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2022/0101 (NLE)

Proposal for a

COUNCIL IMPLEMENTING DECISION

on the approval of the assessment of the recovery and resilience plan for Sweden

{SWD(2022) 102 final}

2022/0101 (NLE)

Proposal for a

COUNCIL IMPLEMENTING DECISION

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 Facility¹ and in particular Article 20 thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) The COVID-19 outbreak has had a disruptive impact on the economy of Sweden. In 2019, the gross domestic product (GDP) per capita of Sweden was 148% of the Union average. The real GDP of Sweden declined by 2,9% in 2020 and increased by 1,8 cumulatively in 2020 and 2021. Long-standing aspects with an impact on medium-term economic performance include high labour force participation, a strong and export-oriented manufacturing sector, a strong fiscal position and highly developed social safety net but also persistent imbalances stemming from the housing market and high household debt. While the productivity level in the Swedish economy is among the highest in the EU, productivity growth has been sluggish and labour market mismatches persist. Ensuring a sufficient pace of innovation, an adequate supply of skilled labour in times of profound demographic and technological changes, as well as a progressive unwinding of macroeconomic imbalances, remain key to fostering sustainable, balanced and inclusive growth in Sweden.
- (2) On 9 July 2019 and on 20 July 2020, the Council addressed recommendations to Sweden in the context of the European Semester. In particular, the Council recommended Sweden to focus investment on the green and digital transitions, as well as on education and skills and research and innovation, taking into account regional disparities. With a view to the functioning of the housing market, the Council recommended Sweden to address risks related to high household debt, to stimulate

¹ OJ L 57, 18.2.2021, p. 17.

investment in residential construction where shortages are most pressing, and to improve the efficiency of the housing market. The Council also recommended improving the effectiveness and enforcement of the anti-money-laundering framework. Sweden was invited to take all necessary measures, in line with the general escape clause of the Stability and Growth Pact, to effectively address the COVID-19 pandemic, sustain the economy and support the ensuing recovery. When economic conditions allow, Sweden should pursue fiscal policies aimed at achieving prudent medium-term fiscal positions and ensuring debt sustainability, while enhancing investment. Finally, Sweden was advised to ensure the resilience of the health system. Having assessed progress in the implementation of these country-specific recommendations at the time of submission of the recovery and resilience plan ('RRP'), the Commission finds that the recommendation on 5G deployment has been fully implemented. Substantial progress has been achieved on sustainable transport as well as on taking all necessary measures to effectively address the pandemic, sustain the economy and support the ensuing recovery.

- (3) On 2 June 2021, the Commission published an in-depth review under Article 5 of Regulation (EU) No 1176/2011 of the European Parliament and of the Council² for Sweden. The Commission's analysis led it to conclude that Sweden is experiencing macroeconomic imbalances, in particular with regard to risks of overvalued house price levels coupled with a continued rise in household debt.
- (4) On 28 May 2021, Sweden submitted its national RRP to the Commission, in accordance with Article 18(1) of Regulation (EU) 2021/241. That submission followed a consultation process, conducted in accordance with the national legal framework, involving local and regional authorities, social partners, civil society organisations, youth organisations and other relevant stakeholders. National ownership of the RRP underpins their successful implementation and lasting impact at national level and credibility at European level. Pursuant to Article 19 of Regulation (EU) 2021/241, the Commission has assessed the relevance, effectiveness, efficiency and coherence of the RRP, in accordance with the assessment guidelines set out in Annex V to that Regulation.
- (5) The RRP should pursue the general objectives of the Recovery and Resilience Facility established by Regulation (EU) 2021/241 (the 'Facility') and of the European Union Recovery Instrument set up by Council Regulation (EU) 2020/2094 in order to support the recovery in the aftermath of the COVID-19 crisis. They should promote the Union's economic, social and territorial cohesion by contributing to the six pillars referred to in Article 3 of Regulation (EU) 2021/241.
- (6) The implementation of the Member States' RRP will constitute a coordinated effort involving reforms and investments across the Union. Through coordinated and simultaneous implementation and the implementation of cross-border and multi-country projects, such reforms and investments will mutually reinforce each other and generate positive spillovers across the Union. Therefore, about one third of the impact

² 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).

of the Facility on Member States' growth and job creation will come from spillovers from other Member States.

Balanced response contributing to the six pillars

- (7) In accordance with Article 19(3), point (a), of and Annex V, criterion 2.1, to Regulation (EU) 2021/241, the RRP represents to a large extent (Rating A) a comprehensive and adequately balanced response to the economic and social situation, thereby contributing appropriately to all of the six pillars referred to in Article 3 of that Regulation, taking into account the specific challenges faced by and the financial allocation for the Member State concerned.
- (8) The RRP includes measures that contribute to all the six pillars, with a number of components addressing multiple pillars simultaneously. Such an approach helps to ensure that each pillar is comprehensively addressed in a coherent manner. Measures to decarbonise the industry and transport and to support local and regional projects on greenhouse gas (GHG) emission reductions are expected to promote the green transition. This is further supported through public support schemes to increase the energy efficiency of buildings, including through the use of smart energy systems. The RRP is expected to contribute comprehensively to the digital pillar, with measures to further improve high-speed connectivity, foster digital skills through education and training, and enhance e-government and digital public services.
- (9) The support to the development and application of new technologies in the green domain is expected to help the Swedish economy grow in a smart and sustainable way. Support for re- and upskilling is expected to contribute to inclusive growth for all. In addition, measures aimed at tackling the demographic challenge, namely the adjustments of the age limits in pension and social security and tax systems, are expected to help ensure the sustainability and resilience of the Swedish economic and social model. With respect to social and territorial cohesion, the support of broadband roll-out in rural areas 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 aiming at education and training as well as through measures to increase housing supply.
- (10) The resilience of the Swedish health system should be improved through targeted measures to increase the supply of properly trained staff, while the resilience of the Swedish financial system should be improved by enhancing the effectiveness of the Financial Supervisory Authority. The RRP is expected to contribute to social resilience by fostering the transition prospects on the labour market. Measures to digitalise the public administration, coupled with reforms to combat money laundering and the financing of terrorism, are expected to benefit institutional resilience. The Swedish RRP is expected to contribute to policies for the next generation with measures on Swedish language and vocational training, by providing additional resources to universities, and through a reform of the employment protection system that should improve job prospects for the younger generation.

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

- (11) In accordance with Article 19(3), point (b), of and Annex V, criterion 2.2, to Regulation (EU) 2021/241, the RRP is expected to contribute to effectively addressing all or a significant subset of challenges (Rating A) identified in the relevant country-specific recommendations addressed to Sweden, including fiscal aspects thereof and recommendations made pursuant to Article 6 of Regulation (EU) No 1176/2011, addressed to the Member State concerned or challenges identified in other relevant documents officially adopted by the Commission in the context of the European Semester.
- (12) The RRP includes an extensive set of mutually reinforcing reforms and investments that contribute to effectively addressing all or a significant subset of the economic and social challenges outlined in the country-specific recommendations addressed to Sweden by the Council in the European Semester in 2019 and in 2020, notably in the areas of healthcare's resilience, climate and digital transition, education and skills development, research and innovation, anti-money laundering and improving supply side conditions and mobility in the housing market.
- (13) The RRP includes measures to increase the accessibility and capacity of the health care system. The strengthening of the health care's resilience is embedded in a broader plan to upgrade the health care system. Swedish health care is expected to benefit from the RRP through training of elderly care providers, the augmented number of study places in Vocational Education and Training (Yrkesvux) with a focus on health and social care and from introducing a protected title for assistant nurses, making this profession more attractive for potential employees.
- (14) The RRP has a strong focus on the green and digital transitions, the low carbon and energy transitions and sustainable infrastructure. The green transition is supported by broad subsidy schemes aimed at speeding up the decarbonisation of industry and transport via the promotion of investment in the development and application of innovative technologies for fossil-free solutions. The digital transition is in particular supported by dedicated investments to further improve high-speed connectivity, and measures supporting the digitalisation of the public administration.
- (15) The RRP contains several targeted reforms and investments to enhance education and skills developments in particular through both increasing the number of training opportunities, including for staff in elderly care, and study places in vocational training and in higher education, focussing on individuals with particular difficulties on the labour market. Coupled with the measure modernising employment protection legislation, this is expected to provide further incentives to scale up human capital and address the changing skills' needs, especially in the context of the digital and green transitions.
- (16) The RRP is expected to reduce the risk of money laundering in the financial system through two measures that strengthen effective supervision and enforcement of the anti-money laundering framework. It also is expected to improve the supply of rental housing and supply conditions in the housing market.
- (17) The recommendations related to the immediate fiscal policy response to the pandemic can be considered to fall outside the scope of Sweden's RRP, notwithstanding the fact that Sweden has generally responded adequately and sufficiently to the immediate

need to support the economy through fiscal means in 2020 and 2021, in line with the general escape clause of the Stability and Growth Pact. By addressing the aforementioned challenges, the RRP is expected to also contribute to a limited extent to correcting the imbalances, as identified in the 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 risks of overvalued house price levels coupled with a continued rise in household debt.

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

- (18) In accordance with Article 19(3), point (c), of and Annex V, criterion 2.3, to Regulation (EU) 2021/241, the RRP is expected to have a high impact (Rating A) on strengthening the growth potential, job creation, and economic, social and institutional resilience of Sweden, 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.
- (19) 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 Sweden by 0,2% to 0,3% by 2026, not including the possible positive impact of structural reforms. The RRP is also expected to contribute to employment, notably in 2021-2022. The most significant persistent positive effects on growth, productivity and fiscal sustainability over the medium to long run are expected to stem from reforms of social security and pensions and changes in labour market legislation.
- (20) The RRP puts forward a package of investments and reforms in education, digitalisation, and healthcare with a view to addressing challenges in these 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 education places all over Sweden has the potential of providing a boost to employment and productivity, while fostering social cohesion. In addition, the increased supply and quality of the long-term care services should positively impact the lives of the elderly, while the special supportive measures targeting students and low-income families should improve the standing of disadvantaged groups in the housing market.
- (21) Measures to foster the green and digital transitions are expected to make the Swedish economy more innovative and sustainable. In particular, support to broadband expansion is expected to give a further boost to the digital transition of work that should reduce vulnerabilities to supply-chain disruptions. The measures to improve matching on the labour market and to close the skills gaps should help maintain Sweden's strong competitiveness and facilitate adjustments in the event of adverse economic circumstances. In addition, the RRP's emphasis on environmentally sustainable initiatives is deemed to reduce exposure to unsustainable economic activities at risk of obsolescence. In all, the RRP promotes an industry structure based on agile and innovative economic activities, conducive to resilience.

Do no significant harm

- (22) In accordance with Article 19(3), point (d), of and Annex V, criterion 2.4, to Regulation (EU) 2021/241, the RRP is expected to ensure that no measure (Rating A) for the implementation of reforms and investments projects included in the 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 Council³ (the principle of 'do no significant harm').
- (23) In line with the notice 'Technical guidance on the application of "do no significant harm" under the Recovery and Resilience Facility Regulation' adopted by the European Commission⁴, Sweden has provided justification that all measures included in its RRP do no significant harm to any environmental objective. Particular attention has been paid to measures whose impact on environmental objectives warrants close scrutiny. Sweden has provided substantial evidence and foresees the implementation of mitigating measures to avoid significant harm, which should be ensured through relevant milestones. This concerns in particular R&D&I investment schemes and the broad support schemes under the 'Industry Leap' and the 'Climate leap' initiatives to reduce GHG emissions, which may include installations covered under the EU Emissions Trading System (ETS).

Contribution to the green transition including biodiversity

- (24) In accordance with Article 19(3), point (e), of and Annex V, criterion 2.5, to Regulation (EU) 2021/241, the RRP contains measures that contribute to a large extent (Rating A) to the green transition, including biodiversity, or to addressing the challenges resulting therefrom. The measures supporting climate objectives account for an amount which represents 44,4% of the RRP's total allocation calculated in accordance with the methodology set out in Annex VI to that Regulation. In accordance with Article 17 of that Regulation, the RRP is consistent with the information included in the National Energy and Climate Plan 2021-2030.
- (25) Reforms and investments are expected to make a significant contribution to the decarbonisation and energy transition objectives as set out in Sweden's National Energy and Climate Plan, thereby contributing to the Union's 2030 climate target. A number of ambitious measures, grouped together in a dedicated "green" component of the RRP, support the climate objectives, with some measures also supporting other environmental objectives, including the preservation of biodiversity. The implementation of the measures is expected to have a lasting impact, notably by contributing to the green transition, the enhancement of biodiversity, and environmental protection.
- (26) The RRP contains investments in research and development to decarbonize emission-intensive industrial sectors as well as investments in local and regional climate projects aiming to reduce GHG emissions, including electric car charging

³ 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).

⁴ OJ C 58, 18.2.2021, p. 1.

infrastructures and sustainable biofuel production. The RRP also aims to reduce GHG emissions through investments to improve the energy performance of multi-dwelling buildings and the upgrade of rail infrastructure, whilst investments in the protection of valuable nature areas, notably forests, directly support the preservation of biodiversity and natural habitats. Investments are complemented by a package of ambitious reforms to support the green transition, including an increase of the energy tax, an adjustment of the car benefit tax calculation to better reflect cars' carbon footprint and increases in the renewables shares in fuels used by the transport sector.

- (27) The measures contained in the RRP contribute to the achievement of the Union's 2050 climate target as well as Sweden's target of achieving carbon neutrality by 2045.

Contribution to the digital transition

- (28) In accordance with Article 19(3), point (f), of and Annex V, criterion 2.6, to Regulation (EU) 2021/241, the RRP contains measures that contribute to (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 that Regulation.
- (29) The measures in the RRP contribute to addressing Sweden's challenges related to the digital transition. In particular, while Sweden's digital connectivity is overall well-advanced, there are connectivity gaps in sparsely populated areas. The support for broadband roll-out should help improve access to high-speed connections in those areas. To address scarcity of experts in the Information and Communication Technology sector, despite the overall high level of digital skills among the Swedish population, the RRP contains investment measures to increase the number of study places in higher vocational education in relevant fields. In addition, the RRP contains investments to scale-up the education at universities and other higher education institutions, with a substantive share going to programmes that increase digital skills.
- (30) The measures in the RRP are expected to contribute to the digital transition in Sweden by supporting the digitalisation of the public administration. The RRP is expected to foster synergies between tackling the green and digital transitions by supporting the application of smart energy systems to increase the energy efficiency of buildings.

Lasting impact

- (31) In accordance with Article 19(3), point (g), of and Annex V, criterion 2.7, to Regulation (EU) 2021/241, the RRP is expected to have a lasting impact on Sweden to a large extent (Rating A).
- (32) The implementation of the RRP's measures is expected to bring about structural change in the economy by enhancing its innovation capacity, environmental sustainability, digital skills and social cohesion. It raises the share of environmental taxes, which contributes to the achievement of Sweden's climate goals and should accelerate the green transformation of the economy. This is further accentuated through the promotion of innovative technologies for fossil-free solutions in energy-intensive industries.

- (33) The RRP supports social and territorial cohesion and convergence, which is expected to have a positive effect also in the long term. The broadband measure is tilted towards regions without a full broadband coverage thereby promoting regional cohesion in relation to less densely populated areas across the country. This should enable all to take part in the upward social and economic mobility driven by digitalisation. The investments in education, largely targeting vocational education and education for individuals with particular difficulties on the labour market as well as programmes to improve knowledge of the Swedish language among all residents, is expected to have a long-term positive impact on social cohesion and integration. Measures aimed at boosting innovation and countering adverse impacts of demographic trends support productivity gains and the sustainability of public finances. They help improve the capacity to support future growth-enhancing investments.
- (34) The lasting impact of the RRP can also be enhanced through synergies between the RRP and other programmes, including those financed by the cohesion policy funds, in particular by addressing territorial challenges and promoting a balanced development. Accompanying structural reforms to enhance growth potential shore up the innovate base of the Swedish economy and address macroeconomic imbalances is expected to further help secure a balanced and sustainable growth path beyond the horizon covered by the RRP.

Monitoring and implementation

- (35) In accordance with Article 19(3), point (h), of and Annex V, criterion 2.8, to Regulation (EU) 2021/241, the arrangements proposed in the RRP are adequate (Rating A) to ensure effective monitoring and implementation of the RRP, including the envisaged timetable, milestones and targets, and the related indicators.
- (36) 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. Those are sufficiently clear and realistic to ensure that their completion will 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. 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.
- (37) Member States should ensure that financial support under the Facility is communicated and acknowledged in line with Article 34 of Regulation (EU) 2021/241. Technical support may be requested under the Technical Support Instrument established by Regulation (EU) 2021/240 of the European Parliament and of the Council⁵ to assist Member States in the implementation of their RRP.

Costing

⁵ Regulation (EU) 2021/240 of the European Parliament and of the Council of 10 February 2021 establishing a Technical Support Instrument (OJ L 57, 18.2.2021, p. 1).

- (38) In accordance with Article 19(3), point (i), of and Annex V, criterion 2.9, to Regulation (EU) 2021/241, the justification provided in the RRP on the amount of the estimated total costs of the RRP is to a medium extent (Rating B) reasonable and plausible, is in line with the principle of cost efficiency and is commensurate to the expected national economic and social impact.
- (39) Sweden has generally provided detailed breakdowns of individual cost estimates for investments and reforms with an associated cost included in the RRP. The justification of costs is primarily based on comparisons with past or parallel projects that are similar in nature to the proposed measures. For measures having costs that may not be determined in detail ex-ante, such as demand-driven schemes with calls for proposals, Sweden has provided evidence to demonstrate that the overall amount to be spent is not disproportionate with the funding needs of the sectors targeted. The cost assessment shows that most of the costs in the RRP are reasonable and plausible. Nevertheless, the fact that for some measures the link between the justification and the cost itself is not entirely clear precludes a rating of ‘A’ for this 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

- (40) In accordance with Article 19(3), point (j), of and Annex V, criterion 2.10, to Regulation (EU) 2021/241, the arrangements proposed in the RRP and the additional measures contained in this Decision are adequate (Rating A) to prevent, detect and correct corruption, fraud and conflicts of interests when using the funds provided under that Regulation, and the arrangements are expected to effectively avoid double funding under that Regulation and other Union programmes. This is without prejudice to the application of other instruments and tools to promote and enforce compliance with Union law, including for preventing, detecting and correcting corruption, fraud and conflicts of interest, and for protecting the Union budget in line with Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council⁶.
- (41) The RRP is accompanied by implementing measures, including comprehensive safeguarding measures with respect to control and audit, subject to the full implementation of the dedicated additional milestones in this area. The Ministry of Finance bears the overall responsibility for the implementation of the RRP and is be accountable on behalf of all public sector entities on the operational and administrative aspects of the RRP. The Ministry of Finance is also responsible for handling and ensuring a central reply to requests for information and access to data on final recipients. The collection and storage of such data is ensured by the authorities responsible for implementing the RRP. To ensure coherence in the implementation of the RRP, the overarching audit authority is the Swedish National Financial Management Authority (ESV), which assists the Ministry of Finance with its overall coordination duties. The National Audit Office (NAO) also contributes through recurrent audits on efficiency, effectiveness and reliability of accounts, acting independently from the government in executing its mandate given by Parliament.

⁶ 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).

- (42) The internal control system described in Sweden's RRP presents a robust process and structure, where the roles and responsibilities of implementing entities are clearly defined and the relevant control functions are appropriately segregated. Milestones should be established requiring 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 to 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. Those milestones should ensure that the system includes, as a minimum, the following functionalities: (a) the collection of data and the monitoring of the achievement of milestones and targets; and (b) the collection and storing of and the ensuring of access to the data required by Article 22(2), point (d)(i) to (iii), of Regulation (EU) 2021/241.

Coherence of the RRP

- (43) In accordance with Article 19(3), point (k), of and Annex V, criterion 2.11, to Regulation (EU) 2021/241, the RRP includes to a high extent (Rating A) measures for the implementation of reforms and public investment projects that represent coherent actions.
- (44) The RRP is characterised by a consistent vision to use the recovery as a leverage to speed up the green and digital transitions, and to foster social cohesion, displaying coherence between components and individual measures. The reforms and investments in each component are consistent and mutually reinforcing, and synergies and complementarities exist between components. For instance, the reform to foster vocational training in health- and social care in combination with Swedish language training is expected to address the challenges related to disadvantaged labour market groups. At the same time this reform should also help ensure high quality care services, which complements the dedicated elderly care initiative and the measure to regulate the profession of nurse.

Equality

- (45) The RRP contains measures that are to a different degree expected to help Sweden address its challenges in the areas of gender equality and equal opportunities for all, in particular education and training, targeted, among others, at young people, people with a migrant background and those with disabilities. The RRP reflects the Government's overall gender equality policy goal, for women and men to have the same possibility to shape society and their own lives. The RRP is expected to be an important tool to promote gender equality and gender budgeting.

Security self-assessment

- (46) A security self-assessment has not been provided as it has not been considered appropriate by Sweden, in accordance with Article 18(4), point (g), of Regulation (EU) 2021/241.

Consultation process

- (47) In the preparatory stages of the Swedish RRP, there were numerous consultations with social partners and business organisations, including within the framework of the national co-ordination on the European Semester at services' level. A meeting was held with representatives of civil society. Relevant stakeholders, such as interest groups, businesses and representatives of municipalities and regions submitted proposals in the process. Reforms or measures in the RRP that involve a change in existing legislation have been or are expected to be preceded, in particular, by the submission of proposals to relevant authorities, municipalities, associations and individuals.
- (48) Where applicable, the stakeholders concerned should continue to be involved in the implementation of the respective measures, 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 RRP.

Positive assessment

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

Financial contribution

- (50) The estimated total cost of the RRP of Sweden is SEK 33 304 030 000, which equals EUR 3 289 286 914 on the basis of the EUR SEK ECB reference rate of 28 May 2021. As the RRP satisfactorily complies with the criteria for assessment set out in Regulation (EU) 2021/241 and, furthermore, as the amount of the estimated total costs of the RRP is higher than the maximum financial contribution available for Sweden, the financial contribution allocated for Sweden's RRP should be equal to the total amount of the financial contribution available for Sweden.
- (51) In accordance with Article 11(2) of Regulation (EU) 2021/241, the calculation of the maximum financial contribution for Sweden is to be updated by 30 June 2022. As such, in accordance with Article 23(1) of that Regulation, an amount for Sweden not exceeding the maximum financial contribution referred to in Article 11(1), point (a), of that Regulation should be made available now for a legal commitment by 31 December 2022. Where necessary following the update of the maximum financial contribution, the Council, on a proposal from the Commission, should amend this Decision to include the updated maximum financial contribution, calculated in accordance with Article 11(2) of that Regulation, without undue delay.

- (52) The support to be provided is to be financed from the borrowing by the Commission on behalf of the Union on the basis of Article 5 of Council Decision (EU, Euratom) 2020/2053⁷. The support should be paid in instalments once Sweden has satisfactorily fulfilled the relevant milestones and targets identified in relation to the implementation of the RRP.
- (53) This Decision should be without prejudice to the outcome of any procedures relating to the award of Union funds under any Union programme other than the Facility or to procedures relating to distortions of the operation of the internal market that may be undertaken, in particular under Articles 107 and 108 of the Treaty. It does not override the requirement for Member States to notify instances of potential State aid to the Commission under Article 108 of the Treaty,

HAS ADOPTED THIS DECISION:

Article 1
Approval of the assessment of the RRP

The assessment of the 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.

Article 2
Financial contribution

1. The Union shall make available to Sweden a financial contribution in the form of non-repayable support amounting to EUR 3 288 516 389.⁸ An amount of EUR 2 910 807 980 shall be available to be legally committed by 31 December 2022. If the update provided for in Article 11(2) of Regulation (EU) 2021/241 results in an updated maximum financial contribution for Sweden that is equal to or more than EUR 3 288 516 389, a further amount of EUR 377 708 409 shall be available to be legally committed from 1 January 2023 until 31 December 2023. If the update provided for in Article 11(2) of Regulation (EU) 2021/241 results in an updated maximum financial contribution for Sweden that is less than EUR 3 288 516 389, the difference between the updated maximum financial contribution and the amount of EUR 2 910 807 980 shall be available to be legally committed in accordance with the procedure set out in Article 20(8) of Regulation (EU) 2021/241 from 1 January 2023 until 31 December 2023.

⁷ OJ L 424, 15.12.2020, p. 1.

⁸ 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.

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

Article 3
Addressee

This Decision is addressed to the Kingdom of Sweden.

Done at Brussels,

For the Council
The President