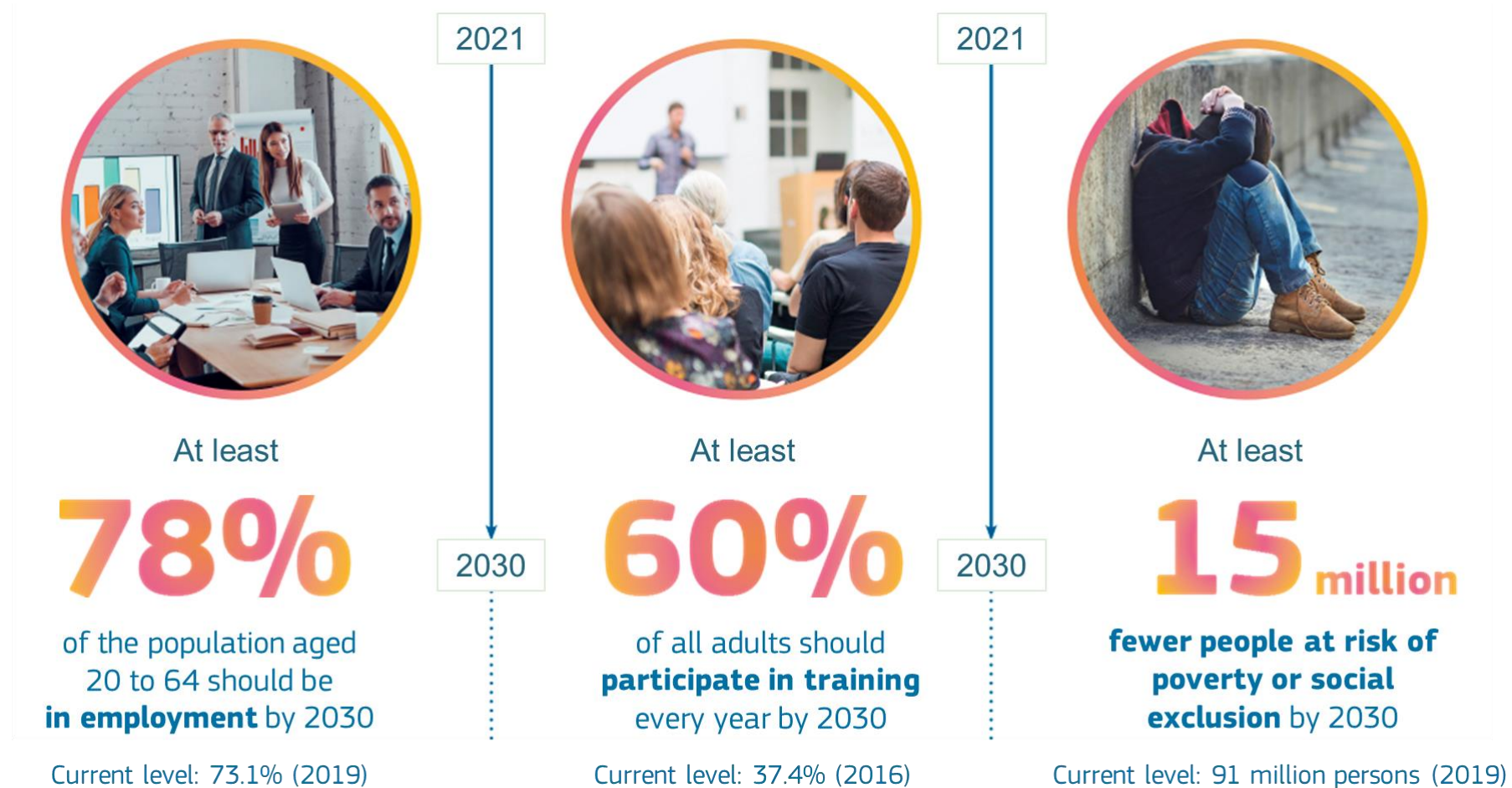
- Addresses **fiscal, financial, structural** issues and **institutional** aspects of the euro area in 2022 and 2023
 - Individually, including through their Recovery and Resilience Plans
 - Collectively, by coordinating within the Eurogroup
- **Particular focus this year on:**
 - shifting the policy stance from emergency support to recovery,
 - limiting the risk of long-term divergences,
 - promoting investment and reforms in line with the twin transitions and
 - ensuring effective active labour market policies

Proposal for a Joint Employment Report 2022

JER 2022

- Mandated by Art. 148 TFEU as joint report of the Council and the Commission to monitor the **implementation of the Employment Guidelines**
 - Key employment and social developments in the EU and in MSs
 - Priority areas for employment, skills and social policy action
- **Novelties of the 2022 edition:**
 - Reinforced monitoring of the principles of the European Pillar of Social Rights, notably via thematic boxes on topical challenges
 - Integration of the revised Social Scoreboard
 - Integration of the EU headline targets on jobs, skills and poverty reduction by 2030

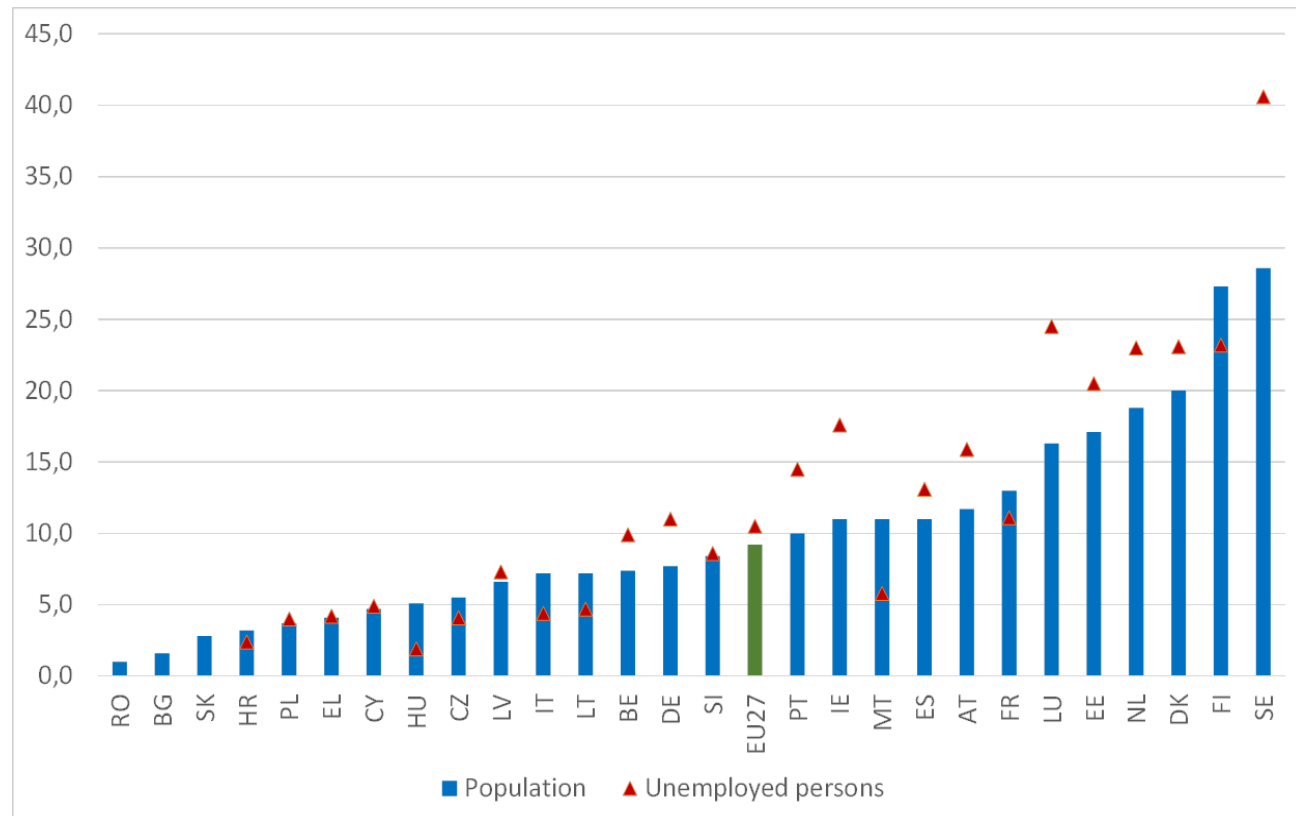
European Pillar of Social Rights Action Plan – 3 EU headline targets



Skills as key to support job transitions and the green and digital transformations

- Only 9.2% of adults participated in learning in 2020 in the EU
- There are inequalities in access to education and skills: only 3.4% of low-skilled adults took part in learning
- Only 56% of adults had at least basic digital skills in 2019, with very slow progress since 2014
- 73% of companies cite scarcity of skilled staff as an obstacle to investment
- Upskilling and reskilling of the workforce is key to support job transitions and support a fair green and digital transition

Adult participation in learning (last 4 weeks, 25-64), 2020



Thank you



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