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2023/0217 (NLE)

Proposal for a

COUNCIL IMPLEMENTING DECISION

amending Implementing Decision (EU) (ST 10162 2021 INIT; ST 10162 2021 ADD 1) of 6 July 2021 on the approval of the assessment of the recovery and resilience plan for France

{SWD(2023) 236 final}

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Proposal for a

COUNCIL IMPLEMENTING DECISION

amending Implementing Decision (EU) (ST 10162 2021 INIT; ST 10162 2021 ADD 1) of 6 July 2021 on the approval of the assessment of the recovery and resilience plan for France

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[1], and in particular Article 20(1) thereof,

Having regard to the proposal from the European Commission,

Whereas:

(1) Following the submission of the national recovery and resilience plan ('RRP') by France on 28 April 2021, the Commission has proposed its positive assessment to the Council. The Council approved the positive assessment by means of the Council Implementing Decision of 13 July 2021[2].

(2) Pursuant to Article 11(2) of Regulation (EU) 2021/241, the maximum financial contribution for non-repayable financial support of each Member State should be updated by 30 June 2022 in accordance with the methodology provided therein. On 30 June 2022, the Commission presented the results of that update to the European Parliament and the Council.

(3) On 20 April 2023, France submitted a modified national RRP, including a REPowerEU chapter in accordance with Article 21c of Regulation (EU) 2021/241, to the Commission.

(4) The modified RRP also takes into account the updated maximum financial contribution in accordance with Article 18(2) of Regulation (EU) 2021/241 and includes a reasoned request to the Commission to propose to amend the Council Implementing Decision in accordance with Article 21(1) of Regulation (EU) 2021/241 considering the RRP to be partially no longer achievable due to objective circumstances. The modifications to the RRP submitted by France concern 30 measures.

(5) On 12 July 2022, the Council addressed recommendations to France in the context of the European Semester. In particular, the Council recommended that France proceeds

[1] OJ L 57, 18.2.2021, p. 17.

[2] ST 10162 2021 INIT; ST 10162 2021 ADD 1.

with the implementation of its RRP, expands its public investment for the green and digital transitions including by making use of the Recovery and Resilience Facility, and reduce its reliance on fossils fuels, notably by accelerating the deployment of renewable energy sources and boosting energy efficiency. The Council also recommended that France pursue a fiscal policy achieving prudent medium-term fiscal positions, for the period beyond 2023, reform its pension system, addresses the shortage of skills and specific challenges in the education system. Having assessed progress in the implementation of the relevant country-specific recommendations from 2019 and 2020 at the time of submission of the modified national RRP, the Commission finds that full implementation was achieved for the recommendations 2019.4.3 (foster firms' growth) and 2020.3.1 (firms access to finance). Substantial progress has been achieved with respect to the recommendations 2019.1.4 and 2022.1.4 (reform the pension system), 2019.3.1 and 2020.3.8 (investment in R&D), 2019.3.3 and 2020.3.7 (digital infrastructure), 2019.4.1 and 2020.4.3 (simplify the tax system and reduce taxes on production), 2020.1.2 (resilience of the health system), 2020.2.1 and 2020.2.2 (mitigate the employment and social impact of the crisis, including by promoting skills), 2020.3.2 and 2020.3.3 (front-load mature public investment projects and promote private investment to foster the economic recovery), 2020.3.4 (reduce emissions in the transport sector), and 2022.1.2 (expand public investment for the green and digital transitions).

(6) The submission of the modified RRP 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. The summary of the consultations was submitted together with the modified national RRP. Pursuant to Article 19 of Regulation (EU) 2021/241, the Commission assessed the relevance, effectiveness, efficiency and coherence of the modified RRP, in accordance with the assessment guidelines set out in Annex V to that Regulation.

Updates based on Article 18(2) of Regulation 2021/241

(7) The modified RRP submitted by France updates 13 measures to take into account the updated maximum financial contribution. France has explained that, because the maximum financial contribution decreased from EUR 39 368 318 474[3] down to EUR 37 448 495 278[4], it is no longer possible to finance all the measures of the original French RRP. One investment has been removed for a total amount of EUR 250 million, and 12 investments have been downsized for a total amount of EUR 1 662 million. France has explained that certain measures should be removed or downsized due to the decrease in the allocation and some should be downsized taking into account the decrease in the allocation as well as objective circumstances affecting the implementation of those measures.

(8) The modified RRP no longer contains investment C5.I1 (Regional investment funds) contributing to a "fund of funds" aimed at strengthening the competitiveness and investment capacity of SMEs, under component 5: Support to businesses. The

[3] This amount corresponds to the financial allocation after deduction of France's 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.

[4] This amount corresponds to the financial allocation after deduction of France's 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.

description of this measure and its associated milestone and target should therefore be removed from the Council Implementing Decision of 13 July 2021.

(9) Furthermore, the modified RRP submitted by France changes measures under components 2: Ecology and biodiversity, 3: Infrastructure and green mobility, 4: Green energies and technologies, 6: Technological sovereignty and resilience, 7: Digitalisation of State, territories, enterprises, Culture, and 8: Job protection, youth, disability, vocational training to reflect the updated maximum financial contribution. Notably, part of investment C2.I6 (secure water networks) concerning the treatment of sewage sludge under component 2: Ecology and biodiversity, with no direct impact on the related target; part of investment C3.I2 (Support for the purchase of clean vehicles) that concerned the ecological bonus for the purchase of clean heavy duty vehicles, including the removal of target 3-17 under component 3: Infrastructure and green mobility; the first sub-measure of investment C4.I2 (Develop decarbonised hydrogen) that aimed at establishing a mechanism to support renewable and low-carbon hydrogen production, including the removal of targets 4-6 and 4-7; investment C4.I3 (Support plan to the aeronautics sector), including the reduction of targets 4-10 and 4-12, under component 4: Green energies and technologies; investment C6.I1 (Preserving R&D employment), including the reduction of target 6-4 under component 6: Technological sovereignty and resilience; part of investment C7.I1 (Preserving R&D employment), including the reduction of target 7-16; 3 sub-measures of investment C7.I11 (Support for cultural sectors and heritage renovations), i.e. the Press Sector Plan, the Book Sector Plan and the Cinema Sector Plan), including the removal of targets 7-32, 7-33 and 7-34, under component 7: Digitalisation of State, territories, enterprises, Culture; investment C8.I2 (Reskilling through dual training programmes (Pro A), including the reduction of target 8-9; investment C8.I6 (Creation of jobs for youth in the sports sector), including the reduction of target 8-13; investment C8.I9 (State-backed guarantees for student loans), including the reduction of target 8-16; investment C8.I10 (Personalised courses for youth aged 16-18 who do not observe the training requirements), and investment C8.I18 (Digital educational content: platforms for digital content), including the reduction of targets 8-25 and 8-26 under component 8: Job protection, youth, disability, vocational training are changed to decrease the level of required implementation compared to the original plan to reflect the decreased allocation.

(10) The Commission considers that the reasons put forward by France justify the update pursuant to Article 18(2) of Regulation (EU) 2021/241.

Amendments based on Article 21 of Regulation 2021/241

(11) The amendments to the RRP submitted by France because of objective circumstances concern 18 measures.

(12) France has explained that two measures are no longer totally achievable, because supply chain disruptions and high inflation have led to problems in implementation, with an impact on their related targets. This concerns, respectively, reducing target 7.28 of investment C7.I11 (Support for cultural sectors and heritage renovations) under component 7: Digitalisation of State, territories, enterprises, Culture and reducing target 9.12 of investment C9.I3 (Renovation of medical and social establishment) under component 9: Research, Health and Dependence, Territorial cohesion. On this basis, France has requested to decrease the aforementioned targets and to make the aforementioned changes, and the Council Implementing Decision should be amended accordingly.

(13) France has explained that investment C8.I22 (increase of the resources of Pôle Emploi) under component 8: Job protection, youth, disability, vocational training, is no longer totally achievable in its original format, because the COVID-19 crisis has led to the need to modify certain aspects of the measures, with no direct impact on its related target. On this basis, France has requested to amend the description of investment C8.I22 (increase of the resources of Pôle Emploi) under component 8: Job protection, youth, disability, vocational training, and the Council Implementing Decision should be amended accordingly.

(14) France has explained that investment C8.I7 (boarding schools for excellence) under component 8: Job protection, youth, disability, vocational training, is no longer achievable within the timeline of the original RRP, because the COVID-19 crisis and supply chain disruptions have led to significant delays in the implementation. This concerns postponing target 8-14 and amending the description of investment C8.I7 (boarding schools for excellence) under component 8: job protection, youth, disability, vocational training. On this basis, France has requested to extend the implementation timeline and to make the aforementioned changes, and the Council Implementing Decision should be amended accordingly.

(15) France has also explained that three measures are no longer totally achievable within the original timeline, because of high inflation. This concerns, respectively, amending the description of investment C3.I5 (Greening of the State car fleet) and postponing target 3-30 of investment C3.I6 (Greening of harbours) under component 3. Infrastructure and green mobility and modifying targets 9-8 and 9-9 of investment C9.I2 (Modernisation and restructuring of hospitals and care supply) under component 9: Research, Health and Dependence, Territorial cohesion. On this basis, France has requested to extend the implementation timeline of the aforementioned targets and to make the aforementioned changes, and the Council Implementing Decision should be amended accordingly.

(16) France has explained that three measures are no longer totally achievable in their original format because unexpected legal or technical difficulties have led to the need to modify or abandon certain aspects of the measures in order to implement more adequate or efficient solutions. This concerns, respectively, amending milestone 1-2 and the description of reform C1.R1 (housing reform) under component 1: Buildings renovation, amending milestone 6-8 and the description of investment C6.I3 (support to innovative businesses) under component 6: Technological sovereignty and resilience, and amending target 7-21 of investment C7.I4 (Digital upgrade of the State Digital ID) under component 7: Digitalisation of State, territories, enterprises, Culture. On this basis, France has requested to amend the aforementioned milestones and targets and to make the aforementioned changes, and the Council Implementing Decision should be amended accordingly.

(17) France has explained that four measures are no longer totally achievable because unexpected legal or technical difficulties have led to significant delays in the implementation of the measure, with no impact on the original ambition of the measure. This concerns, respectively, changing the description of investment C1.I2 (Energy renovation and major rehabilitation of social housing) under component 1: Buildings renovation, adjusting milestone 2-3 of reform C2.R2 (Law on circular economy), for which an additional milestone 2-3 bis is introduced, changing the description of investment C2.I5 (Prevention of seismic risks in the DOM (Antilles)) under component 2: Ecology and biodiversity, and postponing target 7-30 of investment C7.I11 (Support for cultural sectors and heritage renovations) under

component 7: Digitalisation of State, territories, enterprises, Culture. On this basis, France has requested to extend the implementation timeline of the aforementioned milestones and targets and to make the aforementioned changes, and the Council Implementing Decision should be amended accordingly.

(18) France has explained that four measures have been modified to implement better alternatives in order to achieve the original ambition of the measure. This concerns, respectively, amending the description of the measure and milestone 1-3 of reform C1.R2 (thermal regulation) under component 1: Buildings renovation for which an additional milestone 1-3 bis is introduced, i), amending the description of reform C2.R1 (Climate & Resilience Law) under component 2: Ecology and biodiversity, removing the related milestone 2-2 that proved irrelevant and is replaced by a target related to the number of low-emissions zones in cities, reflecting the degree of implementation of this reform, amending the description of investment C7.I8 (Administrative continuity: digital upgrading of the administration of the education system) under component 7: Digitalisation of State, territories, enterprises, Culture to reflect a change in the scope of the measure, and amending the description of investment C8.I6 (Creation of jobs for youth in the sports sector) under component 8: Job protection, youth, disability, vocational training to reflect a change in the scope of the measure. On this basis, France has requested to amend/add the aforementioned milestones and to make the aforementioned changes, and the Council Implementing Decision should be amended accordingly.

(19) France has requested to increase the ambition of one measure to improve the monitoring of its implementation. This concerns milestone with a sequential number 7-14a of measure C7.R5 (Assessment of the quality of public spending) under component 7: Digitalisation of State, territories, enterprises, Culture. On this basis, France has requested to add the milestone of this measure to the plan and the Council Implementing Decision should be amended accordingly.

(20) The Commission considers that the reasons put forward by France justify the amendment pursuant to Article 21(2) of Regulation (EU) 2021/241.

Corrections of clerical errors

(21) 60 clerical errors have been identified in the text of the Council Implementing Decision, affecting 27 milestones and targets and 39 measures. The Council Implementing Decision should be amended to correct those clerical errors that do not reflect the content of the RRP submitted to the Commission on 21 April 2021, as agreed between the Commission and France. Those clerical errors relate to investment C1.I2, and milestone 1-13 of measure C1.I4 under component 1: Buildings renovation; measures C2.I4, C2.I7, C2.I8, target 2-16 of measure C2.I9 under component 2: Ecology and biodiversity; measure C3.I1, measure C3.I4 and milestone 3-26, measure C3.I6 and target 3-30 and milestone 3-31 and measure C3.I7 and milestone 3-32 under component 3 Infrastructure and green mobility; measure C4.I3 and target 4-11 under component 4: Green energies and technologies; milestone 5-2 and measure C5.R2 under component 5: Support to businesses; measure C6.R1 of component 6 Technological sovereignty and resilience; milestones 7-1 and 7-2 of measure C7.R1, target 7-16 and measure C7I1, target 7-18 of measure C7.I2, target 7-23 and measure C7.I6, measures C7.I7, C7.I8 and C7.I9, milestone 7-31 and measure C7.I11 under component 7 Digitalisation of State, territories, enterprises, Culture; measure C8.R1, target 8-7 of measure C8.R4, target 8-8 and measure C8.I1, measure C8.I6, measure C8.I7, target 8-17 and measure C8.I10, target 8-18 of measure C8.I11, target 8-20 and

measure C8I13, target 8-21 and measure C8.I14, measure C8.I17, target 8-27 and measure C8.I19, target 8-28 of measure C8.I20, target 8-30 of measure C8.I21, measure C8.I22 under component 8 Job protection, youth, disability, vocational training; measure C9.I1, targets 9-7, 9-8, 9-9 and 9-10 and measure C9.I2, measures C9.I4, C9.I5 and C9.I7 under component 9 Research, Health and Dependence, Territorial cohesion. Those corrections do not affect the implementation of the measures concerned.

The REPowerEU chapter based on Article 21c of Regulation 2021/241

(22) The REPowerEU chapter includes three new reforms and three new investments. The reforms concern the recently adopted law on the acceleration of renewable energy production, the 'energy sobriety plan' adopted in October 2022 which aims at reducing energy consumption by 10% by 2024 (in comparison to the winter 2018-2019), and the setting up of a General Secretariat for Ecological Planning. These reforms effectively contribute to the REPowerEU objectives, as set out in Article 21c(3) of Regulation (EU) 2021/241: in particular, the law on renewables facilitates the granting of permits and defines 'acceleration zones' conducive to the rapid deployment of renewables. It therefore contributes to the greening of the energy mix and increase the electricity production. The 'energy sobriety plan' contributes to the overall reduction of energy consumption in France and helps achieve immediate security of supply. With its planning and coordination role, the General Secretariat steers national strategies in the field of ecological transition, including the fight against energy poverty with the revision of support schemes for the energy renovation of modest households.

(23) Three new investments under the REPowerEU chapter include (i) the decarbonisation of industry, (ii) the production and uptake of renewable and fossil-free hydrogen, and (iii) the renovation of public buildings belonging to the State. The first investment is supporting the production of industrial heat based on biomass in order to replace fossil fuels, energy efficiency and changing production processes in the industrial sector; therefore, contributing to the objective of article 21c(3), point (b) of Regulation (EU) 2021/241. The second investment supports four projects selected under an IPCEI, that contribute to the development and production of light utility vehicles using hydrogen, to the manufacturing of hydrogen fuel cell components and technologies for the production of renewable and fossil-free hydrogen, in line with art. 21c(3), points (b) and (e) of that Regulation. The third investment is supporting the energy renovation of public buildings belonging to the State with the aim of reducing, in the very short term, energy consumption and dependence on fossil fuels of the State's building stock, in line with art. 21c (3), point (b) of that Regulation.

(24) The REPowerEU chapter also includes one scaled-up measure under component 1 (buildings renovation): the energy renovation of private housing, including thermal sieves. This scaled-up measure included in the REPowerEU chapter introduces a substantive improvement in the level of ambition of the investment already included in the national RRP: the support scheme called "MaPrimeRenov", which finances energy renovation of private housing is currently being revised in order to improve energy efficiency of the works and accelerate the gradual elimination of thermal sieves.

(25) The Commission has assessed the modified RRP including the REPowerEU chapter against the assessment criteria laid down in Article 19(3) of Regulation 2021/241.

Balanced response contributing to the six pillars

(26) In accordance with Article 19(3), point (a), of and Annex V, criterion 2.1, to Regulation (EU) 2021/241, the modified RRP including the REPowerEU chapter 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.

(27) The range of actions of the modified RRP including the REPowerEU chapter corresponds to the objectives of the Facility with an appropriate overall balance between pillars. Allocations to the green and digital transitions (of respectively 49.5% and 21.6%) exceed the requirements of Regulation (EU) 2021/241 (respectively 37% and 20%), and the modified plan therefore contributes to these pillars significantly.

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

(28) In accordance with Article 19(3), point (b), of and Annex V, criterion 2.2, to Regulation (EU) 2021/241, the modified RRP including the REPowerEU chapter 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 France, including fiscal aspects thereof, or challenges identified in other relevant documents officially adopted by the Commission in the context of the European Semester in 2019, 2020 and 2022. In particular, the modified RRP takes into account the energy-related country-specific recommendations of 2022.

(29) The modified 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 France by the Council in the context of the European Semester in 2019 and 2020, notably to foster the labour market integration and address the shortage of skills (CSRs 2019.2, 2020.2); improve connectivity across the territory (CSRs 2019.3.3, 2020.3.7); increase the resilience of the health system (CSR 2020.1.2); decrease emissions in the transport sector in (CSR 2020.3.4); invest and simplify R&D (CSRs 2019.3.1, 2020.3.8).

(30) The REPowerEU chapter is expected to contribute to reinforcing the ambition of the plan as regard to the relevant CSRs addressed in the field of energy and green transition. Notably, efforts in energy efficiency and fossil fuel reliance reduction (CSRs 2019.3.2, 2020.3.5, 2022.4.1, 2022.4.3) are to be considerably increased with the scale-up and new measures on energy renovation of buildings (private housing and State buildings), as well as the decarbonisation of industry (measure 'Fossil-free industry'). The IPCEI on hydrogen is also expected to contribute to developing and increasing the demand for renewable energy sources (CSRs 2019.3.2, 2020.3.5, 2022.4.2) and to the decarbonisation of transports (CSR 2020.3.4). The law on the acceleration of renewable energy production is expected to contribute to foster the deployment of renewable energies and improve the legal framework, as mentioned in CSR 2022.4.2.

(31) The removal of the sub-measure 'support to the production of decarbonised hydrogen' (sub-measure of C4.I2) is counterbalanced by additional projects in the hydrogen sector under the REPowerEU chapter. These projects are expected to contribute indirectly to fostering the deployment of renewable energies by increasing the demand, hence contributing to CSRs 2019.3.2 and 2020.3.5. In the initial plan's

assessment, the removed measure 'contribution to regional investment funds' (C5.I1) was considered relevant to achieve CSR 2020.3.1. This challenge is currently assessed as 'fully implemented' and thus not considered as relevant for the revised RRP assessment.

(32) The modified RRP includes an additional milestone on the annual assessment of the measures taken to improve the quality of public spending (milestone 7-14a), due by 2025. This is expected to provide further assurance as to the effective implementation of France's new spending review mechanism, to ensure that, as of 2023, regular public expenditure evaluations are duly conducted and their results factored into financial laws, so that they translate into expenditure savings and efficiency gains.

(33) By addressing the aforementioned challenges, the modified RRP is expected to also contribute to correcting the imbalances, as identified in recommendations made pursuant to Article 6 of Regulation (EU) No 1176/2011 in 2019 and 2020 that France is experiencing, in particular with regard to high public debt and weak competitiveness dynamics in a context of low productivity growth.

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

(34) In accordance with Article 19(3), point (c), of and Annex V, criterion 2.3, to Regulation (EU) 2021/241, the modified RRP including the REPowerEU chapter is expected to have a high impact (Rating A) on strengthening the growth potential, job creation, and economic, social and institutional resilience of France, 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.

(35) The initial assessment of the RRP, in accordance with Article 19(3), point (c), of and Annex V, criterion 2.3, to Regulation (EU) 2021/241 found that the RRP is expected to have a high impact on strengthening the growth potential, job creation, and economic, social and institutional resilience of France, on 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. (Rating A).

(36) 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 France by 0.3 to 0.7 by 2026, not including the possible positive impact of structural reforms, which can be substantial.

(37) The RRP, as adopted, included significant investments and reforms to address social challenges and improve social cohesion and integration of some vulnerable groups (disadvantaged youth, persons with disabilities and elderly people). To foster educational attainment and labour market integration measures included notably support to apprenticeships, targeted hiring subsidies, programmes to prevent early leaving from education and training, the development of boarding schools, support to the public employment service and investments in access to up and re-skilling opportunities, in line with labour market needs. To support access to health services, the adopted plan also included investments in the modernisation and the digitalisation

of the health system. Some investments such as in social housing renovation aimed at reducing energy poverty.

(38) As part of the amendment of the RRP, the envelope dedicated to some of the above-mentioned social and employment investments has been reduced impacting proportionally their expected outcome. The amended targets reflect these changes. However, the initial positive assessment of the social impact of the plan on social cohesion remains unchanged. In particular, the plan still addresses the relevant social and employment challenges such as increasing employment, reinforcing labour market integration, and increasing skills of the workforce.

Do no significant harm

(39) In accordance with Article 19(3), point (d), of and Annex V, criterion 2.4, to Regulation (EU) 2021/241, the modified RRP including the REPowerEU chapter is expected to ensure that no measure (Rating A) for the implementation of reforms and investments projects included in this RRP does significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852 of the European Parliament and of the Council[5] (the principle of 'do no significant harm').

(40) Changes introduced in measures through the revision of the plan do not affect the assessment carried out for the original version of the RRP, which remains the same.

(41) For what concerns the new reforms and investments introduced in the REPowerEU chapter, France provided a systematic assessment of each measure against the principle of 'do no significant harm' in line with the Do No Significant Harm Technical Guidance (2021/C58/01) and, for instance, by providing justifications on the modalities of application of the existing Union and French legislative framework to avoid any significant harm. The information provided allows to conclude that the modified plan is expected to ensure that no measure does significant harm.

Contribution to the REPowerEU objectives

(42) In accordance with Article 19(3), point (da), of and Annex V, criterion 2.12, to Regulation (EU) 2021/241, the REPowerEU chapter is expected to effectively contribute to a large extent (Rating A) to energy security, the diversification of the Union's energy supply, an increase in the uptake of renewables and in energy efficiency, an increase of energy storage capacities or the necessary reduction of dependence on fossil fuels before 2030.

(43) The implementation of the measures included in the REPowerEU chapter are expected to contribute notably to supporting the objectives in Article 21c (3), points (b) and (e) of Regulation (EU) 2021/241. By scaling-up the measure C1.I1 Energy renovation of private housing (C10.I4) and by adding a new measure on the renovation of public buildings belonging to the State with the very short-term objective of reducing energy demand by winter 2023-2025 (C10.I3), and introducing a new reform aiming at reducing the energy consumption of all sectors in France (Plan de sobriété énergétique), the REPowerEU chapter reinforced the ambition to effectively improve energy efficiency in buildings in line with the objectives set out in article 21c(3), point (b) of that Regulation. In particular, the scale-up of the measures regarding the energy renovation of private housing (C1.I1), with MaPrimeRenov providing a better

[5] 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).

coverage for vulnerable households, will help, together with the new 'Energy Sobriety plan', to address energy poverty, in line with the objective set out in article 21(3), point (c) of that Regulation. The measure 'Fossil-free industry' aims at accelerating the decarbonisation of the industry and addresses objective from article 21c(3), point (b) and (d) of that Regulation. The four projects included in the investment IPCEI on hydrogen aim at contributing to the increase of production and uptake of renewable and fossil-free hydrogen and contribute to the objectives of Article 21c(3), points (b) and (e) of that Regulation. By introducing a reform aiming at simplifying permitting procedures for the deployment of renewables, the plan aims at accelerating the deployment of renewable energy and contributes to objective from article 21c(3), point (b) of that Regulation, that is, diversification of the Union's energy supply by increasing the share and accelerating the deployment of renewable energy. The creation of a General Secretariat for Ecological Planning (SGPE) is also expected to increase policy consistency and improve the coordination and implementation of the national strategies for climate and energy, ensuring compliance with France's European commitments.

(44) The REPowerEU chapter is coherent with France's commitment to reducing greenhouse gas emissions. The measures reinforce those included in the original RRP on energy efficiency, by increasing the pace for energy renovation for both households and industry.

(45) The REPowerEU chapter also addresses the need to diversify away from fossil fuels by accelerating the deployment of renewable energy and support innovation for the uptake of fossil-free and renewable hydrogen, thus increasing France's energy security of supply.

Measures having a cross-border or multi-country dimension or effect

(46) In accordance with Article 19(3), point (db), of and Annex V, criterion 2.13, to Regulation (EU) 2021/241, the measures included in the REPowerEU chapter are expected to a large extent (Rating A) to have a cross-border or multi-country dimension or effect.

(47) The investment "IPCEI hydrogen" is a project with a multi-country and cross-border dimension, with the exception of the project related to the development of zero-emission vehicles. In addition, with the investment related to the energy renovation of public buildings, and the scaled-up measure C10.I4 Energy renovation of private housing, the revised plan contributes to increasing the pace of renovation of buildings with the goal to reducing dependency on fossil fuels and to reducing energy demand. These measures are complemented by the "Zero fossil industry" which also aims at reducing the dependency on fossil fuels and to reducing energy demand of the industry sector.

(48) The total costs of these measures account for a total of EUR 2.6 billion representing more than 30% of the estimated costs of the REPowerEU chapter.

Contribution to the green transition including biodiversity

(49) In accordance with Article 19(3), point (e), of and Annex V, criterion 2.5, to Regulation (EU) 2021/241, the modified RRP including the REPowerEU chapter, 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 49.5% of the RRP's total allocation and 91.6% of the total estimated costs of measures in the

REPowerEU chapter calculated in accordance with the methodology set out in Annex VI to that Regulation. In accordance with Article 17 of Regulation (EU) 2021/241, the modified RRP including the REPowerEU chapter is consistent with the information included in the National Energy and Climate Plan 2021-2030.

(50) The measures withdrawn or reduced do not impact the overall ambition of the plan regarding the green transition while the REPowerEU chapter brings a significant effort to supporting further the green transition of France, since all the reforms and investments contribute integrally to reducing the reliance on fossil fuels, increasing energy efficiency and improving the regulatory framework enabling the fight against climate change.

(51) The modified RRP including the REPowerEU chapter continues to significantly contribute to the green transition, including biodiversity, as well as to the achievement of the Union 2030 climate targets while complying with the objective of EU climate neutrality by 2050.

Contribution to the digital transition

(52) In accordance with Article 19(3), point (f), of and Annex V, criterion 2.6, to Regulation (EU) 2021/241, the modified RRP contains measures that contribute to a large extent to the digital transition or to addressing the challenges resulting from it. The measures supporting digital objectives account for an amount which represents 21.6% of the modified RRP's total allocation calculated in accordance with the methodology set out in Annex VII of that Regulation.

(53) The revision of the plan did not impact its ambition towards the digital transition as well as the initial assessment. The modified RRP continues to significantly contribute to the digital transition of the businesses, the administration and to increasing the digital skills of the workforce, the pupils, and the population, with an expected lasting impact.

Lasting impact

(54) In accordance with Article 19(3), point (g), of and Annex V, criterion 2.7, to Regulation (EU) 2021/241, the modified RRP including the REPowerEU chapter is expected to have a lasting impact on France to a large extent (Rating A).

(55) The initial assessment of the RRP, in accordance with Article 19(3), point (g), of and Annex V, criterion 2.7, to Regulation (EU) 2021/241 found that the RRP was expected to have a lasting impact on France to a large extent (Rating A).

(56) The modified RRP plan does not reduce the ambition of the initial plan as a whole. It takes into account the reduced allocation, the prolonged impact of the COVID-19 crisis, inflation and supply chain disruptions, as well as some unexpected legal or technical difficulties or the availability of better alternatives for the implementation of some measures - and includes a new REPowerEU chapter which, in addition to the existing measures, is also expected to have lasting positive effects on the French economy and further boost its green transition. In particular, the REPowerEU measures are expected to contribute to the green transition by supporting France's decarbonisation effort, energy transition and the reduction of its energy dependence. The REPowerEU measures for the decarbonisation of industry and energy renovation of private housing, and public buildings are expected to have a lasting impact on the reduction of greenhouse gas emissions and energy poverty. The REPowerEU chapter shall also contribute to the financing of the IPCEI (Important Project of Common European Interest) on hydrogen, contributing to the development of the renewable and

fossil-free hydrogen production and consumption pathway with an expected long-lasting impact on reducing long-term emissions. The scaled-up measure in the REPowerEU chapter of the revised plan also help extend France's green transition ambitions by further the energy renovation of private housing (C1.I1). The lasting impact of the plan can also be enhanced through synergies between the RRP and other programmes, including those financed by cohesion policy funds, in particular by addressing in a substantive manner territorial challenges and promoting a balanced development.

(57) Reforms included in the REPowerEU chapter are expected to have a long-lasting impact on France by helping to reduce energy consumption of all sectors in France under the 'energy sobriety plan' (*Plan de sobriété énergétique*), simplifying permitting procedure for renewables under the law on the acceleration of renewable energy production (*Loi d'accélération de la production des énergies renouvelables*), and establishing the General Secretariat for Ecological Planning (SGPE), increasing policy consistency and supporting France's commitment to European objectives.

Monitoring and implementation

(58) 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 modified RRP including the REPowerEU chapter are adequate (Rating A) to ensure effective monitoring and implementation of the RRP, including the envisaged timetable, milestones and targets, and the related indicators.

(59) The nature and extent of the proposed modifications to France's RRP do not have an impact on the previous assessment of the effective monitoring and implementation of the RRP. The milestones and targets that accompany the modified measures, including those in the REPowerEU chapter, are clear and realistic and the proposed indicators for those milestones and targets are relevant, acceptable and robust.

Costing

(60) 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 modified RRP including the REPowerEU chapter 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.

(61) For the costing assessment of the original plan in 2021, France generally provided breakdowns of costs for the measures, with references to earlier similar projects or studies carried out to justify cost figures and adequate explanations of the methodology used to establish total costs. The justification provided in the original plan on the amount of the estimated total costs of the RRP was to a medium extent reasonable and plausible, in line with the principle of cost-efficiency and was commensurate to the expected national economic and social impact and obtained a 'B' rating at the time.

(62) For the measures that were downscaled in the revised plan to cater for the decrease in allocation (Article 18 of the RRF Regulation), the modified costs were assessed where the decrease of estimated costs was not proportional to the decrease in the relevant milestones or targets. France generally provided good quality methodologies and supporting documentation which evidenced that the cost modifications were reasonable and plausible. This concerned measures C2.I6 Securing water networks, C7.I1 Digital upgrade of companies, C8.I6 Creation of jobs for young people in sports,

C8.I9 State guarantees for student loans, C8.I10 Personalised pathways for NEET youth aged 16-18, C8.I2 Reskilling through dual training programmes (Pro A), and C8.I18 Digital educational content: platforms for digital content. Two measures were downscaled in a direct proportional manner between the estimated costs and the new or revised target (C4.I3 Support plan to aeronautics and C6.I1 Preservation of R&D employment). Entire measures or sub-measures were withdrawn with well identified costs in the initial assessment (heavy vehicles sub-measure of C3.I2 Support for clean vehicles, production mechanism of C4.I2 Develop decarbonised Hydrogen, C5.I1 Regional investment funds, press, book, and cinema sector plans from C7.I11 Culture). For measures where the description or the target was revised, invoking a change in cost compared to the initial plan (e.g. inflation), France provided detailed calculation and supporting evidence of the changes. It concerned measures C3.I5 Greening the State's car fleet, C7.I11 Culture (sub-measure Cathedrals and national historical monuments), and C9.I3 Renovation of medico-social establishments. For the measures in the REPowerEU chapter, the assessment of the cost estimates and supporting documents show that most of the costs are reasonable and plausible. The costs of the scaled-up measure were demonstrated as proportional. Full costs demonstration was provided for the new measures. However, the fact that sometimes the methodology used is not sufficiently well explained and the link between the justification, the supporting evidence and the cost itself is not fully clear precludes an A rating for this assessment criterion. 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

(63) 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 initial RRP were considered 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 were expected to effectively avoid double funding under that Regulation and other Union programmes. The nature and extent of the proposed modifications to France's recovery and resilience plan do not impact the positive assessments as the new investments and reforms included in the REPowerEU chapter are to be subject to the same audit and control procedures as the ones currently in place for the other measures of the plan. 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[6].

Coherence of the RRP

(64) In accordance with Article 19(3), point (k), of and Annex V, criterion 2.11, to Regulation (EU) 2021/241, the modified RRP including the REPowerEU chapter includes to a high extent (Rating A) measures for the implementation of reforms and public investment projects that represent coherent actions.

(65) The original French RRP is structured around nine coherent components, which support the common objectives to stimulate the recovery of the French economy, to contribute to the green and digital transition and to improve France's resilience.

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Therefore, the RRP contributes to France's sustainable and inclusive growth. Each component is built around consistent packages of both reforms and investments, with measures that are mutually reinforcing or complementary. Synergies also exist across the various components and no measure contradicts or undermines the effectiveness of another.

(66) The modification amends the nine existing components, and brings an additional (10th) component, the REPowerEU chapter. The modifications made to the existing chapters do not alter the overall coherence of the plan, taking into account the way the components are mutually reinforcing and complementary. The additional component related to REPowerEU's objectives brings an additional coherence layer as it includes new and scaled-up measures following three complementary axes focused on energy. These three axes are: the development of innovative hydrogen technologies, investment in building energy efficiency and promoting renewable energy and fossil free industry. The components of the modified plan are built around consistent packages of both reforms and investments.

Consultation process

(67) In accordance with its national legal framework, France conducted a series of consultations with relevant stakeholders to discuss the amendments to Regulation (EU) 2021/241 as well as the content of its modified RRP. Local and regional authorities were formally consulted on the reforms and investments envisaged under the new REPowerEU chapter on 30 March 2023. Social partners, including representatives of professional organisations, were also consulted on the same day through the Economic, Social and Environmental Council (CESE) and the Social Dialogue Committee for European and International Affairs (CDSEI).

(68) 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 modified RRP, including the REPowerEU chapter.

Positive assessment

(69) Following the positive assessment of the Commission concerning the modified RRP including the REPowerEU chapter, with the finding that the plan 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, the reforms and investment projects necessary for the implementation of the modified RRP including the REPowerEU chapter, the relevant milestones, targets and indicators, and the amount made available from the Union for the implementation of the modified RRP including the REPowerEU chapter in the form of non-repayable financial support should be set out.

Financial contribution

(70) The estimated total costs of the modified RRP including the REPowerEU chapter of France is EUR 41 864 300 141. As the amount of the estimated total costs of the modified RRP is higher than the updated maximum financial contribution available for France, the financial contribution calculated in accordance with Article 11 allocated for France's modified RRP including the REPowerEU chapter should be equal to the total amount of the financial contribution available for France's modified RRP including the REPowerEU chapter. This amount is equal to EUR 37 448 495 278.

(71) Pursuant to Article 21a(5) of Regulation (EU) 2021/241, on 20 April 2023 France submitted a request for the allocation of the revenue referred to in Article 21a (1) of that Regulation, shared between Member States on the basis of the indicators set out in the methodology in Annex IVa to Regulation (EU) 2021/241.The estimated total costs of the measures referred to in Article 21c(3), points (b) to (f) included in the REPowerEU chapter is EUR 2 826 330 141. As this amount is higher than the allocation share available for France, the additional non-repayable financial support available for France should be equal to the allocation share. This amount is equal to EUR 2 317 477 900.

(72) Additionally, in accordance with Article 4a of Regulation (EU) 2021/1755 of the European Parliament and of the Council[7], on 1 March 2023 France submitted a reasoned request to transfer part of its remaining provisional allocation from the resources of the Brexit Adjustment Reserve to the Facility, amounting to EUR 504 000 000. That amount should be made available to support the reforms and investments in the REPowerEU chapter as additional non-repayable financial support. The amount already paid as pre-financing should be made available once it is recovered.

(73) The total financial contribution available to France should be EUR 40 269 973 178.

REPowerEU Pre-financing

(74) France has requested the following funding for the implementation of its REPowerEU chapter: EUR 2 821 477 900 in the form of financial contribution calculated in accordance with Article 11, transfer of EUR 504 000 000 from the provisional allocation from the resources of the Brexit Adjustment Reserve, and EUR 2 317 477 900 from the revenue from the Emissions Trading System under Directive 2003/87/EC of the European Parliament and of the Council.

(75) For those amounts, pursuant to Article 21d of Regulation (EU) 2021/241, on 20 April 2023 France has requested pre-financing of 20% of the funding requested. Subject to available resources, that pre-financing should be made available to France subject to the entry into force of, and in accordance with, an agreement to be concluded between the Commission and France pursuant to Article 23(1) of Regulation (EU) 2021/241 (the 'financing agreement').

(76) Council Implementing Decision ST 10162 2021 INIT; ST 10162 2021 ADD 1) of 6 July 2021 on the approval of the assessment of the RRP for France should therefore be amended accordingly. For the sake of clarity, the Annex to that Implementing Decision should be replaced entirely,

HAS ADOPTED THIS DECISION:

Article 1

Implementing Decision (EU) ST 10162 2021 INIT; ST 10162 2021 ADD 1) of 6 July 2021 is amended as follows:

(1) Article 1 is replaced by the following:

“Article 1

[7] Regulation (EU) 2021/1755 of the European Parliament and of the Council of 6 October 2021 establishing the Brexit Adjustment Reserve (OJ L 357 8.10.2021, p. 1).

The assessment of the modified RRP of France 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.";

(2) In Article 2, paragraphs 1 and 2 are replaced by the following:

"1. The Union shall make available to France a financial contribution in the form of non-repayable support amounting to EUR 40 269 973 178[8]. That contribution includes:

1. an amount of EUR 24 323 387 303 that shall be available to be legally committed by 31 December 2022;
2. an amount of EUR 13 125 107 975 that shall be available to be legally committed from 1 January 2023 until 31 December 2023;
3. an amount of EUR 2 317 477 900[9], in accordance with Article 21a(6) of Regulation (EU) 2021/241, exclusively for measures referred to in Article 21c of that Regulation, with the exception of measures referred to in Article 21c (3), point (a);
4. an amount of EUR 504 000 000, transferred from the Brexit Adjustment Reserve to the Facility. The amount already paid as pre-financing under Regulation (EU) 2021/1755 shall be made available once it is recovered.
5. The Union financial contribution shall be made available by the Commission to France in instalments in accordance with the Annex to this Decision. An amount of EUR 4 868 304 386 shall be made available as pre-financing in accordance with Article 13 of Regulation (EU) 2021/241.
6. An amount of EUR 564 295 580 shall be made available as pre-financing in accordance with Article 21d of Regulation (EU) 2021/241. That pre-financing may be disbursed by the Commission in up to two payments.
7. The pre-financing and 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 Annex is replaced by the text in the Annex to this Decision:

[8] This amount corresponds to the financial allocation after deduction of France's 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.

[9] This amount corresponds to the financial allocation after deduction of France's 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.

Article 2

This Decision is addressed to the Republic of France.

Done at Brussels,

For the Council
The President