



Council of the  
European Union

Brussels, 9 September 2022  
(OR. en)

12260/22

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**Interinstitutional File:  
2022/0284 (NLE)**

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**ECOFIN 853  
UEM 214  
FIN 902**

**COVER NOTE**

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From:	Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director
date of receipt:	9 September 2022
To:	General Secretariat of the Council
No. Cion doc.:	COM(2022) 469 final
Subject:	Proposal for a COUNCIL IMPLEMENTING DECISION on the approval of the assessment of the recovery and resilience plan for the Netherlands

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Delegations will find attached document COM(2022) 469 final.

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Encl.: COM(2022) 469 final



Brussels, 8.9.2022  
COM(2022) 469 final

2022/0284 (NLE)

Proposal for a

**COUNCIL IMPLEMENTING DECISION**

**on the approval of the assessment of the recovery and resilience plan for the Netherlands**

{SWD(2022) 292 final}

Proposal for a

**COUNCIL IMPLEMENTING DECISION**

**on the approval of the assessment of the recovery and resilience plan for the Netherlands**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility<sup>1</sup> and in particular Article 20 thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) The COVID-19 outbreak has had a disruptive impact on the economy of the Netherlands. In 2019, the gross domestic product (GDP) per capita of the Netherlands was 149.8% of the Union average. The real GDP of the Netherlands declined by 3.9% in 2020 and increased by 0.8% cumulatively in 2020 and 2021. Long-standing aspects with an impact on medium-term economic performance include macroeconomic imbalances related to high private debt and a high current account surplus, distortions in the housing market, an ageing population, energy and environmental challenges and labour market segmentation.
- (2) On 9 July 2019, on 20 July 2020 and on 12 July 2022, the Council addressed recommendations to the Netherlands in the context of the European Semester. The Council recommended the Netherlands to reduce the debt bias for households and the distortions in the housing market, to ensure that the second pillar of the pension system is more transparent, inter-generationally fairer and more resilient to shocks and to implement policies to increase household disposable income. In addition, it was recommended to the Netherlands to reduce the incentives for the self-employed without employees while promoting adequate social protection for the self-employed, tackle bogus self-employment and reduce incentives to use flexible and temporary employment. The Netherlands was also recommended to strengthen comprehensive lifelong learning, to mitigate the employment and social impact of the COVID-19 crisis, to address labour and skills shortages, and to strengthen up- and reskilling opportunities, notably of those at the margins of the labour market and the inactive. The Netherlands was recommended to frontload and foster public and private investment and to focus investment on the green and digital transition (in particular concerning digital skills). The Council further recommended boosting complementary

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<sup>1</sup> OJ L 57, 18.2.2021, p. 17-75.

investments in energy network infrastructure and further streamlining permitting procedures for renewable energy, improve energy efficiency, in particular in buildings, and accelerate investments in sustainable transport and sustainable agriculture. Furthermore, the Netherlands was recommended to ensure the resilience of the health system including by tackling workforce shortages and the deployment of e-health tools. Moreover, it was recommended to ensure effective supervision and enforcement of the anti-money laundering framework. The Netherlands was recommended to pursue a supportive fiscal stance in 2022. Finally, the Netherlands was invited to ensure that the growth of nationally-financed current expenditure in 2023 is in line with an overall neutral policy stance, taking into account continued temporary and targeted support to households and firms most vulnerable to energy price hikes and to people fleeing Ukraine. Having assessed progress in the implementation of these country-specific recommendations at the time of submission of the recovery and resilience plan ('RRP'), the Commission finds that the recommendation on the fiscal stance in 2022 has been fully implemented. Substantial progress has been achieved with respect to the recommendations on investments in mission-oriented research, aggressive tax planning as well as on mitigating the economic and social impact of the COVID-19 crisis.

- (3) On 23 May 2022, the Commission published an in-depth review under Article 5 of Regulation (EU) No 1176/2011 of the European Parliament and of the Council<sup>2</sup> for the Netherlands. The Commission's analysis led it to conclude that the Netherlands is experiencing macroeconomic imbalances, in particular, vulnerabilities related to high private debt and a large current account surplus, which carry cross-border relevance.
- (4) The Council Recommendation on the economic policy of the euro area<sup>3</sup> recommended to euro area Member States to take action, including through their RRP, to, inter alia, continue to use and coordinate national fiscal policies to effectively underpin a sustainable and inclusive recovery. The Council Recommendation also recommended euro-area Member States to promote policies that tackle aggressive tax planning, ensure effective active labour market policies, strengthen inclusive quality education and training systems, develop and adapt where needed social protection systems, monitor the effectiveness of policy support packages for companies and strengthen national institutional frameworks to address bottlenecks to investment and reallocation of capital. Lastly the Council Recommendation recommended to ensure macro-financial stability, maintain credit channels and continue work on the Banking Union and on a digital euro.
- (5) On 8 July 2022, the Netherlands submitted its national RRP to the Commission, in accordance with Article 18(1) of Regulation (EU) 2021/241. That submission followed a consultation process, conducted in accordance with the national legal framework, involving local and regional authorities, social partners, civil society organisations, youth organisations and other relevant stakeholders. National ownership of the RRP underpins their successful implementation and lasting impact at national level and credibility at European level. Pursuant to Article 19 of Regulation (EU) 2021/241, the Commission has assessed the relevance, effectiveness, efficiency and

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<sup>2</sup> Regulation (EU) No 1176/2011 of the European Parliament and of the Council of 16 November 2011 on the prevention and correction of macroeconomic imbalances (OJ L 306, 23.11.2011, p. 25).

<sup>3</sup> Council Recommendation of 5 April 2022 on the economic policy of the euro area 2022/C 153/01

coherence of the RRP, in accordance with the assessment guidelines set out in Annex V to that Regulation.

- (6) The RRP should pursue the general objectives of the Recovery and Resilience Facility established by Regulation (EU) 2021/241 (the ‘Facility’) and of the European Union Recovery Instrument set up by Council Regulation (EU) 2020/2094 in order to support the recovery in the aftermath of the COVID-19 crisis. They should promote the Union’s economic, social and territorial cohesion by contributing to the six pillars referred to in Article 3 of Regulation (EU) 2021/241.
- (7) The implementation of the Member States’ RRP will constitute a coordinated effort involving reforms and investments across the Union. Through coordinated and simultaneous implementation and the implementation of cross-border and multi-country projects, such reforms and investments will mutually reinforce each other and generate positive spillovers across the Union. Therefore, about one third of the impact of the Facility on Member States’ growth and job creation will come from spillovers from other Member States.

#### ***Balanced response contributing to the six pillars***

- (8) In accordance with Article 19(3), point (a), of and Annex V, criterion 2.1, to Regulation (EU) 2021/241, the RRP represents to a large extent (Rating A) a comprehensive and adequately balanced response to the economic and social situation, thereby contributing appropriately to all of the six pillars referred to in Article 3 of that Regulation, taking into account the specific challenges faced by and the financial allocation for the Member State concerned.
- (9) The RRP includes measures that contribute to all the six pillars, with a number of components addressing multiple pillars simultaneously. Such an approach helps to ensure that each pillar is comprehensively addressed in a coherent manner. The RRP has a strong focus on the green transition with energy and climate related measures. Measures to stimulate more sustainable energy, including upscaling green hydrogen production and removing obstacles for the development of offshore wind energy, are expected to promote the green transition. This is further supported by the development and use of zero-emission vessels and the development of climate-neutral air transport. The RRP also aims to restore biodiversity and reduce nitrogen depositions, which is one of the main environmental challenges the Netherlands is facing. The RRP is expected to contribute comprehensively to the digital pillar, with measures that promote innovative technologies and digital skills. The modernisation of information technology in public administration, including the judiciary, combined with measures on digital education and e-health support the acceleration of the digital transition.
- (10) Several components in the RRP have the potential to foster smart and sustainable growth, in line with the European Industrial Strategy. The RRP contains a series of measures, including reforms on the housing and labour markets, which are designed to enhance productivity and growth in the medium and longer term. The RRP envisages strengthening social cohesion through structural measures on the labour market as well as in the education and pension systems. Relevant measures in the field of education and training include measures enhancing the relevance of primary and secondary education, notably through the use of digital resources. Finally, to mitigate adverse shocks and better respond to crises, the RRP contains actions which are expected to contribute to improving the resilience of the healthcare system including the risk of an acute shortage of human resources in the care sector.

***Addressing all or a significant subset of challenges identified in country-specific recommendations***

- (11) In accordance with Article 19(3), point (b), of and Annex V, criterion 2.2, to Regulation (EU) 2021/241, the RRP is expected to contribute to effectively addressing all or a significant subset of challenges (Rating A) identified in the relevant country-specific recommendations addressed to the Netherlands, including fiscal aspects thereof and recommendations made pursuant to Article 6 of Regulation (EU) No 1176/2011, or challenges identified in other relevant documents officially adopted by the Commission in the context of the European Semester.
- (12) The RRP includes measures supporting investments in the green, and digital transitions, thus contributing to addressing the related country-specific recommendations. With regards to the digital transition, the RRP includes measures that promote research and innovation, which aim to leverage private investments in artificial intelligence (AI) and quantum technology. The RRP also contains measures to unlock investments in the green transition, including by removing obstacles to the development of wind farms at sea, support for green hydrogen and by stimulating the roll-out of heat pumps. Furthermore, the deployment of additional capacity from renewable energy sources is supported by the ‘Energy Law’, a comprehensive reform providing the legal framework for necessary investments by system operators to modify the grid to accommodate the expected increase in the transmission of energy generated by renewable energy sources. The transition towards clean and efficient energy generation and use is further reinforced by a package of fiscal greening reforms which aim to influence the behaviour of citizens and businesses towards supporting the green transition. Moreover, a substantial financial envelope is dedicated to measures for the improvement of the energy efficiency of buildings.
- (13) The RRP includes two investments that are directly dedicated to the mitigation of the impact and root causes of nitrogen emissions. These measures are expected to have a positive impact on the recovery of biodiversity and to support the transition towards more sustainable agriculture in the Netherlands. In addition, the RRP includes important investments and reforms to support sustainable road, rail, air and water transport. The RRP is expected to improve the supply of housing with an aim to reduce shortages, especially of affordable houses. The pension reform included in the RRP aims to address key vulnerabilities of the second pillar of the pension system in terms of inter-generational fairness, transparency and shock resilience.
- (14) The RRP contains several measures aimed at strengthening the labour market, and thereby addresses the relevant CSRs. First, the combination of several labour reforms including the introduction of a mandatory disability insurance and measures to tackle bogus self-employment are expected to contribute to reducing incentives for self-employed without employees and levelling the playing field between self-employed and employees. Second, the RRP includes investments which aim to contribute to strengthening up- and reskilling opportunities. Third, the RRP contributes to addressing the shortage of information and communication technology (ICT) professionals by investing in the digital capacity of teachers and students at different levels of the education system, as well as by funding postgraduate and postdoctoral research in AI and quantum technology. The RRP also includes investments which are expected to contribute to reducing the shortage of human resources in the care sector in times of a health crisis such as the establishment of a national reserve of former healthcare professionals and the increase in the intensive care capacity. In addition,

other measures aim to enable remote healthcare through the use of e-services and to strengthen data exchange between health institutions and for research.

- (15) The RRP includes several reforms aimed at tackling aggressive tax planning more effectively, in particular via the introduction of a withholding tax on dividends, interests and royalty payments to low-tax jurisdictions and in situations that constitute tax abuse under the Dutch anti-abuse regulations. Complementary to recent measures on anti-money laundering, measures are included in the RRP which aim at raising barriers for criminals to launder money and strengthening the investigation and prosecution capacity.
- (16) The RRP provides a good basis for further reforms in the housing and labour market, additional investments in skills development including digital skills, notably for those at the margins of the labour market and the inactive.
- (17) The recommendations related to the immediate fiscal policy response to the pandemic can be considered to fall outside the scope of the Dutch RRP, notwithstanding the fact that the Netherlands has generally responded adequately and sufficiently to the immediate need to support the economy through fiscal means in 2020, 2021 and 2022, in line with the general escape clause of the Stability and Growth Pact.
- (18) The RRP includes an extensive set of mutually reinforcing reforms and investments that contribute to effectively addressing all or a significant subset of the economic and social challenges outlined in the country-specific recommendations addressed to the Netherlands by the Council in the European Semester in 2019, 2020 and 2022, notably in the area of the green, digital and energy transitions, the pension system, the labour market, the housing market, aggressive tax planning and healthcare.
- (19) By addressing the aforementioned challenges, the RRP is expected to contribute also to correcting the imbalances identified in the recommendations made pursuant to Article 6 of Regulation (EU) No 1176/2011 in 2019, 2020 and 2022 that the Netherlands is experiencing, in particular with regard to vulnerabilities related to high private debt and a large current account surplus.

***Contribution to growth potential, job creation and economic, social and institutional resilience***

- (20) In accordance with Article 19(3), point (c), of and Annex V, criterion 2.3, to Regulation (EU) 2021/241, the RRP is expected to have a high impact (Rating A) on strengthening the growth potential, job creation, and economic, social and institutional resilience of the Netherlands, contributing to the implementation of the European Pillar of Social Rights, including through the promotion of policies for children and youth, and on mitigating the economic and social impact of the COVID-19 crisis, thereby enhancing the economic, social and territorial cohesion and convergence within the Union.
- (21) Simulations by the Commission services show that the RRP, together with the rest of measures of the European Union Recovery Instrument, has the potential to increase the GDP of the Netherlands by 0.4 to 0.6% by 2026, not including the possible positive impact of structural reforms, which can be substantial. The RRP is also expected to contribute to a limited degree to employment. The most significant and persistent positive effects on growth and productivity over the medium- to long-term are expected to stem from measures related to education, research and development

and the digitalisation of the Dutch economy as well as from reforms of the energy and labour markets.

- (22) The RRP puts forward a package of reforms and investments in education and includes new labour market legislation. These are expected to address some challenges in these areas, contributing in different ways to the implementation of the European Pillar of Social Rights. In particular, the labour market reforms are expected to contribute to level the playing field between the employed and the self-employed via measures to reduce bogus self-employment and to improve social protection coverage of the self-employed. Additional resources for education are expected to benefit the young, with investments that aim to improve the digital skills of students and teachers and to develop AI solutions for the learning process. Social cohesion is also expected to be improved by the housing market reforms set out in the RRP and investments into affordable housing and energy efficiency.
- (23) Measures to support the green and digital transitions are expected to contribute to resilience, innovation and sustainability in the Netherlands. In particular, investments to further digitalise the public administration and logistics are expected to increase resilience. Reforms to incentivise decarbonisation of the economy, investments in renewable energy production and energy efficiency are expected to support the green transition and reduce vulnerabilities resulting from dependence on fossil energy from abroad, thereby contributing to resilience. The reform of the second pillar of the pension system is expected to contribute to the shock resilience of pension funds. In addition, institutional resilience is supported by measures to address aggressive tax planning issues and to effectively combat money laundering.
- (24) Measures aimed at improving digital infrastructure and sustainable mobility are expected to enhance convergence and territorial cohesion. Investments into railways and smart mobility cover the whole territory and are expected to reinforce the integration of transport networks. Investments to improve digital skills are expected to support territorial cohesion by allowing more members of society to reap the benefits of working arrangements that are no longer tied to physical office spaces in cities.

***Do no significant harm***

- (25) In accordance with Article 19(3), point (d), of and Annex V, criterion 2.4, to Regulation (EU) 2021/241, the RRP is expected to ensure that no measure for the implementation of reforms and investments projects included in the RRP does significant harm to environmental objectives (Rating A) within the meaning of Article 17 of Regulation (EU) 2020/852 of the European Parliament and of the Council<sup>4</sup> (the principle of ‘do no significant harm’).
- (26) In accordance with the technical guidance provided in the Commission Notice entitled ‘Technical guidance on the application of “do no significant harm” under the Recovery and Resilience Facility Regulation’<sup>5</sup>, the Netherlands has provided justification that all measures included in its RRP do no significant harm to any environmental objective. Particular attention has been paid to measures whose impact on environmental objectives warrants close scrutiny. In this respect, the Netherlands

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<sup>4</sup> Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13).

<sup>5</sup> OJ C 58, 18.2.2021, p. 1.

has provided substantial evidence and foresees the implementation of mitigating actions to avoid significant harm, which should be enshrined in the relevant milestones and targets. This concerns, in particular, the investment ‘Green Power of Hydrogen’, which concerns the production and use of green hydrogen, as well as the investments as regards inland and sea navigation vessels - ‘Offshore Wind’ and ‘Inland waterway energy transition, project Zero Emission Services (ZES)’.

***Contribution to the green transition, including biodiversity***

- (27) In accordance with Article 19(3), point (e), of and Annex V, criterion 2.5, to Regulation (EU) 2021/241, the RRP contains measures that contribute to a large extent (Rating A) to the green transition, including biodiversity, or to addressing the challenges resulting therefrom. The measures supporting climate objectives account for an amount which represents 47,8% of the RRP’s total allocation calculated in accordance with the methodology set out in Annex VI to that Regulation. In accordance with Article 17 of that Regulation, the RRP is consistent with the information included in the National Energy and Climate Plan 2021-2030.
- (28) The RRP includes investments that are expected to make a significant contribution to the decarbonisation and energy transition objectives as set out in the Netherlands’ National Energy and Climate Plan, thereby contributing to the Union’s 2030 climate target. The RRP promotes the deployment of renewable energy sources through significant investment support to remove obstacles for the development of offshore wind parks. The ‘Offshore Wind’ measure focuses on the entry and integration costs that are prerequisites for the deployment of such parks, such as ensuring shipping safety, nature enhancement and species protection as well as the integration to the onshore grid and ecosystem. The RRP also features investments in research and development (R&D) and innovation efforts supporting the upscaling of renewable hydrogen production as a means to decarbonise industry and aviation. In view of energy efficiency, investments aimed to limit the energy consumption of buildings and phase out fossil-fuelled energy and heating installations accelerate the CO<sub>2</sub> emission reduction path of buildings. With the investment ‘Unlocking new construction projects’, the RRP helps making residential neighbourhoods more resilient to the consequences of climate change. In terms of environmental transition, the RRP is expected to directly contribute to the preservation of biodiversity through investments in the restoration of Natura 2000 areas through the ‘Nature Programme’ and the ‘Aid Scheme for the Rehabilitation of Pig Farms’. Finally, the RRP includes dedicated investments to support the transition towards clean and sustainable mobility through investments ranging from zero emission inland navigation vessels to smart road signs to the rollout of the European Rail Traffic Management System (ERMTS).
- (29) The investments are complemented and reinforced by a broad package of structural energy reforms seeking to incentivise businesses and households to make the transition towards more sustainable energy sources. The ‘Energy Law’ is expected to provide the necessary legal framework to enable investments by system operators to modify the grid to accommodate the increasing supply of renewable energy. In addition, the act is expected to streamline permit granting and implementation procedures for renewable energy projects. The ‘Energy Law’ and ‘Introduction and tightening of the CO<sub>2</sub> levy for industry’ are expected to facilitate the decarbonisation of industry by abolishing tax exemptions for highly emitting sectors and defining a minimum price for CO<sub>2</sub> emissions by industry in the event that the price set by the European Emissions Trading System (ETS) falls below a certain threshold. Another

set of reforms is expected to reduce CO2 emissions from road and air transport. The ‘Reform of Car Taxation’ that includes the introduction of a mileage tax and the phasing out of VAT exemptions for fossil-fuelled vans, and the ‘Increase of the Air Travel Tax’ aim to limit fossil-fuelled mobility.

### ***Contribution to the digital transition***

- (30) In accordance with Article 19(3), point (f), of and Annex V, criterion 2.6, to Regulation (EU) 2021/241, the RRP contains measures that contribute to a large extent (Rating A) to the digital transition or to addressing the challenges resulting from it. The measures supporting digital objectives account for an amount which represents 25,6% of the RRP’s total allocation calculated in accordance with the methodology set out in Annex VII to Regulation (EU) 2021/241.
- (31) The measures in the RRP contribute to addressing the challenges faced by the Netherlands related to the digital transition. In particular, to address issues related to traffic congestion, the RRP includes measures to upgrade traffic management systems as well as to digitalise logistics processes. Regarding the structural shortage of skilled ICT professionals, the RRP contains measures to enhance the digital capacities of students and teachers at different levels of the education system as well as a scholarship programme in the field of artificial intelligence.
- (32) The reforms and investments in the RRP are expected to contribute to the digital transition in the Netherlands also in other areas. The RRP contributes to the further digitalisation of the public administration through a reform to enhance the transparency of the central government and other public services by facilitating digital access to documents, as well as investments in the digitalisation of the justice system and in upgrading the IT systems of the central government. Moreover, the RRP aims to accelerate the development of applications of quantum technology and establish a network for research and business activities related to quantum computing. Further measures supporting innovative technologies include investments into the more widespread use of artificial intelligence systems in the economy.
- (33) Digitalisation is also addressed as a cross-cutting theme by using digital solutions as part of measures in the RRP to help achieve climate objectives, including through the digitalisation of transport. Likewise, the RRP includes measures supporting the digitalisation of education and in e-health.

### ***Lasting impact***

- (34) In accordance with Article 19(3), point (g), of and Annex V, criterion 2.7, to Regulation (EU) 2021/241, the RRP is expected to have a lasting impact on the Netherlands to a large extent (Rating A).
- (35) As part of its RRP, the Netherlands is structurally addressing the features of its tax system that have been used for aggressive tax planning by extending the coverage of withholding taxes to interests, royalties and dividends paid to low-tax countries. Measures included in the digital component of the RRP are expected to lead to a lasting improvement in the efficiency of public services. The measures included in the RRP are consistent with the agenda of the government expressed in its 2021-2025 coalition agreement. Key reforms of the labour and energy markets as well as of the pension system are expected to have a structural impact on the economy beyond the time frame of the RRF.

- (36) The digital and technology-oriented investments in the RRP are expected to provide benefits to the Dutch economy over the longer term. Future-oriented investments into the digitisation of the Dutch economy, for example through more widespread use of AI or quantum computing, are expected to have a long-lasting impact on competitiveness and productivity, while investments supporting digital skills development are expected to contribute to addressing the shortages of ICT professionals in many sectors of the economy in the medium term. Investments in the supply of housing in the Netherlands are also expected to improve the housing market over the next decade.
- (37) The RRP also contains reforms that provide benefits to the Dutch economy over the longer term. The reform of the pension system is expected to ensure a future-proof and shock resilient pension system for current and future generations. The reform of the ‘Energy Law’ is expected to have a long-term impact on the green transition by providing the legal framework for necessary investments to accommodate the expected increase in the transmission of energy generated by renewable energy sources. The lasting impact of the RRP can also be enhanced through synergies between the RRP and other programmes, including those financed by cohesion policy funds.

### ***Monitoring and implementation***

- (38) In accordance with Article 19(3), point (h), of and Annex V, criterion 2.8, to Regulation (EU) 2021/241, the arrangements proposed in the RRP are adequate (Rating A) to ensure effective monitoring and implementation of the RRP, including the envisaged timetable, milestones and targets, and the related indicators.
- (39) The RRP presents the administrative organisation for its implementation and gives an overview of the envisaged monitoring and reporting arrangements and identifies actors and their roles and responsibilities. The Programme Directorate for the RRF in the Ministry of Finance acts as the coordinating body. Programme directorates in line ministries are tasked with the implementation and monitoring of reforms and investments in their fields. The milestones and targets of the measures included in the RRP are planned to be included in an annex to the annual plans of the various ministries.
- (40) The milestones and targets that accompany reform and investment measures included in the RRP are clear and realistic and the proposed indicators for those milestones and targets are relevant, acceptable and robust. Measures included in the RRP are supported by milestones and targets spread throughout the implementation period, although the implementation of a number of key reforms are only planned for 2025 or 2026, while some of the largest investments are expected to take their full effect in 2025 and 2026. Milestones and targets are also relevant for measures already completed which are eligible according to Article 17(2) of Regulation (EU) 2021/241. The satisfactory fulfilment of milestones and targets over time is required to justify a disbursement request.
- (41) Member States should ensure that financial support under the Facility is communicated and acknowledged in line with Article 34 of Regulation (EU) 2021/241. Technical support may be requested under the Technical Support

Instrument established by Regulation (EU) 2021/240 of the European Parliament and of the Council<sup>6</sup> to assist Member States in the implementation of their RRP.

### ***Costing***

- (42) In accordance with Article 19(3), point (i), of and Annex V, criterion 2.9, to Regulation (EU) 2021/241, the justification provided in the RRP on the amount of the estimated total costs of the RRP is to a medium extent (Rating B) reasonable and plausible, is in line with the principle of cost efficiency and is commensurate to the expected national economic and social impact.
- (43) The Netherlands has generally provided detailed breakdowns of individual cost estimates for investments and reforms with an associated cost included in the RRP. The cost assessment shows that most of the costs in the RRP are reasonable and plausible. The evidence supporting cost estimates provides a reasonable explanation of the key cost drivers of the proposed measures, even though the degree and depth of the evidence provided vary across measures. For the most part, previous projects, actual tender data or other comparative cost data for the main cost drivers were presented to serve as a benchmark for the cost estimates. In some cases, details on the methodology and assumptions used to make the cost estimates are limited, hindering a full positive assessment of the cost estimates. The Netherlands has also provided detailed supporting documentation for most measures to underpin the justification and the evidence of the cost estimates. Nevertheless, for some measures the link between the justification and the cost itself is not entirely clear. The Netherlands has provided sufficient information and assurance to ensure that the costs of the RRP are not covered by other Union financing. Finally, the estimated total cost of the RRP is in line with the principle of cost-efficiency and is commensurate to the expected national economic and social impact.

### ***Protection of the financial interests of the Union***

- (44) In accordance with Article 19(3), point (j), of and Annex V, criterion 2.10, to Regulation (EU) 2021/241, the arrangements proposed in the RRP and the additional measures contained in this Decision are adequate (Rating A) to prevent, detect and correct corruption, fraud and conflicts of interests when using the funds provided under that Regulation, and the arrangements are expected to effectively avoid double funding under that Regulation and other Union programmes. This is without prejudice to the application of other instruments and tools to promote and enforce compliance with Union law, including for preventing, detecting and correcting corruption, fraud and conflicts of interest, and for protecting the Union budget in line with Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council<sup>7</sup>.
- (45) The control system and arrangements proposed in the RRP of the Netherlands are based on robust processes and structures used in the existing national framework. Actors and their roles and responsibilities for the performance of the internal control tasks are clearly described in the RRP. A dedicated Programme Directorate for the RRF in the Ministry of Finance is planned to be assigned as the coordinating body and

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<sup>6</sup> Regulation (EU) 2021/240 of the European Parliament and of the Council of 10 February 2021 establishing a Technical Support Instrument (OJ L 57, 18.2.2021, p. 1).

<sup>7</sup> Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council of 16 December 2020 on a general regime of conditionality for the protection of the Union budget (OJ L 433 I, 22.12.2020, p. 1).

as such has the responsibility for the protection of the Union's financial interests. Via sub-declarations, implementing bodies such as ministries, agencies or consortia are to confirm the protection of the Union's financial interest and the validity of the reported data on the milestones and targets. These sub-declarations are to be verified and signed by the financial economic affairs directorates of each ministry. The audit authority 'auditdienst rijk', an independent service within the Ministry of Finance, is to carry out regular audits of the management and control systems including substantive testing.

- (46) The control system and other relevant arrangements, including for the collection and making available of all standardised categories of data set out in Article 22(2) point (d) of Regulation (EU) 2021/241, are adequate with respect to preventing, detecting and correcting corruption, fraud, conflict of interest when using the funds and to avoid double funding under Regulation (EU) 2021/241 and other Union programmes. In addition, a milestone should be established for the development of a central repository system which should store all the information related to the achievement of milestones and targets and the collection and storage of and access to all the data as set out in Article 22(2) point (d) of Regulation (EU) 2021/241. This milestone should be completed before the first payment request is submitted.
- (47) The administrative capacity of the central services charged with the implementation and coordination of the RRP, namely the Programme Directorate in the Ministry of Finance, the audit body and the financial economic directorates of the involved sectoral ministries is adequate to conduct their foreseen roles and tasks. Two milestones have been included with regard to the formal adoption of the legal mandate of the coordinating and audit body involved in the implementation of Regulation (EU) 2021/241. Those milestones should be completed before the first payment request is submitted.

### ***Coherence of the RRP***

- (48) In accordance with Article 19(3), point (k), of and Annex V, criterion 2.11, to Regulation (EU) 2021/241, the RRP includes to a high extent (Rating A) measures for the implementation of reforms and public investment projects that represent coherent actions.
- (49) The RRP presented by the Netherlands is coherent, with consistent, mutually reinforcing reforms and investments, and synergies between the different components. The RRP contains reforms and public investment projects that represent coherent actions. The six components structure the investments and reforms and show their thematic relation and interlinkages well. Coherence is ensured within the components, with investments accompanying relevant reforms, as well as between the different components in the RRP. The components reflect the RRP's overall ambition to boost progress on the twin transition in recovering from the COVID-19 crisis.

### ***Equality***

- (50) The RRP contains measures that are expected to help the Netherlands address the challenges in the area of gender equality and equal opportunities for all. The digital component contains three measures which aim at improving gender equality in the sector by facilitating the labour market participation of women. The labour market measures reducing institutional differences between self-employed and employees aim at levelling the playing field and contribute to fostering equal opportunities. Measures

addressing inequalities in education include reinforced support for schools with students from disadvantaged socio-economic backgrounds to combat learning losses as a result of the COVID-19 pandemic. Support for young people, including from vulnerable groups, is also expected to contribute to more equal opportunities through training activities and career guidance.

### ***Security self-assessment***

- (51) A brief security self-assessment has been provided by the Netherlands in accordance with Article 18(4), point (g), of Regulation (EU) 2021/241 as part of the ‘Groundbreaking IT’ investment measure. This measure concerns the overhaul of the Ministry of Defence’s internal computer systems. It includes the relevant cybersecurity safeguards in accordance with Union and national law. The RRP does not include investments in 5G or very high capacity networks.

### ***Cross-border and multi-country projects***

- (52) The RRP contains a number of investment measures with a significant cross-border dimension. There are no projects implemented jointly with other countries, but several projects are expected to have positive spillover effects to other Member States, such as the investment ‘Aviation in Transition’ which aims at reducing emissions from aviation, and the European Rail Traffic Management System which aims to align the train monitoring system with the European standard for train protection and control.

### ***Consultation process***

- (53) The first concept of the RRP was published on 28 March 2022. During the subsequent consultation process, advice and information was sought from relevant stakeholders. This included meetings with public authorities (municipalities, provinces, water boards (i.e. the organisations responsible for water management in the Netherlands)), social partners and organisations working to promote gender equality and equal opportunities for all. In addition, an online consultation was published where citizens could give input on the first concept of the Dutch RRP. Consultations with stakeholders led to some amendments to the RRP, such as the replacement of the measure ‘Stimulating hybrid heat pumps’ with the measure ‘Investment Subsidy for Sustainable Energy and Energy Saving (ISDE)’, in reaction to comments from co-authorities. To ensure ownership by the relevant actors, it is crucial to involve all local authorities and stakeholders concerned, including social partners, throughout the implementation of the investments and reforms included in the RRP.

### ***Positive assessment***

- (54) Following the positive assessment of the Commission concerning the Dutch RRP with the finding that the RRP satisfactorily complies with the criteria for assessment set out in Regulation (EU) 2021/241, in accordance with Article 20(2) of and Annex V to that Regulation, this Decision should set out the reforms and investment projects necessary for the implementation of the RRP, the relevant milestones, targets and indicators, and the amount made available from the Union for the implementation of the RRP in the form of non-repayable financial support.

### ***Financial contribution***

- (55) The estimated total cost of the RRP of the Netherlands is EUR 4 708 293 000. As the RRP satisfactorily complies with the criteria for assessment set out in Regulation (EU) 2021/241 and, furthermore, as the amount of the estimated total cost of the RRP is

higher than the maximum financial contribution available for the Netherlands, the financial contribution allocated for the Netherlands RRP should be equal to the total amount of the financial contribution available to the Netherlands.

- (56) In accordance with Article 11(2) of Regulation (EU) 2021/241, the calculation of the maximum financial contribution for the Netherlands was updated on 30 June 2022. As such, in accordance with Article 23(1) of that Regulation, an amount for the Netherlands not exceeding the maximum financial contribution referred to in Article 11(1), point (a), of that Regulation should be made available now for a legal commitment by 31 December 2022, and an amount not exceeding the updated maximum financial contribution calculated in accordance with Article 11(2) of that Regulation should be made available for a legal commitment from 1 January 2023 until 31 December 2023.
- (57) The support to be provided is to be financed from the borrowing by the Commission on behalf of the Union on the basis of Article 5 of Council Decision (EU, Euratom) 2020/2053<sup>8</sup>. The support should be paid in instalments once the Netherlands has satisfactorily fulfilled the relevant milestones and targets identified in relation to the implementation of the RRP.
- (58) This Decision should be without prejudice to the outcome of any procedures relating to the award of Union funds under any Union programme other than the Facility or to procedures relating to distortions of the operation of the internal market that may be undertaken, in particular under Articles 107 and 108 of the Treaty on the Functioning of the European Union. It does not override the requirement for Member States to notify instances of potential State aid to the Commission under Article 108 of that Treaty,

HAS ADOPTED THIS DECISION:

*Article 1*  
*Approval of the assessment of the RRP*

The assessment of the RRP of the Netherlands on the basis of the criteria provided for in Article 19(3) of Regulation (EU) 2021/241 is approved.

The reforms and investment projects under the RRP, the arrangements and timetable for the monitoring and implementation of the RRP, including the relevant milestones and targets, the relevant indicators relating to the fulfilment of the envisaged milestones and targets, and the arrangements for providing full access by the Commission to the underlying relevant data are set out in the Annex to this Decision.

*Article 2 Financial contribution*

1. The Union shall make available to the Netherlands a financial contribution in the form of non-repayable support amounting to EUR 4 707 063 471.<sup>9</sup> An amount of EUR 3 929 409 575 shall be available to be legally committed by 31 December

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<sup>8</sup> Council Decision (EU, Euratom) 2020/2053 of 14 December 2020 on the system of own resources of the European Union and repealing Decision 2014/335/EU, Euratom (OJ L 424, 15.12.2020, p. 1).

<sup>9</sup> This amount corresponds to the financial allocation after deduction of the Netherlands' proportional share of the expenses of Article 6(2) of Regulation (EU) 2021/241, calculated in accordance with the methodology of Article 11 of that Regulation.

2022. A further amount of EUR 777 653 896 shall be available to be legally committed from 1 January 2023 until 31 December 2023.

2. The Union financial contribution shall be made available by the Commission to the Netherlands in instalments in accordance with the Annex. The instalments may be disbursed by the Commission in one or several tranches. The size of the tranches shall be subject to the availability of funding.
3. The release of instalments in accordance with the financing agreement shall be conditional on available funding and a decision by the Commission, taken in accordance with Article 24 of Regulation (EU) 2021/241, that the Netherlands has satisfactorily fulfilled the relevant milestones and targets identified in relation to the implementation of the RRP. In order to be eligible for payment, the Netherlands shall complete the milestones and targets no later than 31 August 2026, subject to the entry into force of the legal commitments referred to in paragraph 1.

*Article 3*  
*Addressee*

This Decision is addressed to the Kingdom of the Netherlands.

Done at Brussels,

*For the Council*  
*The President*