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Proposal for a

COUNCIL IMPLEMENTING DECISION

**amending Implementing Decision (EU) (ST 10154/21 INIT; ST 10154/21 ADD 1) of 13
July 2021 on the approval of the assessment of the recovery and resilience plan for
Denmark**

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amending Implementing Decision (EU) (ST 10154/21 INIT; ST 10154/21 ADD 1) of 13 July 2021 on the approval of the assessment of the recovery and resilience plan for Denmark

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,

Whereas:

- (1) Following the submission of the national recovery and resilience plan ('RRP') by Denmark on 30 April 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 13 July 2021².
- (2) Pursuant to Article 11(2) of Regulation (EU) 2021/241, the maximum financial contribution for non-repayable financial support of each Member State should be updated by 30 June 2022 in accordance with the methodology provided therein. On 30 June 2022, the Commission presented the results of that update to the European Parliament and the Council.
- (3) On 31 May 2023, Denmark submitted a modified national RRP, including a REPowerEU chapter in accordance with Article 21c of Regulation (EU) 2021/241, to the Commission.
- (4) On 12 July 2022, the Council addressed recommendations to Denmark in the context of the European Semester. In particular, the Council recommended that Denmark reduce reliance on fossil fuels, diversify the energy supply and address increasing demand and flexibility needs by incentivising the necessary electricity network developments at transmission and distribution level. Moreover, it called for streamlining the applicable permit-granting rules for renewable energy, implementing additional measures that support energy efficiency in private and public buildings to reduce energy bills and energy system costs, ensuring a better roll-out of decarbonised

¹ OJ L 57, 18.2.2021, p. 17.

² ST 10154/21; ST 10154/21 ADD 1.

heating sources, and stepping up policy efforts for providing and acquiring the necessary skills for the green transition.

- (5) The submission of the modified RRP followed a consultation process, conducted in accordance with the national legal framework, involving local and regional authorities, social partners, civil society organisations, youth organisations and other relevant stakeholders. The summary of the consultations was submitted together with the modified national RRP. Pursuant to Article 19 of Regulation (EU) 2021/241, the Commission assessed the relevance, effectiveness, efficiency and coherence of the modified RRP, in accordance with the assessment guidelines set out in Annex V to that Regulation.
- (6) The REPowerEU chapter includes one new reform and four new investments. The new reform consists of the setup of a National Energy Crisis Staff (NEKST) to work on speeding up the implementation of the green transition. NEKST should specifically work to accelerate the phasing out of gas for heating purposes and solar and wind onshore energy deployment. The first investment aims at supporting the development of four gigawatt of offshore wind energy capacity. The second investment consists of financing the screening of Denmark's offshore wind capacity, a necessary step to accelerate the placement of large-scale offshore wind farms. The third investment provides support for the testing and installation of experimental wind turbines and contributes to boosting research and development on wind energy. The fourth investment supports providers of vocational education and training (VET) to foster green upskilling in connection with continued VET and adult education. Overall, the new reform and the new investments included in the REPowerEU chapter contribute to increasing the share and accelerating the deployment of renewable energy, and to supporting the green transition through an accelerated requalification of the workforce towards green skills. The reform also contributes to addressing energy poverty, by facilitating the installation of more energy-efficient and cost-effective heating solutions in households.
- (7) The REPowerEU chapter also includes scaled-up measures affecting two measures under component 3 Energy Efficiency, Green Heating and Carbon Capture and Storage. The scaled-up measures included in the REPowerEU chapter introduce a substantive improvement in the level of ambition of the measures already included in the national RRP. The scaled-up measure on replacing oil burners and gas furnaces further strengthens the chapter's contribution to addressing energy poverty, by subsidising the installation of green, energy-efficient heating solutions in households.
- (8) The Commission has assessed the modified RRP including the REPowerEU chapter against the assessment criteria laid down in Article 19(3) of Regulation 2021/241.

Balanced response contributing to the six pillars

- (9) 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.
- (10) The REPowerEU chapter includes measures to support the first and sixth pillars. The new and scaled-up measures under component 8 further strengthen the focus of the

original plan on the green transition. Notably, the measures contribute to accelerating the deployment of renewable energy installations, reducing overall reliance on fossil fuels for heating purposes, and decarbonising the industry. They also contribute to improving policies for the next generation by developing the skills needed for the green transition through investments in the continuous part of the vocational education and training (VET) system, with a particular focus on acquisition of skills and competences needed for the green transition.

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 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 Denmark, including fiscal aspects thereof, or challenges identified in other relevant documents officially adopted by the Commission in the context of the European Semester.
- (12) In particular, the modified RRP takes into account country-specific recommendations formally adopted by the Council prior to the assessment of the modified plan by the Commission. As the maximum financial contribution for Denmark has been adjusted downwards, the 2022 and 2023 recommendations not related to energy challenges are not considered in the overall assessment. The 2023 country-specific recommendations on energy were also taken into account when designing the modifications, in particular recommendations to reduce reliance on fossil fuels, to streamline permitting rules for renewable energy, to ensure a better roll-out of decarbonised heating sources and to improve the provision and acquisition of green skills.
- (13) Having assessed progress in the implementation of the relevant country-specific recommendations at the time of submission of the modified national RRP, the Commission finds that the horizontal recommendation to expand public investment for the green and digital transitions (CSR 2022.1.2) was fully implemented. Substantial progress has been achieved with respect to the recommendations to upgrade energy transmission networks, increasing interconnections with neighbouring countries (CSR 2022.4.3), enhance the resilience of the health system (CSR 2020.1.2), front-load mature public investment projects, promote private investment and to focus investment on sustainable transport and on research and innovation (CSR 2020.2.1, 2.2, 2.4, 2.5).
- (14) With the REPowerEU chapter, the modified RRP includes an extensive set of mutually reinforcing reforms and investments that contribute to effectively addressing a significant subset of the economic and social challenges outlined in the country-specific recommendations addressed to Denmark by the Council in the context of the European Semester, notably reducing reliance on fossil fuels and increasing the share of renewables in the energy supply, streamlining the applicable permit-granting rules for renewable energy, implementing additional measures that support energy efficiency in private and public buildings to reduce energy bills and energy system costs, ensuring a better roll-out of decarbonised heating sources, and stepping up policy efforts aimed at the provision and acquisition of skills and competences needed for the green transition.
- (15) The REPowerEU chapter makes significant contributions to addressing the horizontal recommendation to “expand public investment for the green and digital transitions,

and for energy security taking into account the REPowerEU initiative, including by making use of the Recovery and Resilience Facility and other Union funds.” (CSR 2022.1.2). The investments included in the chapter all contribute to the green transition, by expanding the use of renewable energy, investing in green technologies for industry decarbonisation such as Carbon Capture and Storage of biogenic and atmospheric CO₂, and preparing the labour force to adapt for the challenges of the green transition through green upskilling. The scaled-up measure on replacing oil burners and gas furnaces also contributes to energy security by replacing fossil fuels machinery with renewable or green sources of energy.

- (16) The REPowerEU chapter contributes to addressing several challenges identified in energy-related country-specific recommendations made in 2022 (CSR 2022.4), as well as the energy-related country-specific recommendations made in 2023 (CSR 2023.4). The investments under the Renewable energy measure contribute to “reduc[ing] overall reliance on fossil fuels” (CSR 2022.4.1 and CSR 2023.4.1) and “help[ing] decarbonise the economy by accelerating the deployment of renewables including by introducing reforms to simplify and expedite administrative and permitting procedures” (CSR 2022.4.2, CSR2023.4.2, 4.4). The National Energy Crisis Staff (NEKST) reform is expected to significantly reduce administrative burdens and simplify permitting procedures for the deployment of renewable energy on land and for transitioning from gas to green sources of heating. Both NEKST and the scaled-up measure providing a support scheme for replacing oil burners and gas furnaces with district heating from renewable sources or electric heat pumps contribute to “improving energy efficiency” (CSR 2022.4.4) and “ensur[ing] a better roll-out of decarbonised heating sources” (CSR 2023.4.6). The measure on green upskilling is also expected to contribute to stepping up policy efforts aimed at the “provision and acquisition of skills and competences needed for the green transition” (CSR 2023.4.7).

Do no significant harm

- (17) In accordance with Article 19(3), point (d), of and Annex V, criterion 2.4, to Regulation (EU) 2021/241, the modified RRP including the REPowerEU chapter is expected to ensure that no measure (Rating A) for the implementation of reforms and investments projects included in this RRP does significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852 of the European Parliament and of the Council³ (the principle of ‘do no significant harm’).
- (18) The modified plan including the REPowerEU chapter is assessed to be compliant with the “do no significant harm” principle following the methodology set out in the Commission’s technical guidance on the application of “do no significant harm” under the Recovery and Resilience Facility Regulation (2021/C58/01). The assessment is done systematically for each new and scaled-up measure following a two-step approach. The assessment concludes that, for all new and scaled-up measures under the REPowerEU chapter, there is either no risk of significant harm or, where a risk is identified, a more detailed assessment is performed demonstrating the absence of significant harm. Denmark has reported on the detailed assessment for the new measures included in the REPowerEU chapter. None of the measures in the REPowerEU chapter required a derogation from the ‘do no significant harm’ principle.

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).

Where needed, the requirements of compliance with the ‘do no significant harm’ principle are enshrined in the design of a measure and specified in a milestone or target representing such measure. Based on the information provided, it can be concluded that the modified plan is expected to ensure that no measure does significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852.

Contribution to the REPowerEU objectives

- (19) In accordance with Article 19(3), point (da), of and Annex V, criterion 2.12, to Regulation (EU) 2021/241, the REPowerEU chapter is expected to effectively contribute to a large extent (Rating A) to energy security, the diversification of the Union’s energy supply, an increase in the uptake of renewables and in energy efficiency, an increase of energy storage capacities or the necessary reduction of dependence on fossil fuels before 2030.
- (20) The measures included in the REPowerEU chapter are expected to contribute to the objectives under Article 21c(3), points (b), (c) and (f) of Regulation (EU) 2021/241. The expected streamlining and simplification of administrative and permitting procedures and related processes to be achieved by the National Energy Crisis Staff (NEKST) reform should contribute to increasing the share and accelerating the deployment of renewable energy by shortening and streamlining permit-granting processes. It will also contribute to the decarbonisation of households’ heating by facilitating the roll-out of district heating. The three investments accompanying the reform should increase the share and accelerate the deployment of renewable energy by developing new offshore wind capacity, by screening Denmark’s offshore wind potential and by installing and testing experimental wind turbines. The investments in subsidising the replacement of oil burners and gas furnaces for households’ heating should contribute to increasing energy efficiency and to increasing the share and accelerating the deployment of renewable energy by incentivising the installation of green, energy-efficient solutions in households. They will also contribute to addressing energy poverty. Investments in Carbon Capture and Storage technologies should contribute to decarbonising industry by reducing CO2 emissions by an estimated 0.5 million tons annually from 2025 to 2032. Investments in green upskilling should contribute to supporting the objectives under Article 21(3) points (b), (c), and (f) of Regulation (EU) 2021/241 through an accelerated qualification of the workforce towards green skills by funding the development and testing of training courses related to green technologies and sustainability.
- (21) The measures included in the REPowerEU chapter are coherent with the efforts of Denmark to achieve the objectives set out in Article 21c (3) of Regulation (EU) 2021/241, taking into account the measures included in the original RRP, as well as other nationally funded and Union-funded complementary or accompanying measures. The measures under the chapter are aligned with Denmark’s policy framework aimed at reducing by 70% Denmark’s greenhouse gas emissions by 2030 (compared to the 1990 level) and at achieving climate neutrality by 2045. Several measures included in the REPowerEU chapter complement other Union-funded measures under the Just Transition Fund, the European Regional Development Fund and the European Social Fund Plus, such as green upskilling and Carbon Capture and Storage.
- (22) For all the above considerations, the REPowerEU chapter is expected to effectively contribute to a large extent 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 and the necessary reduction of dependence on fossil fuels before 2030.

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

- (23) 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.
- (24) The REPowerEU chapter contributes to securing energy supply in the Union as a whole, including by addressing challenges identified in the Commission's most recent needs assessment, in line with the objectives set out in Article 21c(3) of Regulation (EU) 2021/241, taking into account the financial contribution available to Denmark and its geographical position. The measures included in the REPowerEU chapter contribute to securing energy supply in the Union by developing additional renewable energy capacity and by advancing the EU's target of 300 GW of offshore wind energy in Europe before 2050.
- (25) The REPowerEU chapter also contributes to reducing the dependency on fossil fuels and to reducing energy demand by fostering the deployment of renewable energy, by supporting households decoupling from gas and converting to green heating solutions, and by providing operational aid for the development of innovative Carbon Capture and Storage technologies having a great potential for industry decarbonisation. Carbon Capture and Storage technology has significant cross-border potential, as the areas for such storage on Danish territory might be utilised for storing CO₂ from international sources and as the development of the technology might be exported.
- (26) The estimated costs of the measures included in the REPowerEU chapter having a cross-border or multi-country dimension or effect represent 53% of the estimated total costs of the REPowerEU chapter. The chapter is therefore assessed to have, to a large extent, a cross-border or multi-country dimension or effect.

Contribution to the green transition including biodiversity

- (27) In accordance with Article 19(3), point (e), of and Annex V, criterion 2.5, to Regulation (EU) 2021/241, 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 69% 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 that Regulation. In accordance with Article 17 of Regulation (EU) 2021/241, the modified RRP including the REPowerEU chapter is consistent with the information included in the National Energy and Climate Plan 2021-2030.
- (28) The REPowerEU chapter has the overarching objective of accelerating the green transition through the deployment of renewable energy, green upskilling and the reduction or removal of CO₂ emissions.
- (29) This multi-fold objective should be achieved by a) simplifying and expediting administrative and permitting procedures for the deployment of renewable energy projects and the roll-out of district heating from renewable sources; b) by fostering the development of offshore wind capacity and supporting the testing of experimental wind turbines; c) by funding green upskilling initiatives; d) by subsidising the replacement of oil burners and gas furnaces; e) by supporting innovative Carbon

Capture and Storage technologies for the decarbonisation of industries, with a potential of reducing CO₂ emissions by 0,5 million tons annually in the period 2025-2032.

- (30) The REPowerEU chapter includes measures contributing to achieving the Union's 2030 climate targets and the objective of EU climate neutrality by 2050, by accelerating the deployment and uptake of renewable energy, by phasing out gas for heating in households, by decarbonising the industry, as well as by developing green skills necessary to prepare the workforce of the future for a green transition.

Contribution to the digital transition

- (31) In accordance with Article 19(3), point (f), of and Annex V, criterion 2.6, to Regulation (EU) 2021/241, the modified RRP contains measures that contribute to a large extent to the digital transition or to addressing the challenges resulting from it. The share increased from 25% in the Council Implementing Decision of 13 July 2021 on the approval of the assessment of the RRP for Denmark while the reduction in the financial allocation to Denmark June 2022 implied an increase in the digital share to 27%, due to the denominator effect. The share was calculated in accordance with the methodology set out in Annex VII to that Regulation. Therefore, the amended RRP is considered to continue containing measures that effectively contribute to a large extent (Rating A) to the digital transition or to addressing the challenges resulting from it.

Lasting Impact

- (32) In accordance with Article 19(3), point (g), of and Annex V, criterion 2.7, to Regulation (EU) 2021/241, the modified RRP including the REPowerEU chapter is expected to have a lasting impact on Denmark to a large extent (Rating A).
- (33) With the upscaling of the measure relating to replacing oil burners and gas furnaces, the plan can be expected to durably reduce greenhouse gas emissions of households and boost the shift from fossil fuels to more sustainable heating sources. The measures of the chapter on renewable energy durably support the green transition beyond the timeline of the RRP. The measure on the screening of the offshore wind capacity lays the groundwork for Denmark to contribute to the EU's target of 300 GW of offshore wind by 2050. The reform aimed at simplifying and shortening administrative procedures for the deployment of renewable energy projects durably improves the framework conditions for the uptake of renewables. In addition, the green upskilling measure prepares the labour force for the green transition, with skills that will be used beyond the timeframe of the RRF.

Monitoring and implementation

- (34) In accordance with Article 19(3), point (h), of and Annex V, criterion 2.8, to Regulation (EU) 2021/241, the arrangements proposed in the modified RRP including the REPowerEU chapter are adequate (Rating A) to ensure effective monitoring and implementation of the RRP, including the envisaged timetable, milestones and targets, and the related indicators.
- (35) The assessment of the original RRP, in accordance with Article 19(3), point (h), of and Annex V, criterion 2.8, to Regulation (EU) 2021/241 found that the original RRP was 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 nature and extent of the proposed modifications to Denmark's RRP do not have an impact on the previous assessment of the effective monitoring and implementation

of the RRP. The Ministry of Finance remains responsible for the monitoring and implementation of the plan. The milestones and targets that accompany the measures included in the original RRP are clear and realistic and the proposed indicators for those milestones and targets are relevant, acceptable and robust. In addition, the milestones and targets that accompany the new measures and the new measures in the REPowerEU chapter, are clear and realistic and the proposed indicators for those milestones and targets are relevant, acceptable and robust. Milestones and targets are also relevant for measures already completed which are eligible under Article 17(2) of Regulation (EU) 2021/241. The satisfactory fulfilment of these milestones and targets over time is required to justify a disbursement request.

Costing

- (37) 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.
- (38) The assessment of the original Danish plan found that the justification provided in the RRP for the estimated total cost of the RRP was to a medium extent (Rating B) reasonable and plausible, in line with the principle of cost efficiency and commensurate to the expected national economic and social impact. Denmark had provided cost estimates for all the measures in the original RRP's seven components. The estimates provide some insight into the cost elements and cost drivers. In some cases, they are based on similar previous policy measures, research and other sources. The largest cost elements were based on macroeconomic simulations. Some cost elements were accompanied by incomplete documentation such as contracts, unit prices or assumptions.
- (39) The costing information of the REPowerEU chapter is in some cases accompanied by examples of costs of previous similar activities. In some cases, unit prices, such as staffing costs, are included. However, some costing elements are not entirely documented, leading to the assessment that the costing information is clear to a medium extent. Finally, the estimated total cost of the modified plan including a REPowerEU chapter is 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

- (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 modified RRP including the REPowerEU chapter and the additional measures contained in this Decision are adequate (Rating A) to prevent, detect and correct corruption, fraud and conflicts of interests when using the funds provided under that Regulation, and the arrangements are expected to effectively avoid double funding under that Regulation and other Union programmes. This is without prejudice to the application of other instruments and tools to promote and enforce compliance with Union law, including for preventing, detecting and correcting corruption, fraud and conflicts of interest, and for

protecting the Union budget in line with Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council⁴.

- (41) In the original assessment, the arrangements described in the RRP were assessed as adequate (Rating A) to ensure protection of the financial interests of the Union. The Ministry of Finance should be the overall responsible for the implementation of the plan and should reply on behalf of other Ministries for the operational and administrative aspects of the plan. Within the Ministry of Finance, the Office of Audit and Supervision (OAS) is responsible for performing controls regarding Ministries' application of funds and the documentation and fulfilment of targets and milestones.
- (42) The internal control system described in the modified Danish recovery and resilience plan and the additional measures contained in this Decision, is based on robust processes and structures and identifies clear actors and their roles and responsibilities for the performance of the internal control tasks. The internal control system appropriately segregates the relevant functions and consists of the two levels: (i) management verifications, audit and controls carried out by line ministries on the decentralised level and (ii) audits carried out by the Ministry of Finance on the centralised level. The internal control system and other relevant arrangements in the modified Danish recovery and resilience plan, including for the verification mechanisms, data collection and storage, the responsibilities of relevant actors are adequate with respect to preventing, detecting, and correcting corruption, fraud, conflict of interests when using the funds under Regulation (EU) 2021/241 and to avoid double funding under that Regulation and other Union programmes.
- (43) Additional milestones on audit and control should be introduced to provide for a fully operational and functional repository system and requiring Denmark to provide a complete and reliable data set collected and stored in accordance with Article 22(2)(d) of the Regulation (EU) 2021/241; as well as to adopt an action plan related to the anti-fraud and anti-corruption strategy. This should further strengthen the measures to protect the financial interests of the Union.

Coherence of the RRP

- (44) In accordance with Article 19(3), point (k), of and Annex V, criterion 2.11, to Regulation (EU) 2021/241, the modified RRP including the REPowerEU chapter includes to a high extent (Rating A) measures for the implementation of reforms and public investment projects that represent coherent actions.
- (45) The REPowerEU chapter further underpins the coherence of the Danish plan, providing additional mutually reinforcing elements. The reform facilitates the planned investments of the chapter and further contributes to speeding up green investments included in the original RRP through simplified and accelerated administrative procedures. The upscaling of the CCS measure is to be seen as a complement and build-up of the original measure in Component 3, as well as of the research partnership on CCS in Component 7 of the original RRP. No measures contradict or undermine the effectiveness of other measures, and no inconsistencies or contradictions were identified between different components.

Any other assessment criteria

⁴ 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).

- (46) The Commission considers that the modifications put forward by Denmark do not affect the positive assessment of the RRP set out in the Council Implementing Decision of 13 July 2021 on the approval of the assessment of the RRP for Denmark regarding the relevance, effectiveness, efficiency and coherence of the RRP against the assessment criteria laid down in Article 19(3), points (c) and (f) of Regulation (EU) 2021/241.

Consultation process

- (47) In preparation of the REPowerEU chapter, Denmark's Ministry of Finance launched an online public consultation portal on the dedicated webpage of the Danish Recovery and Resilience Plan. The Ministry also conducted a stakeholder meeting attended by representatives of civil society organisations, trade associations and confederations, interest groups and other actors. The measures included in the modified plan including the REPowerEU chapter reflect the suggestions made in the consultation regarding increasing investments in renewable energy – in particular solar and offshore wind (included in C8.I1.1: Preparation of a call for tenders for 4 Gigawatt Offshore Wind, C8.I1.2: Screening of Denmark's offshore wind capacity, C8.I1.3: Support for the commissioning of experimental wind turbines), streamlining of permit-granting procedures for renewable energy projects (included in C8.R1: National Energy Crisis Staff (*NEKST*)), increased energy efficiency and phasing out of gas boilers (included in C8.I3: Replacing oil burners and gas furnaces), accelerating Carbon Capture and Storage (included in C8.I4: Carbon capture and storage (CCS) potential) and inclusion of green skills in continuing education (included in C8.I2: Green upskilling). Other suggestions such as support for biogas, increased tax deductions or new CO₂ taxes, could not be accommodated in the context of the REPowerEU chapter. Such inputs are addressed through nationally funded initiatives to varying degrees.

Positive assessment

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

Financial contribution

- (49) The estimated total costs of the modified RRP including the REPowerEU chapter of Denmark is DKK 13 477 000 000, which equals EUR 1 812 233 337 on the basis of the EUR DKK ECB reference rate of 30 April 2021 for the original plan and on the basis of the EUR DKK ECB reference rate of 31 May 2023 for the REPowerEU chapter. As the amount of the estimated total costs of the modified RRP is higher than the updated maximum financial contribution available for Denmark, the financial contribution calculated in accordance with Article 11 allocated for Denmark's modified RRP including the REPowerEU chapter should be equal to the total amount

of the financial contribution available for Denmark's modified RRP including the REPowerEU chapter. This amount is equal to EUR 1 429 149 364⁵.

- (50) Pursuant to Article 21a(5) of Regulation (EU) 2021/241, on 31 May 2023 Denmark submitted a request for the allocation of the revenue referred to in Article 21a (1) of that Regulation, shared between Member States on the basis of the indicators set out in the methodology in Annex IVa to Regulation (EU) 2021/241. The estimated total costs of the measures referred to in Article 21c(3), points (b) to (f) included in the REPowerEU chapter is DKK 1 467 000 000, which equals EUR 196 965 628 on the basis of the EUR DKK ECB reference rate of 31 May 2023. As this amount is higher than the allocation share available for Denmark, the additional non-repayable financial support available for Denmark should be equal to the allocation share. This amount is equal to EUR 130 714 933⁶.
- (51) Additionally, in accordance with Article 4a of Regulation (EU) 2021/1755⁷, on 1 March 2023, Denmark submitted a reasoned request to transfer part of its remaining provisional allocation from the resources of the Brexit Adjustment Reserve to the Facility, amounting to EUR 66 026 588. That amount should be made available to support the reforms and investments in the REPowerEU chapter as additional non-repayable financial support.
- (52) The total financial contribution available to Denmark should be EUR 1 625 890 885.

REPowerEU Pre-financing

- (53) Denmark has requested the following funding for the implementation of its REPowerEU chapter: transfer of EUR 66 026 588 from the provisional allocation from the resources of the Brexit Adjustment Reserve, and EUR 130 714 933 from the revenue from the Emissions Trading System under Directive 2003/87/EC of the European Parliament and of the Council.
- (54) For those amounts, pursuant to Article 21d of Regulation (EU) 2021/241, on 31 May 2023 Denmark has requested pre-financing of 20% of the funding requested. Subject to available resources, that pre-financing should be made available to Denmark subject to the entry into force of, and in accordance with, an agreement to be concluded between the Commission and Denmark pursuant to Article 23(1) of Regulation (EU) 2021/241 (the 'financing agreement').
- (55) Council Implementing Decision (ST 10154/21 INIT; ST 10154/21 ADD 1) of 13 July 2021 on the approval of the assessment of the RRP for Denmark should therefore be amended accordingly. For the sake of clarity, the Annex to that Implementing Decision should be replaced entirely,

⁵ This amount corresponds to the financial allocation after deduction of Denmark'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.

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

⁷ Regulation (EU) 2021/1755 of the European Parliament and of the Council of 6 October 2021 establishing the Brexit Adjustment Reserve (OJ L 357 8.10.2021, p. 1).

HAS ADOPTED THIS DECISION:

Article 1

Implementing Decision (EU) of 13 July 2021 on the approval of the assessment of the recovery and resilience plan for Denmark 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 Denmark 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 Denmark a financial contribution in the form of non-repayable support amounting to EUR 1 625 890 885.⁸ That contribution includes:

- (a) an amount of EUR 1 302 852 547 that shall be available to be legally committed by 31 December 2022;
- (b) an amount of EUR 126 296 817 that shall be available to be legally committed from 1 January 2023 until 31 December 2023;
- (c) an amount of EUR 130 714 933⁹, in accordance with Article 21a(6) of Regulation (EU) 2021/241, exclusively for measures referred to in Article 21c of that Regulation, with the exception of measures referred to in Article 21c (3), point (a);
- (d) an amount of EUR 66 026 588, transferred from the Brexit Adjustment Reserve to the Facility.

2. The Union financial contribution shall be made available by the Commission to Denmark in instalments in accordance with the Annex to this Decision. An amount of EUR 201 682 144 shall be made available as pre-financing in accordance with Article 13 of Regulation (EU) 2021/241.

3. An amount of EUR 39 348 304 shall be made available as pre-financing in accordance with Article 21d of Regulation (EU) 2021/241. That pre-financing may be disbursed by the Commission in up to two payments.

⁸ This amount corresponds to the financial allocation after deduction of Denmark’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.

⁹ This amount corresponds to the financial allocation after deduction of the Denmark’s proportional share of the expenses of Article 6(2) of Regulation (EU) 2021/241, calculated in accordance with the methodology of Annex IVa of that Regulation.

The pre-financing and instalments may be disbursed by the Commission in one or several tranches. The size of the tranches shall be subject to the availability of funding.”;

(4) The Annex is replaced by the text in the Annex to this Decision:

Article 4
Addressee

This Decision is addressed to the Kingdom of Denmark.

Done at Brussels,

For the Council
The President



EUROPEAN
COMMISSION

Brussels, 19.10.2023
COM(2023) 673 final

ANNEX

ANNEX

to the

Proposal for a COUNCIL IMPLEMENTING DECISION

**amending Implementing Decision (EU) (ST 10154/21 INIT; ST 10154/21 ADD 1) of 13
July 2021 on the approval of the assessment of the recovery and resilience plan for
Denmark**

{SWD(2023) 343 final}

SECTION 1: REFORMS AND INVESTMENTS UNDER THE RECOVERY AND RESILIENCE PLAN

1. Description of Reforms and Investments

A. COMPONENT 1: STRENGTHENING THE RESILIENCE OF THE HEALTHCARE SYSTEM

This component of the Danish recovery and resilience plan shall contribute to making the health care system more resilient and better prepared for unexpected crises like COVID-19. The component contains four measures, related to critical stocks of medical products, telemedicine, research into COVID-19 vaccines and management of medical supplies. This includes ensuring strategic storages of medicine, which is expected to reduce the vulnerability of supply chains. Furthermore, Denmark is expected to strengthen the digitalisation of the health system, benefitting in particular people living in less densely populated areas.

These investments and reforms shall contribute addressing the country-specific recommendation addressed to Denmark in 2020, i.e. *“Enhance the resilience of the health system, including by ensuring sufficient critical medical products and addressing the shortage of health workers”* (CSR 1.2, 2020).

A.1. Description of the reforms and investments for non-repayable financial support**Investment 1: Clinical study on effect of COVID-19 vaccines**

Denmark shall invest in a large-scale clinical cohort study of the various COVID-19 vaccines in order to increase the knowledge on the effects and side effects of the vaccines. The objective of this measure is to measure long-term effects concerning immunity and side effects of the vaccines. This information can be used to improve the COVID-19 vaccination program.

Investment 2: Measures to ensure stocks of critical drugs

In order to avoid critical situations with shortages of important drugs, Denmark has established, and shall now extend infrastructure and logistics support to maintain and ensure strategic stocks of critical drugs in the secondary health sector. The list of critical medicines has been prepared on the basis of input from the clinical pharmacologists in the regions.

Investment 3: Digital solutions in the healthcare sector

During the COVID-19 pandemic new digital solutions have been used to make citizens and the healthcare system more connected. The Ministry of Health shall develop and increase the use of these new digital solutions such as (1) widespread use of digital solutions, (2) video consultations, (3) patient involvements and widespread use of telemedicine.

Investment 4: Emergency management & monitoring of critical medical products

COVID-19 has introduced a crucial need for acute planning and monitoring both concerning shortages and supply problems and potential side effects of the COVID-19 vaccines. The objective of this measure is to improve the infrastructure for monitoring shortages and supply problems and for monitoring and acting upon potential side effects of the COVID-19 vaccines, and to strengthen the overall emergency planning.

A.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-------------------|--|--------------------|--|---|---------------------------------------|----------|------|------------------------------------|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| 1 | 1 - Strengthening the Resilience of the Health Care System - Measures to ensure stocks of critical drugs | Milestone | Report of the assessment of stocks of critical drugs by the Danish Medicines Agency to be made available aiming to avoid situations with a shortage of important drugs in Denmark. | Report on the assessment of the stocks of critical medicines and follow-up by the Danish Medicines Agency as necessary. | | | | Q4 | 2021 | <p>The milestone is reached when the Danish Medicines Agency has assessed and reported to the Danish Ministry of Health on the stocks of critical medicines. The assessment shall be of high importance in forecasting and ensuring the right level of storage capacity for critical drugs.</p> <p>An assessment of infection pressure and number of patients hospitalized with COVID-19 as well as the general development in the pharmaceutical markets shall be included in the assessment.</p> |
| 2 | 1 - Strengthening the Resilience of the Health Care System - Digital | Milestone | Evaluation of patient involvement and widespread use of telemedicine to be made available by the Danish | An evaluation about telemedicine solutions of health anxiety. | | | | Q4 | 2021 | In close collaboration with Danish Regions, the Central Region shall report an evaluation to the Danish Ministry of Health on telemedicine solutions of health |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-------------------|--|--------------------|---|---|---------------------------------------|----------|------|------------------------------------|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | solutions in the health care sector | | Ministry of Health in close collaboration with Danish Regions. | | | | | | | anxiety to further develop and increase the use of telemedicine and patient involvement. |
| 3 | 1 - Strengthening the Resilience of the Health Care System - Digital solutions in the health care sector | Target | Develop and make available facilities for telemedicine consultation (KontaktLæge) for multiple platforms. | | Number | 1 | 2 | Q4 | 2021 | To increase the use of video telemedicine consultations (KontaktLæge) to other mobile device platforms, the Danish Ministry of Health in collaboration with MedCom shall develop and make available the application KontaktLæge on a second mobile device platform. MedCom is a Non-profit organisation financed and owned by the Ministry of Health, Danish Regions and Local Government Denmark to facilitate cooperation between authorities, organisations and private firms linked to the Danish healthcare sector. |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-------------------|--|--------------------|---|--|---------------------------------------|----------|------|------------------------------------|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| 4 | 1 - Strengthening the Resilience of the Health Care System - Digital solutions in the health care sector | Milestone | Implementation of a digital questionnaire in the app "MinLæge" ("My Doctor") | Implementation of digital questionnaires and patient-reported data through the app MinLæge. | | | | Q1 | 2022 | The objective of the measure shall be to allow general practitioners to use "My Doctor" to ask users to fill out digital questionnaires on pneumococcus, influenza and pregnancy and thus quickly stratify patients in relation to vaccinations and to other medical conditions. In close collaboration with The Danish Organization of General Practitioners a written report presenting the technical and medical conclusions shall be presented. |
| 5 | 1 - Strengthening the Resilience of the Health Care System - Clinical study on effect of | Milestone | Report on a study conducted by Trial Nation and Aarhus University Hospital on the effects and side effects of COVID-19 vaccines | Conduct a study and publish the report regarding results and further knowledge of the effects and side | | | | Q3 | 2023 | Trial Nation shall, in collaboration with Aarhus University Hospital, conduct and publish a study of 10 000 trial participants for a two year period after vaccination. The |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-------------------|---|--------------------|---|---|---------------------------------------|----------|-------|------------------------------------|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | COVID-19 vaccines | | to be made available to the Danish Ministry of Health. | effects of COVID-19 vaccines | | | | | | study and report shall be sent to the Danish Ministry of Health. |
| 6 | 1 - Strengthening the Resilience of the Health Care System - Emergency management & monitoring of critical medical products | Target | Implement an optional IT-system to report on the side effects of the COVID-19 vaccines into 1 250 general practitioners' local digital platforms. | | Number | 1 000 | 2 250 | Q3 | 2021 | Implementation of an IT-system concerning reporting of side effects of the COVID-19 vaccines into 1 250 additional general practitioners' local digital platforms compared to 1000 in 2021. The Danish Medicines Agency shall ensure implementation of the IT-system concerning reporting of side effects of the COVID-19 vaccines for general practitioners to use. |

B. COMPONENT 2: GREEN TRANSITION OF AGRICULTURE AND ENVIRONMENT

The objective of this component of the Danish recovery and resilience plan is threefold. Firstly, the proposed initiatives shall utilise known and effective instruments to lower greenhouse gas emissions in the Danish agriculture while minimising the reduction in production output. This aims to reduce greenhouse gas emissions by estimated 0.1 megatons CO₂e by 2030. Further, emissions of nitrogen to coastal waters are expected to be reduced by an estimated 198 tonnes by 2030. By doing so, the Danish agricultural sector is expected to contribute to the achievement of Denmark's climate target, which is to lower greenhouse gas emissions by 70% by 2030, as well as to improve environmental conditions. Increased organic farming serves as both a mean to achieve this target as well as a goal in the green transition of the Danish agriculture sector.

Secondly, as a supplement to the Danish government's green research strategy, significant funds in research and development towards promising technologies in the agricultural sector shall be introduced. This aims to document and demonstrate the greenhouse gas effects of the so-called brown biorefinement technology. The technology has an estimated technical potential of reductions by 2 Mt CO₂e in 2030. That equals around 1/8 of the greenhouse gas emission of the agricultural sector. Hence, research and development of such new solutions and technologies are key to the green transition of the Danish agriculture sector – both in reducing national emissions and in showcasing the rest of the world a way for reducing agricultural emissions without lowering the production output of the sector.

Finally, production in the past has caused severe pollution of the environment and contamination of soil. Chemicals and harmful substances have been emitted directly into nature. These pollutions are a result of a lack of knowledge about the harmful effect of dumping chemicals into nature, and the harm it caused for future generations. This component includes investments aimed at rehabilitating industrial sites and land that was contaminated due to unsustainable production in the past.

This component contributes addressing the country-specific recommendation addressed to Denmark in 2020, on the need to “focus investment on the green and digital transition, in particular on clean and efficient production and use of energy” (country-specific recommendation 2, 2020).

B.1. Description of the reforms and investments for non-repayable financial support

Reform 1: Carbon rich soils

The aim of the initiative is to provide a significant reduction in the emission of greenhouse gases from the production on carbon rich soils. Furthermore, rewetting and taking carbon rich soils out of production shall contribute to a reduction of nitrogen emission as well.

Investment 1: Organic Farming

The aim of the measure is to incentivise more farmers to make the transition from conventional to organic farming. Moreover, this measure shall contribute to increase Danish trade of organic agricultural goods.

Investment 2: Organic transition of public kitchens

The measure shall be dedicated to a wide-ranging suite of educational programmes and support curriculums facilitating the transition to more organic, healthy and sustainable food in public kitchens.

Investment 3: Organic Innovation Centre

The purpose of this measure shall be to establish an Innovation Centre. The centre shall conduct research, experiments and development within organic agriculture and food and to collect and disseminate knowledge about organic products to create development for the benefit of the agricultural sector in a technically, economically and environmentally optimal way in accordance with good research practice and independent of other interests.

Investment 4: Plant based organic projects

Establishment of a yearly pool in 'The Foundation of Organic Farming' shall support the development of a more organic, plant-based food system from farm to fork.

Investment 5: Climate technologies in agriculture

With this measure, Denmark shall further invest in the upscaling of the most promising technologies on the market. The research in new technologies not only benefits the climate and the environment but also job creation.

Investment 6: Rehabilitation of industrial sites and contaminated land

The measure aims to rehabilitate ten former industrial land areas that are contaminated from dumped chemicals. The initiative shall be implemented by granting a subsidy to the Danish Regions (administrative entity on regional level) which holds the administrative responsibility for contaminated soil. The rehabilitation of the areas is expected to provide a permanent improvement of the local environment while creating economic activity in rural areas.

B.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-------------------|---|--------------------|---|---|---------------------------------------|----------|------|------------------------------------|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| 7 | 2 - Green transition of Agriculture and the Environment - Organic farming | Target | At least 40 projects under The Foundation for Organic Farming completed. | | Number | 0 | 40 | Q4 | 2025 | The projects shall promote agriculture trade in, market organic products and increase knowledge and build competence in the organic produce sector. The target shall be met when at least 40 projects have been completed. |
| 8 | 2 - Green transition of Agriculture and the Environment - Organic transition of public kitchens | Target | Increase the share of organic products used in public kitchens to at least 35%. | | % | 23 | 35 | Q4 | 2025 | The initiative shall be implemented as distinct pools of funded projects within The Foundation for Organic Farming. The target shall be met when the share of organic products in public kitchens has increased to at least 35%. |
| 9 | 2 - Green transition of Agriculture and the Environment - | Target | At least 6 projects supporting organic innovation have been completed | | Number | 0 | 6 | Q4 | 2025 | The organic innovation projects shall collect and convey knowledge to support organic farming to create economically and |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-------------------|--|--------------------|---|---|---------------------------------------|----------|------|------------------------------------|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | Organic Innovation Centre | | | | | | | | | environmentally sustainable farms. Further, the organic innovation projects shall consist of research and experiments within organic farming. The target shall be met when at least 6 projects have been completed. |
| 10 | 2 - Green transition of Agriculture and the Environment - Plant based organic projects | Target | At least 10 projects that aims to support the development of more organic, plant-based food is completed. | | Number | 0 | 10 | Q4 | 2025 | The funds shall support projects consisting of knowledge-based, practical initiatives that shall strengthen competence building and synergies in the promotion of organic plant-based foods. This includes cultivation, strengthening of the value chain, sales promotion, nutrition, trade and international promotion of organic plant-based foods and general strengthening of the knowledge base for such initiatives. The target |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-------------------|---|--------------------|---|---|---------------------------------------|----------|------|------------------------------------|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | | | | | | | shall be met when at least 10 projects have been completed. |
| 11 | 2 - Green transition of Agriculture and the Environment - Climate technologies in agriculture | Milestone | Call for applications for the subsidy schemes for climate technologies in agriculture (brown biorefineries) is completed. | Call for tender has been completed. | | | | Q4 | 2021 | <p>The milestone shall be completed when the application round is closed and the Danish Agricultural Agency announces on its homepage that the application round is closed.</p> <p>The objective of the scheme shall be to demonstrate the use of the brown bio-refineries that have a large potential to reduce greenhouse gas emissions in agriculture.</p> |
| 12 | 2 - Green transition of Agriculture and the | Target | Setup of 1 full-scale biorefinery. | | Number | 0 | 1 | Q4 | 2025 | Realisation by 31 December 2025 of a brown bio refinery where the technology can be tested in full scale. |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-------------------|---|--------------------|--|--|---------------------------------------|----------|------|------------------------------------|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | Environment - Climate technologies in agriculture | | | | | | | | | Documentation of the climate and environmental effects and impacts of adding biochar into the soil. Reports on research and development, including documentation of climate and environmental effects and impact. |
| 13 | 2 - Green transition of Agriculture and the Environment - Carbon rich soils | Milestone | Call for applications for the subsidy scheme for rewetting and taking out carbon rich soils out of production is completed | The call for applications for the subsidy scheme for taking out carbon rich soils out of productions is completed. | | | | Q4 | 2021 | <p>The purpose of the scheme shall be to create financial incentives for farmers to take their carbon rich soils out of production and rewet them in order to prevent the carbon from being emitted into the atmosphere.</p> <p>The milestone shall be completed when the application round is closed and the Danish</p> |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-------------------|---|--------------------|---|---|---------------------------------------|----------|------|------------------------------------|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | | | | | | | Environmental Agency announces on its homepage that the application round is closed |
| 14 | 2 - Green transition of Agriculture and the Environment - Carbon rich soils | Target | Projects that represent taking 2350 hectares of carbon rich soil out of production have had undertakings providing a halfway mark on the removal. | | Number | 0 | 2350 | Q4 | 2024 | The purpose of the scheme shall be to create financial incentives for farmers to take their carbon rich soils out of production and rewet them in order to prevent the carbon from being emitted into the atmosphere. The target shall be met when 2 350 hectares of carbon rich soil have been taken out of production |
| 15 | 2 - Green transition of Agriculture and the Environment - | Target | Projects that represent taking 4 700 hectares of carbon rich soil out of production have been awarded. | | Number | 2350 | 4700 | Q2 | 2026 | The purpose of the scheme shall be to create financial incentives for farmers to take their carbon rich soils out of production and rewet them in order to prevent the carbon from being emitted |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-------------------|--|--------------------|--|---|---------------------------------------|----------|------|------------------------------------|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | Carbon rich soils | | | | | | | | | into the atmosphere. The target shall be met when 4 700 hectares of carbon rich soil have been taken out of production |
| 16 | 2 - Green transition of Agriculture and the Environment - Rehabilitation of industrial sites and contaminated land | Target | Minimum 4 project application to rehabilitate an industrial site or contaminated land have been approved | | Number | 0 | 4 | Q1 | 2022 | The Danish Environmental Protection Agency shall have received and approved at least 4 applications for the specific sites. The specific projects shall be cost-effective and sites shall be chosen based on at least political priorities, severity of the contamination and the risk for the surrounding areas. |
| 17 | 2 - Green transition of Agriculture and the Environment - Rehabilitation | Milestone | Report on midway status for work realised on approved projects and corrective | Status report is submitted by Regional Councils for each project, for evaluating the use of funds and | | | | Q4 | 2023 | Status-reports shall have been submitted by Regional Councils with a description on technical and economic progress, with a notice on deviations from the original |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-------------------|--|--------------------|--|--|---------------------------------------|----------|------|------------------------------------|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | of industrial sites and contaminated land | | action taken where needed. | advancement in remediation projects. | | | | | | application, former years' status-report and subsidy schemes. Due to the variation in local soil conditions, character of the contamination, the clean-up action may differ between sites. The status is submitted for each remediation project in order to follow the technical and financial development of the project. The report is important because it can provide feedback on potential obstacles in realising the projects. |
| 18 | 2 - Green transition of Agriculture and the Environment - Rehabilitation of industrial | Target | The remediation of at least 4 different contaminated sites is initiated. | The remediation of at least 4 different contaminated sites is initiated. | Number | 0 | 4 | Q2 | 2026 | The Regional councils shall have realised tenders for full-scale remediation of at least four sites. The target shall be met when remediation of at least 4 |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-------------------|--|--------------------|------|---|---------------------------------------|----------|------|------------------------------------|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | sites and contaminated land | | | | | | | | | different contaminated sites is initiated |

C. COMPONENT 3: ENERGY EFFICIENCY, GREEN HEATING AND CARBON CAPTURE AND STORAGE

This component of the Danish recovery and resilience plan is an important element to reach the ambitious EU Green Deal objectives as well as Denmark's national goal of reducing the greenhouse gas emissions by 70 per cent by 2030 (compared to 1990 level) and to achieve climate neutrality by 2050.

This component aims to increase energy efficiency and green heating in public and private buildings, in industry, as well as to explore carbon capture and storage-storage potential in depleted oil and gas fields under the North Sea, which requires further analyses, testing of injections wells and demonstration of storage possibilities.

The objectives of this component shall be to provide stimulus and investments in energy efficiency measures to support the green transition, strengthen local job creation and ensure coherence and resilience by renovation of the existing building stock. Investments and subsidy schemes in this component shall include energy efficiency measures, conversion of oil and gas burners to sustainable heating sources and renovation of households, industries and public buildings. These shall reduce energy consumption and greenhouse gas emissions.

Investing in energy efficiency measures and the renovation of buildings shall support the construction sector and subcontractors creating jobs in supported businesses.

The component contains subsidy schemes targeted at both public sector buildings with poor energy labels and energy efficiency measures in the industrial sector are expected to support the economic recovery across Denmark. This component shall also promote improvement of public buildings such as day care institutions, and schools. A sub-measure is particularly relevant for households with limited financing opportunities, amongst others. These measures shall support social coherence and resilience by ensuring facilities to deliver high quality public services.

These investments and reforms supports addressing the country-specific recommendations addressed to Denmark last year, on the need to *“to ‘focus investment on the green [...] transition, in particular on [...] clean and efficient production and use of energy’ (country-specific recommendation 2, 2020).*

C.1. Description of the reforms and investments for non-repayable financial support

Investment 1: Replacing Oil Burners and Gas Furnaces

The measure aims at phasing oil and natural gas out of the heating system and replaced with electric heat pumps and district heating from renewable sources. The measure shall consist in the provision of subsidies to speed up the phasing out of oil burners and gas furnaces and to reduce the cost to consumers of the conversion to green heating. The support provided by the Danish recovery and resilience plan shall scale up an existing measure. The support scheme for replacing oil burners and gas furnaces shall be distributed into the following three sub-schemes: (1) Sub-scheme for district heating (*“Fjernvarmepuljen”*): shall provide a subsidy to expand district heating grids into new areas; (2) Sub-scheme for decoupling (*“Afkoblingsordningen”*): the Danish state-owned gas distribution company charges a fee to cover the cost of decoupling. With this subsidy scheme, households may be exempted from this fee. (3) Sub-scheme for scrapping (*“Skrotningsordningen”*): shall provide a subsidy for companies that offer heat pumps on subscription for private year-round housing. The scheme is particularly relevant for citizens who wish to convert to a heat pump but who have limited financing opportunities.

Investment 2: Energy efficiency in industry

The initiative aims to speed up energy efficiency measures and transition to green energy in industry and is expected to lead to a reduction in greenhouse gas emissions. It shall scale up an existing national scheme. The scheme targets energy savings in all private businesses and the funds shall be

allocated to the applicants after a competitive selection procedure based on a criterion of highest energy savings per subsidy received.

Investment 3: Energy renovations in public buildings

The measure shall support a subsidy scheme that shall target energy savings actions in public buildings. The subsidy shall focus on energy renovations in regional and municipal buildings with the lowest energy performance certificate standards as well as buildings that are heated by oil burners and gas furnaces.

Investment 4: Energy Efficiency in Households

The objective of this measure is to ensure that residential buildings are renovated and energy efficient and to speed up transition from oil burners and gas furnaces to heat pumps. The measure shall target energy savings in private housing by supporting insulation, optimization of the operation of the building or replacement of heating by oil burners and gas furnaces with heat pumps.

Investment 5: Carbon Capture Storage (CCS) Potential

This measure shall target development and demonstration of the technical and economic feasibility of CO₂ storage in depleted oil and gas fields in the Danish part of the North Sea. Further development, testing and demonstration of CO₂ storage shall be carried out in order to determine the technical and financial feasibility before any depleted gas and oil fields shall become operational. The support shall not cover investments needed to implement operational CO₂ storage facilities but only a feasibility study as described above.

C.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-------------------|---|--------------------|---|--|---------------------------------------|----------|------|------------------------------------|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| 19 | 3 - Energy efficiency, green heating and CCS - Replacing oil burners and gas furnaces | Milestone | Political agreement has been adopted on the allocation of the funds for the schemes for replacing oil burners and gas furnaces with electric heat pumps and district heating. | A political agreement between the government and a majority of the parliament is concluded and published on the relevant Ministry's webpage. | | | | Q2 | 2021 | The milestone shall be reached when a majority of the Danish parliament has entered an agreement on the allocation of the funds for the support schemes for replacing oil burners and gas furnaces with electric heat pumps and district heating. The relevant procedures in the Parliament have been completed. In the Danish context, political agreements tend to reflect key steps in policymaking even for wide-ranging measures and usually provide a sufficient guarantee that measures shall be implemented. They ensure predictability, stability and efficiency in policy making, committing |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-------------------|---|--------------------|--|---|---------------------------------------|----------|------|------------------------------------|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | | | | | | | <p>parties over several parliamentary terms.</p> <p>The political agreement shall be on how DKK 645 000 000 is to be distributed among the support schemes to phase out oil burners and gas furnaces that originates from "Energiaftale 2018" and "Klimaafale for energi og industri mv. 2020".</p> <p>The measure shall achieve at least a 30% reduction in primary energy demand at the level of the building.</p> |
| 20 | 3 - Energy efficiency, green heating and CCS - Replacing oil burners and gas furnaces | Milestone | Selection of recipients of funds for replacing oil burners and gas furnaces. | Selection of fund recipients completed. | | | | Q1 | 2025 | The milestone shall be reached when the selection of applications for replacing oil burners and gas furnaces has been completed in line with the objectives in milestone 19. |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-------------------|---|--------------------|---|--|---------------------------------------|----------|--------|------------------------------------|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| 21 | 3 - Energy efficiency, green heating and CCS - Replacing oil burners and gas furnaces | Target | At least 10 100 individual oil burners or gas furnaces have been replaced with district heating or heat pumps | | Number | 0 | 10 100 | Q2 | 2026 | The target shall be reached when at least 10 100 oil burners and gas furnaces have been replaced with heat pumps or district heating in line with the objectives in milestone 19. |
| 22 | 3 - Energy efficiency, green heating and CCS - Energy efficiency in industry | Milestone | Entry into force of the legal framework for a subsidy scheme for energy efficiency in industry. | The parliament has adopted the legal act setting up the subsidy scheme, published and it has entered into force. | | | | Q3 | 2021 | <p>The milestone shall be reached when the legal framework for a subsidy scheme for energy efficiency in industry has been adopted by the parliament, published and entered into force.</p> <p>The funds shall be allocated on the basis of a competitive selection procedure.</p> |
| 23 | 3 - Energy efficiency, green heating and CCS - | Milestone | The annual application rounds for the subsidy scheme to achieve | Funds are allocated to private-owned production, trade | | | | Q4 | 2022 | The milestone shall be reached when all application rounds are completed and funds allocated to achieve |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-------------------|--|--------------------|---|---|---------------------------------------|----------|------|------------------------------------|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | Energy efficiency in industry | | energy savings in the industry are completed. | and service companies, including agriculture, horticulture and fishery. Subsidies are distributed to projects that reduces the overall final energy consumption in Danish industry. | | | | | | energy savings in the industry. |
| 24 | 3 - Energy efficiency, green heating and CCS - Energy efficiency in industry | Target | At least 16 PJ (Peta Joule) of energy saved in the industry thanks to the energy efficiency scheme. | | Peta Joule (PJ) | 0 | 16 | Q4 | 2024 | The target is met when at least 16 PJ (Peta Joule) of energy savings between 1 January 2022 and 31 December 2024 has been achieved thereby contributing to meet the obligation for energy consumption under Energy |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-------------------|---|--------------------|---|--|---------------------------------------|----------|------|------------------------------------|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | | | | | | | <p>Efficiency Framework (Article 7).</p> <p>The additional means shall be added to the existing scheme and shall work under the same legal framework which has been established to meet the obligation for energy consumption under Energy Efficiency Framework (article 7).</p> |
| 25 | 3 - Energy efficiency, green heating and CCS - Energy renovations in public buildings | Milestone | The government issues statutory order establishing a subsidy scheme for energy renovations in public buildings. | The statutory order is published and shall include the legal framework for model/set-up for the subsidy scheme for energy renovations in public buildings. | | | | Q4 | 2021 | The milestone is reached when the government has published the statutory order. This legal framework shall define the conditions for receiving funding under the subsidy scheme for energy renovations in public buildings, such as maximum grant size or target group. |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-------------------|---|--------------------|--|--|---------------------------------------|----------|------|------------------------------------|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | | | | | | | |
| 26 | 3 - Energy efficiency, green heating and CCS - Energy renovations in public buildings | Target | Improvement of energy rating for 40% of supported municipal and regional buildings with D-G rating | | %) | 0 | 40 | Q4 | 2025 | The energy performance certificate of the buildings shall be improved for 40% of the buildings in the least efficient end (D-G) receiving grants from the scheme. All else being equal, this corresponds to 10 pct. of municipal and regional buildings having their energy rating improved if there is full disbursement of the scheme. |
| 27 | 3 - Energy efficiency, green heating and CCS - CCS-storage potential | Milestone | Award of contracts for selected applicants for the CCS feasibility study | Call for applicants and selection of fund receivers completed. | | | | Q4 | 2021 | The milestone shall be reached when the selection of applicants for the CCS feasibility studies is completed after conducting an open selection procedure. |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-------------------|--|--------------------|---|--|---------------------------------------|----------|------|------------------------------------|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| 28 | 3 - Energy efficiency, green heating and CCS - CCS-storage potential | Milestone | Completion of feasibility study for CCS-storage. The government takes a decision for follow-up. | Feasibility study completed. | | | | Q4 | 2023 | <p>The feasibility study shall contain results and analyses based on the supported test and demonstration projects on storing CO2 in depleted oil- and gas fields.</p> <p>The report shall propose actions that are compliant with the DNSH requirement.</p> |
| 29 | 3 - Energy efficiency, green heating and CCS - Energy efficiency in households | Milestone | Selection of beneficiaries of funds for energy renovation in private households. | Selection of fund beneficiaries completed. | | | | Q1 | 2025 | <p>The milestone shall be reached when the managing entity has selected the beneficiaries. The Building Pool shall be split into several yearly application rounds to support a broad distribution of funds among private house owners. The opening of the application rounds shall be announced on the website of the Danish</p> |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-------------------|--|--------------------|------|---|---------------------------------------|----------|------|------------------------------------|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | | | | | | | <p>Energy Agency. The subsidy receiver has two years to carry out the energy renovation project, at the completion of which the subsidy is paid out. This shall be to ensure that the funds shall only be allocated for concrete energy renovations.</p> <p>In the Building Pool there is a 60/40 condition on the allocation of the subsidy pool stating that at least 60 per cent of the funds must be allocated to projects containing conversion to electric heat pumps.</p> <p>The measure shall achieve at least a 30% reduction in primary energy demand.</p> |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-------------------|--|--------------------|--|---|---------------------------------------|----------|------|------------------------------------|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| 30 | 3 - Energy efficiency, green heating and CCS - Energy efficiency in households | Target | At least 6125 energy renovation projects in private households have been completed | | Number | 0 | 6125 | Q2 | 2026 | The target shall be reached when at least 6125 energy renovation projects have been completed in line with the objectives outlined in milestone 29. |

D. COMPONENT 4: GREEN TAX REFORM

Greenhouse gasses from service and industry accounts for approximately one fifth of Denmark's emissions. The Danish recovery plan shall provide funding for an investment scheme, which shall facilitate green and digital investments. This scheme is expected to create clear incentives and make it possible for companies to accelerate the green transformation of production capabilities, reducing their emissions up front and adapt to phase two of the tax reform and a future tax on carbon emissions. This will be followed by raising energy taxes from 2023, redirecting current energy taxes towards CO₂-emissions.

The Green Tax Reform is expected to assist Denmark in recovering from the COVID-19 recession, incentives shall be created for companies to invest in green and digital technology. This is expected to lead to an increase in demand and a rise in employment as well as a reduction of greenhouse gas emissions and further the digitalization of the Danish society. The component is expected to lower greenhouse gas emissions by 0.5 megatons by 2030. This shall be achieved by increasing the taxes on industry's process fossil energy. The initial increase in fossil energy taxation shall be directly targeted at the CO₂-content of the different fossil fuels before the Green Tax Reform moves to the second phase. To ease companies' transition to clean energy, boost growth potentials, and prepare for a higher carbon tax, the reform also implies an increased tax deduction for companies investing in capacity costs, such as technology. This investment window shall exclude machinery running on fossil fuels to ensure a green transition of industry and compliance with the "Do No Significant Harm" principle. The investment window shall boost the companies' growth potential and job creation, while encouraging companies to invest in new hardware and technology that can reduce emissions in the longer run.

These investments and reforms shall contribute to the country-specific recommendations addressed to Denmark in 2020, on the need to "[...] *promote private investment to foster the economic recovery*" and "*focus investment on the green and digital transition* [...]" (country-specific recommendation 2, 2020)

D.1. Description of the reforms and investments for non-repayable financial support

Investment 1: Investment window

The investment window is expected to boost the companies' growth potential and job creation, while encouraging companies to invest in new hardware and technology that can reduce emissions in the longer run. The tax reform shall consist of temporarily increased tax deduction for companies investing in capacity costs, such as technology and software that may help increasing business operations and at the same time reduce greenhouse gas emissions. The investment window shall not include machinery running on fossil fuels to ensure a green transition of industry and ensure compliance with the "do no significant harm" principle.

Investment 2: Accelerated depreciation

The initiative shall deliver on the recommendations to Denmark in the National Energy and Climate Plan to frontload investments in a green and digital transition, and by ensuring a just transition for the most affected companies with the implementation of a green tax reform. According to current rules, companies' investments in fixed assets (such as machinery, equipment and computer-hardware) with an acquisition price below DKK 14.100 may be depreciated immediately. This lower limit shall be permanently raised to DKK 30.000. An increase in the threshold is expected to work as a short-term stimulus initiative, as it generates additional liquidity for firms in the initial years (where all small investments are depreciated at 100 per cent) but declines over time as future depreciations are reduced (already depreciated in year. After 31 December 2025, the increased limit may result in fiscal losses for Denmark. These losses shall be covered by reducing the overall budget for fiscal expenditures. An increase in the threshold is expected to strengthen the incentive to invest in information and

communications technology, and is expected to help strengthen liquidity among companies that earn profits.

Reform 1: Expert group to prepare proposals for a CO2e-tax

To prepare for the second phase of the Green Tax Reform, an expert group shall be established with the task of drawing the roadmap for the next phase of CO2e taxation in a manner consistent with protecting Denmark's competitiveness, social balance, and minimizing leakage. This shall contribute to a comprehensive tax reform with a higher and harmonised CO2e-tax on all emissions. This is expected to require significant further work, especially with regard to emissions that are not currently subject to tax.

A green tax reform shall lead to significant cost effective reductions of greenhouse gas emissions in a socially just and balanced way. In this context, Danish companies are expected to maintain their high competitiveness and avoid carbon leakage. Funding from the Recovery and Resilience Facility is thus instrumental in ensuring a green transition of the Danish society in line with the Paris Agreement.

Reform 2 - Emission taxes on industries

The industry energy taxes on fossils are relatively low, thus increasing these can provide cost-efficient reductions of greenhouse gases. With the implementation of this measure, the Danish government has increased the process energy tax by DKK 6 / GJ/ app. 100 DKK/ton CO2. This shall raise the fossil energy taxation for all industries equally. Consequently, the existing differentiations in the energy tax rates for companies will be maintained in 2025, but at a higher level for all industries.

D.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-------------------|--|--------------------|---|--|---------------------------------------|----------|------|------------------------------------|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| 31 | 4 - Green Tax Reform - Investment window | Milestone | A political agreement on an investment window has been adopted by the Danish Parliament and the relevant legislative procedures in the Parliament have been launched. | The political agreement on the green tax reform including the investment window is signed and published on the Ministry of Taxation's webpage. | | | | Q4 | 2020 | <p>A majority of the Danish Parliament has entered an agreement on the green tax reform including the investment window. The relevant legislative procedures in the Parliament have been launched.</p> <p>In the Danish context, political agreements tend to reflect key steps in policymaking even for wide-ranging measures and usually provide a sufficient guarantee that measures shall be implemented. They ensure predictability, stability and efficiency in policy making, committing parties over several parliamentary terms.</p> |
| 32 | 4 - Green Tax Reform - Investment window | Milestone | The bill on the green tax reform including the investment window is adopted by the Danish | The law on the green tax reform including the investment window is | | | | Q2 | 2021 | The bill has been adopted by the Danish Parliament and entered into force in April 2021. The investment window is effective as from 23 November 2020. |

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| | | | parliament and the initiative enters into force. | adopted and enters into force. | | | | | | |
| 33 | 4 - Green Tax Reform - Investment window | Target | 1 000 companies have used the tax deduction provided by the investment window | | Number | 0 | 1 000 | Q2 | 2024 | The target is met when 1 000 companies have used the tax deduction provided by the investment window. A data extract shall show that minimum 1 000 companies have been using the tax deduction provided by the investment window. All companies shall be eligible to apply for the tax deductions within the specified criteria. |
| 34 | 4 - Green Tax Reform - Accelerated depreciation | Milestone | A political agreement on an accelerated depreciation has been adopted by the Danish Parliament and the relevant legislative procedures in the Parliament have been launched. | The political agreement on the green tax reform including the accelerated depreciation is signed and published on the Ministry of Taxation's webpage. | | | | Q4 | 2020 | A majority of the Danish Parliament has entered an agreement on the green tax reform including the accelerated depreciation. The relevant legislative procedures in the Parliament have been launched. The relevant legislative procedures in the Parliament have been launched. In the Danish context, political agreements tend to reflect |

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| | | | | | | | | | | key steps in policymaking even for wide-ranging measures and usually provide a sufficient guarantee that measures shall be implemented. They ensure predictability, stability and efficiency in policy making, committing parties over several parliamentary terms. |
| 35 | 4 - Green Tax Reform - Accelerated depreciation | Milestone | Milestone 2: The bill on the green tax reform including the accelerated depreciation is adopted by the Danish parliament and the initiative enters into force | The law on the green tax reform including the accelerated depreciation is adopted and enters into force. | | | | Q2 | 2021 | The Danish parliament shall adopt in April 2021 the bill on the green tax reform, including the accelerated depreciation. The accelerated depreciation shall be applicable to assets purchased on or after 23 November 2020. |
| 36 | 4 - Green Tax Reform - Accelerated depreciation | Target | 1 000 companies have used the tax deduction provided by the accelerated depreciation. | | Number | 0 | 1 000 | Q2 | 2024 | The target is met when 1 000 companies have used the tax deduction provided by the accelerated depreciation. A data extract shall show that minimum 1 000 companies have been using the tax deduction provided by the accelerated depreciation. |
| 37 | 4 - Green Tax Reform - Expert | Milestone | In line with the conclusions of the | Political parties behind the | | | | Q1 | 2023 | On the basis of the recommendations of the expert |

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| | group to prepare proposals for a CO2e-tax | | report by the expert group for a uniform CO2e tax regulation, the government shall convene the parties behind the green tax reform to agree on next steps. | agreement are convened by the government | | | | | | group on concrete models for a uniform CO2 e-tax political discussions on the next steps shall be launched. |
| 38 | 4 - Green Tax Reform - Emission taxes on industries | Milestone | A political agreement on an increase in the emissions tax on industry has been adopted by the Danish parliament. | The political agreement on the green tax reform including the increased emissions tax on industry is signed and published on the Ministry of Taxation's webpage. | | | | Q4 | 2021 | <p>A majority of the Danish Parliament has entered an agreement on the green tax reform including the increased emissions tax on industry.</p> <p>The relevant legislative procedures in the Parliament have been launched. In the Danish context, political agreements tend to reflect key steps in policymaking even for wide-ranging measures and usually provide a sufficient guarantee that measures shall be implemented. They ensure predictability, stability and efficiency in policy making, committing parties over several parliamentary terms.</p> |

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| 39 | 4 - Green Tax Reform - Emission taxes on industries | Milestone | The bill on the green tax reform including the increased emissions tax on industry is adopted by the Danish parliament and the initiative enters into force for all industries except agriculture and mineral proc. | The law on the green tax reform including the increased emissions tax on industry is adopted and published | | | | Q1 | 2023 | The milestone shall have been achieved when The bill on the green tax reform including the increased emissions tax on industry is adopted by the Danish Parliament and the initiative enters into force for all industries except agriculture and mineral producers. |
| 40 | 4 - Green Tax Reform - Emission taxes on industries | Milestone | Tax increase on emissions from industry enter into force for all industries including agriculture and mineral proc. | Tax increase on emissions from industry enter into force. | | | | Q1 | 2025 | The legislation on tax increases on emissions from industry shall enter into force on 1 January 2025. |

E. COMPONENT 5: SUSTAINABLE ROAD TRANSPORT

The initiatives in this component of the Danish recovery and resilience plan on the green transition of road transport set out measures aiming at contributing to lower greenhouse gas emissions in the road transport sector by 2.1 megatons in 2030. They set forth the ambition of having 1 000 000 zero- or low emission cars on the roads by 2030.

This component shall be composed of four main sub-sets of measures that are expected to accelerate the decarbonisation of the sector.

First, the component includes a set of measures related to lower registration tax for low emission vehicles and scrappage schemes for diesel cars, so as to incentivise more consumers to choose zero and low-emission cars.

Second, a series of studies and tests shall be executed in order to accelerate the decarbonisation of roads (promotion of car-pooling, optimization of heavy haulage transportation, test-scheme for road pricing).

Third, the component shall include investments aiming at expanding the use of bicycles, either through the construction of charging stations or through the construction of cycle paths.

Lastly, the component shall include a measure aiming at subsidizing the purchase of zero or low emission ferries or retrofitting of existing ferries.

These investments and reforms shall contribute to the Country Specific Recommendations addressed to Denmark the last two years, on the need to “Focus investment on the green [...] transition, in particular on, sustainable transport”. (country-specific recommendations 2, 2020) and “*Focus investment-related economic policy on sustainable transport to tackle road congestion*” (country-specific recommendations 3, 2019).

E.1. Description of the reforms and investments for non-repayable financial support

Reform 1: Re-prioritisation of the registration tax of vehicles and low electricity tax on charging electric vehicles

This reform shall be part of the set of measures related to lower registration tax for low emission vehicles and scrappage schemes for diesel cars. The measures aims to incentivise more consumers to choose zero and low-emission cars. The tax on electricity for zero and low-emission vehicles shall be lowered. This first subset of measures shall also include a premium for scrapping old diesel cars in order to ensure that older cars are rapidly changed into new and less polluting cars.

Investment 1: Temporary increase in the scrapping premium for old diesel cars

The initiative aims to reduce the emission of PM2.5 by 17 tonnes and the emission of CO2 by approximately 7 000 tonnes. In order to support the transition from old conventional cars to zero- or low-emission cars (particulate matter, NOx and CO2) the scrapping premium for old diesel cars shall be increased, thus promoting the incentive for households to scrap their old diesel cars in favour of newer, less emitting cars, including zero and low-emission cars. The subsidy scheme shall be initiated to increase the scrapping premium, so owners of diesel cars from before 1 January 2006 shall receive a scrapping premium of DKK 5 000, if they scrap their old diesel car, and their application is approved. The administration set up shall be digital.

Investment 2: Development test of road-pricing

This investment is part of a series of studies and tests shall be executed in order to accelerate the decarbonisation of roads (promotion of car-pooling, test-scheme for heavy haulage transportation, optimization of road pricing).

The development test of road pricing shall be initiated in order to explore efficient ways of taxing congestion and the damage and health costs associated with driving. The project management and

dissemination of results is expected to be assigned to a University with scientific knowledge in the area of transport economics.

Investment 3: Car sharing and carpooling (awareness)

Information- and behavioural campaigns aimed at informing about the challenges related to ‘transport waste’ as well as highlighting the benefits for citizens, companies and society at large associated with car sharing and carpooling shall be initiated. The target groups of the campaigns shall be based on an initial analysis conducted in 2021 by the Danish Ministry of Transport and the Danish Road Directorate. The current expectation is that the target group shall consist of commuters and companies.

Investment 4: Analysis of test scheme with double trailers

An analysis shall be carried out by the Danish Road Directorate and the Danish Road Traffic Authority covering and shall cover the efficiency of the road design, planning and test rides. Based on the analysis it shall be possible to decide which reconstructions can and shall be carried out in order to ensure both traffic safety and traffic flow on the certain road network.

Investment 5: Analysis of the regulation on weight and dimensions to optimise heavy haulage

An analysis concerning the potential of lower emissions through further adjustments of the current regulation on weight and dimensions shall be carried out. Besides estimating the potential reduction in emissions, the analysis shall also estimate financial consequences for the transport sector and the society - such as increased wear and tear on roads.

Investment 6: Scheme to infrastructure for electric bicycles

The measure aims to increase the number of public accessible charging stations for electric bicycles. The investment in infrastructure for bicycles shall contribute to promote the EU Commissions sustainable and smart mobility by urban planning, including of the connectivity with rural and suburban areas, so that commuters are given sustainable mobility options with public accessible charging stations of electric bicycles.

Investment 7: Investments in bike paths in state roads and bicycle subsidy scheme for municipalities

The investment shall support the construction of bicycle infrastructure. This shall support access to a more coherent bicycle road network for citizens and thereby better opportunities to choose the bicycle rather than other modes of transport. In addition, the measure shall support a scheme targeting municipal bicycle construction projects.

Investment 8: Subsidy scheme to green ferries

This measure shall aim at subsidizing the purchase of zero or low emission ferries or retrofitting of existing ferries. The subsidy shall enable a green transition of 15 ferries.

E.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-------------------|--|--------------------|---|---|---------------------------------------|----------|--------|------------------------------------|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| 41 | 5 - Sustainable Road Transport - Re-prioritisation of the registration tax of vehicles and low electricity tax on charging electric vehicles | Milestone | Entry into force of legal act to re-prioritise the registration tax of vehicles and low electricity tax on charging electric vehicles | The legal act enters into force | | | | Q1 | 2021 | The milestone shall be reached when the legal act to reduce the registration tax for low- and zero-emission cars, simplify the registration tax to make it dependent only on the car's value and CO2 emissions, and extend the special scheme with low electricity tax to charge electric cars enters into force. |
| 42 | 5 - Sustainable Road Transport - Temporary increase in the scrapping | Target | 36 000 old diesel cars are scrapped due to the raised scrapping premium | | Number | 17 000 | 36 000 | Q1 | 2022 | The target shall be reached when the number of old diesel cars scrapped due to the raised scrapping premium increases to 36 000. In total, 36 000 old diesel cars shall be scrapped if the total fund is used by the end of 2021. Data on the baseline is uncertain but is assessed to be 17 000 diesel cars in 2021. The scheme is therefore expected to |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-------------------|--|--------------------|---|---|---------------------------------------|----------|--------|------------------------------------|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | premium for old diesel cars | | | | | | | | | <p>give at least 19 000 extra scrapped old diesel cars in 2021.</p> <p>The target refers to the number of old diesel cars that are scrapped due to the increased scrapping premium.</p> <p>The legal basis of the initiative is the executive order no. 516 of 24 March, 2021. https://www.retsinformation.dk/eli/lt/2021/516</p> |
| 43 | 5 - Sustainable Road Transport - Re-prioritisation of the registration tax of vehicles and low electricity tax on charging | Target | At least 225 000 zero- and low emission cars in the Danish car stock. | | Number | 65000 | 225000 | Q4 | 2025 | The target shall be reached when stock of zero- and low-emission cars in the car stock is at least 225 000 by 31 December 2025, compared to the 2021 baseline of 65 000. |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-------------------|---|--------------------|--|---|---------------------------------------|----------|------|------------------------------------|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | electric vehicles | | | | | | | | | |
| 44 | 5 - Sustainable Road Transport - Development test of road-pricing | Milestone | Political agreement between has been adopted by the government and a majority of the parliament on the conduction of the test scheme | Agreement reached between the government and a majority of the parliament on the conduction of the test scheme. | | | | Q4 | 2021 | <p>The political agreement shall be reached on the description of the test-scheme and the organisation of the test. In this regard, the objective of the agreement shall be to initiate development tests of road pricing in order to explore efficient ways of taxing congestion and the damage and health costs associated with driving.</p> <p>No further legal basis shall be needed to initiate the test scheme.</p> |
| 45 | 5 - Sustainable Road Transport - Development test of road-pricing | Milestone | Publication of the results from the test scheme on road-pricing. | A report on the results from the test scheme. | | | | Q1 | 2024 | The results from the test scheme on road-pricing shall be documented in a report. |
| 46 | 5 - Sustainable | Milestone | Publication of a report on | Publication of report on | | | | Q4 | 2021 | An analysis regarding the current national regulation on weight and dimensions is |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-------------------|--|--------------------|---|--|---------------------------------------|----------|------------|------------------------------------|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | Road Transport - Analysis of the regulation on weight and dimensions to optimise heavy haulage | | the analysis of the national regulation on weight and dimensions. | analysis of the national regulation and on weight and dimensions, which is expected to help quantifying potential reductions in emissions. | | | | | | published. The analysis shall be based on existing data, and including a cost-benefit analysis of the potential emissions reductions and of the potential financial consequences, such as wear and tear on roads. The analysis on national regulation on weight and dimensions shall result in a final report with recommendations, including proposals for amendments to the national regulation with estimated climate effects, description of traffic safety conditions and costs. The report shall propose actions that are compliant with the DNSH requirement |
| 47 | 5 - Sustainable Road Transport - Car sharing and carpooling (awareness) | Target | Information campaigns regarding transportation congestion and car sharing has been exposed at least | | Number | 0 | 30 000 000 | Q4 | 2022 | <p>The target shall be reached when the campaign has been exposed 30 000 000 times to a real life person. The same real-life person may be exposed multiple times. The campaign shall contain the following.</p> <p>1. In order to inform about problems related to transportation waste, the campaign shall showcase statistics about: time spent in queues on the roads, average number of</p> |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-------------------|---|--------------------|--|--|---------------------------------------|----------|------|------------------------------------|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | 30 000 000 times. | | | | | | | <p>persons per car on the roads and the derived problems with CO2-emissions.</p> <p>2. In order to inform and create awareness on the benefits from car sharing and ride sharing, the campaign shall showcase best practices and the positive effects of car sharing and carpooling (economically, for the climate and the positive social aspect)"</p> |
| 48 | 5 - Sustainable Road Transport - Analysis of test scheme with double trailers | Milestone | Publication of an analysis on double trailers analysing road safety, vehicle engineering, road engineering and environmental conditions. | Publication of a report on the findings of the analysis of test scheme with double trailers. | | | | Q4 | 2021 | <p>The analysis on double trailers shall result in the publication of a report with final recommendations, including proposals for a pilot road network and estimate of climate effects, road safety conditions and finances, including investments in rebuilding the road network.</p> <p>The report shall propose actions that are compliant with the DNSH requirement.</p> |
| 49 | 5 - Sustainable Road Transport - | Milestone | A political agreement has been adopted among a | The government and parliament | | | | Q2 | 2021 | <p>The government and parliament have reached a political agreement on the subsidy scheme for the green transition of ferries. The subsidy scheme shall co-finance the</p> |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-------------------|--|--------------------|--|---|---------------------------------------|----------|------|------------------------------------|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | Subsidy scheme to green ferries | | majority of parties in the Danish Parliament on green transition of ferries. | reach a political agreement on the specific green maritime sector which is signed and published at the relevant ministry's website. | | | | | | <p>acquisition of new green ferries, retrofitting existing ferries or charging infrastructure. The beneficiaries shall be municipalities. The subsidy percentage shall be of 15-25%. The following criteria shall be used for the subsidy: The CO2 effect and environmental effect per invested DKK. The funds shall only be used for investments in e.g. new green ferries, retrofit or other necessary infrastructure such as charging stations for the ferries.</p> <p>No further legislation is necessary as the political agreement along with finance act 2021 provide the relevant legal basis.</p> <p>In the Danish context, political agreements tend to reflect key steps in policymaking even for wide-ranging measures and usually provide a sufficient guarantee that measures shall be implemented. They ensure predictability, stability and efficiency in policy making, committing parties over several parliamentary terms.</p> |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-------------------|---|--------------------|---|---|---------------------------------------|----------|------|------------------------------------|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| 50 | 5 - Sustainable Road Transport - Subsidy scheme to green ferries | Target | At least 15 ferries has been exchanged or retrofitted to green ferries. | | Number | 0 | 15 | Q4 | 2025 | At least 15 ferries shall have been exchanged or retrofitted after having received the subsidy in line with the criteria in milestone 49. The funds shall only be used for investments in new ferries or to retrofit existing ferries. With the political agreed upon subsidy percentages, at least 15 ferries may be exchanged or retrofitted to green ferries. |
| 51 | 5 - Sustainable Road Transport - Investments in bike paths in state roads and bicycle subsidy scheme for municipalities | Target | The construction of at least 45km of new bike paths has been initiated. | | Number of km | 0 | 45 | Q4 | 2024 | The construction of the bike paths projects shall be initiated and the target is met when the Ministry of Transport has granted funds to the construction of at least 45 km of new bike paths by Q4 2024. The beneficiaries shall be municipalities. The projects shall be the construction of new cycle paths, especially for the benefit of commuting to work and school, as well as improved crossing options on sections where the state road is a barrier. The projects shall also improve traffic safety on state roads for soft road users and close gaps between cities, educational institutions and public transport. |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-------------------|---|--------------------|--|---|---------------------------------------|----------|------|------------------------------------|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| 52 | 5 - Sustainable Road Transport - Investments in bike paths in state roads and bicycle subsidy scheme for municipalities | Target | 40 % of supported projects have been completed | | Number | 0 | 150 | Q4 | 2025 | <p>The target is met when 40% of the projects have been completed by Q4 2025. The projects shall be completed in the framework of the subsidy scheme. The pool of projects shall prioritize projects that largely reflect the following criteria: - New infrastructure dedicated to cyclists, such as new cycle paths, dedicated lanes and passages for cyclists - Projects contributing to greater safety for cyclists such as cross-conversions - The highest number of people benefitting from the project - That the project contributes to better coherence, such as by strengthening the integration between public transport and cycling - Projects coordinated with relevant actors</p> <p>Knowledge and innovation projects, such as smaller research and analysis projects providing new knowledge in the field of cycling, may also be financed by the pool, provided their amount does not exceed 10% of the total pool.</p> |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-------------------|---|--------------------|--|---|---------------------------------------|----------|------|------------------------------------|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| 53 | 5 - Sustainable Road Transport - Scheme to infrastructure for electric bicycles | Target | At least 75 bike charging stations have been built | | Number | 0 | 75 | Q4 | 2024 | At least 75 bike charging stations shall have been built with funding from the scheme to infrastructure for electric bicycles. |

F. COMPONENT 6: DIGITALISATION

The aim of this component of the Danish recovery and resilience plan is to promote a digital transformation across all sectors of society advancing welfare and equality, growth and employment, the green transition and prepare the public administration for the emerging challenges in this area.

The digitalisation reforms and investments planned under this component shall contribute to the digital transition of the economy and society, and shall have a positive spill-over effects on several areas. By modernising the digital infrastructure of the country, people and businesses shall get better access to the public sector. In addition, these measures shall strengthen the institutional capacity and resiliency of public administration through the adoption of digital technologies. Digitisation efforts shall contribute to promote smart, sustainable and inclusive growth and to increase productivity which has been a key challenge for the country. Extending very high-speed rural broadband coverage to rural areas has the potential to link new SMEs into the economy thereby enhancing social and territorial cohesion. The aim of the new “Digital Strategy” is to promote a just and inclusive digital transition that shall support better welfare service and social cohesion through education and enhancing digital skills and competencies.

These investments and reforms shall contribute to the country-specific recommendations addressed to Denmark last year, on the need to “*focus investment on the [...] digital transition*” (CSR 2, 2020) and possibly on the need to “*Focus investment-related economic policy on education and skills*” (country-specific recommendation1, 2019).

F.1. Description of the reforms and investments for non-repayable financial support

Reform 1: Digital strategy

The Danish government shall establish an expert group called “digitalisation partnership”, consisting of the main stakeholders of the industry (including business representatives, experts). This expert group shall analyse the main digital challenges for Denmark and shall make recommendations on policy, reform and investments. Based on these recommendations and following political negotiations, the government shall adopt the new Digital Strategy in the Finance Act 2022.

The new digital strategy shall consist of five sub-reforms with the following objectives:

- I. **Sub-reform 1 – Strategy for the digital public sector and services of the future:** Creating the digital public sector of the future. This shall be achieved by a continuous modernisation of the digital infrastructure meeting the needs of all citizens and businesses while strengthening connectivity.
- II. **Sub-reform 2 – Strategy for the digital professions and jobs of the future:** Securing the digital professions and jobs of the future and supporting growth and export of goods and services by strengthening digitalisation within business and industry.
- III. **Sub-reform 3 – Framework for innovation, public-private partnerships and use of new technology:** Creating better opportunities for co-creation and innovation. This shall be done by using new technologies and public-private partnerships to streamline and improve public digital services, accelerate digital transition of businesses, and support climate change mitigation.
- IV. **Sub-reform 4 – Framework for a data-driven society:** Creating a data-driven society and improving the digitalisation of SMEs, health systems and digital services by promoting better access to data, secure and interoperable data infrastructures, and a digital-ready regulatory framework.
- V. **Sub-reform 5 – Framework for Denmark fit for a digital future:** Creating a framework for Denmark fit for a digital future whilst preserving the best of our society, such as enhancing

the cyber- and information security, digital skills and competencies benefitting all citizens, businesses and employees.

Investment 1: SME's digital transition and trade

This investment shall prolong an existing scheme, *SME:Digital*, which shall provide subsidies for small- and medium-sized enterprises to digitalise their business. The scaling up of the scheme is expected to be particularly important in the context of the economic recovery as it is particularly important to support small- and medium-sized enterprises that have been the most affected by the crisis.

Small and medium-sized enterprises may apply for grants on the condition that their projects shall increase their use of technology and contribute to growth of the enterprise. The grant scheme is open for applications several times each year, where applications are assessed on a first-come, first-served basis. A maximum grant of DKK 100.000 per company is foreseen.

Investment 2: Broadband pool

This investment shall prolong an existing scheme, *Bredbåndspuljen*, which shall roll out very high-speed internet access (minimum 100 Mbps) in rural areas of Denmark where existing coverage is poor due to lack of sufficient market incentives. The scheme shall be an applicant-based funding scheme for households and business.

F.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-------------------|--|--------------------|--|--|---------------------------------------|----------|------|------------------------------------|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| 54 | 6 - Digitisation - Digital strategy | Milestone | Adoption of a new “Digital Strategy” in the Finance Act 2022 and of the implementation plan. | The Danish government finalises negotiations with political parties in order to adopt a final that shall be implemented in the Finance Act for 2022 and a corresponding implementation plan. | | | | Q1 | 2022 | 1) Building upon the recommendations of the “Digital Partnership”, and following negotiations with political parties to adopt a final strategy, initiatives with costs are incorporated in the Finance Act 2022. 2) The strategy shall address the main challenges identified by the Digital Partnership. The objectives of the “Digital strategy” shall be as follows: 1. Creating the digital public sector of the future by continuous modernisation of the digital infrastructure meeting the needs of all citizens and businesses and strengthening connectivity. 2. Securing the digital professions and jobs of the |

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| | | | | | | | | | | <p>future by strengthening digitisation within business and industry supporting growth and trade in goods and services. 3. Creating better opportunities for co-creation and innovation by using new technologies and public-private partnerships to streamline and improve public digital services, accelerate digital transition of businesses, and support climate change mitigation. 4. Creating a data-driven society by promoting better access to data, secure and interoperable data infrastructures, and digital-ready regulatory framework to improve the digitalisation of SMEs, health systems and digital services. 5. Creating a framework for Denmark fit for a digital future whilst preserving the best of the society by enhancing cyber- and information security, digital skills and competencies benefitting</p> |
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| | | | | | | | | | | all citizens, businesses and employees 3) The Ministry for Finance shall provide an “implementation plan”. This shall include a list of measures agreed under the new digital strategy to achieve the five objectives, including detailed descriptions on concrete initiatives, target groups, financing and costs in accordance with EU Regulation 241/2021. The implementation plan shall also include the budget allocation among the different objectives, the responsible ministries/agencies and a list of relevant regulatory and legislative acts that need to be changed. |
| 55 | 6 - Digitisation - Digital strategy | Milestone | Implementation of the digital strategy into relevant regulatory and legislative acts. | At least 50% of the measures in the digital strategy have been implemented into relevant | | | | Q4 | 2023 | The milestone shall be reached when at least 50% of the measures providing for regulatory and legislative acts, as specified in the “Implementation Plan”, referred to in |

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| | | | | regulatory and legislative acts and have entered into force. | | | | | | milestone 54, shall have entered into force. |
| 56 | 6 - Digitisation - Digital strategy | Milestone | Independent report on the achievements of the digital strategy | An independent report on the achievements of the digital strategy is carried out and published on the website of the relevant ministry. | | | | Q4 | 2025 | The measures as specified in the "Implementation Plan" referred to in milestone 54, have entered into force. Following this, publication of an independently drafted report on the achievements of the objectives and targets, completion of the individual measures, their estimated impact and an ex-post evaluation. |
| 57 | 6 - Digitisation - Strategy for the digital public sector and services of the future (Sub-reform A) | Target | At least 7 public authorities have received funding for AI projects | | Number | 0 | 7 | Q4 | 2025 | The target is achieved when at least seven public authorities on either central, municipal and/or regional level have received funding for AI projects as part of the new digital strategy. |
| 58 | 6 - Digitisation - Strategy for the digital professions and | Target | At least 500 SME's have received funding | | Number | 0 | 500 | Q4 | 2025 | The target shall be reached when at least 500 SMEs have received help or funding to promote small |

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| | jobs of the future (Sub-reform B) | | for digital projects | | | | | | | and medium-sized enterprises' access to and use of digital solutions through the new digital strategy. |
| 59 | 6 - Digitisation - Framework for innovation, public-private partnerships and use of new technology (Sub- reform C) | Target | At least 30% of public innovations is done in public- private partnerships | | % | 25 | 30 | Q4 | 2025 | The target is achieved when at least 30% of public innovations take place in collaboration with the business community. “Public sector innovation” is defined by the innovation barometer (Statistics Denmark) as new or significantly changed processes or methods of organisation, services, products or communication. The target of “share of innovations in the public sector in public- private partnerships” shall be published as part of the Innovation Barometer. |
| 60 | 6 - Digitisation - Framework for data data-driven society (Sub- reform D) | Target | At least 4 public institutions have developed or received support to develop solutions to | | Number | 0 | 4 | Q4 | 2025 | The target is achieved when at least 4 public institutions have developed or received support to develop solutions to store and reuse personal information. |

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| | | | store and reuse personal information | | | | | | | Public institution is defined as any entity established or controlled by the national government, region, or a municipality, including but not limited to an institution of higher education or a public higher education research institution. |
| 61 | 6 - Digitisation - Framework for Denmark fit for a digital future (Sub-reform E) | Milestone | Adoption of a new National Cybersecurity strategy | The government adopts a new National Cybersecurity strategy | | | | Q4 | 2022 | A prerequisite for the digital development in Denmark is a sustained strong focus on cyber security. The target shall be reached when Denmark has adopted a new cyber and information security strategy with the overall aim of strengthening and securing the public and private sector against new areas of attack and potential vulnerabilities and thereby help to safeguard the Danish society also in the future. |
| 62 | 6 - Digitisation - Broadband pool | Target | At least 3500 households and/or | | Number | 0 | 3 500 | Q1 | 2022 | The target shall be reached when at least 3500 households and/or |

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|----|---|--------|--|--|--------|---|-----|----|------|--|
| | | | businesses covered with very high speed internet (at least 100 Mbps connection). | | | | | | | businesses covered with very high speed internet (at least 100 Mbps connection) that did not have such connection before. |
| 63 | 6 - Digitisation - SME's digital transition and trade | Target | At least 550 SMEs have received funding for digital projects | | Number | 0 | 550 | Q4 | 2023 | The target shall be reached when at least 550 SMEs have received funding for digital projects in line with the eligibility criteria of the scheme. |

G. COMPONENT 7: INVESTING IN GREEN RESEARCH AND DEVELOPMENT

The overarching objective of the component “Investing in Green Research and Development” of the Danish recovery and resilience plan shall be to tackle the challenges to meeting Denmark’s targets to reduce greenhouse gas emissions by 70% by 2030 and to reach climate neutrality in 2050. To reach these targets, the Danish plan shall include investments that are needed in research and development to complement existing climate policies.

The measures in the component aim to provide the public and private sectors with incentives to boost research and development, particularly in innovative green technologies. The objectives of the component shall be to create long-term growth potential, frontload the green transition by investing in new green technologies and diversify research by encouraging private and public entities to collaborate.

The component shall consist of a research programme, structured in four investments, and one reform to deduce taxes for private research and development expenses in 2022.

The research programme shall be structured in at least four public-private partnerships, called “green partnerships”, to develop solutions to four mission-based challenges of reducing emissions in the transport, agriculture, food and waste sectors.

The beneficiaries shall be able to apply for funding for projects along the value chain as well as demonstration and development projects. The funding is intended to cover the first five years of research costs and shall be complemented by other funding sources outside the Recovery and Resilience Facility at a later stage.

The research programme shall be managed by *Innovation Fund Denmark*, which is an independent body within the public administration. The selection of the beneficiaries shall take place in a two-phased call process. First, interested actors shall develop a roadmap to propose ideas for work streams and activities to overcome the challenges Denmark is facing as regards research and development. A panel of experts shall help Innovation Fund Denmark to select a roadmap for each mission by 30 June 2021.

When the roadmaps have been selected, Innovation Fund Denmark shall announce a call for partnerships. The selection of partnerships shall be based on an evaluation process managed by Innovation Fund Denmark. There may be more than one partnership within each mission. Innovation Fund Denmark shall select the partnerships by 31 December 2021. The funding shall be disbursed to the green partnership by 31 December 2022.

To further boost the green transition and encouraging enterprises to invest in innovative research and development solutions, the component also contains a measure to extend the basis for depreciation and deduction of research and development expenses in private companies. The goal of this measure is to incentivise companies to increase their overall spending in research and development, including encouraging smaller firms to engage in research in development. Based on historical data, the Danish government expects that 40% of the investments in research and development shall be made in clearly digital measures.

These investments and reforms shall contribute to the country specific recommendations addressed to Denmark in 2020 and 2019, i.e. “*Support an integrated innovation strategy with a broader investment base*” (country-specific recommendations 1.2, 2019 and CSR 2.6, 2020) and “*Focus investments on the green transition*” (country-specific recommendations 2.3, 2020) and “*Focus investment on research and innovation*” (country-specific recommendations 2.5, 2020).

G.1. Description of the reforms and investments for non-repayable financial support

Investment 1: Carbon capture and storage or use of CO₂

The investment “carbon capture and storage or use of CO₂” is the first of the four missions of the research programme to accelerate the development of climate-friendly technology solutions.

The objectives of the partnerships under this mission shall be to develop cost-effective CO₂ capture solutions from the largest emitters or from the atmosphere and store carbon or use it in new climate neutral energy sources. To achieve these objectives, the partnerships shall create economic incentives to use carbon capture and storage or use of CO₂ and strengthen the research in the geological preconditions for storing CO₂ in Denmark, developing the material to capture carbon, and developing methods of analysis that may monitor and prevent leakage.

In its review of applications for this mission, Innovation Fund Denmark is expected to take into account the relation with the development and demonstration project of CO₂ storage sites in depleted oil and gas fields in the Danish sector of North Sea that are initiated in component 2.3 on “Energy efficiency, green heating and Carbon Capture and Storage”, to avoid any overlaps.

Investment 2: Green fuels for transport and industry

The investment “green fuels for transport and industry” is the second of the four missions of the research programme to accelerate the development of climate-friendly technology solutions.

The objective of this mission shall be to develop new solutions to create new green fuels, including green hydrogen, and demonstrate how Power-to-X systems may be integrated in the overall energy system. Investing in targeted research-, development and demonstration efforts to bring currently costly green fuels to a level of technological maturity is expected to facilitate commercial use and deployment of such technologies at a larger scale.

Investment 3: Climate- and environment friendly agriculture and food production

The investment “climate- and environment friendly agriculture and food production” is the third of the four missions of the research programme to accelerate the development of climate-friendly technology solutions.

The objective of this mission shall be to increase investments in new technology to further push the boundaries of reducing emissions in the agriculture and food sectors, while maintaining a sustainable production and earnings. The type of activities that shall be funded shall include research and innovation in new breeding techniques, development of precision agriculture and the establishment of new cultivation and fertilisation systems that are more efficient.

Investment 4: Circular economy focusing on reuse and reduction of plastic and textile waste

The investment “circular economy focusing on reuse and reduction of plastic and textile waste” is the fourth of the four missions of the research programme to accelerate the development of climate-friendly technology solutions.

The objective of this mission shall be to develop solutions to increase resource productivity, decrease plastic and textile waste and increase the use of reusable materials. The mission shall fund research projects to address all steps in the value chain in order to reduce waste, ranging from product design to consumer behaviour.

Investment 5: Incentives to boost R&D in companies

The measure consists of extending the basis for depreciation and the basis for deduction all private sector research and development expenses by 130% of in the financial year of 2022. The law establishing the deduction shall be adopted and shall have effect in the financial year of 2022.

The objective of this measure shall be to frontload investments in research and development, both in the context of the recovery and in the coming years by incentivizing companies to increase their overall research and development spending.

The deduction is also expected to encourage smaller firms to increasingly engage in research and development, since they qualify for the deduction as well.

Research and development related to exploration and extraction of fossil fuels and raw materials shall not qualify for the tax deduction.

G.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-------------------|---|--------------------|---|---|---------------------------------------|----------|------|------------------------------------|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| 64 | 7 - Research in green solutions: Carbon capture and storage or use of CO2 | Milestone | Selection of mission roadmaps for 'carbon capture and storage or use of CO2'. | Innovation Fund Denmark has selected the roadmaps for the mission 'carbon capture and storage or use of CO2'. | | | | Q3 | 2021 | Innovation Fund Denmark has selected the roadmaps to propose ideas for work streams and activities to overcome challenges that Denmark is facing in regard to research and development, for the mission for 'carbon capture and storage or use of CO2' on the basis of an open call. |
| 65 | 7 - Research in green solutions: Carbon capture and storage or use of CO2 | Target | Selection of partnerships for 'carbon capture and storage or use of CO2'. | | Number | 0 | 1 | Q1 | 2022 | Innovation Fund Denmark has selected one or more public-private partnerships for the mission for 'carbon |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-------------------|--|--------------------|------|---|---------------------------------------|----------|------|------------------------------------|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | | | | | | | capture and storage or use of CO2' on the basis of an open call following the selection of roadmaps referred to in milestone 64. The terms of reference of the open call for proposals shall include eligibility criteria that ensure that the selected projects comply with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-------------------|---|--------------------|--|--|---------------------------------------|----------|------|------------------------------------|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | | | | | | | relevant EU and national environmental legislation. |
| 66 | 7 - Research in green solutions: Carbon capture and storage or use of CO2 | Target | At least one research and innovation partnership(s) has received funding on 'carbon capture and storage or use of CO2' | | Number | 0 | 1 | Q4 | 2022 | At least one public-private partnership on 'carbon capture and storage or use of CO2' with participation of relevant public and private partners has been established and has received funding from Innovation Fund Denmark. |
| 67 | 7 - Research in green solutions: Green fuels for transport and industry | Milestone | Selection of mission roadmaps for 'green fuels for transport and industry'. | Innovation Fund Denmark has selected the roadmaps for the mission 'green fuels for | | | | Q3 | 2021 | Innovation Fund Denmark has selected the roadmaps to propose ideas for work streams and |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
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| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | transport and industry'. | | | | | | activities to overcome challenges that Denmark is facing in regard to research and development, for the mission for 'green fuels for transport and industry' on the basis of an open call. |
| 68 | 7 - Research in green solutions: Green fuels for transport and industry | Target | Selection of partnerships for 'green fuels for transport and industry'. | | Number | 0 | 1 | Q1 | 2022 | Innovation Fund Denmark has selected one or more public-private partnerships for the mission for 'carbon capture and storage or use of CO2' on the basis of an open call following the selection of |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-------------------|--|--------------------|------|---|---------------------------------------|----------|------|------------------------------------|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | | | | | | | <p>roadmaps referred to in milestone 67.</p> <p>The terms of reference of the open call for proposals shall include eligibility criteria that ensure that the selected projects comply with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation.</p> |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-------------------|--|--------------------|---|--|---------------------------------------|----------|------|------------------------------------|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| 69 | 7 - Research in green solutions: Green fuels for transport and industry | Target | At least one research and innovation partnership(s) has received funding on 'green fuels for transport and industry'. | | Number | 0 | 1 | Q4 | 2022 | At least one public-private partnership on 'carbon capture and storage or use of CO2' with participation of relevant public and private partners has been established and has received funding from Innovation Fund Denmark. |
| 70 | 7 - Research in green solutions: Climate- and environment friendly agriculture and food production | Milestone | Selection of mission roadmaps for 'climate- and environment friendly agriculture and food production'. | Innovation Fund Denmark has selected the roadmaps for the mission 'climate- and environment friendly agriculture and food production'. | | | | Q3 | 2021 | Innovation Fund Denmark has selected the roadmaps to propose ideas for work streams and activities to overcome challenges that Denmark is facing in |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
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| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | | | | | | | regard to research and development for the mission for 'climate- and environment friendly agriculture and food production' on the basis of an open call. |
| 71 | 7 - Research in green solutions: Climate- and environment friendly agriculture and food production | Target | Selection of partnerships for 'climate- and environment friendly agriculture and food production'. | | Number | 0 | 1 | Q1 | 2022 | Innovation Fund Denmark has selected one or more public-private partnerships for the mission for 'climate- and environment friendly agriculture and food production' on the basis of an open call following the selection of |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
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| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | | | | | | | <p>roadmaps referred to in milestone 70.</p> <p>The terms of reference of the open call for proposals shall include eligibility criteria that ensure that the selected projects comply with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation.</p> |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-------------------|---|--------------------|--|---|---------------------------------------|----------|------|------------------------------------|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| 72 | 7 - Research in green solutions: Climate- and environment friendly agriculture and food production. | Target | At least one research and innovation partnership(s) has received funding on 'climate- and environment friendly agriculture and food production'. | | Number | 0 | 1 | Q4 | 2022 | At least one public-private partnership on 'climate- and environment friendly agriculture and food production' with participation of relevant public and private partners has been established and has received funding from Innovation Fund Denmark. |
| 73 | 7 - Research in green solutions: Circular economy focusing on reuse and reduction of | Milestone | Selection of mission roadmaps for 'circular economy focusing on reuse and reduction of plastic and textile waste'. | Innovation Fund Denmark has selected the roadmaps for the mission 'carbon capture and storage or use of CO2'. | | | | Q3 | 2021 | Innovation Fund Denmark has selected the roadmaps to propose ideas for work streams and activities to overcome |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-------------------|---|--------------------|--|---|---------------------------------------|----------|------|------------------------------------|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | plastic and textile waste. | | | | | | | | | challenges that Denmark is facing in regard to research and development for the mission for 'circular economy focusing on reuse and reduction of plastic and textile waste' on the basis of an open call. |
| 74 | 7 - Research in green solutions: Circular economy focusing on reuse and reduction of plastic and textile waste. | Target | Selection of partnerships for 'circular economy focusing on reuse and reduction of plastic and textile waste'. | | Number | 0 | 1 | Q1 | 2022 | Innovation Fund Denmark has selected one or more public-private partnerships for the mission for 'circular economy focusing on reuse and reduction of plastic and textile waste' on the basis of an |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-------------------|--|--------------------|------|---|---------------------------------------|----------|------|------------------------------------|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | | | | | | | open call following the selection of roadmaps referred to in milestone 73. The terms of reference of the open call for proposals shall include eligibility criteria that ensure that the selected projects comply with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-------------------|---|--------------------|--|--|---------------------------------------|----------|------|------------------------------------|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | | | | | | | environmental legislation. |
| 75 | 7 - Research in green solutions: Circular economy focusing on reuse and reduction of plastic and textile waste. | Target | At least one research and innovation partnership(s) has received funding on 'circular economy focusing on reuse and reduction of plastic and textile waste'. | | Number | 0 | 1 | Q4 | 2022 | At least one public-private partnership on 'circular economy focusing on reuse and reduction of plastic and textile waste' with participation of relevant public and private partners has been established and has received funding from Innovation Fund Denmark. |
| 76 | 7 - Green Research and Development - Incentives to boost R&D in companies | Milestone | The bill on deductions for research and development work enters into force | The bill on deductions for research and development work has been adopted by the | | | | Q2 | 2021 | The bill on deductions for research and development work has been adopted by the Danish |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-------------------|--|--------------------|------|--|---------------------------------------|----------|------|------------------------------------|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | Danish parliament and enters into force. | | | | | | <p>parliament and entered into force.</p> <p>The measure shall extend the basis for depreciation and the basis for deduction for all private sector research and development expenses by 130% of in the financial year of 2022.</p> <p>The deductions for research and development work shall be effective as from the date according to the law.</p> |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-------------------|---|--------------------|--|---|---------------------------------------|----------|------|------------------------------------|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| 77 | 7 - Green Research and Development - Incentives to boost R&D in companies | Target | 500 firms have used the tax deduction provided by the deductions for research and development work | | Number | 0 | 500 | Q3 | 2023 | Data extract showing that 500 firms have been using the deduction for research and development work. |

H. COMPONENT 8: REPowerEU

The REPowerEU chapter of the Danish RRP is structured around five main measures and aims at strengthening Denmark's energy sector and at reducing dependency on fossil fuels.

This chapter of the Danish Recovery and Resilience Plan is expected to contribute to the achievement of the ambitious EU Green Deal objectives, as well as of the national goal of reducing by 70% Denmark's greenhouse gas emissions by 2030 (compared to 1990 level). The chapter contributes to advancing Denmark's plan to achieve climate neutrality by 2045. The initiatives under this chapter complement and strengthen some of the measures included in the original Danish RRP.

The objectives of the REPowerEU chapter are:

- To boost energy efficiency by i) simplifying and expediting administrative and permitting procedures for the roll-out of district heating projects, and ii) subsidising the replacement of oil burners and gas furnaces with green heating solutions from renewable sources;
- To increase the share and accelerate the deployment of renewable energy by i) simplifying and accelerating permitting for renewables projects, ii) fostering the development of offshore wind capacity and supporting the testing of experimental wind turbines;
- To decarbonise industry by supporting innovative Carbon Capture and Storage (CCS) technologies;
- To address energy poverty by subsidising the installation of green heating solutions and by streamlining the procedures for such installations; and
- To equip the workforce with the skills and competences needed for the achievement of the energy and climate objectives by supporting green upskilling initiatives.

Three of the five measures under the chapter are characterised by a cross-border and multi-country dimension or effect. The measures on renewable energy, on replacing oil burners and gas furnaces, and on capture and storage of biogenic and atmospheric CO₂ are expected to contribute to decreasing the Union's dependency on fossil fuels, to securing energy supply in the Union and to positively improving the demand-supply balance with potential cross-border effects.

The REPowerEU chapter contributes in particular to addressing the country-specific recommendations (CSRs) 2022.1, 2022.4 and 2023.4:

- CSR 2022.1.2: Recommendation to expand public investment for the green and digital transitions, and for energy security taking into account the REPowerEU initiative, including by making use of the Recovery and Resilience Facility and other Union funds;
- CSR 2022.4.1 and CSR 2023.4.1 and 2: Recommendation to reduce overall reliance on fossil fuels and further diversify energy supply;
- CSR 2022.4.2 and CSR 2023.4.4: Recommendation to help decarbonise the economy by accelerating the deployment of renewables, including by introducing reforms to simplify and expedite administrative and permitting procedures, upgrading energy transmission networks, increasing interconnections with neighbouring countries and improving energy efficiency;
- CSR 2022.4.4: Recommendation to improve energy efficiency; and
- CSR 2023.4.6 and 7: Recommendation on ensuring a better roll-out of decarbonised heating sources and to step up policy efforts aimed at the provision and acquisition of the skills needed for the green transition.

It is expected that no measure in this component does significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852, taking into account the description of the measures and the mitigating steps set out in the recovery and resilience plan in accordance with the DNSH Technical Guidance (2021/C58/01).

H.1. Description of the reforms and investments for non-repayable financial support

Reform 1: National Energy Crisis Staff (NEKST)

The Danish government shall establish a national energy crisis taskforce (NEKST) that shall be tasked with driving a reform agenda by identifying issues, proposing and implementing solutions and coordinating actions to address challenges in implementing the green transition. The actions are expected to contribute to simplifying and expediting administrative and permitting procedures for the roll-out of green heating solutions and the deployment of solar and onshore wind energy projects. NEKST shall be mandated to act upon its findings without the need for additional political involvement, including by eliminating or changing proceedings of local, regional and national administrations, unless these findings have legislative consequences or budgetary impact. In the latter case, NEKST shall be mandated to instigate relevant political action. The task force shall be assisted by a secretariat, placed under the responsibility of the Ministry of Climate, Energy and Utilities. NEKST shall focus on cross-cutting coordination involving relevant authorities and experts in order to act quickly and operationally. The task force shall be supported by sub-groups composed of stakeholders of the specific issues on which each group shall focus.

- I. **Sub-reform 1:** NEKST shall support the phasing out of gas for heating and contribute to replacing it with renewable energy sources. This sub-reform 1 is two-fold:

Sub-reform 1a: NEKST shall examine specific measures to remove barriers and shorten the administrative processes for preparation and approval of district heating projects

Sub-reform 1b: For areas where district heating is not economically viable, NEKST shall ensure that citizens receive relevant information on green solutions to phase out gas for heating in households. NEKST shall identify barriers for conversion to other green heating solutions.

- II. **Sub-reform 2:** NEKST shall identify and remove barriers to the upscaling of solar and wind energy on land. This includes, though not exhaustively, the shortening of permit-granting process time, the division of tasks between state and municipal authorities, the efficiency of rules in place, effectiveness of resources and competences available to the relevant authorities.

Investment 1: Supporting the deployment of wind energy

This investment consists of three sub-measures. The overall objective is to support the deployment of wind energy and to contribute to achieving the EU's target of 300 GigaWatt (GW) of offshore wind energy in Europe by 2050.

- I. **Sub-measure 1:** Preparations for 4 Gigawatt (GW) offshore wind energy expansion. The measure is expected to facilitate the expansion of Denmark's offshore wind energy generation. It shall cover the costs for the preparation of a call for tenders for 4 GW offshore wind energy and the publication of at least one call. Due to the magnitude of the call and the uncertain market reaction, there could be a need for more than one round of call for tenders. In this case, the deadline of the milestone covers the first round of the call. The measure shall be implemented by the Danish Energy Agency.
- II. **Sub-measure 2:** Screening of Denmark's offshore wind capacity: The measure is expected to support the expansion of Denmark's offshore wind generation. The measure shall be implemented by a working group under the Danish Energy Agency. The measure shall aim at, among others, realising an in-depth screening and assessment of the national offshore wind potential, collecting data to support planning and deployment of offshore wind energy projects, assessing possible cumulative effects from large-scale expansion of offshore wind energy generation in Denmark, as well as in neighbouring countries.
- III. **Sub-measure 3:** Support for the commissioning of experimental wind turbines: The measure is expected to develop national wind energy generation by providing investment support for market actors to commission experimental onshore or offshore wind turbines. An

experimental wind turbine is commissioned when either connected to the national electricity grid or, in the case of wind turbines not connected to the national electricity grid, put into automated operation. The measure shall be implemented by the Danish Energy Agency.

Investment 2: Green upskilling

The objective of the measure is to improve the conditions for the green upskilling of the labour force, where green upskilling is the development of skills and knowledge related to green technologies and sustainability. The investment shall target providers of vocational education and training and of adult vocational training. The funds shall be used i) to purchase equipment contributing to the development of skills and knowledge related to green technologies and sustainability, ii) to develop teachers' skills related to green technologies and sustainability, iii) to develop and test training courses contributing to green upskilling.

Investment 3: Scaled-up measure: Replacing oil burners and gas furnaces

The objective of this measure is to scale up investment 1: Replacing oil burners and gas surfaces under Component 3 of the existing Danish RRP. The scaled-up part of the measures shall increase the ambition in the current measure by targeting a higher number of oil burners and gas furnaces to be replaced by heat pumps or district heating from renewable sources.

Investment 4: Scaled-up measure: Carbon Capture Storage (CCS) Potential

The objective of the measure is to scale up investment 5: Carbon Capture Storage (CCS) Potential under Component 3 of the existing Danish RRP. The measure is a qualitative scale-up of the initial investment, as it represents the next step in the deployment of CCS. The measure shall grant operating aid for negative CO₂ emissions to the agents handling an identified value chain through a public procurement procedure. Funds shall be channelled via the Negative Emissions CCS-Fund (NECCS Fund) managed by the Danish Energy Agency. The public procurement procedure shall specify that operating aid shall only be granted for the capture and geological storage of biogenic or atmospheric CO₂. The NECCS Fund shall only support the capture of CO₂ emissions from activities that are outside the scope of the EU Directive 2003/87/EC (EU ETS Directive).

H.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-------------------|---|--------------------|--|--|---------------------------------------|----------|------|------------------------------------|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| 78 | 8 – REPower EU – National Energy Crisis Staff (NEKST) | Milestone | Incorporation of “NEKST” in the Finance Acts for the years 2023 and 2024 and publication of the progress report. | NEKST incorporated in the Finance Acts for 2023 and 2024. Progress report published by the Ministry of Climate, Energy and Utilities | | | | Q2 | 2024 | <p>Building upon the Government Coalition Agreement from 14 December 2022 to establish “NEKST”, the initiatives to set up NEKST shall be incorporated in the Finance Acts for 2023 and 2024 respectively.</p> <p>The Ministry of Climate, Energy and Utilities shall deliver a progress report to the Government on the NEKST working groups 1 and 2. This progress report shall inform on the progress achieved by NEKST, including descriptions of concrete initiatives and administrative actions recommended and taken. The progress report</p> |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-------------------|---|--------------------|---|---|---------------------------------------|----------|------|------------------------------------|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | | | | | | | shall also include the information about identified needs for regulatory or legislative action. |
| 79 | 8 – REPower EU – National Energy Crisis Staff (NEKST) | Target | Implementation of measures recommended by NEKST | | % | 0 | 70 | Q2 | 2026 | At least 70% of measures recommended by NEKST within the area of administrative procedures regarding permitting in the context of working groups 1 and 2 have been implemented and documented in a report published by the Ministry of Climate, Energy and Utilities. The report shall set out how the objectives of NEKST have been reached. It shall outline completion of the individual measures, their impact, and the achieved shortening of procedures. The report shall also include information |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-------------------|---|--------------------|---|---|---------------------------------------|----------|------|------------------------------------|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | | | | | | | about how the competent bodies including Government and Parliament have followed up on non-implemented recommendations that required legislative action. The recommendations issued by NEKST that require legislative actions, including changes to the Finance Act, presented to government may be subject to government revision and subsequent approval before their implementation. |
| 80 | 8 – REPower EU – National Energy Crisis | Target | Municipalities have approved project proposals for district heating | | Municipalities | 0 | 50 | Q2 | 2026 | At least 50 of the 84 municipalities which provided gas for heating in 2022 shall each have approved at least one project proposal for district heating that phases out gas. The project proposals shall be published on the |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-------------------|---|--------------------|--|---|---------------------------------------|----------|------|------------------------------------|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | Staff (NEKST) | | that phases out gas. | | | | | | | central data platform "Plandata.dk". The project proposals shall contain information about the specific areas that will be converted to district heating. |
| 81 | 8 – REPower EU – National Energy Crisis Staff (NEKST) | Target | Removal of systemic barriers for solar energy on land and onshore wind | | Systemic barriers removed | 0 | 10 | Q2 | 2026 | Of the overall target of ten systemic barriers to be removed, at least five systemic barriers to the installation of solar energy on land have been removed, and at least five systemic barriers to the installation of onshore wind energy have been removed. If one removal of a systemic barrier applies to both solar energy on land and onshore wind installations, it shall be counted for each of the respective sub-targets. |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-------------------|---|--------------------|---|---|---------------------------------------|----------|------|------------------------------------|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| 82 | 8 – REPower EU – Preparations for 4 Gigawatt (GW) offshore wind | Milestone | Preparation and publication of a call for tender for 4 GW offshore wind | At least one call for tender for 4 GW offshore wind prepared and published | | | | Q1 | 2026 | Preparation and publication of at least one call for tender for 4 GW offshore wind. Preparatory work includes analytical, technical, and legal work for preparing the tender, market dialogue, and the tender procedure. |
| 83 | 8 – REPower EU – Screening of Denmark's offshore wind capacity | Milestone | Publication of a report | Report on the potential offshore wind capacity in Denmark published by the Danish Energy Agency | | | | Q2 | 2026 | The Danish Energy Agency shall publish a report on the potential offshore wind capacity in Denmark which shall take into consideration nature, environmental and other offshore related interests. The Danish Energy Agency shall publish a report on the potential offshore wind capacity in Denmark which shall take into consideration |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-------------------|--|--------------------|------|---|---------------------------------------|----------|------|------------------------------------|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | | | | | | | <p>nature, environmental and other offshore related interests.</p> <p>The report shall be split into four sub assignments:</p> <ul style="list-style-type: none"> - sensitivity mapping of aspects related to nature and environment as well as other significant offshore interests of relevance to the expansion of offshore wind; - a technical in-depth screening and assessment of the full offshore wind potential based on the sensitivity mapping and relevant technical parameters; - an assessment of possible cumulative effects from large scale expansion of offshore |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-------------------|--|--------------------|---|---|---------------------------------------|----------|------|------------------------------------|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | | | | | | | wind in Denmark as well as in neighbouring countries; and - an assessment of barriers and prospects related to co-existence between offshore wind and other interests |
| 84 | 8 – REPower EU – Support for the commissioning of experimental wind turbines | Milestone | Publication of at least one open call for application | At least one open call for application for investment support for the commissioning of experimental wind turbines published | | | | Q4 | 2024 | Publication of at least one open call for application for investment support for the commissioning of experimental wind turbines. |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-------------------|--|--------------------|--|--|---|----------|------|------------------------------------|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| 85 | 8 – REPower EU – Support for the commissioning of experimental wind turbines | Target | Commissioned experimental wind turbines | | Number of commissioned experimental wind turbines | 0 | 3 | Q2 | 2026 | At least three experimental wind turbines have been commissioned. |
| 86 | 8 – REPower EU – Green upskilling | Milestone | Practical implementation of the green upskilling funds | Conclusion of an agreement for the practical implementation of the green upskilling funds between the government | | | | Q4 | 2024 | The milestone shall be reached with the conclusion of an agreement on the practical implementation of the funds for green upskilling between the government and the parties to the political agreement on the green tax reform for industry from 24 June 2022. The agreement on the practical implementation of the funds shall include a budget commitment of at |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-------------------|--|--------------------|------|--|---------------------------------------|----------|------|------------------------------------|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | t and the parties to the political agreement on the green tax reform from 24 June 2022 | | | | | | <p>least DKK 207 800 000 and set out that the funds shall be used for:</p> <ol style="list-style-type: none"> 1. equipment investments, including a description of how the equipment investments are expected to contribute to the development of skills and knowledge related to green technologies and sustainability; 2. skills development of teachers, including a description of how teacher training relates to courses dedicated to green technologies and sustainability; 3. the development and testing of training |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-------------------|--|--------------------|---|---|---------------------------------------|----------|------|------------------------------------|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | | | | | | | courses, including a description of how these courses contribute to green upskilling and of how teachers or instructors competent in the subject in the school (s) or institution (s) are to be involved in the development and testing process. |
| 87 | 8 – REPower EU – Green upskilling | Milestone | Commitments made towards VET providers for green upskilling | Notification of the award of grants to providers of vocational education and training and adult vocational training | | | | Q2 | 2026 | Notification of the award of grants to providers of vocational education and training and adult vocational training by the Ministry of Education and Children. At least DKK 207 800 000 in grants have been awarded to the providers in order to carry out green upskilling activities compliant with the objectives described in milestone 86, in |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-------------------|---|--------------------|---|---|---------------------------------------|----------|--------|------------------------------------|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | | | | | | | line with grant decisions awarded. |
| 88 | 8 – REPower EU – Green upskilling | Target | Disbursements made towards VET providers for green upskilling | | DKK million | 0 | 187.02 | Q3 | 2026 | At least DKK 187 020 000 have been disbursed to providers of vocational education and training and adult vocational training for the activities for which grants have been awarded under milestone 87. |
| 89 | 8 – REPower EU – Replacing oil burners and gas furnaces | Target | At least 21 200 individual oil burners or gas furnaces have been replaced with district | | Number | 10 100 | 21 200 | Q2 | 2026 | At least 21 200 oil burners and gas furnaces have been replaced with heat pumps or district heating in line with the objectives described in milestone 19. |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-------------------|--|--------------------|--|--|---------------------------------------|----------|------|------------------------------------|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | heating or heat pumps | | | | | | | |
| 90 | 8 – REPower EU - Scaled-up measure: Carbon Capture Storage (CCS) Potential | Milestone | Publication of a call for tender for the NECCS pool. | Publication of a call for tender for the NECCS pool. | | | | Q1 | 2024 | <p>The milestone shall be reached when a call for tender on the NECCS fund has been published.</p> <p>The call shall ensure that the funds shall be allocated after an open selection procedure. The call shall include the requirements that: (1) the selected applicant(s) shall provide annual reports on the quantity of carbon captured and stored, to be verified by an accredited third party; (2) the selected applicant(s) shall provide annual reports on the origin of the carbon captured and stored in order to validate the biogenic or</p> |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-------------------|--|--------------------|--|---|---------------------------------------|----------|------|------------------------------------|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | | | | | | | atmospheric origin of the CO ₂ , thereby documenting that the NECCS fund support has been used only for the capture of CO ₂ emissions from activities that are outside the scope of the EU Directive 2003/87/EC (EU ETS Directive). |
| 91 | 8 – REPower EU - Scaled-up measure: Carbon Capture Storage (CCS) Potential | Target | 0.3 million tons of CO ₂ removals | | Million tons of CO ₂ | 0 | 0.3 | Q2 | 2026 | The target shall be reached when 0.3 million tons of CO ₂ of biogenic or atmospheric origin have been removed. |

I. COMPONENT 9: AUDIT AND CONTROL

I.1. Description of the reform

Reform 1: Arrangements for the control framework of the Recovery and Resilience Plan

The overall objective of the measures is to improve the control framework of the Danish Recovery and Resilience Plan. In order to ensure that the repository system is fully operational and functional, Denmark shall provide a complete and reliable data set collected and stored in accordance with Article 22(2)(d) of the RRF Regulation. In addition, the Danish Ministry of Finance shall also adopt an action plan related to the anti-fraud and anti-corruption strategy in order to ensure an effective implementation of the objectives set out in this strategy.

I.2. Milestones, targets, indicators, and timetable for monitoring and implementation

| Sequential Number | Measure (Reform or Investment) | Milestone/ Target | Name of the measure | Qualitative indicator (for milestones) | Quantitative indicator (for targets) | | | Indicative timeline for completion | | Description and clear definition of each milestone and target |
|-------------------|--------------------------------|-------------------|------------------------------------|--|--------------------------------------|----------|------|------------------------------------|------|--|
| | | | | | Unit of measure | Baseline | Goal | Q | Year | |
| 92 | 9 – Audit and Control | Milestone | Repository system | A complete and reliable data set in accordance with Article 22(2)(d) of the RRF Regulation | | | | Q4 | 2023 | <p>A Repository system for monitoring the implementation of the Plan shall be functional and operational.</p> <p>The system shall include, as minimum, the following functionalities:</p> <p>(a) collection of data and monitoring of achievement of milestones and targets;</p> <p>(b) collection, storage and ensuring access to the data required by Article 22(2)(d)(i) to (iii) of the RRF Regulation.</p> <p>The Ministry of Finance shall submit a complete and reliable data set collected and stored in accordance with Article 22(2)(d)(i) to (iii) of the RRF Regulation.</p> |
| 93 | 9 – Audit and Control | Milestone | Adoption of an action plan related | Adoption of the action plan related | | | | Q4 | 2023 | The Ministry of Finance shall adopt the RRF anti-fraud and anti-corruption strategy and then, the |

| Sequential Number | Measure (Reform or Investment) | Milestone/ Target | Name of the measure | Qualitative indicator (for milestones) | Quantitative indicator (for targets) | | | Indicative timeline for completion | | Description and clear definition of each milestone and target |
|-------------------|--------------------------------|-------------------|--|--|--------------------------------------|----------|------|------------------------------------|------|---|
| | | | | | Unit of measure | Baseline | Goal | Q | Year | |
| | | | to the anti-fraud and anti-corruption strategy | to the anti-fraud and anti-corruption strategy | | | | | | implementing bodies shall adopt an action plan setting out the detailed timeline of how the strategy shall be effectively introduced into their internal control systems. |

2. Estimated total cost of the recovery and resilience plan

The estimated total cost of the recovery and resilience plan of Denmark is DKK 13 477 000 000, which equals EUR 1 812 233 337 on the basis of the EUR DKK ECB reference rate of 30 April 2021 for the original plan and on the basis of the EUR DKK ECB reference rate of 31 May 2023 for the REPowerEU chapter.

The estimated total cost of the REPowerEU chapter is DKK 1 467 000 000, which equals EUR 196 965 628 on the basis of the EUR DKK ECB reference rate of 31 May 2023. In particular, the estimated total cost of the measures referred to in Article 21c(3), point (a) of Regulation (EU) 2023/435 is EUR 0 whilst the cost of the other measures in the REPowerEU chapter is EUR 196 965 628.

SECTION 2: FINANCIAL SUPPORT

3. Financial contribution

The instalments referred to in Article 2(2) shall be organised in the following manner:

3.1. First Instalment (non-repayable support):

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name |
|-------------------|--|--------------------|---|
| 31 | 4 - Green Tax Reform - Investment window | Milestone | A political agreement on an investment window has been adopted by the Danish parliament and the relevant legislative procedures in the Parliament have been launched. |
| 34 | 4 - Green Tax Reform - Accelerated depreciation | Milestone | A political agreement on an accelerated depreciation has been adopted by the Danish parliament and the relevant legislative procedures in the Parliament have been launched. |
| 41 | 5 - Sustainable Road Transport - Re-prioritisation of the registration tax of vehicles and low electricity tax on charging electric vehicles | Milestone | Entry into force of legal act to re-prioritise the registration tax of vehicles and low electricity tax on charging electric vehicles |
| 19 | 3 - Energy efficiency, green heating and CCS - Replacing oil burners and gas furnaces | Milestone | A political agreement has been adopted on the allocation of the funds for the schemes for replacing oil burners and gas furnaces with electric heat pumps and district heating. |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name |
|-------------------|---|--------------------|--|
| 49 | 5 - Sustainable Road Transport - Subsidy scheme to green ferries | Milestone | A political agreement has been adopted among a majority of parties in the Danish Parliament on green transition of ferries. |
| 32 | 4 - Green Tax Reform - Investment window | Milestone | The bill on the green tax reform including the investment window is adopted by the Danish parliament and the initiative enters into force. |
| 35 | 4 - Green Tax Reform - Accelerated depreciation | Milestone | The bill on the green tax reform including the accelerated depreciation is adopted by the Danish parliament and the initiative enters into force |
| 76 | 7 - Green Research and Development - Incentives to boost R&D in companies | Milestone | The bill on deductions for research and development work enters into force |
| 64 | 7 - Research in green solutions: Carbon capture and storage or use of CO2 | Milestone | Selection of mission roadmaps for 'carbon capture and storage or use of CO2'. |
| 67 | 7 - Research in green solutions: Green fuels for transport and industry | Milestone | Selection of mission roadmaps for 'green fuels for transport and industry'. |
| 70 | 7 - Research in green solutions: Climate- and environment friendly agriculture and food production | Milestone | Selection of mission roadmaps for 'climate- and environment friendly agriculture and food production'. |
| 73 | 7 - Research in green solutions: Circular economy focusing on reuse and reduction of plastic and textile waste. | Milestone | Selection of mission roadmaps for 'circular economy use and reduction of plastic and textile waste. |
| 6 | 1 - Strengthening the Resilience of the Health Care System - Emergency management & monitoring of critical medical products | Target | Implement an optional IT-system to report on the side effects of the COVID-19 vaccines into 1250 general practitioners' local digital platforms. |
| 22 | 3 - Energy efficiency, green heating and CCS - Energy efficiency in industry | Milestone | Entry into force of the legal framework for a subsidy scheme for energy efficiency in industry. |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name |
|-------------------|--|--------------------|---|
| 38 | 4 - Green Tax Reform - Emission taxes on industries | Milestone | A political agreement on an increase in the emissions tax on industry has been adopted by the Danish parliament |
| 11 | 2 - Green transition of Agriculture and the Environment - Climate technologies in agriculture | Milestone | Call for applications for the subsidy schemes for climate technologies in agriculture (brown biorefineries) is completed. |
| 1 | 1 - Strengthening the Resilience of the Health Care System - Measures to ensure stocks of critical drugs | Milestone | Report of the assessment of stocks of critical drugs by the Danish Medicines Agency to be made available to avoid situations with a shortage of important drugs in Denmark. |
| 2 | 1 - Strengthening the Resilience of the Health Care System - Digital solutions in the health care sector | Milestone | Evaluation of patient involvement and widespread use of telemedicine to be made available by the Danish Ministry of Health in close collaboration with Danish Regions. |
| 3 | 1 - Strengthening the Resilience of the Health Care System - Digital solutions in the health care sector | Target | Develop and make available facilities for telemedicine consultation (KontaktLæge) for multiple platforms. |
| 13 | 2 - Green transition of Agriculture and the Environment - Carbon rich soils | Milestone | Call for applications for the subsidy scheme for rewetting and taking out carbon rich soils out of production is completed |
| 25 | 3 - Energy efficiency, green heating and CCS - Energy renovations in public buildings | Milestone | The government issues statutory order establishing a subsidy scheme for energy renovations in public buildings |
| 27 | 3 - Energy efficiency, green heating and CCS - CCS-storage potential | Milestone | Award of contracts for selected applicants for the CCS feasibility study |
| 44 | 5 - Sustainable Road Transport - Development test of road-pricing | Milestone | Political agreement between the government and a majority of the parliament on the conduction of the test scheme. |
| 46 | 5 - Sustainable Road Transport - Analysis of the regulation on weight and dimensions to optimise heavy haulage | Milestone | Publication of a report on the analysis of the national regulation on weight and dimensions. |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name |
|-------------------|---|--------------------|--|
| 48 | 5 - Sustainable Road Transport - Analysis of test scheme with double trailers | Milestone | Publication of an analysis on double trailers analysing road safety, vehicle engineering, road engineering and environmental conditions. |
| | | Instalment Amount | EUR 346 503 784 |

3.2. Second Instalment (non-repayable support):

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name |
|-------------------|--|--------------------|--|
| 16 | 2 - Green transition of Agriculture and the Environment - Rehabilitation of industrial sites and contaminated land | Target | Minimum 4 project application to rehabilitate an industrial site or contaminated land have been approved |
| 65 | 7 - Research in green solutions: Carbon capture and storage or use of CO2Green | Milestone | Selection of partnerships for 'carbon capture and storage or use of CO2'. |
| 68 | 7 - Research in green solutions: Green fuels for transport and industry | Milestone | Selection of partnerships for 'green fuels for transport and industry'. |
| 71 | 7 - Research in green solutions: Climate- and environment friendly agriculture and food production | Milestone | Selection of partnerships for 'climate- and environment friendly agriculture and food production'. |
| 74 | 7 - Research in green solutions: Circular economy focusing on reuse and reduction of plastic and textile waste. | Milestone | Selection of partnerships for 'circular economy focusing on reuse and reduction of plastic and textile waste'. |
| 4 | 1 - Strengthening the Resilience of the Health Care System - Digital solutions in the health care sector | Milestone | Implementation of a digital questionnaire in the app "MinLæge" ("My Doctor") |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name |
|-------------------|---|--------------------|--|
| 42 | 5 - Sustainable Road Transport - Temporary increase in the scrapping premium for old diesel cars | Target | 36 000 old diesel cars are scrapped due to the raised scrapping premium |
| 54 | 6 - Digitisation - Digital strategy | Milestone | Adoption of a new "Digital Strategy" in the Finance Act 2022. |
| 62 | 6 - Digitisation - Broadband pool | Target | At least 3 500 households and/or businesses covered with very high speed internet (at least 100 Mbps connection). |
| 23 | 3 - Energy efficiency, green heating and CCS - Energy efficiency in industry | Milestone | The annual application rounds for the subsidy scheme on energy efficiency in industry are completed. |
| 47 | 5 - Sustainable Road Transport - Car sharing and carpooling (awareness) | Target | Information campaign congestion and car sharing has been exposed at least 30 000 000 times. |
| 61 | 6 - Digitisation - Framework for Denmark fit for a digital future (Sub-reform E) | Target | The government adopts a new National Cybersecurity strategy |
| 66 | 7 - Research in green solutions: Carbon capture and storage or use of CO2 | Target | At least one research and innovation partnership(s) has received funding on 'carbon capture and storage or use of CO2' |
| 69 | 7 - Research in green solutions: Green fuels for transport and industry | Target | At least one research and innovation partnership(s) has received funding on 'green fuels for transport and industry'. |
| 72 | 7 - Research in green solutions: Climate- and environment friendly agriculture and food production. | Target | At least one research and innovation partnership(s) has received funding on 'climate- and environment friendly agriculture and food production'. |
| 75 | 7 - Green Research and Development - Research in green solutions | Target | At least one research and innovation partnership(s) has received funding on 'circular economy focusing on reuse and reduction of plastic and textile waste'. |
| 92 | 9 – Audit and Control | Milestone | Repository system |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name |
|-------------------|--|--------------------|--|
| 93 | 9 – Audit and Control | Milestone | Adoption and implementation of an action plan related to the anti-fraud and anti-corruption strategy |
| | | Instalment Amount | EUR 509 574 078 |

3.3. Third Instalment (non-repayable support):

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name |
|-------------------|--|--------------------|---|
| 39 | 4 - Green Tax Reform - Emission taxes on industries | Milestone | The bill on the green tax reform including the increased emissions tax on industry is adopted by the Danish parliament and the initiative enters into force for all industries except agriculture and mineral proc. |
| 37 | 4 - Green Tax Reform - Expert group to prepare proposals for a CO2e-tax | Milestone | In line with the conclusions of the report by the expert group for a uniform CO2e tax regulation, the government shall convene the parties behind the green tax reform to agree on next steps. |
| 77 | 7 - Green Research and Development - Incentives to boost R&D in companies | Milestone | 500 firms have used the tax deduction provided by the deductions for research and development work |
| 5 | 1 - Strengthening the Resilience of the Health Care System - Clinical study on effect of COVID-19 vaccines | Milestone | Report on a study conducted by Trial Nation and Aarhus University Hospital on the effects and side effects of COVID-19 vaccines to be made available to the Danish Ministry of Health. |
| 17 | 2 - Green transition of Agriculture and the Environment - Rehabilitation of industrial sites and contaminated land | Milestone | Report on midway status for work realised on approved projects and corrective action taken where needed |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name |
|-------------------|--|--------------------|---|
| 28 | 3 - Energy efficiency, green heating and CCS - CCS-storage potential | Milestone | Completion of feasibility study for CCS-storage. The government takes a decision for follow-up. |
| 55 | 6 - Digitisation - Digital strategy | Milestone | Implementation of the digital strategy into relevant regulatory and legislative acts. |
| 63 | 6 - Digitisation - SME's digital transition and trade | Target | Minimum 550 SMEs have received funding for digital projects |
| | | Instalment Amount | EUR 138 911 862 |

3.4. Fourth Instalment (non-repayable support):

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name |
|-------------------|---|--------------------|---|
| 45 | 5 - Sustainable Road Transport - Development test of road-pricing | Milestone | Publication of results from the test scheme on road-pricing. |
| 33 | 4 - Green Tax Reform - Investment window | Milestone | 1 000 companies have used the tax deduction provided by the investment window |
| 36 | 4 - Green Tax Reform - Accelerated depreciation | Milestone | 1 000 companies have used the tax deduction provided by the accelerated depreciation. |
| 14 | 2 - Green transition of Agriculture and the Environment - Carbon rich soils | Target | Projects that represent taking 2350 hectares of carbon rich soil out of production have had undertakings providing a halfway mark on the removal. |
| 24 | 3 - Energy efficiency, green heating and CCS - Energy efficiency in industry | Target | At least 16 PJ (Peta Joule) of energy saved in the industry thanks to the energy efficiency scheme. |
| 51 | 5 - Sustainable Road Transport - Investments in bike paths in state roads and bicycle subsidy scheme for municipalities | Target | The construction of at least 45 km of new bike paths has been initiated |
| 53 | 5 - Sustainable Road Transport - Scheme to | Target | At least 75 bike charging stations has been built |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name |
|-------------------|---|--------------------|--|
| | infrastructure for electric bicycles | | |
| 78 | 8 – REPowerEU – National Energy Crisis Staff (NEKST) | Milestone | Incorporation of “NEKST” in the Finance Acts for the years 2023 and 2024 and publication of the progress report. |
| 84 | 8 – REPowerEU – Support for the commissioning of experimental wind turbines | Milestone | Publication of at least one open call for application. |
| 86 | 8 – REPowerEU – Green upskilling | Milestone | Practical implementation of the green upskilling funds |
| 90 | 8 – REPowerEU - Scaled-up measure: Carbon Capture Storage (CCS) Potential | Milestone | Publication of an open call for tender for the NECCS pool. |
| | | Instalment Amount | EUR 213 664 231 |

3.5. Fifth Instalment (non-repayable support):

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name |
|-------------------|---|--------------------|---|
| 20 | 3 - Energy efficiency, green heating and CCS - Replacing oil burners and gas furnaces | Milestone | Selection of recipients of funds for replacing oil burners and gas furnaces |
| 29 | 3 - Energy efficiency, green heating and CCS - Energy efficiency in households | Milestone | Selection of beneficiaries of funds for energy renovation in private households. |
| 40 | 4 - Green Tax Reform - Emission taxes on industries | Milestone | Tax increase on emissions from industry enter into force for all industries including agriculture and mineral proc. |
| 52 | 5 - Sustainable Road Transport - Investments in bike paths in state roads and bicycle | Target | 40 % of supported projects have been completed |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name |
|-------------------|--|--------------------|---|
| | subsidy scheme for municipalities | | |
| 50 | 5 - Sustainable Road Transport - Subsidy scheme to green ferries | Target | At least 15 ferries has been exchanged or retrofitted to green ferries. |
| 10 | 2 - Green transition of Agriculture and the Environment - Plant based organic projects | Target | At least 10 projects that aims to support the development of more organic, plant-based food is completed. |
| 7 | 2 - Green transition of Agriculture and the Environment - Organic farming | Target | At least 40 projects under The Foundation for Organic Farming completed. |
| 9 | 2 - Green transition of Agriculture and the Environment - Organic Innovation Centre | Target | At least 6 projects supporting organic innovation have been completed |
| 26 | 3 - Energy efficiency, green heating and CCS - Energy renovations in public buildings | Target | Improvement of energy rating for 40% of supported municipal and regional buildings with D-G rating |
| 43 | 5 - Sustainable Road Transport - Re-prioritisation of the registration tax of vehicles and low electricity tax on charging electric vehicles | Target | At least 225 000 zero- and low emission cars in the Danish car stock. |
| 56 | 6 - Digitisation - Digital strategy | Milestone | Independent report on the achievements of the digital strategy |
| 57 | 6 - Digitisation - Strategy for the digital public sector and services of the future (Sub-reform A) | Target | At least 7 public authorities have received funding for artificial intelligence (AI) projects |
| 58 | 6 - Digitisation - Strategy for the digital professions and jobs of the future (Sub-reform B) | Target | At least 500 SME's have received funding for digital projects |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name |
|-------------------|---|--------------------|--|
| 59 | 6 - Digitisation - Framework for innovation, public-private partnerships and use of new technology (Sub-reform C) | Target | At least 30% of public innovations is done in public-private partnerships |
| 60 | 6 - Digitisation - Framework for data data-driven society (Sub-reform D) | Target | At least 4 public institutions have developed or received support to develop solutions to store and reuse personal information |
| 8 | 2 - Green transition of Agriculture and the Environment - Organic transition of public kitchens | Target | Increase the share of organic products used in public kitchens to at least 35%. |
| 12 | 2 - Green transition of Agriculture and the Environment - Climate technologies in agriculture | Target | Setup of 1 full-scale biorefinery. |
| 82 | 8 – REPowerEU – Preparations for 4 Gigawatt (GW) offshore wind | Milestone | Preparation and publication of a call for tender for 4 GW offshore wind. |
| | | Instalment Amount | EUR 221 152 207 |

3.6. Sixth Instalment (non-repayable support):

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name |
|-------------------|---|--------------------|---|
| 15 | 2 - Green transition of Agriculture and the Environment - Carbon rich soils | Target | Projects that represent taking 4700 hectares of carbon rich soil out of production have had undertakings. |
| 18 | 2 - Green transition of Agriculture and the Environment - | Target | The remediation of at least 4 different contaminated sites is initiated. |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name |
|-------------------|---|--------------------|--|
| | Rehabilitation of industrial sites and contaminated land | | |
| 21 | 3 - Energy efficiency, green heating and CCS - Replacing oil burners and gas furnaces | Target | At least 10 100 individual oil burners or gas furnaces has been replaced with district heating or heat pumps |
| 30 | 3 - Energy efficiency, green heating and CCS - Energy efficiency in households | Target | At least 6125 energy renovation projects in private households have been completed |
| 79 | 8 – REPowerEU – National Energy Crisis Staff (NEKST) | Milestone | Implementation of measures recommended by NEKST |
| 80 | 8 – REPowerEU – National Energy Crisis Staff (NEKST) | Target | Municipalities have approved project proposals for district heating that phases out gas. |
| 81 | 8 – REPowerEU – National Energy Crisis Staff (NEKST) | Target | Removal of systemic barriers for solar energy on land and onshore wind. |
| 83 | 8 – REPowerEU – Screening of Denmark’s offshore wind capacity | Milestone | Publication of a report |
| 85 | 8 – REPowerEU – Support for the commissioning of experimental wind turbines | Target | Commissioned experimental wind turbines |
| 87 | 8 – REPowerEU – Green upskilling | Target | Commitments made towards VET providers for green upskilling |
| 88 | 8 – REPowerEU – Green upskilling | Target | Disbursements made towards VET providers for green upskilling |
| 89 | 8 – REPowerEU – Replacing oil burners and gas furnaces | Target | At least 21 200 individual oil burners or gas furnaces have been replaced with district heating or heat pumps. |
| 91 | 8 – REPowerEU - Scaled-up measure: Carbon Capture Storage (CCS) Potential | Target | 0.3 million tons of CO2 removals |
| | | Instalment Amount | EUR 196 104 723 |

SECTION 3: ADDITIONAL ARRANGEMENTS

4. Arrangements for monitoring and implementation of the recovery and resilience plan

The monitoring and implementation of the recovery and resilience plan of Denmark shall take place in accordance with the following arrangements:

The Ministry of Finance is responsible for coordinating and ensuring that the line ministries' audits and controls are sound and well-functioning with regard to the implementation of the recovery and resilience plan. Within the Ministry of Finance, the Office of Audit and Supervision shall perform controls regarding both the ministries' application of funds and the documentation and fulfilment of targets and milestones. Also, it shall be assigned the task of coordinating the audit systems and conducting the controls on the line ministries' application of funds, thus providing additional assurance that implementing ministries' control systems are able to meet the requirements of Regulation (EU) 2021/241. The Office of Audit and Supervision shall report before each payment request on the controls performed during the work with the management declaration. In the report, it shall provide a summary of its controls on the implementing ministries' control and audit reports, and shall therefore conduct the audits that will feed into the summary of audits that shall be sent by the Ministry of Finance. Each Ministry is responsible for ensuring sufficient audit and control on the completion of the milestones and targets. The Ministries shall have the flexibility to design the audits and controls individually. The National Audit Office (Rigsrevisionen) is responsible for conducting external audits on government expenditures and revenues.

The Danish recovery and resilience plan states the procedures that are in place to ensure compliance to applicable Union and national law, throughout the implementation of all measures. Furthermore, it addresses all serious irregularities (fraud, corruption, conflict of interest) and double funding by allowing for controls and audits to be implemented at line Ministry levels. Each of the nine responsible line Ministries involved in implementation of the components shall issue a Recovery and Resilience Facility management declaration with the Office of Audit and Supervision performing controls and supervision.

5. Arrangements for providing full access by the Commission to the underlying data

The Office of Audit and Supervision shall use a specific Danish government system 'F2' to store documentation from the line-ministries. The system is used in almost all Ministries and agencies in the Danish central administration, and it is used for filing and journaling of documents to ensure compliance with various law requirements, including especially the public access to information act. Data shall be sent via encrypted email to the Office of Audit and Supervision. The specific data that shall be collected from the projects is data on final recipients/beneficiaries, contractors and subcontractors, and the collection of these data shall serve the purpose of obtaining knowledge of risks specifically regarding 'concentration' and 'reputational' risks. The Office of Audit and Supervision shall ensure that these data is stored in order for the EU-authorities to check when requested, as each ministry shall store the data in a decentralized way. Data shall be available for both the Ministry of Finance and EU-institutions upon request.

In accordance with Article 24(2) of Regulation (EU) 2021/241, upon completion of the relevant agreed milestones and targets in Section 2.1 of this Annex, Denmark shall submit to the Commission a duly justified request for payment of the financial contribution. Denmark shall ensure that, upon request, the Commission has full access to the underlying relevant data that supports the due justification of the request for payment, both for the assessment of the request for payment in accordance with Article 24(3) of Regulation (EU) 2021/241 and for audit and control purposes.