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Subject:	COUNCIL IMPLEMENTING DECISION amending Implementing Decision of 4 May 2022 on the approval of the assessment of the recovery and resilience plan for Sweden

COUNCIL IMPLEMENTING DECISION

of …

amending Implementing Decision of 4 May 2022
on the approval of the assessment of the recovery and resilience plan for Sweden

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,

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

Whereas:

(1) Following the submission of the national recovery and resilience plan ('RRP') by Sweden on 28 May 2021, the Commission proposed its positive assessment to the Council. On 4 May 2022, the Council approved the positive assessment by means of an implementing decision ('the Council Implementing Decision of 4 May 2022')[1].

(2) Pursuant to Article 11(2) of Regulation (EU) 2021/241, the maximum financial contribution for non-repayable financial support of each Member State was to 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 to the Council.

(3) On 24 August 2023, Sweden 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. The modifications to the RRP submitted by Sweden concern one measure.

[1] See documents ST 7772 2022 and ST 7772 2022 ADD 1 at http://register.consilium.europa.eu.

(5) On 14 July 2023, the Council addressed recommendations to Sweden in the context of the European Semester.The Council recommended that Sweden, inter alia, proceed with the steady implementation of its RRP and swift finalisation of the REPowerEU chapter, and reduce its reliance on fossil fuels, in particular by accelerating the deployment of renewables, including by expanding and upgrading energy transmission networks, streamlining permitting procedures, improving energy efficiency and improving the provision and acquisition of skills needed for green transition and transport. The recommendations also include improving the educational outcomes of pupils with disadvantaged socio-economic and migrant backgrounds and developing skills of disadvantaged groups. The Council also recommended that Sweden maintain a sound fiscal position in 2024, preserve nationally financed public investment and reduce risks related to high household debt and housing market imbalances.

(6) The submission of the modified RRP followed, where relevant, a consultation process with relevant stakeholders conducted in accordance with the national legal framework. 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 (EU) 2021/241

(7) The modified RRP submitted by Sweden updates one measure to take into account the updated maximum financial contribution. After the update, Sweden's maximum financial contribution has been decreased from EUR 3 288 516 389[1] to EUR 3 181 236 549[1].

(8) Thus, the required level of implementation of one investment has been decreased to reflect the decreased allocation. The modified RRP submitted by Sweden changes one measure under component 1 (Green recovery) to reflect the updated maximum financial contribution. In particular, target 11 and milestone 12 of investment 4 (Strengthened railway support) under component 1 are removed to decrease the level of required implementation compared to the original RRP to take into account the decreased allocation. The Council Implementing Decision of 4 May 2022 should be amended accordingly.

[1] This amount corresponds to the financial allocation after deduction of Sweden'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.

Corrections of clerical errors

(9) A total of 22 clerical errors have been identified in the text of the Council Implementing Decision of 4 May 2022, affecting 11 measures. The Council Implementing Decision of 4 May 2022 should be amended to correct those clerical errors that do not reflect the content of the RRP submitted to the Commission on 28 May 2021, as agreed between the Commission and Sweden. Those clerical errors relate to investment 1 (Local and regional climate investments – Climate Leap), investment 2 (Climate investments in the industrial sector – Industry Leap), investment 3 (Energy efficiency in multi-dwelling buildings), investment 5 (Protection of valuable nature) and reform 3 (Adjusted taxable benefit rates for company cars) under component 1 (Green recovery), investment 3 (Resources to meet demands for education at universities and other higher education institutions) and reform 2 (Employment protection act and greater transition possibilities) under component 2 (Education and transition), investment 1 (Elderly care initiative), reform 1 (Regulating the professional title of nursing assistants) and reform 5 (Ensuring an effective and efficient implementation of the Recovery and Resilience Plan) under component 3 (Better conditions for addressing demographic challenges), and investment 1 (Investment aid for rental and student housing) under component 5 (Investment for growth and housing). Those corrections do not affect the implementation of the measures concerned.

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

(10) The REPowerEU chapter includes one new reform and two scaled-up investments. The reform aims to accelerate the authorisation process for electricity grid construction with a view to strengthening internal electricity networks within Sweden and addressing national and cross-border bottlenecks in electricity transmission and distribution. In particular, the reform simplifies administrative procedures related to the construction of electricity network infrastructure by amending relevant provisions of the Swedish Environmental Code and Electricity Act. The scaled-up measures affect one measure under component 1 (Green recovery) and one measure under component 5 (Investment for growth and housing). Both measures introduce a substantive improvement in the level of ambition of the measures already included in the original RRP, in particular in relation to the number of square meters to be renovated in multi-dwelling buildings and the number of new, energy efficient, dwellings to be completed for rental and student housing. Increased energy efficiency of housing is also expected to contribute to the objective of Article 21c(3), point (c), of Regulation (EU) 2021/241 that is tackling energy poverty since a higher energy performance leads to a reduction in the energy consumption of buildings, including the energy consumption paid by tenants.

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

Balanced response contributing to the six pillars

(12) 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.

(13) The assessment of the original RRP, in accordance with Article 19(3), point (a), and Annex V, criterion 2.1, to Regulation (EU) 2021/241 found that the RRP is expected to represent 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 Sweden.

(14) The original RRP includes measures that contribute towards all of the six pillars, with several components addressing multiple pillars simultaneously. The green and digital transitions are expected to be promoted by measures decarbonising the industry and transport sectors, supporting local and regional climate projects and improving the energy efficiency of buildings, and by measures aimed at further improving high-speed connectivity, fostering digital skills through education and training, and enhancing e-government and digital public administration. The support to the development and application of new technologies in the green domain in the original RRP is expected to help the Swedish economy grow in a smart and sustainable way whereas the support for reskilling and upskilling is expected to contribute to inclusive growth for all. As regards social and territorial cohesion, the support for the roll-out of broadband in sparsely populated areas in the original RRP is expected to help ensure that all citizens have access to high-speed connectivity and thus foster territorial cohesion, while social cohesion is expected to be fostered through measures aimed at education and training as well as through measures to increase housing supply. The original RRP is also expected to improve the resilience of the Swedish healthcare system through targeted measures to increase the supply of properly trained staff, whilst the resilience of the Swedish financial system is expected to be improved by enhancing the effectiveness of the Financial Supervisory Authority.

(15) The initial positive assessment of the contribution of the RRP to the six pillars, in particular, the green and digital transitions, is confirmed by the measures that Sweden put forward as part of the modification of the RRP. The newly introduced reform accelerating the authorisation process for electricity grid construction is expected to contribute to the faster roll-out of renewable energy sources, whereas the scaled-up investments are expected to further improve the energy efficiency of new and existing buildings.

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

(16) In accordance with Article 19(3), point (b), 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 Sweden, including fiscal aspects thereof, and recommendations made pursuant to Article 6 of Regulation (EU) No 1176/2011 of the European Parliament and of the Council[1], or challenges identified in other relevant documents officially adopted by the Commission in the context of the European Semester.

(17) In particular, the modified RRP takes into account country-specific recommendations formally adopted by the Council prior to the assessment of the modified RRP by the Commission. As the maximum financial allocation for Sweden has been adjusted downward, the 2022 and 2023 recommendations not related to energy challenges are not considered in the overall assessment.

[1] 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).

(18) Having assessed progress in the implementation of the relevant country-specific recommendations at the time of submission of the modified national RRP, the Commission finds that some progress has been achieved on the horizontal recommendation to expand public investment for the green and digital transitions and for energy security (2022 recommendation 1). Some progress has been achieved also on the recommendations to reduce overall reliance on fossil fuels by accelerating the deployment of renewables and boosting complementary investment in network infrastructure and on strengthening internal grids within the country to ensure sufficient network capacity, improving energy efficiency and on further streamlining permitting procedures in relation to renewable energy projects (2022 recommendation 4 and 2023 recommendation 4).

(19) The modified RRP includes an extensive set of mutually reinforcing reforms and investments that contribute to effectively addressing a significant subset of the economic and social challenges outlined in the country-specific recommendations addressed to Sweden by the Council in the context of the European Semester, in particular the recommendation to reduce the overall reliance on fossil fuels by accelerating the deployment of renewables and boosting complementary investment in network infrastructure, strengthening grids to ensure sufficient network capacity, improving energy efficiency, and further streamlining permitting procedures in relation to renewable energy projects (2022 recommendation 4 and 2023 recommendation 4). The investments being scaled-up and the reform introduced in the REPowerEU chapter address these challenges by raising energy efficiency, reducing energy poverty (2023 recommendation 1) and fostering energy security of supply (2022 recommendation 1). The first scaled-up investment lowers the cost of investments that raise energy efficiency in multi-dwelling buildings, with a particular reference to those investments that would otherwise not have taken place. The second scaled-up investment concerns an investment in rental and student housing that alleviates the housing market shortage for rental apartments, including for households with lower income with apartments that are more energy efficient than the most recent standard for energy efficient buildings (2023 recommendation 1). The reform aiming to speed up the authorisation process for expanding grid capacity is expected to raise energy security of supply and help ensure sufficient network capacity (2022 recommendation 4 and 2023 recommendation 4).

(20) By addressing the aforementioned challenges, the modified RRP is also expected to contribute to a limited extent to correcting the imbalances, as identified in recommendations made pursuant to Article 6 of Regulation (EU) No 1176/2011 in 2019 and 2020, that Sweden is experiencing, in particular with regard to the housing market and high household debt, which have been in re-iterated in the recent fiscal structural subpart of country-specific recommendations (2023 recommendation 1), since the scaling up of the investment subsidy for rental and student housing will address partially the housing needs.

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

(21) 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 Sweden, contributing to the implementation of the European Pillar of Social Rights, including through the promotion of policies for children and young people, 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.

(22) The assessment of the original 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 Sweden, on contributing to the implementation of the European Pillar of Social Rights, including through the promotion of policies for children and young people, 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).

(23) The original RRP included a package of investments and reforms in education, digitalisation and healthcare with a view to addressing challenges in those areas, thus contributing in several ways to equal opportunities and better access to the labour market, in line with the European Pillar of Social Rights. The scaling up of the offer of vocational education as well as more places in education all over Sweden is expected to provide a boost to employment and productivity, while fostering social cohesion. Moreover, the increased supply and quality of long-term care services is expected to positively impact the lives of the elderly, whilst the special supportive measures targeting students and low-income families should improve the standing of disadvantaged groups in the housing market. Measures aimed to foster the green and digital transitions are expected to make the Swedish economy more innovative and sustainable.

(24) The modification of the RRP including the REPowerEU chapter does not impact its ambition in terms of the contribution to growth potential, job creation and economic, social and institutional resilience and does not have an impact on the initial assessment.

Do no significant harm

(25) The assessment of the original RRP, in accordance with Article 19(3), point (d), of and Annex V, criterion 2.4, to Regulation (EU) 2021/241 found that the RRP was 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[1] (the principle of 'do no significant harm').

(26) 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 comply with (rating A) the principle of 'do no significant harm'.

(27) The modified RRP is assessed to be compliant with the principle of 'do no significant harm' following the methodology set out in 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'[2], also for the measures included in the newly added REPowerEU chapter.

[1] 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).

[2] OJ C 58, 18.2.2021, p. 1.

(28) For the reform accelerating the authorisation process for electricity grid construction, Sweden provided a systematic assessment against the principle of 'do no significant harm'. The assessment of the two scaled-up measures that were already included in the original RRP remains the same. The information provided by Sweden allows to conclude that the modified RRP is expected to ensure that none of the measures included therein does significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852.

Contribution to the REPowerEU objectives

(29) 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.

(30) The implementation of the measures included in the REPowerEU chapter are expected to contribute in particular to supporting the objectives in Article 21c(3), points (b), (c), (d) and (e), of Regulation (EU) 2021/241. The implementation of the scaled-up investments in energy efficiency in multi-dwelling buildings and investment aid for rental and student housing are expected to contribute to the objective set out Article 21c(3), in point (b), of that Regulation, that is, boosting energy efficiency in buildings and critical energy infrastructure. The scaled-up investments are also expected to contribute towards creating incentives to reduce energy demand, the objective set out in Article 21c(3), point (d), of that Regulation that is incentivising reduction of energy demand by creating incentives for building owners to invest in energy savings. Increased energy efficiency of housing is also expected to contribute to objective set out in Article 21c(3), point (c), of that Regulation that is tackling energy poverty, provided that a higher energy performance leads to a reduction in the energy consumption of buildings, including the energy consumption borne and paid by the tenants themselves. Lastly, the implementation of the reform accelerating the authorisation process for electricity grid construction is expected to contribute to addressing domestic and cross-border energy transmission and distribution bottlenecks, supporting storage and accelerating the integration of renewable energy sources, that is, the objective in Article 21c(3), point (e), of that Regulation.

(31) The measures in the REPowerEU chapter are consistent with the original RRP as they , inter alia, increase the original RRP's ambition in the area of energy efficiency and electrification of the economy, in particular with regard to the Climate Leap and the Industry Leap. The measures in the REPowerEU chapter are also consistent with the efforts of Sweden outside of the RRP to achieve the objectives set out in Article 21c(3) of Regulation (EU) 2021/241, such as the introduction of new aid for energy efficiency improvements in single-family houses, increased investment support to boost the charging capacity for road vehicles as well as government assignments for increased offshore electricity production.

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

(32) 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.

(33) The REPowerEU chapter contributes to reducing dependency on fossil fuels and to reducing energy demand. The reform accelerating the authorisation process for electricity grid construction aims to strengthen internal electricity networks within Sweden and address both national and cross-border bottlenecks in electricity transmission. The scaled-up energy efficiency investments directly contribute to reducing dependence on fossil fuels and free up further capacity or supply for other Member States, and can therefore be considered to have a positive cross-border effect.

(34) The estimated costs of the measures included in the REPowerEU chapter having a cross-border or multi-country dimension or effect represent 100 % of the total costs and therefore justifies rating the chapter as expecting to have, to a large extent, a cross-border effect.

Contribution to the green transition including biodiversity

(35) In accordance with Article 19(3), point (e), of and Annex V, criterion 2.5, to Regulation (EU) 2021/241, taking into account the updated RRP's allocation, 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 43,6 % of the RRP's total allocation and 40 % of the total estimated costs of measures in the REPowerEU chapter calculated in accordance with the methodology set out in Annex VI to Regulation (EU) 2021/241. In accordance with Article 17 of that Regulation, the modified RRP including the REPowerEU chapter is consistent with the information included in the National Energy and Climate Plan 2021-2030.

(36) The assessment of the original RRP, in accordance with Article 19(3), point (e), of and Annex V, criterion 2.5, to Regulation (EU) 2021/241 found that 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 44,4 % of the RRP's total allocation calculated in accordance with the methodology set out in Annex VI to Regulation (EU) 2021/241. 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.

(37) The measures reduced do not impact the overall ambition of the RRP regarding the green transition, whilst the REPowerEU chapter makes a significant contribution to further supporting the green transition of Sweden. The REPowerEU chapter includes measures that are expected to have a long-lasting impact on the green transformation of the economy and significantly contribute to address the challenges resulting from the green transition. The reform accelerating the authorisation process for electricity grid construction is expected to help Sweden to reduce its dependence on fossil fuels by allowing a faster electrification of the economy. The two scaled-up investments aim to further improve the energy efficiency of multi-dwelling buildings as well as in rental and student housing, promoting permanent energy savings.

(38) The measures related to the green transition, including biodiversity, in the modified RRP and the REPowerEU chapter continue to have a lasting impact as the measures aim at structural changes to reduce Sweden's reliance on fossil fuels and to increasing energy savings by improving energy efficiency, promoting further electrification and reducing energy poverty. As a result, they also contribute to achieving the 2030-2050 targets and the Union's objective of climate neutrality by 2050.

Contribution to the digital transition

(39) In accordance with Article 19(3), point (f), of and Annex V, criterion 2.6, to Regulation (EU) 2021/241, taking into account the updated RRP's allocation, 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 21,2 % of the modified RRP's total allocation calculated in accordance with the methodology set out in Annex VII to Regulation (EU) 2021/241.

(40) The assessment of the original RRP, in accordance with Article 19(3), point (f), of and Annex V, criterion 2.6, to Regulation (EU) 2021/241 found that the RRP contains measures that contribute to (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 20,5 % of the RRP's total allocation calculated in accordance with the methodology set out in Annex VII to Regulation (EU) 2021/241.

(41) The modification of the RRP, including the REPowerEU chapter, does not impact its ambition with regard to the digital transition and does not have an impact on the initial assessment. The modified RRP continues to significantly contribute to addressing Sweden's challenges related to the digital transition by improving the high-speed digital connectivity in sparsely populated areas, digitalising public administration and tackling the shortage of skilled workers in the information and communication technology sectors.

(42) The REPowerEU chapter is expected to contribute to the digital transition and to addressing the resulting challenges as in the scaled-up investment support for energy efficiency in multi-dwelling buildings are expected to stimulate the use of smart energy systems. In accordance with Article 21c(5) of Regulation (EU) 2021/241, reforms and investments in the REPowerEU chapter are not to be taken into account when calculating the RRP's total allocation for the purpose of applying the digital target requirement set by that Regulation.

Lasting impact

(43) 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 Sweden to a large extent (rating A).

(44) 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 is expected to have a lasting impact on Sweden to a large extent (rating A).

(45) The REPowerEU chapter includes two measures that are scaled-up from the original RRP, increasing their ambition. The increased support for energy efficiency investments in multi-dwelling buildings and for student and rental housing is expected to have a long-lasting impact on increasing energy efficiency and reducing energy poverty, due to the lifetime of new and renovated buildings. The reform shortening the authorisation process for electricity grid construction is expected to have an immediate and lasting impact on the further electrification of the Swedish economy contributing to the removal of domestic and cross-border transmission and distribution bottlenecks.

Monitoring and implementation

(46) 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.

(47) The assessment of the original RRP, in accordance with Article 19(3), point (h), of and Annex V, criterion 2.8, to Regulation (EU) 2021/241 found that the arrangements proposed in the RRP were adequate (rating A) to ensure effective monitoring and implementation of the RRP, including the envisaged timetable, milestones and targets, and the related indicators. The Ministry of Finance of Sweden is responsible for the overall implementation of the Swedish RRP, whilst the Swedish National Financial Authority (ESV) is responsible for monitoring the achievement of milestones and targets. The milestones and targets are sufficiently clear and realistic to ensure that their completion can be traced and verified, and are based on relevant, acceptable and robust indicators. The verification mechanisms, data collection and responsibilities described by the Swedish authorities are expected to be sufficiently robust to justify in an adequate manner the disbursement requests.

(48) The nature and extent of the proposed modifications to Sweden's RRP do not have an impact on the original assessment of the effective monitoring and implementation of the RRP. The structure tasked with the implementation, monitoring and report of the RRP has been reinforced and the overall arrangements proposed by Sweden in terms of organisation of the implementation of the reforms and investments remain credible. The milestones and targets that accompany the new measures in the REPowerEU chapter, are clear and the proposed indicators for those milestones and targets are relevant, acceptable and robust.

Costing

(49) 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 with the expected national economic and social impact.

(50) The assessment of the original RRP was that the estimated total cost of the RRP was to a medium extent (rating B) reasonable and plausible, is in line with the principle of cost efficiency and was commensurate with the expected national economic and social impact.

(51) Sweden has provided individual cost estimates for all new measures that entail a cost in the modified RRP, including the REPowerEU chapter. Sweden has maintained the costing assumptions underlying the two investments from the original RRP that are scaled-up in the REPowerEU chapter. As a result, the original costing assessment still applies and the costs of the two scaled-up investments continue to be assessed as reasonable and plausible.

(52) Sweden has provided sufficient information and evidence that the amount of the estimated total costs is not covered by existing or planned Union financing. Finally, the estimated total cost of the RRP is in line with the principle of cost-efficiency and commensurate with the expected national economic and social impact.

Protection of the financial interests of the Union

(53) 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 modified RRP including the REPowerEU chapter are adequate (rating A) to prevent, detect and correct corruption, fraud and conflicts of interest 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[1].

(54) The assessment of the original RRP, in accordance with Article 19(3), point (j), of and Annex V, criterion 2.10, to Regulation (EU) 2021/241, found that 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 interest 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.

[1] 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).

(55) The internal control system described in the original RRP is based on robust processes and structures. It clearly identifies the actors and their roles and responsibilities for the performance of the internal control tasks. The actors responsible for controls have legal empowerment to exercise their roles and tasks, as well as administrative capacity. Altogether, the control system and other relevant arrangements, including for the collection and making available of data on final recipients, were considered adequate with regard the requirements under Regulation (EU) 2021/241. To strengthen the internal control system, milestones were established to require the entry into force of legislative amendments establishing the legal mandates for the bodies involved in the coordination, monitoring, control and audit of the implementation of the Swedish RRP, setting out in particular the mandates of all government entities involved in the operational aspects of the RRP implementation, the designation of the audit authority and the responsible body for elaborating an audit strategy on the RRP implementation.

(56) As part of the modification of the RRP, additional clarifications on audit and control are introduced as part of the milestones concerned to ensure that the relevant authorities put in place adequate procedures on: (a) conflicts of interest, (b) double funding, (c) detecting fraud and corruption and (d) collecting data.

Coherence of the RRP

(57) 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.

(58) The initial assessment of the RRP, with Article 19(3), point (k), of and Annex V, criterion 2.11, to Regulation (EU) 2021/241 found that the original RRP includes to a high extent measures for the implementation of reforms and public investment projects that represent coherent actions (rating A). The original RRP includes reforms and investments in each component that are consistent and mutually reinforcing, with synergies and complementarities between components.

(59) The modified RRP contributes to the overall coherence of the RRP through strong interlinkages between the measures included in the newly added REPowerEU chapter and the measures included in the green component. The reform accelerating the authorisation process for electricity grid construction reinforces existing investments in the RRP aiming to further increase the electrification of the industry and transport sectors. The scale-up of the investment support for energy efficiency in multi-dwelling buildings and rental and student housing strengthens already existing links between these measures and other measures supporting the digital transition and addressing social cohesion.

Consultation process

(60) The modified RRP includes a summary of the consultation process carried out for its preparation and implementation. In the preparation of the modified RRP , including the REPowerEU chapter, Sweden carried out targeted consultations with relevant stakeholders, including social partners, business organisations and local authorities. The reform accelerating the authorisation process for electricity grid construction was preceded by a government inquiry which has been consulted. The scaled-up investments on energy efficiency in multi-dwelling buildings and in student and rental housing were already consulted with relevant stakeholders during the preparation of the original RRP.

(61) Where applicable, the stakeholders concerned are expected to continue to be involved in the implementation of the measures, in order to ensure that the authorities have ongoing contact with citizens, companies, municipalities and regions. 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

(62) Following the positive assessment of the Commission concerning the modified RRP, including the REPowerEU chapter, 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 sets out 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.

Financial contribution

(63) The estimated total costs of the modified RRP including the REPowerEU chapter of Sweden is EUR 3 501 632 593, which equals SEK 35 454 030 000 on the basis of the EUR SEK ECB reference rate of 28 May 2021. As the amount of the estimated total costs of the modified RRP is higher than the updated maximum financial contribution available for Sweden, the financial contribution calculated in accordance with Article 11 of Regulation (EU) 2021/241 allocated for Sweden's modified RRP, including the REPowerEU chapter, should be equal to the total amount of the financial contribution available for Sweden's modified RRP, including the REPowerEU chapter. This amount is equal to EUR 3 181 236 549.

(64) Pursuant to Article 21a(5) of Regulation (EU) 2021/241, on 24 August 2023, Sweden 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 referred to in Annex IVa to that Regulation. The estimated total costs of reforms and investments aiming to contribute to the objectives set out in Article 21c(3), points (b) to (f), of Regulation (EU) 2021/241 included in the REPowerEU chapter is EUR 264 429 659. As this amount is higher than the allocation share available for Sweden, the additional non-repayable financial support available for Sweden should be equal to the allocation share. This amount is equal to EUR 198 429 659.

(65) Additionally, in accordance with Article 4a of Regulation (EU) 2021/1755 of the European Parliament and of the Council[1], on 28 February 2023 Sweden submitted a reasoned request to transfer all its remaining provisional allocation from the resources of the Brexit Adjustment Reserve to the Facility, amounting to EUR 66 000 000. That amount should be made available to support the reforms and investments in the REPowerEU chapter as additional non-repayable financial support.

(66) The total financial contribution available to Sweden should be EUR 3 445 666 208.

(67) The Council Implementing Decision of 4 May 2022 on the approval of the assessment of the recovery and resilience plan for Sweden should therefore be amended accordingly. For the sake of clarity, the Annex to that Implementing Decision should be replaced entirely,

HAS ADOPTED THIS DECISION:

[1] 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).

Article 1

The Council Implementing Decision of 4 May 2022 on the approval of the assessment of the recovery and resilience plan for Sweden is amended as follows:

(1) Article 1 is replaced by the following:

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

The assessment of the modified RRP of Sweden 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 Sweden a financial contribution in the form of non-repayable support amounting to EUR 3 445 666 208*. That contribution includes:

(a) an amount of EUR 2 910 807 980, which shall be available to be legally committed by 31 December 2022;

(b) an amount of EUR 270 428 569, which shall be available to be legally committed from 1 January 2023 until 31 December 2023;

(c) an amount of EUR 198 429 659**, in accordance with Article 21a(6) of Regulation (EU) 2021/241, exclusively for reforms and investments that aim to contribute to the objectives set out in Article 21c(3), points (b) to (f), of that Regulation;

(d) an amount of EUR 66 000 000, transferred from the Brexit Adjustment Reserve to the Facility.

2. The Union financial contribution shall be made available by the Commission to Sweden in instalments in accordance with the Annex to this Decision.

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* This amount corresponds to the financial allocation after deduction of the Sweden's proportional share of the expenses referred to in Article 6(2) of Regulation (EU) 2021/241, calculated in accordance with the methodology set out Article 11 of that Regulation.

** This amount corresponds to the financial allocation after deduction of the Sweden's proportional share of the expenses referred to in Article 6(2) of Regulation (EU) 2021/241, calculated in accordance with the methodology set out in Annex IVa of that Regulation';

(3) the Annex is replaced by the text set out in the Annex to this Decision.

Article 2

Addressee

This Decision is addressed to the Kingdom of Sweden.

Done at …,

For the Council

The President