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COVER NOTE

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To:	Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union
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Subject:	Proposal for a COUNCIL IMPLEMENTING DECISION amending Implementing Decision (EU) (ST 12524/21 INIT and ST 12524/21 ADD 1) of 29 October 2021 on the approval of the assessment of the recovery and resilience plan for Finland

Delegations will find attached document COM(2023) 742 final.

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2023/0423 (NLE)

Proposal for a

COUNCIL IMPLEMENTING DECISION

amending Implementing Decision (EU) (ST 12524/21 INIT and ST 12524/21 ADD 1) of 29 October 2021 on the approval of the assessment of the recovery and resilience plan for Finland

{SWD(2023) 379 final}

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amending Implementing Decision (EU) (ST 12524/21 INIT and ST 12524/21 ADD 1) of 29 October 2021 on the approval of the assessment of the recovery and resilience plan for Finland

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 Finland on 27 May 2021, the Commission proposed its positive assessment to the Council. On 29 October 2021, the Council approved the positive assessment by means of the Council Implementing Decision ('the Council Implementing Decision of 29 October 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 26 January 2023, Finland submitted an updated RRP to the Commission, in accordance with Article 18(2) of Regulation (EU) 2021/241, to take into account the updated maximum financial contribution. Following the submission of the updated RRP by Finland, the Commission has proposed its positive assessment to the Council.

[1] OJ L 57, 18.2.2021, p. 17.
[2] ST 12524/21 INIT and ST 12524/21 ADD 1

The Council approved the positive assessment by means of the Council Implementing Decision of 14 March 2023[3].

(4) On 5 October 2023, Finland submitted a modified national RRP, including a REPowerEU chapter in accordance with Article 21c of Regulation (EU) 2021/241, to the Commission.

(5) On 14 July 2023, the Council addressed recommendations to Finland in the context of the European Semester. In particular, the Council recommended that Finland winds down the emergency energy support measures in force, ensures prudent fiscal policy, in particular by limiting the nominal increase in nationally financed net primary expenditure in 2024 to not more than 2.2%, preserves nationally financed public investment and ensures the effective absorption of RRF grants and other EU funds for the period beyond 2024, and continues to pursue a medium-term fiscal strategy of gradual and sustainable consolidation. The Council also recommended that Finland pursues the reform of the social security system to increase the efficiency of the social benefits system, proceeds with the steady implementation of its revised recovery and resilience plan and swiftly finalises the REPowerEU Chapter, and addresses labour and skills shortages by reskilling and upskilling the workforce and widening the higher education offer. Furthermore, the Council recommended that Finland reduces overall reliance on fossil fuels by accelerating the deployment of renewables, including by further speeding up permitting procedures and boosting public and private investment in the decarbonisation of industry and transport, including through electrification, and develops energy infrastructure to increase security of supply by strengthening the transmission of electricity. Finally, the Council recommended that Finland steps up policy efforts aimed at the provision and acquisition of skills and competences needed for the green transition.

(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.

Corrections of clerical errors

(7) Five clerical errors have been identified in the text of the Council Implementing Decision, affecting four milestones and four 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 27 May 2021, as agreed between the Commission and Finland. Those clerical errors relate to milestone 14 of measure R2 under component P1C2, milestone 34 and description of measure R1 under component P1C4, and milestone 132 of measure I4 under component P3C4 and milestone 134 of measure R1 under component P4C1. Those corrections do not affect the implementation of the measures concerned.

[3] ST 6991 2023 INIT

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

(8) The REPowerEU chapter includes one new reform and three new investments. The reform aims at streamlining and facilitating environmental permit procedures, including those related to renewable energy projects. Notably, it concerns legislation on environmental permit procedures with the aim of achieving a combined permit procedure leading to a single official decision and review procedure. The new legislation also aims at transfering the responsibility of permitting from regional authorities to a single national authority. The first investment is expected to boost clean technologies for energy production and use and/or production and storage of renewable hydrogen. The investment is expected to support large-scale renewable energy projects in the demonstration phase with a priority on technical feasibility and/or projects along the hydrogen value chain for renewable hydrogen production. The aim of the second investment is to support research and development activities that focus on promoting renewable energy solutions in Finland. This investment supports R&D for the green transition through three strategic research and development projects. The third investment promotes the use of clean energy technologies by strengthening the activities undertaken by the Government of Åland to enable offshore wind power production in the autonomous region of Åland. The investment supports the preparatory phase of an offshore wind power project. Overall, the new reform and the new investments included in the REPowerEU chapter contribute to reducing the overall reliance on fossil fuels by accelerating the deployment of renewables, further speeding up permitting procedures, boosting energy efficiency through increased research and development, technology and innovation activities, and by boosting the skills needed for the green transition. The REPowerEU chapter also contributes to addressing energy poverty by increasing renewable energy production, which will benefit electricity users across the board in the form of reduced electricity prices.

(9) 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

(10) 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.

(11) The REPowerEU chapter includes measures to support the first, second, third and sixth pillar. The new measures included in the chapter further strengthen the focus of the RRP on the green transition, thus contributing to the first pillar. Notably, the measures contribute to reducing the overall reliance on fossil fuels by accelerating the deployment of renewables, further speeding up permitting procedures and boosting energy efficiency through increased R&D, technology and innovation activities. The reform of environmental permitting procedures entails the creation of a digital platform for the new national permitting authority, contributing to the digital transformation under the second pillar. The measures in the REPowerEU chapter also

contribute to the smart, sustainable & inclusive growth (third pillar), as they are expected to create jobs and enhance productivity, competitiveness, research, development and innovation. They also contribute to improving policies for the next generation under pillar six by developing the skills needed for the green transition through investments in researchers, whose work will focus on REPowerEU related themes. Together with other measures in the RRP such as those addressing existing regional differences in the provision of public services as well as remaining gaps in broadband access and tackling the long-standing issues of equal access to and the cost-effectiveness of the social and healthcare system, the plan contributes also to the fourth pillar on resilience and the fifth pillar on social and territorial cohesion.

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

(12) 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 Finland, including fiscal aspects thereof, or challenges identified in other relevant documents officially adopted by the Commission in the context of the European Semester. In particular, the modified RRP takes into account the energy-related country-specific recommendations of 2022 and 2023.

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

(14) Having assessed progress in the implementation of all relevant country-specific recommendations as part of the 2023 European Semester, the Commission finds that the recommendations on measures to provide liquidity to the real economy, in particular to small and medium-sized enterprises (CSR 2020 3.1) and on front-loading mature public investment projects and promoting private investment to foster the economic recovery (CSR 2020 3.2 and 3.3) were fully implemented. Substantial progress has been achieved with respect to the recommendations on expanding public investment for the green and digital transitions (CSR 2022 1.2), on pursuing a fiscal policy for the period beyond 2023 aimed at achieving prudent medium-term fiscal positions (CSR 2022 1.3), on boosting investment in the decarbonisation of transport, including electrification of the transport sector (CSR 2022 3.4), on enhancing active inclusion, notably through well-integrated services for the unemployed and the inactive (CSR 2019 2.3), on focusing investment-related economic policy on research and innovation, taking into account regional disparities (CSR 2019 3.1), and on strengthening the monitoring of household debt (CSR 2019 4.1).

(15) 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 Finland by the Council in the context of the European Semester, notably reducing the overall reliance on fossil fuels by accelerating the deployment of renewables, including by further speeding up permitting procedures, boosting public

and private investment in the decarbonisation of industry and transport, and stepping up policy efforts aimed at the provision and acquisition of skills and competences needed for the green transition.

(16) The REPowerEU chapter includes measures aiming to address several challenges identified in energy-related country-specific recommendations from 2022 (CSR 2022 3) and 2023 (CSR 2023 4). The reform on streamlining and facilitating environmental permit procedures contributes to reducing overall reliance on fossil fuels and accelerating the deployment of renewables, including by further speeding up permitting procedures (CSR 2022 3.2 and 2023 4). The measure regarding investments for clean transition contributes to reducing the overall reliance on fossil fuels (CSR 2022.3.1 and CSR 2023 4) and to boosting public and private investment in the decarbonisation of industry and transport (CSR 2023 4). The investment on R&D for the green transition contributes to reducing the overall reliance on fossil fuels (CSR 2022.3.1 and CSR 2023 4) as well as to stepping up policy efforts aimed at the provision and acquisition of the skills needed for the green transition (CSR 2023 4). The investment aiming at strengthening the transformation of the energy system in Åland contributes to reducing overall reliance on fossil fuels and accelerating the deployment of renewables (CSR 2022 3.2).

Do no significant harm

(17) 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[4] (the principle of 'do no significant harm').

(18) The modified RRP including the REPowerEU chapter is assessed by Finland against the "do no significant harm" principle following the methodology set out in the Commission´s technical guidance on the application of "do no significant harm" under the Recovery and Resilience Facility Regulation (2021/C58/01). The assessment is done systematically for each new measure following a two-step approach. The assessment concludes that, for all measures under the REPowerEU chapter, there is either no risk of significant harm or, where a risk is identified, a more detailed assessment is performed demonstrating the absence of significant harm. Finland has reported on the detailed assessment for the new measures included in the REPowerEU chapter. None of the measures in the REPowerEU chapter required a derogation from the 'do no significant harm' principle. Based on the information provided, it can be concluded the plan is expected to ensure that no measure does significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852.

Contribution to the REPowerEU objectives

[4] 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).

(19) 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.

(20) The measures included in the REPowerEU chapter effectively contribute to supporting the objective set out in Article 21c(3), point (b) of Regulation (EU) 2021/241 by boosting critical energy infrastructure, decarbonising industry, increasing production and uptake of sustainable biomethane and of renewable hydrogen, and increasing the share and accelerating the deployment of renewable energy. The streamlined and predictable environmental permit procedures is expected to contribute to the implementation of Finland's clean energy and green transition objectives including renewable energy. Smooth permit procedures are expected to attract investments for renewable energy and contribute to transitioning to a clean economy and transition away from fossil fuels. Investment in clean transition is expected to stimulate the introduction of new clean technologies for energy production and use and promote the development of the production and storage of renewable hydrogen on a commercial scale. Investment in R&D for the green transition is expected to boost energy efficiency, decarbonise industry and increase the production and uptake of renewable or fossil-free hydrogen. The offshore wind power investment in Åland is expected to promote the production of renewable energy in this autonomous region.

(21) The measure on R&D for the green transition through investments in researchers under the REPowerEU themes contributes to supporting the objectives set out in Article 21c(3), points (b), (d) and (f) of Regulation (EU) 2021/241, through an accelerated requalification of the workforce towards green and related digital skills, as well as support of the value chains in critical raw materials and technologies linked to the green transition.

(22) The measures included in the REPowerEU chapter are coherent with Finland's efforts to achieve the objectives set out in Article 21c (3) of Regulation (EU) 2021/241, taking into account the measures included in the original RRP, as well as other nationally funded and Union-funded complementary or accompanying measures. The measures under the chapter contribute to Finland's target of achieving carbon neutrality by 2035. Measures included in the REPowerEU chapter complement other Union-funded measures under the Just Transition Fund and the European Regional Development Fund.

(23) The REPowerEU chapter is expected to effectively contribute to a large extent to energy security, the diversification of the Union's energy supply, the increase in the uptake of renewables, energy efficiency, the increase of energy storage capacities, and the necessary reduction of dependence on fossil fuels before 2030.

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

(24) 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.

(25) The REPowerEU chapter contributes to securing energy supply in the Union as a whole, including by addressing challenges identified in the Commission's most recent needs assessment, in line with the objectives set out in Article 21c(3) of Regulation (EU) 2021/241, taking into account the financial contribution available to Finland and its geographical position. The measures included in the REPowerEU chapter contribute to securing energy supply in the Union by developing additional renewable energy capacity. In addition, the offshore windpower project in Åland Island is expected to result in connections to Swedish and Finnish grids and the offtake of production is destined to those markets.

(26) The REPowerEU chapter also contributes to reducing dependency on fossil fuels and to reducing energy demand by fostering the deployment of renewable energy and clean technologies.

(27) The estimated costs of the measures included in the REPowerEU chapter having a cross-border or multi-country dimension or effect represent 68.6% of the estimated total costs of the REPowerEU chapter. The chapter is therefore assessed to have, to a large extent, a cross-border or multi-country dimension or effect.

Contribution to the green transition including biodiversity

(28) 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 52.3% of the RRP's total allocation and 81.1% 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.

(29) The REPowerEU chapter has the overarching objective of accelerating the green transition by reducing the overall reliance on fossil fuels, promoting the deployment of renewable energy, as well as increasing research and development for the green transition and the acquisition of green skills and competencies.

(30) This multi-fold objective is set to be achieved by a) streamlined and predictable environmental permit procedures; b) investments on clean transition, notably on new clean technologies for energy production and use, and/or by promoting the development of the production and storage of renewable hydrogen on a commercial scale; and c) research and development projects that focus on promoting renewable energy solutions. Overall, the reforms and investments in the RRP are expected to make a significant contribution towards the decarbonisation and energy transition objectives of Finland as set out in the National Energy and Climate Plan 2030, thereby contributing to the Union's climate target. A significant number of measures included in the RRP support the climate objective, while a large number of measures also aim to contribute to the environmental objective, including biodiversity.

(31) The REPowerEU chapter includes measures contributing to achieving the Union's 2030 climate targets and the objective of EU climate neutrality by 2050, by

accelerating the deployment and uptake of renewable energy, investing in clean technologies, and supporting research and development for the green transition, including green skills and competencies.

Contribution to the digital transition

(32) 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 28.85% of the modified RRP's total allocation calculated in accordance with the methodology set out in Annex VII to that Regulation.

(33) The REPowerEU chapter is expected to contribute to the digital transition and to addressing the resulting challenges by further developing and deploying digital processes within streamlined and predictable environmental permit procedures. 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 plan's total allocation for the purpose of applying the digital target requirement set by that Regulation. As a whole, the measures in the RRP contribute to addressing Finland's challenges related to the digital transition in various ways. In particular, the plan supports high-speed broadband connectivity, contains measures to increase the number of places in higher education in areas relevant to the ICT sector and to reform the continuous learning framework, as well as to strengthen the promotion of digital skills. Moreover, the RRP contributes to the digitalisation of businesses and public sector, as well as transport and energy infrastructure. The RRP also fosters cybersecurity and information security and supports research and innovation in key technologies including semi-conductors, artificial intelligence and 6G.

Lasting impact

(34) 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 Finland to a large extent (Rating A).

(35) The reforms and investments of the REPowerEU chapter add to the lasting impact that the RRP has through its significant investment support for the green transition and for digitalisation as well as through reforms that bring structural changes to the public administration, energy taxation, labour market policies and social and health care. The reform on streamlining and facilitating environmental permit procedures in the REPowerEU chapter is expected to support the green transition beyond the timeline of the RRP. The research and development activities that focus on promoting renewable energy solutions in Finland are expected to bring benefits beyond the timeframe of the RRF. The investments supporting renewable energy and clean energy are also expected to durably support the green transition beyond the timeline of the RRP.

Monitoring and implementation

(36) 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.

(37) The Ministry of Finance remains responsible for the monitoring and implementation of the plan. It has clearly assigned responsibilities and adequate structure for the implementation of the RRP, the monitoring of progress and reporting.

(38) The measures in the REPowerEU chapter are clear and realistic and the proposed indicators for those milestones and targets are relevant, acceptable and robust. Milestones and targets are also relevant for measures already completed which are eligible under Article 17(2) of Regulation (EU) 2021/241. The satisfactory fulfilment of these milestones and targets over time is required to justify a disbursement request.

Costing

(39) 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.

(40) For the assessment of the original plan Finland had provided cost estimates for all measures, relying on a number of sources to justify the costs of investments and reforms. However, the evidence submitted to underpin the methodologies could in some cases have been more granular and provide more comprehensive costing information, in particular as regards some horizontal investment schemes.

(41) The costing information of the REPowerEU chapter provided individual cost estimates for all new measures, relying on a number of sources to justify the costs of investments and reforms. These include indicative cost breakdowns, evidence on the investigation of investment needs or justifications referring to the purchase of services. On the basis of the documentation provided, the methodologies used to calculate the costs of most of the measures in the RRP are deemed reliable and constitute sufficient grounds for a positive assessment of their reasonability and plausibility. However, the methodological explanations accompanying the evidence submitted could be further specified, in particular as regards the scope of investments and envisaged activities. 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

(42) 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 and the additional measures contained in this Decision are adequate (Rating A) to prevent, detect and correct corruption, fraud and conflicts of interests when using the funds provided under that Regulation, and the arrangements are expected to effectively avoid double funding under that Regulation and other Union programmes. This is without prejudice to the application of other instruments and tools to promote and enforce compliance with Union law, including for preventing, detecting, and correcting corruption, fraud, and conflicts of interest, and for protecting the Union budget in line with Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council.

(43) The original assessment had concluded on the adequacy of the control and audit arrangements proposed by Finland (Rating of A) under criterion 2.10 of Annex V to Regulation (EU) 2021/241, and two audit and control milestones were introduced regarding to the introduction of a repository system for monitoring the implementation of the RRP and adoption of legal mandate for the main institutions in Finland involved in the implementation of the Plan.

(44) The internal control system described in the modified Finnish recovery and resilience plan and arrangements proposed, including the REPowerEU chapter, are based on robust processes and structures, clearly identifying the roles and responsibilities of different bodies involved in the implementation, monitoring, control, and audit of the plan, as well as for their interactions. The Ministry of Finance remains overall responsible for the coordination of the RRP as laid down in the national Act on the management, control and audit of the RRF. In line with the original setup, the Ministry of Finance is responsible for the preparation and submission to the Commission of the payment requests. The mandate of audit body of the RRP is assigned to the Ministry of Finance's Financial Controller's function, which should have the necessary capacity and has administrative experience to carry out the related audit tasks in line with internationally accepted audit standards. The management and control system ensures that the data required by Article 22(2)(d) of the RRF Regulation, are adequate and securely stored on the RRP IT system, strengthening efforts to prevent any misuse of the funds provided by the Facility. The internal control system and other relevant arrangements in the Finnish recovery and resilience plan, including for the verification mechanisms, data collection and storage, the responsibilities of relevant actors are adequate with respect to preventing, detecting, and correcting corruption, fraud, conflict of interests when using the funds under Regulation (EU) 2021/241 and to avoid double funding under that Regulation and other Union programmes.

(45) Since the assessment of the audit and control system described in the initial plan, which was established on the proposed audit and control system, the Commission has had access to information on the actual implementation of the different control procedures for the prevention, detection and correction of fraud, corruption, and conflict of interest. This includes the findings of the audit on the protection of the financial interests of the Union performed by the Commission in Finland. In light of this information, the internal control system of the Finnish RRP can be considered as overall adequate, but it has some deficiencies that should be addressed through an additional dedicated audit and control milestone. This milestone should require the entry into force of a decree on risk management and controls to ensure protection of the financial interests of the Union and compliance with applicable Union and national rules in the context of the RRF. In addition, the milestone should require the publication of guidelines of the coordinating body for the RRF implementing bodies that include the adoption of procedures for verification of conflicts of interest, double funding, and verifications of compliance with the Union and national legislation, as well as an agreement on the use of data for the purpose of detecting fraud, corruption, conflicts of interest and double funding. This additional milestone should be fulfilled by the time of the submission of the next payment request to the Commission following the adoption of this Implementing Decision and should be a prerequisite for any future payment.

Coherence of the RRP

(46) 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.

(47) The REPowerEU chapter further underpins the coherence of the Finnish plan, providing additional mutually reinforcing elements. The reform to streamline environmental permit procedures is expected to facilitate the planned investments of the chapter and to further contribute to speeding up green investments included in the RRP. The support to R&D for the green transition contributes to the green transition and to Finland's goal of achieving carbon neutrality by 2035. As a whole, the RRP includes a comprehensive and balanced package of reforms and investments. Measures within components are mutually reinforcing, with all components including a set of balanced reforms and investments. Furthermore, the link between reforms and investments is well established and measures reinforce and complement each other and help address the identified challenges. No measures contradict or undermine the effectiveness of other measures, and no inconsistencies or contradictions were identified between different components.

Any other assessment criteria

(48) The Commission considers that the modifications put forward by Finland do not affect the positive assessment of the RRP set out in the Council Implementing Decision of 29 October 2021 on the approval of the assessment of the RRP for Finland regarding the relevance, effectiveness, efficiency and coherence of the RRP against the assessment criteria laid down in Article 19(3), point(c).

Consultation process

(49) In preparation of the REPowerEU chapter, the Ministry of Finance organised a written consultation for a wide group of stakeholders including line ministries, public agencies, labour market organisations and third sector organisations in September 2023. The Ministry of Finance received 39 opinions or comments, reflecting largely positive feedback. One aspect raised in the consultation was the relatively narrow selection of research institutions implementing the measure on R&D for the green transition . The feedback led to the inclusion of an additional research institution, Natural Resources Institute Finland (Luke) in that measure.

Positive assessment

(50) 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

(51) The estimated total costs of the modified RRP including the REPowerEU chapter of Finland is EUR 1 949 227 000. As the amount of the estimated total costs of the modified RRP is higher than the updated maximum financial contribution available for Finland, the financial contribution calculated in accordance with Article 11 allocated for Finland's modified RRP including the REPowerEU chapter should be equal to the total amount of the financial contribution available for Finland's modified RRP including the REPowerEU chapter. This amount is equal to EUR 1 822 051 146.

(52) Pursuant to Article 21a(5) of Regulation (EU) 2021/241, on 5 October 2023 Finland 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 127 090 000. As this amount is higher than the allocation share available for Finland, the additional non-repayable financial support available for Finland should be equal to the allocation share. This amount is equal to EUR 112 766 671.

(53) Additionally, in accordance with Article 4a of Regulation (EU) 2021/1755[5], on 1 March 2023 Finland 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 14 242 037. That amount should be made available to support the reforms and investments in the REPowerEU chapter as additional non-repayable financial support.

(54) The total financial contribution available to Finland should be EUR 1 949 059 854.

REPowerEU Pre-financing

(55) Finland has requested the following funding for the implementation of its REPowerEU chapter: transfer of EUR 14 242 037 from the provisional allocation from the resources of the Brexit Adjustment Reserve, and EUR 112 766 671 from the revenue from the Emissions Trading System under Directive 2003/87/EC of the European Parliament and of the Council.

(56) For those amounts, pursuant to Article 21d of Regulation (EU) 2021/241, on 5 October 2023 Finland has requested pre-financing of EUR 25 401 742, that is 20% of the funding requested. Subject to available resources, that pre-financing should be made available to Finland subject to the entry into force of, and in accordance with, an agreement to be concluded between the Commission and Finland pursuant to Article 23(1) of Regulation (EU) 2021/241 (the 'financing agreement').

(57) Council Implementing Decision (ST 12524/21 INIT and ST 12524/21 ADD 1 of 29 October 2021) on the approval of the assessment of the RRP for Finland should therefore be amended accordingly. For the sake of clarity, the Annex to that Implementing Decision should be replaced entirely,

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[5] 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).

HAS ADOPTED THIS DECISION:

Article 1

Implementing Decision (EU) of 29 October 2021 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 Finland 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 Finland a financial contribution in the form of non-repayable support amounting to EUR 1 949 059 854.[6] That contribution includes:

(a) an amount of EUR 1 660 743 618 that shall be available to be legally committed by 31 December 2022;

(b) an amount of EUR 161 307 528 that shall be available to be legally committed from 1 January 2023 until 31 December 2023;

(c) an amount of EUR 112 766 671[7], 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);

(d) an amount of EUR 14 242 037, transferred from the Brexit Adjustment Reserve to the Facility.

2. The Union financial contribution shall be made available by the Commission to Finland in instalments in accordance with the Annex to this Decision. An amount of EUR 271 094 341 shall be made available as pre-financing in accordance with Article 13 of Regulation (EU) 2021/241.

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6 This amount corresponds to the financial allocation after deduction of the Finland'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.

7 This amount corresponds to the financial allocation after deduction of the Finland's proportional share of the expenses of Article 6(2) of Regulation (EU) 2021/241, calculated in accordance with the methodology of Annex IVa to that Regulation.

An amount of EUR 25 401 742 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.

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:

Article 2
Addressee

This Decision is addressed to the Republic of Finland.

Done at Brussels,

For the Council
The President