

PART 2: DESCRIPTION OF REFORMS AND INVESTMENTS

This section covers each component of the recovery and resilience plan separately. Each component can include one or several reforms and/or investments..

For each component of the plan, please provide the information below. Each component should be focused on a specific challenge or need, and may include one or several closely linked or mutually dependent reforms and investments.

A. COMPONENT 1: [Insert title] ...

1. Description of the component

Member States are invited to fill in the summary box below.

Summary box [title of component] ...

Policy area/domain: ...

Objective: ...

Reforms and/or investments: ...

Estimated cost overall: ... EUR; requested under RRF: ... EUR Please indicate the estimated overall cost of the component and the cost to be covered by the Recovery and Resilience Facility.

2. Main challenges and objectives

*Member States are invited to provide an indication of the **challenges addressed** by the component. This should include a **clear and evidence-based analysis** of the underlying issues (including, where relevant, type and extent of market failures, specific investment barriers, specific administrative obstacles) and **how the component will address them**, i.e. **its objective**. The description should include as **relevant quantitative and qualitative indications of the expected impacts**(e.g. on employment and skills gaps, growth, resilience, climate change, the environment, the digital transition, public health and health systems, the territorial and social cohesion). It should also be explained **how the set of reforms and investments** envisaged under a given component **fits within an overall national strategic context** in the relevant policy field.*

a) Main challenges

b) Objectives

3. Description of the reforms and investments of the component

*Member States are invited to **describe in detail the component and its specific reforms and investments**, as well as their **interlinkages and synergies**.*

For reforms:

- *Member States should provide a **clear and evidence-based analysis of the challenges addressed and the objectives of the reform**.*
- *The **nature, type and size of the reform** should be described.*
- *Detailed information should be provided about **who** (e.g. business in general, small and medium sized enterprises [SMEs], specific sectors, the general population, families, students, sectoral workers) **and/or what is targeted by the reform**.*
- *Member States should clearly describe **how the reform is implemented** (means of implementation) including **which administrations – central and/or local – will be***

*involved, how they will coordinate among themselves and make sure they have the capacity to ensure the **successful implementation of the reform**.*

- *The **main expected impediments to the reform** and the **related solution strategies** should be substantiated.*
- *The **overall timeline of the implementation of the reform** should be described and be in line with the timeline of the Facility.*

For investments:

- *Member States should provide a **clear and evidence-based analysis of the challenges addressed and the objectives of the investment**.*
- *The **nature, type and size of the investment** should be described.*
- *Detailed information should be provided about **who** (e.g. businesses in general, SMEs, the general population, families, students, sectoral workers) **and/or what** (e.g. installed capacity of renewable hydrogen electrolyzers) **is targeted by the investment**.*
- *Description of **how the investment is implemented** (means of implementation) should be included. This should **refer to the administrative capacity of the Member State at both central and local levels, explain how the funds will be absorbed in a timely manner and how the funds are channelled to sub-national levels (if applicable)**.*
- *The **timeline of the investment** should be described and be in line with the timeline of the Facility.*

4. Open strategic autonomy and security issues

*Member States are invited to describe to what extent the relevant **reforms and investments will help make the Union more resilient** by diversifying **key supply chains** and thereby **strengthening the strategic autonomy of the Union** alongside an open economy.*

*Specifically for **investments in digital capacities and connectivity**, Member States should provide a **security self-assessment**. This self-assessment should detail **how identified issues will be addressed in order to comply with the relevant national and Union laws and policies**. In particular for **investments in connectivity**, it should make reference to **the actions set out in the EU toolbox**^[1].*

5. Cross-border and multi-country projects

*Member States should indicate any **cross-border and multi-country projects in the plan**. Member States should indicate **which other Member States are involved in such projects**, the modalities for **reporting, milestones and targets**, and **disbursements** should be clearly divided between the concerned Member States to **avoid overlaps and delays in assessment and implementation**.*

6. Green dimension of the component

*Member States should explain to what extent the component will **contribute to the green transition, including biodiversity**, or **address challenges resulting from the green transition**. They should also demonstrate **how the measures in the component contribute to the 37% climate mainstreaming target**. They are also invited to **explain and provide evidence how the component will contribute to reaching the EU's 2030 climate target and climate neutrality by 2050** and how the component relates to **targets, objectives, contributions, policies and***

*measures of National Energy and Climate Plans. Finally, they should explain how the proposed measures in the component will help to **meet environmental objectives outlined in the guidance document.***

7. Digital dimension of the component

*Member States should explain to what extent the component will **contribute to the digital transition or address the challenges resulting from it.** They should **demonstrate that at least 20% of the total allocation of the plan is attributed to digital expenditures.** When explaining to what extent the proposed measures contribute to the digital transition or the challenges resulting from it, Member States should **take into account the seven objectives mentioned under Part 2, section 7 of the guidance.** Member States are also invited to **take as a reference, wherever possible, existing indicators such as those included in the Digital Economy and Society Index (DESI).***

***Impact on green and digital transition.** Member States are invited to fill in table 2 on Green and Digital Impact, provided separately in excel format.*

8. Do no significant harm

Member States should provide information on the ‘do no significant harm’ principle.

9. Milestones, targets and timeline

*Member States should propose **milestones and targets that will reflect the progress on implementing reforms and investments** of this component. The fulfilment of these milestones and targets will be a condition for payments to be made to the Member State. **For each milestone and target, Member States are invited to indicate:***

- **what the milestone/target is measuring;***
- **how this will be measured, what methodology and source will be used, and how the proper completion of the milestone/target will be objectively verified;***
- **what is the baseline (starting point) and what is the level or specific point to be reached;***
- **by when it will be reached, in particular by which quarter (Member States are invited to chose either first and third quarters of each year, or the second and fourth quarter of each year);***
- **who and which institution will be in charge of measuring and reporting;***
- **why this specific milestone/target was chosen.***

Please refer to the guidance for more detailed information and instructions.

***Milestones and targets.** Member States are invited to fill in table 1 on Milestones and targets, provided separately in excel format.*

10. Financing and costs

*Member States should provide **information on the estimated total cost** of the component, **backed up by appropriate justification.** This should include for each reform and investment an explanation of:*

- **The methodology used, the underlying assumptions made** (e.g. on unit costs, costs of inputs) **and justification for these assumptions**
- **The comparative cost data on the actual cost of similar reforms or investments** that have been carried out in the past, in particular if available **from past projects financed by EU funds**.
- **Within what timeframe these costs are expected to be incurred;**
- **Any information on what financing from other Union instruments is/could be foreseen related to the same component;**
- **Whether this component is covered by a potential request for additional financing with loans.**

In case similar measures are funded through other EU programmes, please state consistency with costing methodologies used for the EU funded measures.

In case the Member State has used an independent validation, it should provide the name of the validating entity and a reference to the independent validation.

This should be complemented by the appropriate detailed justification on the plausibility and reasonability of the estimated costs, as explained in the guidance. The justification and any data or evidence used should be annexed to the recovery and resilience plan.

Estimated cost of the plan. Member States are invited to fill in table 2 on Estimated cost of the plan, provided separately in excel format.

11. Loan request justification (if applicable)

Financial needs: Member States should **explain the reasons for loan support**, justified by **higher financial needs linked to additional reforms and investments** set out as regular components of the recovery and resilience plan.

Additional reforms and investments: For each of the components supported by a loan, Member States should **describe them including all elements mentioned in part 2 sections 1 to 9** of the guidance.

[1] https://ec.europa.eu/commission/presscorner/detail/en/ip_20_123 and COM(2020) 50. The toolbox was accompanied by Commission communication (COM(2020)50), which endorsed the Toolbox and identified areas of EU competence and/or EU added-value, such as funding programmes and projects.