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

COUNCIL IMPLEMENTING DECISION

of ...

amending Implementing Decision of 4 October 2022

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

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(1) thereof,

Having regard to the proposal from the European Commission,

¹ OJ L 57, 18.2.2021, p. 17.

Whereas:

- (1) Following the submission of the national recovery and resilience plan ('RRP') by the Netherlands on 8 July 2022, the Commission proposed its positive assessment to the Council. On 4 October 2022, the Council approved the positive assessment by means of an implementing decision ('the Council Implementing Decision of 4 October 2022')¹.
- (2) Pursuant to Article 11(2) of Regulation (EU) 2021/241, the maximum financial contribution for non-repayable financial support of each Member State was to be updated by 30 June 2022 in accordance with the methodology provided therein. On 30 June 2022, the Commission presented the results of that update to the European Parliament and to the Council.
- (3) On 6 July 2023, the Netherlands submitted a modified national RRP, including a REPowerEU chapter in accordance with Article 21c of Regulation (EU) 2021/241, to the Commission.
- (4) The modified RRP includes a reasoned request to the Commission to make a proposal to amend the Council Implementing Decision of 4 October 2022 in accordance with Article 21(1) of Regulation (EU) 2021/241 considering the RRP to be partially no longer achievable due to objective circumstances. The modifications to the RRP submitted by the Netherlands concern ten measures.

¹ See documents ST 12275/22 and ST 12275/22 ADD 1 at <http://register.consilium.europa.eu>.

- (5) On 14 July 2023, the Council addressed recommendations to the Netherlands in the context of the European Semester. The Council recommended that the Netherlands, inter alia, reduce its reliance on fossil fuels, accelerate the deployment of renewables and extend and accelerate energy efficiency measures in order to reduce energy consumption. The Council furthermore recommended that the Netherlands support the transition towards sustainable agriculture. The Council also recommended to wind down emergency energy support measures and to ensure prudent fiscal policy while preserving nationally financed public investment. It furthermore recommended to reduce the debt bias for households and the distortions in the housing market. With regard to the labour market, the Council recommended to reduce incentives to use flexible or temporary contracts and to address structural labour and skills shortages. The Council also recommended to proceed with the steady implementation of the Netherlands' RRP.
- (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, such as citizens, companies and energy corporations. 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.

- (7) The amendments to the RRP submitted by the Netherlands because of objective circumstances concern ten measures.
- (8) The Netherlands has explained that three measures are no longer totally achievable, because better alternatives have been developed to achieve their objectives. This concerns, respectively, milestone 1 of measure C1.1 R1 (Energy taxation reform) and the description of that measure under component 1 (Promoting the green transition), target 83 of measure C3.2 I2 (Investment subsidy for sustainable energy and energy savings) and the description of that measure under component 3 (Improving the housing market and making real estate more energy efficient) and targets 108 and 109 of measure C5.1 I1 (Temporary additional human resources capacity for care in times of crisis) under component 5 (Strengthening public healthcare and pandemic preparedness) and the description of that measure. On this basis, the Netherlands has requested that milestone 1 and target 83 be amended, that targets 108 and 109 be removed and to that milestone 108a and target 109a be added and that the aforementioned changes be made. The Council Implementing Decision of 4 October 2022 should be amended accordingly.

- (9) The Netherlands has explained that one measure is no longer totally achievable because the technological progress made since the submission of the original RRP necessitates changes of the unit of measurement used for one of the targets of this measure, where the change of the unit of measurement does not affect the level of ambition of the measure.

The Netherlands explained that the capacity of modular energy containers has improved since the submission of the RRP, and to reach the same capacity, fewer containers are needed than previously assumed. This concerns target 24 of measure C1.1 I3 (Inland waterway energy transition, project Zero Emission Services (ZES)) and the description of that measure under component 1 (Promoting the green transition). On this basis, the Netherlands has requested that the aforementioned target be amended and that the aforementioned change be made. The Council Implementing Decision of 4 October 2022 should be amended accordingly.

- (10) The Netherlands has also explained that one measure is no longer totally achievable because of the larger-than-expected (at the time of the submission of the original RRP) price increases for electricity and for ship conversions to zero-emission propulsion. This concerns target 26 of measure C1.1 I3 (Inland waterway energy transition, project Zero Emission Services (ZES)) and the description of that measure under component 1 (Promoting the green transition). The Netherlands has explained that due to higher than expected price increases for the conversion of ships to zero-emission propulsion, fewer ships can be converted, making it necessary to decrease the target. The Netherlands has also explained that higher than expected electricity prices have led to a change of the structure of demand for the subsidy, meaning converted ships are of different formats and sizes than expected. This makes it necessary to change the unit of measure. On this basis, the Netherlands has requested that the aforementioned target be decreased and that the aforementioned change be made. The Council Implementing Decision of 4 October 2022 should be amended accordingly.

- (11) The Netherlands has also explained that two measures are no longer totally achievable in the given implementation timeline because of price increases. This concerns targets 55–57 of measure C2.2 I3 (Intelligent roadside stations) and the description of that measure under component 2 (Accelerating the digital transformation) and targets 76–79 of measure C3.1 I1 (Unlocking new construction projects) under component 3 (Improving the housing market and making real estate more energy efficient). The latter measure is also affected by the increase of interest rates and prolonged permitting processes for construction projects due to restrictions to limit excessive nitrogen emissions.
- The Netherlands has clarified that the overall ambition of the two measures remains the same but that the targets in the earlier years of their implementation need to be lowered, which should be compensated by increasing the targets in the later years of the implementation. On this basis, the Netherlands has requested that target 76 be removed, that the implementation timeline of targets 56 and 57 be extended, that targets 55, 56, 77 and 78 be decreased and that targets 57 and 79 be increased and that the aforementioned changes be made. The Council Implementing Decision of 4 October 2022 should be amended accordingly.

- (12) The Netherlands has explained that one measure is no longer totally achievable within the timeframe of the RRP because of an unforeseen peak in workload for the bodies responsible for assisting pension funds in the implementation of the reform while substantial labour shortages in the Netherlands make it more difficult to ramp up administrative capacity. This concerns measure C4.1 R3 (Reform of the second pillar of the pension system) under component 4 (Strengthening the labour market, pensions and future-oriented education). On this basis, the Netherlands has requested that the description of the measure be amended and that an additional target be added. The Council Implementing Decision of 4 October 2022 should be amended accordingly.

- (13) In addition, the Netherlands has explained that two measures are no longer totally achievable because the lack of demand caused by labour shortages had an unforeseen impact on the demand for training in certain sectors and the improved labour market situation has resulted in a lower-than-expected take-up of services offered by employment agencies of the Regional Mobility Teams. This concerns, respectively, target 95 of measure C4.1 I1 (The Netherlands continues to learn) under component 4 (Strengthening the labour market, pensions and future-oriented education) and milestones 97, 98, 99 and target 100 of investment C4.1 I2 (Regional Mobility Teams (RMTs)) under component 4 (Strengthening the labour market, pensions and future-oriented education). On this basis, the Netherlands has requested to amend target 95, remove measure C4.1 I2 as well as milestones 97, 98, 99 and target 100 of that measure and to use the remaining resources freed up by this removal to add a new measure enabling upskilling and reskilling for persons who receive temporary unemployment benefits and who have a weak labour market position and to add a milestone 97a and a target 98a to that measure. Under the new measure, funding is to be provided to the Netherlands Employees Insurance Agency (UWV). On this basis, the Netherlands has requested that the aforementioned changes be made. The Council Implementing Decision of 4 October 2022 should be amended accordingly.
- (14) The Commission considers that the reasons put forward by the Netherlands justify the amendment pursuant to Article 21(2) of Regulation (EU) 2021/241.

Corrections of clerical errors

- (15) Four clerical errors have been identified in the text of the Council Implementing Decision of 4 October 2022, affecting four targets, one milestone and four measures. The Council Implementing Decision of 4 October 2022 should be amended to correct those clerical errors that do not reflect the content of the RRP submitted to the Commission on 8 July 2022, as agreed between the Commission and the Netherlands. Those clerical errors relate to target 34 of measure C1.2 I2-1 (Aid scheme for the rehabilitation of pig farms) under component 1 (Promoting the green transition), target 75 of measure C3.1 R5-2 (Accelerating residential construction process and procedures) under component 3 (Improving the housing market and making real estate more energy efficient), target 93 of measure C4.1 I1 (The Netherlands continues to learn) and the description of that measure under component 4 (Strengthening the labour market, pensions and future-oriented education), and target 123 and milestone 124 of measure C6.2 R6 (Anti-money laundering policy) under component 6 (Tackling aggressive tax planning and money laundering) in section 2. Those corrections do not affect the implementation of the measures concerned.

- (16) The REPowerEU chapter includes one new reform. Reform 8.2 aims to tackle grid congestion and accelerate the deployment of renewable energy in the Netherlands. The reform includes changes to the electricity grid code which should provide for more flexible use of the grid when it is congested. Additionally, the reform introduced a new priority framework for electricity grid investments, as well as the completion of regional investment plans for grid expansion that grid operators have to follow. The package should also accelerate permitting procedures for renewable energy projects.
- (17) The REPowerEU chapter also includes scaled-up measures affecting one measure under component 3 ‘Improving the housing market and making real estate more energy efficient’. The scaled-up measure introduces a substantive improvement in the level of ambition of the measure already included in the national RRP. Investment 8.1 subsidises energy efficiency improvements in the built environment, and scales-up the measure C3.2 I2 ‘Investment subsidy for sustainable energy and energy savings’ under component 3 ‘Improving the housing market and making real estate more energy efficient’. The eligible interventions should be the installation of heat pumps, solar boilers, thermal connections, insulation, heat pumps electric and, from 2023 onwards, electric cooking installations. The interventions should have the objective of achieving on average at least a 30 % primary energy demand reduction. The scaled-up measure more than doubles the ambition of the measure already included in the national RRP.
- (18) The Commission has assessed the modified RRP including the REPowerEU chapter against the assessment criteria laid down in Article 19(3) of Regulation (EU) 2021/241.

Balanced response contributing to the six pillars

- (19) 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.
- (20) The Commission considers that the modification of the RRP along with the REPowerEU chapter only impacts the assessment of the contribution of the RRP to the first pillar on the green transition. For the other pillars, the nature and extent of the proposed modifications to the RRP do not have an impact on the previous assessment of the RRP representing to a large extent a comprehensive and adequately balanced response to the economic and social situation, and on its appropriate contribution to all six pillars referred to in Article 3 of Regulation (EU) 2021/241.
- (21) With regard to the first pillar, the Netherlands' modified RRP includes additional measures to address green challenges, namely in component 8 (REPowerEU). The measures in the REPowerEU chapter contribute to achieving the Union's 2030 climate targets and the objective of Union climate neutrality by 2050, as they aim to contribute to increasing the share of renewable energy in the Netherlands' energy mix as well as increasing energy efficiency.

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

- (22) 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 the Netherlands, including fiscal aspects thereof, and recommendations made pursuant to Article 6 of Regulation (EU) No 1176/2011 of the European Parliament and of the Council¹, or challenges identified in other relevant documents officially adopted by the Commission in the context of the European Semester.
- (23) In particular, the modified RRP takes into account country-specific recommendations formally adopted by the Council prior to its submission. It continues to address the 2022 country-specific recommendations. The 2023 country-specific recommendations on energy were also taken into account when designing the modifications, in particular this concerns the recommendations to reduce the reliance on fossil fuels, accelerate the deployment of renewables and to reduce energy consumption in the built environment.

¹ Regulation (EU) No 1176/2011 of the European Parliament and of the Council of 16 November 2011 on the prevention and correction of macroeconomic imbalances (OJ L 306, 23.11.2011, p. 25).

- (24) 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 the Netherlands by the Council in the context of the European Semester. In particular, the energy market reform package included in the REPowerEU chapter is expected to address the recommendation to reduce the reliance on fossil fuels by accelerating the deployment of renewables. This reform package is set to accelerate the deployment of renewables through faster permitting procedures and improvements to the electricity grid capacity. In addition, it aims to address grid congestion in the short term. The modified RRP also has significantly increased the ambition in achieving energy savings in real estate, more than doubling the energy efficiency interventions envisaged in the original RRP. By addressing the aforementioned challenges, and thereby removing obstacles to investments in renewables and stimulating energy efficiency investments, the RRP is expected to also contribute to correcting the imbalances, as identified in recommendations made pursuant to Article 6 of Regulation (EU) No 1176/2011 in 2022, that the Netherlands is experiencing, in particular with regard to imbalances linked to the large current account surplus.

- (25) The modification of the RRP, through the upskilling and reskilling budget for unemployed persons with a weak labour market position, addresses the 2022 recommendation 3.5 on strengthening upskilling and reskilling opportunities, in particular for those at the margins of the labour market. The modification, through the new element on vocational education and ‘on the job training’ in the health sector, is furthermore expected to contribute to the fulfilment of the 2022 recommendations 3.4 and 3.5 on addressing labour shortages in healthcare and strengthen up- and reskilling opportunities.
- (26) Having assessed progress in the implementation of all relevant country-specific recommendations at the time of submission of the modified national RRP, the Commission finds that substantial progress has been achieved with regard to the 2020 recommendations on taking steps to fully address features of the tax system that facilitate aggressive tax planning, ensuring effective supervision and enforcement of the anti-money-laundering framework, investments in mission-oriented research and innovation on mitigating the economic and social impact of the COVID-19. Substantial progress has also been achieved on the 2022 recommendation to pursue a fiscal policy aimed at achieving prudent medium-term fiscal positions, as well as on the 2019 recommendation to implement policies to increase household disposable income.

Contribution to the REPowerEU objectives

- (27) 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.
- (28) The implementation of the measures included in the REPowerEU chapter is expected to contribute to supporting the objective set out in Article 21c(3), point (b), of Regulation (EU) 2021/241. By providing large incentives for households and businesses, the investment is expected to significantly boost energy efficiency in buildings in the Netherlands, in particular by contributing to the electrification of heat generation and by improving the insulation of buildings. The energy market reform is expected to accelerate the deployment of renewable energy by tackling congestion on the electricity grid as well as by shortening permitting procedures.
- (29) The implementation of the measures included in the REPowerEU chapter is also expected to contribute to supporting the objective set out in Article 21c(3), point (e), of Regulation (EU) 2021/241. The energy market reform aims to put conditions in place that are expected to lead to higher investments in grid capacity as well as more flexible management of grid capacity in times of grid congestion.

- (30) Both REPowerEU measures are consistent with the Netherlands' national measures aimed at reducing greenhouse gas emissions and increasing the share of renewable energy. The energy market reform package is also consistent with the government's measures to remove bottlenecks in the electricity grid, for which a substantial, nationally financed envelope is available to boost investments into the grid. The reform in the REPowerEU chapter sets the framework for prioritisations of these investments. The investment is also consistent with the Netherlands' efforts to reduce energy demand. To this end, regulatory measures are in place that incentivise energy demand reductions and subsidise energy efficiency improvements. The measures also reinforce those measures included in the original RRP on energy efficiency and the modernisation of the legal framework of natural gas and electricity markets.
- (31) The REPowerEU measures therefore have a strong focus on improving the conditions for deployment of renewable energy sources and their integration into the electricity network. Additionally, the energy efficiency subsidy is expected to substantially reduce energy demand of the supported households and businesses. This is expected to help the Netherlands to increase its currently low share of renewable energy sources in the energy mix and reduce its reliance on fossil fuels, thereby increasing the Union's energy security.

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

- (32) In accordance with Article 19(3), point (db), of and Annex V, criterion 2.13, to Regulation (EU) 2021/241, the measures included in the REPowerEU chapter are expected to a large extent (rating A) to have a cross-border or multi-country dimension or effect.
- (33) Both measures in the REPowerEU chapter and therefore 100 % of its estimated costs have a cross-border or multi-country dimension or effect. The measures in the REPowerEU chapter are expected to contribute to the integration of renewable energy sources into the network as well as the reduction of energy demand. As a result, they are expected to contribute to reducing the dependency on fossil fuels and overall energy demand and are therefore considered to have a positive cross-border effect, as established in the Commission's guidance in the context of REPowerEU.
- (34) The energy efficiency investment is expected to have a cross-border or multi-country dimension to a large extent due to the substantial expected reduction in energy demand of 30 % on average as a result of the subsidised interventions, thereby substantially reducing energy demand and reliance on fossil fuels in the Netherlands and thus in the Union as a whole.
- (35) The energy market reform package is expected to contribute to a reduction of grid congestion and to the acceleration of permitting procedures of renewable energy projects. This is expected to facilitate the deployment of renewable energy, thereby reducing the Netherlands' reliance on fossil fuels and improving security of supply in the Union.

Contribution to the green transition including biodiversity

- (36) 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 54,9 % of the RRP's total allocation and 100 % of the total estimated costs of measures in the REPowerEU chapter calculated in accordance with the methodology set out in Annex VI to Regulation (EU) 2021/241. In accordance with Article 17 of that Regulation, the modified RRP including the REPowerEU chapter is consistent with the information included in the National Energy and Climate Plan 2021-2030.
- (37) The modified measures do not impact the overall ambition of the RRP regarding the green transition including biodiversity. The RRP continues to include investments that are expected to make a significant contribution to the decarbonisation and energy transition objectives as set out in the Netherlands' National Energy and Climate Plan 2021-2030, thereby contributing to the Union's 2030 climate target.

- (38) The measures included in the REPowerEU chapter further support the green transition in the Netherlands, as both the investment as well as the reform contribute to reducing the reliance on fossil fuels, increasing energy efficiency and increasing the share of renewable energy in the Dutch energy mix. With the REPowerEU chapter, the RRP has a contribution to climate objectives of 54,9 %. The renovation measure is expected to have a lasting impact due to the nature of the eligible interventions and thus contribute significantly to the objective of climate neutrality. The reform of the energy market is expected to facilitate investments into the Dutch electricity grid and renewable energy projects therefore directly contributing to reducing usage of fossil fuels. Both measures are therefore expected to contribute to the attainment of the 2030-2050 targets and the objective of Union climate neutrality by 2050.

Monitoring and implementation

- (39) 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 the effective monitoring and implementation of the RRP, including the envisaged timetable, milestones and targets, and the related indicators.

- (40) The modified RRP also includes a limited update of the monitoring and implementation framework to reflect the work done to further streamline the monitoring and implementation set-up. The dedicated Programme Directorate for the RRP in the Ministry of Finance remains the coordinating body which prepares general guidelines which define how milestones and targets should be reported and accompanied by additional evidence. In addition, these guidelines should also be included in the government budget regulation which should be updated each year. The implementation of RRP measures remains integrated into the internal control cycle of the various ministries involved in the implementation of the RRP and should be included in their annual reports, but they should not be included as a separate appendix in the departmental annual reports. The milestones and targets that accompany the modified measures, including those in the REPowerEU chapter, are clear and realistic and the proposed indicators for those milestones and targets are relevant, acceptable and robust.

Costing

- (41) 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.

- (42) For the costing assessment of the original RRP in 2022, the Netherlands generally provided detailed breakdowns of individual cost estimates. The justification provided in the original RRP on the amount of the estimated total costs of the RRP was to a medium extent reasonable and plausible, in line with the principle of cost-efficiency and was commensurate to the expected national economic and social impact and obtained a rating B at the time.
- (43) According to the information provided, the assessment of the cost estimates for the new investments and the REPowerEU measures show that most of the costs are reasonable and plausible even though the evidence shows varying degrees of details and depth of calculations. For some of the new investments and amendments, information on the reasonability and plausibility of the cost estimates is not sufficiently well explained, precluding a rating A for this assessment criterion. Furthermore, the changes in the cost estimates for amended measures were justified but not always proportional to the change in the target, and as such the reasonability and plausibility of these cost estimates were altered compared to the original RRP. The Netherlands has provided sufficient information and assurance to ensure that the costs of the new measures are not covered by existing or planned Union financing. Finally, the estimated total costs of the modified RRP are in line with the principle of cost-efficiency and commensurate to the expected national economic and social impact.

Protection of the financial interests of the Union

- (44) 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 interest when using the funds provided under that Regulation, and the arrangements are expected to effectively avoid double funding under that Regulation and other Union programmes. This is without prejudice to the application of other instruments and tools to promote and enforce compliance with Union law, including for preventing, detecting and correcting corruption, fraud and conflicts of interest, and for protecting the Union budget in line with Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council¹.

¹ Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council of 16 December 2020 on a general regime of conditionality for the protection of the Union budget (OJ L 433 I, 22.12.2020, p. 1).

- (45) The control system and arrangements proposed in the original RRP in 2022 are based on robust processes and structures used in the existing national framework. Actors and their roles and responsibilities for the performance of the internal control tasks are clearly described. A dedicated Programme Directorate for the RRP in the Ministry of Finance is assigned as the coordinating body. Via intermediary-declarations (i.e. management declarations at the level of the implementing bodies) implementing bodies are to confirm the protection of the Union's financial interests and the validity of the reported data on the milestones and targets. These intermediary-declarations are to be verified and signed by the Financial Economic Affairs Directorates of the ministries involved in the implementation of the RRP (called FEZ directorates). The audit authority 'Auditdienst Rijk', an independent service within the Ministry of Finance, is to carry out regular audits of the management and control systems, including substantive testing.

- (46) The modified RRP also includes an update of the control and audit framework to reflect the work done to further streamline the relevant processes. It includes an update of the procedure for preventing double funding, in particular with regard to the use of Arachne. Arachne is no longer mandatory, but if a policy directorate chooses not to use Arachne, it has the obligation to use an alternative method to avoid the risk of conflict of interest or non-compliance with State aid rules or the operational, administrative and financial capacity of companies to carry out operations co-financed by the Union. The declaration on the absence of double funding signed by the relevant policy directorate of the ministries involved is to be covered in the management declarations that are to be signed at measure level. Therefore, to avoid duplication, a separate declaration per policy directorate of the ministries involved on double funding has been removed. Other procedures related to double funding and more broadly the protection of the financial interest of the Union remain in place and are considered adequate and robust. Overall, the changes introduced do not affect the conclusion that the arrangements proposed are adequate.

Any other assessment criteria

- (47) The Commission considers that the modifications put forward by the Netherlands do not affect the positive assessment of the RRP set out in the Council Implementing Decision of 4 October 2022 regarding the relevance, effectiveness, efficiency and coherence of the RRP against the assessment criteria laid down in Article 19(3), points (c), (d), (f), (g) and (k), of Regulation (EU) 2021/241.

Consultation process

- (48) The Netherlands has consulted various stakeholders on the measures included in the REPowerEU chapter and has provided explanations on the outcome of these consultations and how the input of stakeholders was reflected. The measure ‘Investment subsidy for sustainable energy and energy savings’ was included in the original RRP and is scaled-up in the REPowerEU chapter. The consultation process therefore mostly took place in advance of the submission of the original RRP. This involved the consultation of various branches of government, employee and employer organisations and other public institutions. The wider public was also consulted during the preparation of the original RRP through an internet consultation process. For the broader challenges related to the energy transition, the Netherlands consults expert groups on an ongoing basis and has published a national action plan. In addition, for the measure ‘Energy market reform package’ the Dutch authorities have consulted various stakeholders, including the Netherlands’ Authority for Consumers and Markets, regional authorities, energy network operators, scientists and the wider public (through open consultations accessible by citizens, companies and public institutions). Input from these stakeholders was used for the measures to address congestion on the electricity grid, prioritisation of investments for the expansion of the grid and to establish more efficient procedures for permitting for energy infrastructure projects.

Positive assessment

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

Financial contribution

- (50) The estimated total costs of the modified RRP including the REPowerEU chapter of the Netherlands is EUR 5 443 293 000. As the amount of the estimated total costs of the modified RRP is higher than the updated maximum financial contribution available for the Netherlands, the financial contribution calculated in accordance with Article 11 of Regulation (EU) 2021/241 allocated for the Netherlands' modified RRP including the REPowerEU chapter should be equal to the total amount of the financial contribution available for the Netherlands' modified RRP including the REPowerEU chapter. This amount is equal to EUR 4 707 063 471.

- (51) Pursuant to Article 21a(5) of Regulation (EU) 2021/241, on 6 July 2023, the Netherlands submitted a request for the allocation of the revenue referred to in Article 21a(1) of that Regulation, shared between Member States on the basis of the indicators set out in the methodology referred to in Annex IVa to Regulation (EU) 2021/241. The estimated total costs of the measures referred to in Article 21c(3), points (b) to (f), of Regulation (EU) 2021/241 included in the REPowerEU chapter is EUR 735 000 000. As this amount is higher than the allocation share available for the Netherlands, the additional non-repayable financial support available for the Netherlands should be equal to the allocation share. This amount is equal to EUR 454 359 575.
- (52) Additionally, in accordance with Article 4a of Regulation (EU) 2021/1755 of the European Parliament and of the Council¹, on 28 February 2023, the Netherlands submitted a reasoned request to transfer part of its remaining provisional allocation from the resources of the Brexit Adjustment Reserve to the Recovery and Resilience Facility established by Regulation (EU) 2021/241 (the 'Facility'), amounting to EUR 280 000 000. That amount should be made available to support the reforms and investments in the REPowerEU chapter as additional non-repayable financial support.

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

- (53) The total financial contribution available to the Netherlands should be EUR 5 441 423 046.
- (54) The Council Implementing Decision of 4 October 2022 on the approval of the assessment of the recovery and resilience plan for the Netherlands should therefore be amended accordingly. For the sake of clarity, the Annex to that Implementing Decision should be replaced entirely,

HAS ADOPTED THIS DECISION:

Article 1

The Council Implementing Decision of 4 October 2022 on the approval of the assessment of the recovery and resilience plan for the Netherlands 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 the Netherlands 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 the Netherlands a financial contribution in the form of non-repayable support amounting to EUR 5 441 423 046*. That contribution includes:

- (a) an amount of EUR 3 929 409 575, which shall be available to be legally committed by 31 December 2022;

- (b) an amount of EUR 777 653 896, which shall be available to be legally committed from 1 January 2023 until 31 December 2023;
 - (c) an amount of EUR 454 359 575**, in accordance with Article 21a(6) of Regulation (EU) 2021/241, exclusively for measures as referred to in Article 21c(3) of that Regulation, with the exception of measures as referred to in Article 21c(3), point (a) of that Regulation;
 - (d) an amount of EUR 280 000 000, transferred from the Brexit Adjustment Reserve to the Facility.
2. The Union financial contribution shall be made available by the Commission to the Netherlands in instalments in accordance with the Annex to this Decision.

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.

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

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

- (3) the Annex is replaced by the text appearing in the Annex to this Decision.

Article 2
Addressee

This Decision is addressed to the Kingdom of the Netherlands.

Done at Brussels,

For the Council
The President
