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Proposal for a

COUNCIL IMPLEMENTING DECISION

amending Implementing Decision (EU) (ST 7772/22 INIT; ST 7772/22 ADD 1) of 4 May 2022 on the approval of the assessment of the recovery and resilience plan for Sweden

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amending Implementing Decision (EU) (ST 7772/22 INIT; ST 7772/22 ADD 1) 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,

Whereas:

(1) Following the submission of the national recovery and resilience plan ('RRP') by Sweden on 28 May 2021 the Commission has proposed its positive assessment to the Council. The Council approved the positive assessment by means of the Council Implementing Decision of 4 May 2022[2]. That CID was amended on 9 November 2023[3].

(2) On 19 September 2024, Sweden made a reasoned request to the Commission to make a proposal to amend the Council Implementing Decision of 4 May 2022 in accordance with Article 21(1) of Regulation (EU) 2021/241 on the grounds that the RRP is partially no longer achievable because of objective circumstances. On that basis, Sweden has submitted an amended RRP.

Amendments based on Article 21 of Regulation (EU) 2021/241

(3) The amendments to the RRP submitted by Sweden because of objective circumstances concern six measures.

(4) Sweden has explained that one measure is no longer achievable, because of the increased costs of fossil fuels and biofuels. This concerns, respectively, milestones 13 and 14 of reform 1 (Adjustments in the reduction obligation) under component 1 (Green recovery). In particular, the increase in prices would, for milestone 13, disproportionately negatively impact households during the on-going energy crisis, whilst for milestone 14 it has been identified that the measure is not in line with

[1] OJ L 57, 18.2.2021, p. 17.
[2] ST 7772/22; ST 7772/22 ADD 1.
[3] ST 14474/23; ST 14474/23 ADD 1.

Regulation (EU) 2023/2405[4]. On this basis, Sweden has requested to remove the aforementioned measure and milestones. The Council Implementing Decision of 4 May 2022 should be amended accordingly.

(5) Following the removal of measures under Article 21 of Regulation (EU) 2021/241, Sweden has further requested to increase the level of implementation of two measures. This concerns the inclusion of milestone 11 under reform 1 (Streamline the process for environmental permits) under component 1 (Green recovery), and milestone 33bis under reform 3 (National professional programme for principals, teachers and early childhood education and care teachers) under component 2 (Education and transition). The Council Implementing Decision of 4 May 2022 should be amended accordingly.

(6) Sweden has explained that three measures have been amended to implement better alternatives in order to achieve the original ambition of the measure. This concerns target 6 of investment 2 (Climate investments in the industrial sector (Industry Leap)) under component 1 (Green recovery), targets 24, 25, 26 and 27 of investment 2 (More study places in higher vocational education) under component 2 (Education and transition), as well as targets 45, 46, 47, 48 and 49 of investment 1 (Broadband expansion) under component 4 (Broadband expansion and digitalisation of public administration). On this basis, Sweden has requested to amend target 6 and the related measure description, as well as to add targets 6a and 6b. Furthermore, Sweden has requested to amend target 27 and to remove targets 24, 25 and 26. Furthermore, Sweden has requested to amend target 45 and the related measure description, and to remove targets 46, 47, 48 and 49. The Council Implementing Decision of 4 May 2022 should be amended accordingly.

(7) Sweden has explained that one measure has been amended to implement a better alternative allowing to reduce the administrative burden, whilst still reaching the objective of the respective measure. This concerns targets 3 and 4 of investment 1 (Local and regional climate investment) under component 1 (Green recovery). On this basis, Sweden has requested to remove target 3 and amend target 4. The Council Implementing Decision of 4 May 2022 should be amended accordingly.

(8) The Commission considers that the reasons put forward by Sweden justify the amendment(s) pursuant to Article 21(2) of Regulation (EU) 2021/241, and the Council Implementing Decision of 4 May 2022 should be amended accordingly.

Distribution of milestones and targets

(9) The distribution of milestones and targets in instalments should be modified to take into account the amendments to the plan and the indicative timeline presented by Sweden.

Corrections of clerical errors

(10) 17 clerical errors have been identified in the text of the Council Implementing Decision, affecting one milestone, four targets and 14 measures under five components. The Council Implementing Decision should be amended to correct these 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 target 7 of investment 3 (Energy efficiency in multi-dwelling buildings)

[4] Regulation (EU) 2023/2405 of the European Parliament and of the Council of 18 October 2023 on ensuring a level playing field for sustainable air transport (ReFuelEU Aviation) (OJ L, 2023/2405 31.10.2023).

under component 1 (Green recovery), milestone 33 of reform 2 (Employment protection act and greater transition possibilities) under component 2 (Education and transition), targets 34 and 35 of investment 1 (Elderly care initiative) under component 3 (Better conditions for addressing demographic challenges), target 52 of reform 1 (Private right of initiative – involvement of planning stakeholders in zoning) under component 5 (Investment for growth and housing), and the description of investment 1 (Local and regional climate investments) under component 1 (Green recovery), investment 2 (Climate investments in the industrial sector (Industry Leap)) under component 1 (Green recovery), investment 3 (Energy efficiency in multi-dwelling buildings) under component 1 (Green recovery), reform 2 (Abolished reduction of energy tax on fuel in certain sectors) under component 1 (Green recovery), reform 3 (Adjusted taxable benefit rates for company cars) under component 1 (Green recovery), investment 1 (More study places in regional adult vocational education) under component 2 (Education and transition), investment 2 (More study places in higher vocational education) under component 2 (Education and transition), reform 1 (Higher compensation level for vocational training in combination with Swedish for Immigrants and Swedish as a second language) under component 2 (Education and transition), reform 2 (Employment protection act and greater transition possibilities) under component 2 (Education and transition), investment 3 (Resources to meet demands for education at universities and other higher education institutions) under component 2 (Education and transition), reform 1 (Regulating the professional title of nursing assistants) under component 3 (Better conditions for addressing demographic challenges), reform 4 (A new bank account and safe deposit box system) under component 3 (Better conditions for addressing demographic challenges), investment 1 (Joint public administration digital infrastructure) under component 4 (Broadband expansion and digitalisation of public administration) 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.

Commission's assessment

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

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 amended 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, or challenges identified in other relevant documents officially adopted by the Commission in the context of the European Semester.

(13) Having assessed progress in the implementation of all relevant country-specific recommendations as part of the 2022 and 2023 European Semester, the Commission finds that some progress has been achieved with respect to the recommendations on fossil fuels by streamlining the administrative and permitting procedures for the deployment of renewables (CSR 2022.4.4 and CSR 2023.4.3). Furthermore, limited progress has been achieved with respect to the recommendations on improving the educational outcomes for pupils with disadvantaged socio-economic and migrant

backgrounds by ensuring equal access opportunities in the schooling system and addressing the shortages of qualified teachers (CSR 2022.3.1 and CSR 2023.3.1).

(14) The amended 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 context of the European Semester, notably on streamlining permitting procedures for the deployment of renewables (CSR 2022.4.4, CSR 2023.4.3 and CSR 2024.4). The amended RRP is also expected to help contribute towards addressing the shortage of qualified teachers, which is a part of the recommendation on improving the educational performance of pupils (CSR 2022.3.1, CSR 2023.3.1 and CSR 2024.3.1).

Do no significant harm

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

(16) For the new reforms on the streamlining of the process for environmental permits and the National professional programme for principals, teachers and early childhood education and care teachers, Sweden provided a systematic assessment against the principle of 'do no significant harm'. The information provided by Sweden allows to conclude that the modified plan 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.

Any other assessment criteria

(17) The Commission considers that the amendments put forward by Sweden do not affect the positive assessment of the RRP set out in the Council Implementing Decision ST 7772/2022; ST 7772/2022 ADD of 4 May 2022 on the approval of the assessment of the RRP for Sweden regarding the relevance, effectiveness, efficiency and coherence of the RRP against the assessment criteria laid down in Article 19(3), points (a), (c), (da), (db), (e), (f), (g), (h), (i), (j) and (k).

Positive assessment

(18) Following the positive assessment by the Commission of the amended 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, the reforms and investment projects necessary for the implementation of the amended RRP, the relevant milestones, targets and indicators, and the amount made available from the Union for the implementation of the amended RRP in the form of non-repayable financial support should be set out.

Financial contribution

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

(19) The estimated total costs of Sweden's amended RRP 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 amended RRP is higher than the updated maximum financial contribution available for Sweden, the total financial contribution determined in accordance with Article 20(4), and Article 21b(2) of Regulation (EU) 2021/241 allocated for Sweden's amended RRP should be equal to EUR 3 445 666 208.

(20) Council Implementing Decision (ST 7772/2022; ST 7772/2022 ADD 1) of 4 May 2022 on the approval of the assessment of the RRP for Sweden should therefore be mended accordingly. For the sake of clarity, the Annex to that Council Implementing Decision should be replaced entirely,

HAS ADOPTED THIS DECISION:

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 and the additional milestones and targets related to the payment of non-repayable financial support, 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) the Annex is replaced by the text in the Annex to this Decision.

Article 2
Addressee

This Decision is addressed to the Kingdom of Sweden.

Done at Brussels,

For the Council
The President