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Proposal for a

COUNCIL IMPLEMENTING DECISION

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

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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 Sweden on 28 May 2021, the Commission proposed its positive assessment to the Council. The Council approved the positive assessment by means of the Council Implementing Decision of 4 May 2022².
- (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 24 August 2023, Sweden submitted a modified national RRP, including a REPowerEU chapter in accordance with Article 21c of Regulation (EU) 2021/241, to the Commission.
- (4) The modified RRP also takes into account the updated maximum financial contribution in accordance with Article 18(2) of Regulation (EU) 2021/241. The modifications to the RRP submitted by Sweden concern one measure.
- (5) On 14 July 2023, the Council addressed recommendations to Sweden in the context of the European Semester. In particular, the Council recommended that Sweden proceeds with the steady implementation of its RRP and swift finalisation of the REPowerEU chapter, and reduces its reliance on fossil fuels, notably by accelerating the deployment of renewables, including by expanding and upgrading energy transmission networks, streamlining permitting procedures, improving energy efficiency and improving the provision and acquisition of skills needed for green transition and

¹ OJ L 57, 18.2.2021, p. 17.

² ST 7772 2022; ST 7772 2022 ADD 1.

transport. The recommendations also include improving the educational outcomes of pupils with disadvantaged socio-economic and migrant backgrounds and developing skills of disadvantaged groups. The Council also recommended that Sweden maintains a sound fiscal position in 2024, preserves nationally financed public investment and reduces risks related to high household debt and housing market imbalances.

- (6) The submission of the modified RRP followed, where relevant, a consultation process with relevant stakeholders conducted in accordance with the national legal framework. 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.

Updates based on Article 18(2) of Regulation 2021/241

- (7) The modified RRP submitted by Sweden updates one measure to take into account the updated maximum financial contribution. After the update, Sweden's maximum financial contribution has been decreased from EUR 3 288 516 389³ to EUR 3 181 236 549⁴.
- (8) Thus, the required level of implementation of one investment has been decreased to reflect the decreased allocation. The modified RRP submitted by Sweden changes one measure under component 1 (Green recovery) to reflect the updated maximum financial contribution. Notably, target 11 and milestone 12 of investment 4 (Strengthened railway support) under component 1 are removed to decrease the level of required implementation compared to the original plan to take into account the decreased allocation. The Council implementing decision should be amended accordingly.

Corrections of clerical errors

- (9) 22 clerical errors have been identified in the text of the Council Implementing Decision, affecting 11 measures. The Council Implementing Decision should be amended to correct those clerical errors that do not reflect the content of the RRP submitted to the Commission on 28 May 2021, as agreed between the Commission and Sweden. Those clerical errors relate to investment 1 (Local and regional climate investments – Climate Leap), investment 2 (Climate investments in the industrial sector – Industry Leap), investment 3 (Energy efficiency in multi-dwelling buildings), investment 5 (Protection of valuable nature) and reform 3 (Adjusted taxable benefit rates for company cars) under component 1 (Green recovery); investment 3 (Resources to meet demands for education at universities and other higher education institutions) and reform 2 (Employment protection act and greater transition possibilities) under component 2 (Education and transition); investment 1 (Elderly care initiative), reform 1 (Regulating the professional title of nursing assistants) and reform 5 (Ensuring an effective and efficient implementation of the Recovery and Resilience Plan) under component 3 (Better conditions for addressing demographic challenges), and investment 1 (Investment aid for rental and student housing) under component 5

³ This amount corresponds to the financial allocation after deduction of Sweden's proportional share of the expenses of Article 6(2) of Regulation (EU) 2021/241, calculated in accordance with the methodology of Article 11 of that Regulation.

⁴ This amount corresponds to the financial allocation after deduction of Sweden's proportional share of the expenses of Article 6(2) of Regulation (EU) 2021/241, calculated in accordance with the methodology of Article 11 of that Regulation.

(Investment for growth and housing). Those corrections do not affect the implementation of the measures concerned.

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

- (10) The REPowerEU chapter includes one new reform and two scaled-up investments. The reform aims to accelerate the authorization process for electricity grid construction, in view of strengthening internal electricity networks within Sweden and addressing national and cross-border bottlenecks in electricity transmission and distribution. In particular, the reform simplifies administrative procedures related to the construction of electricity network infrastructure by amending relevant provisions of the Swedish Environmental Code and Electricity Act. The scaled-up measures affect one measure under component 1 (Green recovery) and one measure under component 5 (Investment for growth and housing). Both measures introduce a substantive improvement in the level of ambition of the measures already included in the original RRP, in particular in relation to the number of square meters to be renovated in multi-dwelling buildings and the number of new, energy efficient, dwellings to be completed for rental and student housing. Increased energy efficiency of housing is also expected to contribute to the objective of Article 21c (3), point (c) of Regulation (EU) 2021/241 that is tackling energy poverty since a higher energy performance leads to a reduction in the energy consumption of buildings, including the energy consumption paid by tenants.
- (11) 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

- (12) 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.
- (13) The assessment of the original RRP, in accordance with Article 19(3), point (a), and Annex V, criterion 2.1, to Regulation (EU) 2021/241 found that the RRP is expected to represent 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 Sweden.
- (14) The original RRP includes measures that contribute towards all the six pillars, with several components addressing multiple pillars simultaneously. The green and digital transitions are expected to be promoted by measures decarbonising the industry and transport sectors, supporting local and regional climate projects and improving the energy efficiency of buildings, and by measures aimed to further improve high-speed connectivity, foster digital skills through education and training, and enhance e-government and digital public administration, respectively. The support to the development and application of new technologies in the green domain in the original RRP is expected to help the Swedish economy grow in a smart and sustainable way whereas the support for reskilling and upskilling is expected to contribute to inclusive growth for all. As regards social and territorial cohesion, the support for the roll-out of

broadband in sparsely populated areas in the original RRP is expected to help ensure that all citizens have access to high-speed connectivity and thus foster territorial cohesion, while social cohesion is expected to be fostered through measures aimed at education and training as well as through measures to increase housing supply. The original RRP is also expected to improve the resilience of the Swedish healthcare system through targeted measures to increase the supply of properly trained staff, whilst the resilience of the Swedish financial system is expected to be improved by enhancing the effectiveness of the Financial Supervisory Authority.

- (15) The initial positive assessment of the contribution of the plan to the six pillars, in particular, the green and digital transitions, is confirmed by the measures that Sweden put forward as part of the modification of the RRP. The newly introduced reform accelerating the authorisation process for electricity grid construction is expected to contribute to the faster roll-out of renewable energy sources, whereas the scaled-up investments are expected to further improve the energy efficiency of new and existing buildings.

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

- (16) In accordance with Article 19(3), point (b), 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 Sweden, including fiscal aspects thereof, and recommendations made pursuant to Article 6 of Regulation (EU) No 1176/2011, or challenges identified in other relevant documents officially adopted by the Commission in the context of the European Semester.
- (17) 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 allocation for Sweden has been adjusted downward, the 2022 and 2023 recommendations not related to energy challenges are not considered in the overall assessment.
- (18) 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 some progress has been achieved on the horizontal recommendation to expand public investment for the green and digital transitions and for energy security (CSR 2022.1) Some progress has been achieved also on the recommendations to reduce overall reliance on fossil fuels by accelerating the deployment of renewables and boosting complementary investment in network infrastructure and on strengthening internal grids within the country to ensure sufficient network capacity, improving energy efficiency and on further streamlining permitting procedures in relation to renewable energy projects (CSR 2022.4 and CSR 2023.4).
- (19) 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 Sweden by the Council in the context of the European Semester, notably the recommendation to reduce the overall reliance on fossil fuels by accelerating the deployment of renewables and boosting complementary investment in network infrastructure, strengthening grids to ensure sufficient network capacity, improving energy efficiency, and further streamlining permitting procedures in relation to

renewable energy projects (CSR 2022.4 and 2023.4). The investments being scaled-up and the reform introduced in the REPowerEU chapter address these challenges by raising energy efficiency, reducing energy poverty (CSR 2023.1) and fostering energy security of supply (CSR 2022.1). The first scaled-up investment lowers the cost of investments that raise energy efficiency in multi-dwelling buildings, with a particular reference to those investments that would otherwise not have taken place. The second scaled-up investment concerns an investment in rental and student housing that alleviates the housing market shortage for rental apartments, including for households with lower income with apartments that are more energy efficient than the most recent standard for energy efficient buildings (CSR 2023.1). The reform aiming to speed up the authorisation process for expanding grid capacity is expected to raise energy security of supply and help ensure sufficient network capacity (CSR 2022.4 and 2023.4).

- (20) By addressing the aforementioned challenges, the modified RRP is expected to also contribute to a limited extent to correcting the imbalances, as identified in recommendations made pursuant to Article 6 of Regulation (EU) No 1176/2011 in 2019 and 2020, that Sweden is experiencing, in particular with regard to the housing market and high household debt, which have been in re-iterated in the recent fiscal structural CSR subpart (CSR 2023.1), since the scaling up of the investment subsidy for rental and student housing will address partially the housing needs.

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

- (21) In accordance with Article 19(3), point (c), of and Annex V, criterion 2.3, to Regulation (EU) 2021/241, the modified RRP including the REPowerEU chapter is expected to have a high impact (Rating A) on strengthening the growth potential, job creation, and economic, social and institutional resilience of Sweden, contributing to the implementation of the European Pillar of Social Rights, including through the promotion of policies for children and youth, and on mitigating the economic and social impact of the COVID-19 crisis, thereby enhancing the economic, social and territorial cohesion and convergence within the Union.
- (22) The assessment of the original RRP, in accordance with Article 19(3), point (c), of and Annex V, criterion 2.3, to Regulation (EU) 2021/241 found that the RRP is expected to have a high impact on strengthening the growth potential, job creation, and economic, social and institutional resilience of Sweden, on contributing to the implementation of the European Pillar of Social Rights, including through the promotion of policies for children and youth, and on mitigating the economic and social impact of the COVID-19 crisis, thereby enhancing the economic, social and territorial cohesion and convergence within the Union (Rating A).
- (23) The original RRP included a package of investments and reforms in education, digitalisation and healthcare with a view to addressing challenges in those areas, thus contributing in several ways to equal opportunities and better access to the labour market, in line with the European Pillar of Social Rights. The scaling up of the offer of vocational education as well as more places in education all over Sweden is expected to provide a boost to employment and productivity, while fostering social cohesion. Moreover, the increased supply and quality of long-term care services is expected to positively impact the lives of the elderly, whilst the special supportive measures targeting students and low-income families should improve the standing of disadvantaged groups in the housing market. Measures aimed to foster the green and

digital transitions are expected to make the Swedish economy more innovative and sustainable.

- (24) The modification of the RRP including the REPowerEU chapter does not impact its ambition in terms of the contribution to growth potential, job creation and economic, social and institutional resilience and does not have an impact on the initial assessment.

Do no significant harm

- (25) 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 Council⁵ (the principle of 'do no significant harm').
- (26) The assessment of the original RRP, in accordance with Article 19(3), point (d), of and Annex V, criterion 2.4, to Regulation (EU) 2021/241 found that the RRP is expected to ensure that no measure (Rating A) for the implementation of reforms and investments projects included in the RRP does significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852 of the European Parliament and of the Council (the principle of 'do no significant harm').
- (27) The modified RRP assesses compliance 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), including for the measures included in the newly added REPowerEU chapter.
- (28) For the reform accelerating the authorisation process for electricity grid construction, Sweden provided a systematic assessment against the principle of 'do no significant harm'. The assessment of the two scaled-up measures that were already included in the original RRP remains the same. The information provided by Sweden allows to conclude that the modified plan is expected to ensure that none of the measures included therein does significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852.

Contribution to the REPowerEU objectives

- (29) 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.
- (30) The implementation of the measures included in the REPowerEU chapter are expected to contribute notably to supporting the objectives in Article 21c (3), points (b), (c), (d) and (e) of Regulation (EU) 2021/241. The implementation of the scaled-up investments in energy efficiency in multi-dwelling buildings and investment aid for

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

rental and student housing are expected to contribute to the objective set out Article 21c (3), in point (b) of that Regulation, that is, boosting energy efficiency in buildings and critical energy infrastructure. The scaled-up investments are also expected to contribute towards creating incentives to reduce energy demand, the objective set out in Article 21c (3), point (d), that is incentivising reduction of energy demand by creating incentives for building owners to invest in energy savings. Increased energy efficiency of housing is also expected to contribute to objective set out in Article 21c (3), point (c), that is tackling energy poverty, provided that a higher energy performance leads to a reduction in the energy consumption of buildings, including the energy consumption borne and paid by the tenants themselves. Lastly, the implementation of the reform accelerating the authorisation process for electricity grid construction is expected to contribute to addressing domestic and cross-border energy transmission and distribution bottlenecks, supporting storage and accelerating the integration of renewable energy sources, that is, the objective in Article 21c (3), point (e).

- (31) The measures in the REPowerEU chapter are coherent with the original RRP as they notably increase the original RRP's ambition in the area of energy efficiency and electrification of the economy, such as the Climate Leap and the Industry Leap. The measures in the REPowerEU chapter are also coherent with the efforts of Sweden outside of the RRP to achieve the objectives set out in Article 21c (3) of Regulation (EU) 2021/241, such as the introduction of new aid for energy efficiency improvements in single-family houses, increased investment support to boost the charging capacity for road vehicles as well as government assignments for increased offshore electricity production.

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

- (32) In accordance with Article 19(3), point (db), of and Annex V, criterion 2.13, to Regulation (EU) 2021/241, the measures included in the REPowerEU chapter are expected to a large extent (Rating A) to have a cross-border or multi-country dimension or effect.
- (33) The REPowerEU chapter contributes to reducing dependency on fossil fuels and to reducing energy demand. The reform accelerating the authorisation process for electricity grid construction aims to strengthen internal electricity networks within Sweden and address both national and cross-border bottlenecks in electricity transmission. The scaled-up energy efficiency investments directly contribute to reducing the dependency on fossil fuels and free up further capacity or supply for other Member states and can, therefore, be considered as having a positive cross-border effect.
- (34) The estimated costs of the measures included in the REPowerEU chapter having a cross-border or multi-country dimension or effect represent 100% of the total costs and therefore justifies rating the chapter as expecting to have, to a large extent, a cross-border effect.

Contribution to the green transition including biodiversity

- (35) In accordance with Article 19(3), point (e), of and Annex V, criterion 2.5, to Regulation (EU) 2021/241, taking into account the updated RRP's allocation, the modified RRP including the REPowerEU chapter, contains measures that contribute to a large extent (Rating A) to the green transition, including biodiversity, or to addressing the challenges resulting therefrom. The measures supporting climate

objectives account for an amount which represents 43.6% of the RRP's total allocation and 40% 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.

- (36) The assessment of the original RRP, in accordance with Article 19(3), point (e), of and Annex V, criterion 2.5, to Regulation (EU) 2021/241 found that the RRP contains measures that contribute to a large extent (Rating A) to the green transition, including biodiversity, or to addressing the challenges resulting therefrom. The measures supporting climate objectives account for an amount which represents 44.4% of the RRP's total allocation calculated in accordance with the methodology set out in Annex VI to that Regulation. In accordance with Article 17 of that Regulation, the RRP is consistent with the information included in the National Energy and Climate Plan 2021-2030.
- (37) The measures reduced do not impact the overall ambition of the RRP regarding the green transition, whilst the REPowerEU chapter makes a significant contribution to further supporting the green transition of Sweden. The REPowerEU chapter includes measures that are expected to have a long-lasting impact on the green transformation of the economy and significantly contribute to address the challenges resulting from the green transition. The reform accelerating the authorisation process for electricity grid construction is expected to help Sweden to reduce its dependence on fossil fuels by allowing a faster electrification of the economy. The two scaled-up investments aim to further improve the energy efficiency of multi-dwelling buildings as well as in rental and housing, promoting permanent energy savings.
- (38) The measures related to the green transition, including biodiversity, in the modified RRP and the REPowerEU chapter continue to have a lasting impact as the measures aim at structural changes to reduce Sweden's reliance on fossil fuels and to increasing energy savings by improving energy efficiency, promoting further electrification and reducing energy poverty. As a result, they also contribute to achieving the 2030-2050 targets and the Union's objective of climate neutrality by 2050.

Contribution to the digital transition

- (39) In accordance with Article 19(3), point (f), of and Annex V, criterion 2.6, to Regulation (EU) 2021/241, taking into account the updated RRP's allocation, the modified RRP contains measures that contribute to a large extent to the digital transition or to addressing the challenges resulting from it. The measures supporting digital objectives account for an amount which represents 21.2% of the modified RRP's total allocation calculated in accordance with the methodology set out in Annex VII to that Regulation.
- (40) The assessment of the original RRP, in accordance with Article 19(3), point (f), of and Annex V, criterion 2.6, to Regulation (EU) 2021/241 found that the RRP contains measures that contribute to (Rating A) to the digital transition or to addressing the challenges resulting from it. The measures supporting digital objectives account for an amount which represents 20.5% of the RRP's total allocation calculated in accordance with the methodology set out in Annex VII to that Regulation.
- (41) The modification of the RRP, including the REPowerEU chapter, does not impact its ambition with regard to the digital transition and does not have an impact on the initial

assessment. The modified RRP continues to significantly contribute to addressing Sweden's challenges related to the digital transition by improving the high-speed digital connectivity in sparsely populated areas, digitalising public administration and tackling the shortage of skilled workers in the Information and Communication Technology (ICT) sectors.

- (42) The REPowerEU chapter is expected to contribute to the digital transition and to addressing the resulting challenges as in the scaled-up investment support for energy efficiency in multi-dwelling buildings are expected to stimulate the use of smart energy systems. In accordance with Article 21c(5) of Regulation (EU) 2021/241, reforms and investments in the REPowerEU chapter are not to be taken into account when calculating the plan's total allocation for the purpose of applying the digital target requirement set by that regulation.

Lasting impact

- (43) 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 Sweden to a large extent (Rating A).
- (44) The initial assessment of the RRP, in accordance with Article 19(3), point (g), of and Annex V, criterion 2.7, to Regulation (EU) 2021/241 found that the RRP is expected to have a lasting impact on Sweden to a large extent (Rating A).
- (45) The REPowerEU chapter includes two measures that are scaled-up from the original RRP, increasing their ambition. The increased support for energy efficiency investments in multi-dwelling buildings and for student and rental housing is expected to have a long-lasting impact on increasing energy efficiency and reducing energy poverty, due to the lifetime of new and renovated buildings. The reform shortening the authorization process for electricity grid construction is expected to have an immediate and lasting impact on the further electrification of the Swedish economy contributing to the removal of domestic and cross-border transmission and distribution bottlenecks.

Monitoring and implementation

- (46) 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.
- (47) 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 arrangements proposed in the RRP were adequate (Rating A) to ensure effective monitoring and implementation of the RRP, including the envisaged timetable, milestones and targets, and the related indicators. The Ministry of Finance of Sweden is responsible for the overall implementation of the Swedish RRP, whilst the Swedish National Financial Authority (ESV) is responsible for monitoring the achievement of milestones and targets. The milestones and targets are sufficiently clear and realistic to ensure that their completion can be traced and verified, and are based on relevant, acceptable and robust indicators. The verification mechanisms, data collection and responsibilities described by the Swedish authorities are expected to be sufficiently robust to justify in an adequate manner the disbursement requests.
- (48) The nature and extent of the proposed modifications to Sweden's recovery and resilience plan do not have an impact on the original assessment of the effective

monitoring and implementation of the plan. The structure tasked with the implementation, monitoring and report of the RRP has been reinforced and the overall arrangements proposed by Sweden in terms of organisation of the implementation of the reforms and investments remain credible. The milestones and targets that accompany the new measures in the REPowerEU chapter, are clear and the proposed indicators for those milestones and targets are relevant, acceptable and robust.

Costing

- (49) 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.
- (50) The assessment of the original RRP was that the estimated total cost of the RRP was to a medium extent (Rating B) reasonable and plausible, is in line with the principle of cost efficiency and was commensurate to the expected national economic and social impact.
- (51) Sweden has provided individual cost estimates for all new measures that entail a cost in the modified RRP, including the REPowerEU chapter. Sweden has maintained the costing assumptions underlying the two investments from the original RRP that are scaled-up in the REPowerEU chapter. As a result, the original costing assessment still applies and the costs of the two scaled-up investments continue to be assessed as reasonable and plausible.
- (52) Sweden has provided sufficient information and evidence that the amount of the estimated total costs is not covered by existing or planned Union financing. Finally, the estimated total cost of the RRP 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

- (53) 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 are adequate (Rating A) to prevent, detect and correct corruption, fraud and conflicts of interests when using the funds provided under that Regulation, and the arrangements are expected to effectively avoid double funding under that Regulation and other Union programmes. This is without prejudice to the application of other instruments and tools to promote and enforce compliance with Union law, including for preventing, detecting and correcting corruption, fraud and conflicts of interest, and for protecting the Union budget in line with Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council⁶.
- (54) The assessment of the original RRP, in accordance with Article 19(3), point (j), of and Annex V, criterion 2.10, to Regulation (EU) 2021/241, found that the arrangements proposed in the RRP and the additional measures contained in this Decision are adequate (Rating A) to prevent, detect and correct corruption, fraud and conflicts of

⁶ Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council of 16 December 2020 on a general regime of conditionality for the protection of the Union budget (OJ L 433 I, 22.12.2020, p. 1).

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 Council⁷.

- (55) The internal control system described in the original RRP is based on robust processes and structures. It clearly identifies the actors and their roles and responsibilities for the performance of the internal control tasks. The actors responsible for controls have legal empowerment to exercise their foreseen roles and tasks, as well as administrative capacity. Altogether, the control system and other relevant arrangements, including for the collection and making available of data on final recipients, were considered adequate with regard the requirements under Regulation (EU) 2021/241. To strengthen the internal control system, milestones were established requiring the entry into force of legislative amendments establishing the legal mandates for the bodies involved in the coordination, monitoring, control and audit of the implementation of the Swedish RRP, setting out in particular the mandates to all government entities involved in the operational aspects of the RRP implementation, the designation of the audit authority and the responsible body for elaborating an audit strategy on the RRP implementation.
- (56) As part of the modification of the RRP, additional clarifications on audit and control are introduced as part of the milestones concerned to ensure that the relevant authorities put in place adequate procedures on: (i) conflict of interest, (ii) double funding, (iii) detecting fraud and corruption and (iv) collecting data.

Coherence of the RRP

- (57) 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.
- (58) The initial assessment of the RRP, with Article 19(3), point (k), of and Annex V, criterion 2.11, to Regulation (EU) 2021/241 found that the original RRP includes to a high extent measures for the implementation of reforms and public investment projects that represent coherent actions (Rating A). The original RRP includes reforms and investments in each component that are consistent and mutually reinforcing, with synergies and complementarities between components.
- (59) The modified RRP contributes to the overall coherence of the plan through strong interlinkages between the measures included in the newly added REPowerEU chapter and the measures included in the green component. The reform accelerating the authorisation process for electricity grid construction reinforces existing investments in the plan aiming to further increase the electrification of the industry and transport sectors. The scale-up of the investment support for energy efficiency in multi-dwelling buildings and rental and student housing strengthens already existing links between

⁷ 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).

these measures and other measures supporting the digital transition and addressing social cohesion.

Consultation process

- (60) The modified RRP includes a summary of the consultation process carried out for its preparation and implementation. In the preparation of the modified plan, including the REPowerEU chapter, Sweden carried out targeted consultations with relevant stakeholders, including social partners, business organisations and local authorities. The reform accelerating the authorisation process for electricity grid construction was preceded by a government inquiry which has been consulted. The scaled-up investments on energy efficiency in multi-dwelling buildings and in student and rental housing were already consulted with relevant stakeholders during the preparation of the original RRP.
- (61) Where applicable, the stakeholders concerned are expected to continue to be involved in the implementation of the respective measures, to ensure that the authorities have ongoing contact with citizens, companies, municipalities and regions. To ensure ownership by the relevant actors, it is crucial to involve all local authorities and stakeholders concerned, including social partners, throughout the implementation of the investments and reforms included in the modified RRP including the REPowerEU chapter.

Positive assessment

- (62) 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

- (63) The estimated total costs of the modified RRP including the REPowerEU chapter of Sweden is EUR 3 501 632 593, which equals SEK 35 454 030 000 on the basis of the EUR SEK ECB reference rate of 28 May 2021. As the amount of the estimated total costs of the modified RRP is higher than the updated maximum financial contribution available for Sweden, the financial contribution calculated in accordance with Article 11 allocated for Sweden's modified RRP including the REPowerEU chapter should be equal to the total amount of the financial contribution available for Sweden's modified RRP including the REPowerEU chapter. This amount is equal to EUR 3 181 236 549.
- (64) Pursuant to Article 21a(5) of Regulation (EU) 2021/241, on 24 August 2023 Sweden submitted a request for the allocation of the revenue referred to in Article 21a (1) of that Regulation, shared between Member States on the basis of the indicators set out in the methodology in Annex IVa to Regulation (EU) 2021/241. The estimated total costs of the measures referred to in Article 21c(3), points (b) to (f) included in the REPowerEU chapter is EUR 264 429 659. As this amount is higher than the allocation share available for Sweden, the additional non-repayable financial support available for Sweden should be equal to the allocation share. This amount is equal to EUR 198 429 659.

- (65) Additionally, in accordance with Article 4a of Regulation (EU) 2021/1755⁸, on 28 February 2023 Sweden submitted a reasoned request to transfer all its remaining provisional allocation from the resources of the Brexit Adjustment Reserve to the Facility, amounting to EUR 66 000 000. That amount should be made available to support the reforms and investments in the REPowerEU chapter as additional non-repayable financial support.
- (66) The total financial contribution available to Sweden should be EUR 3 445 666 208.
- (67) Council Implementing Decision ST 7772 2022 and ST 7772 2022 ADD 1 of 4 May 2022 on the approval of the assessment of the RRP for Sweden should therefore be amended accordingly. For the sake of clarity, the Annex to that Implementing Decision should be replaced entirely,

HAS ADOPTED THIS DECISION:

Article 1

Implementing Decision (EU) ST 7772 2022, ST 7772 2022 ADD 1) of 4 May 2022 is amended as follows:

- (1) Article 1 is replaced by the following:

“Article 1

Approval of the assessment of the RRP

The assessment of the modified RRP of Sweden on the basis of the criteria provided for in Article 19(3) of Regulation (EU) 2021/241 is approved. The reforms and investment projects under the RRP, the arrangements and timetable for the monitoring and implementation of the RRP, including the relevant milestones and targets, 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 Sweden a financial contribution in the form of non-repayable support amounting to EUR 3 445 666 208.⁹ That contribution includes:

- (a) an amount of EUR 2 910 807 980 that shall be available to be legally committed by 31 December 2022;
- (b) an amount of EUR 270 428 569 that shall be available to be legally committed from 1 January 2023 until 31 December 2023;
- (c) an amount of EUR 198 429 659¹⁰, in accordance with Article 21a(6) of Regulation (EU) 2021/241, exclusively for measures referred to in Article 21c

⁸ 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).

⁹ This amount corresponds to the financial allocation after deduction of the Sweden’s proportional share of the expenses of Article 6(2) of Regulation (EU) 2021/241, calculated in accordance with the methodology of Article 11 of that Regulation.

of that Regulation, with the exception of measures referred to in Article 21c (3), point (a);

- (d) an amount of EUR 66 000 000, transferred from the Brexit Adjustment Reserve to the Facility.

2. The Union financial contribution shall be made available by the Commission to Sweden in instalments in accordance with the Annex to this Decision.”

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

Article 2
Addressee

This Decision is addressed to the Kingdom of Sweden.

Done at Brussels,

For the Council
The President

¹⁰ This amount corresponds to the financial allocation after deduction of the Sweden’s proportional share of the expenses of Article 6(2) of Regulation (EU) 2021/241, calculated in accordance with the methodology of Article 11 of that Regulation.



EUROPEAN
COMMISSION

Brussels, 19.10.2023
COM(2023) 671 final

ANNEX

ANNEX

to the

Proposal for a COUNCIL IMPLEMENTING DECISION

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

{SWD(2023) 342 final}

ANNEX

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

1. Description of Reforms and Investments

A. COMPONENT 1: GREEN RECOVERY

This component of the Swedish recovery and resilience plan aims at tackling challenges to Sweden's objective of achieving carbon neutrality by 2045. The measures in the component are expected to increase local and regional measures to reduce emissions from road transport and other sources of carbon dioxide and other gases affecting the climate; increase investments in the industry's transition towards zero net emissions of greenhouse gases; increase investments in energy efficiency in housing; and preserve biodiversity via the protection of valuable nature.

Firstly, the component aims at speeding up the transition of the transport sector to become fossil-free by increasing investments in sustainable transport solutions, such as railway and electric and biogas charging stations, complemented by a package of reforms that aim at discouraging the use of polluting cars. The reforms are part of a green tax reform to shift taxation from labour to the environment.

Secondly, the component aims at reducing the quantity of process-related emissions, which are relatively expensive to reduce since the technology is not available on the market today. More research, innovation, demonstration and implementation on a larger scale is needed. The component addresses this challenge by increasing the resources available for the Industry Leap, an investment scheme aiming to decarbonise the industry.

Thirdly, the component aims at improving the energy efficiency of the housing sector in Sweden. The sector emits 11 million tonnes of carbon dioxide per year, mainly from electricity and space heating in homes.

Lastly, the component also aims at contributing to biodiversity by establishing formally protected areas in the form of nature reserves in valuable natural habitats.

The component is expected to contribute to country-specific recommendations addressed to Sweden, in particular "maintaining investment in sustainable transport to upgrade the different transport modes, in particular railways" (country-specific recommendation 2, 2019) and "focus investment on the green [...] transition, in particular on clean and efficient production and use of energy, high-tech and innovative sectors, [...] and sustainable transport" (country-specific recommendation 2, 2020) and "research and innovation" (country-specific recommendation 2, 2019)

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 'do no significant harm' Technical Guidance (2021/C58/01).

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

Investment 1: Local and regional climate investments

The measure is an investment scheme called the *Climate Leap*, which shall finance local and regional activities to reduce emissions of carbon dioxide and other gases affecting the climate. The beneficiaries are both private and public entities, notably including municipalities, organisations and enterprises, excluding individuals.

The measure shall financially reinforce an existing scheme. Supported actions shall include concrete climate action in areas such as transport, industry, agriculture and energy. These range from biogas and infrastructure such as cycle paths or recharging points for electric vehicles to the replacement of oil by district heating.

There is no pre-determined envelope between the different types of projects. Instead, the Climate Leap shall provide financing to the investments with the largest possible GHG emission reduction per SEK invested. The selection of projects shall respect various criteria. For projects on the conversion to bioenergy for heating in industry and agriculture, the objective of the measure shall be to reduce GHG emissions by at least 80% through the use of biomass based on the calculation method for greenhouse gas reductions and the relative fossil equivalent set out in Annex VI to Directive (EU) 2018/2001. For projects on the production of biogas, the objective of the measure shall be to reduce greenhouse gas emissions on the installation by at least 65% through the use of biomass to this end based on the calculation method for greenhouse gas reductions and the fossil equivalent set out in Annex V to the Directive (EU) 2018/2001. For projects on transport (service stations), the objective of the measure shall be in line with Directive (EU) 2018/2001. For projects on waste (plastic recycling), the objective of the measure shall be to convert at least 50%, measured by weight, of the processed and separately collected harmless waste into secondary raw materials. For projects on energy efficiency, the aim of the measure shall be to achieve, on average, a minimum 30% reduction in direct and indirect greenhouse gas emissions compared to pre-calculated emissions. For projects on charging stations for electric cars and infrastructure, the objective of the measure shall be in line with Directive (EU) 2018/2001.

It is expected that this measure does not do significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852, taking into account the description of the measure and the mitigating steps set out in the recovery and resilience plan in accordance with the ‘do no significant harm’ Technical Guidance (2021/C58/01). In particular, biofuels shall meet the sustainability and greenhouse gas emission savings criteria set out in Articles 29, 30 and 31 of the Renewable Energy Directive 2018/2001/EU (REDII) and the rules on food and feed based biofuels set out in Article 26 of that Directive, and the related implementing and delegated acts adopted in accordance with that Directive. The measure shall also comply with the air quality standards set by Directive 2008/50/EC. Activities under the Emissions Trading System shall not be eligible for funding, with the exception of waste heat that is used for district heating. Any such funding for waste heat shall have projected greenhouse gas emissions below the heat benchmark established in Commission Implementing Regulation (EU) 2021/447¹. As a whole, the following activities are further excluded from financing: (i) activities and assets related to fossil fuels, including downstream use²; (ii) activities and assets related to waste

¹ Where the activity supported achieves projected greenhouse gas emissions that are not significantly lower than the relevant benchmarks an explanation of the reasons why this is not possible should be provided. Benchmarks established for free allocation for activities falling within the scope of the Emissions Trading System, as set out in the Commission Implementing Regulation (EU) 2021/447.

² Except projects under this measure in power and/or heat generation, as well as related transmission and distribution infrastructure, using natural gas, that are compliant with the conditions set out in Annex III of the ‘Do no significant harm’ Technical Guidance (2021/C58/01).

landfills, incinerators³ and mechanical biological treatment plants⁴ and (iii) activities and assets where the long-term disposal of waste may cause harm to the environment.

The implementation of the investment shall be completed by 31 December 2025.

Investment 2: Climate investments in the industrial sector (Industry Leap)

The measure is an investment scheme called the *Industry Leap*. The aim of this investment shall be to provide financial support in the form of grants for investments, research, feasibility studies, pilot projects, and demonstration projects to help the industry to transition towards zero net emissions of greenhouse gases. It shall finance projects that develop, demonstrate and implement new technology with zero, low or negative emissions of greenhouse gases in industries with high process emissions.

The measure shall reinforce an existing scheme. It shall extend the support to industrial projects that make a significant contribution to achieving climate objectives, such as biofuel production, recycled plastic refineries, hydrogen production, recycling facilities and battery production. Support from the scheme may be used for expenditure related to measures contributing to permanent negative greenhouse gas emissions, including research, development, testing, demonstration and investment. Of the total budget envelope, at least 85% of the funds shall be dedicated to research-and-development projects focusing on the low-carbon economy and no more than 15% shall be dedicated to research-and- development projects focusing on the circular economy.

Support shall be given to actions that fulfil at least one of the following criteria: (1) contribute to the reduction of industrial greenhouse gas emissions directly or indirectly linked to industrial processes, (2) contribute to negative emissions through the capture, transport and geological storage of greenhouse gases of biogenic origin or those that have been taken out of the atmosphere, or (3) through the application of new technologies or other innovative solutions in industry, contribute significantly to the achievement of the Swedish national environmental objective ‘Reduced Climate Impact’.

It is expected that this measure does not do significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852, taking into account the description of the measure and the mitigating steps set out in the recovery and resilience plan in accordance with the ‘do no significant harm’ Technical Guidance (2021/C58/01). In particular, biofuels shall meet the sustainability and greenhouse gas emission savings criteria set out in Articles 29, 30 and 31 of the Renewable Energy Directive 2018/2001/EU (REDII) and the rules on food and feed based biofuels set out in Article 26 of that Directive, and the related implementing and delegated acts adopted in accordance with that Directive. The measure shall also comply with the air quality standards set by Directive 2008/50/EC. Activities under the Emissions Trading System shall have projected greenhouse gas emissions that are lower than the relevant benchmarks established for free allocation⁵. As a whole, the following activities are further

³ This exclusion does not apply to actions under this measure in plants exclusively dedicated to treating non-recyclable hazardous waste, and to existing plants, where the actions under this measure are for the purpose of increasing energy efficiency, capturing exhaust gases for storage or use or recovering materials from incineration ashes, provided such actions under this measure do not result in an increase of the plants’ waste processing capacity or in an extension of the lifetime of the plants; for which evidence is provided at plant level.

⁴ This exclusion does not apply to actions under this measure in existing mechanical biological treatment plants, where the actions under this measure are for the purpose of increasing energy efficiency or retrofitting to recycling operations of separated waste to compost bio-waste and anaerobic digestion of bio-waste, provided such actions under this measure do not result in an increase of the plants’ waste processing capacity or in an extension of the lifetime of the plants; for which evidence is provided at plant level.

⁵ Where the activity supported achieves projected greenhouse gas emissions that are not significantly lower than the relevant benchmarks an explanation of the reasons why this is not possible should be provided. Benchmarks established for free allocation for activities falling within the scope of the Emissions Trading System, as set out in the Commission Implementing Regulation (EU) 2021/447.

excluded from financing: (i) activities and assets related to fossil fuels, including downstream use⁶; (ii) activities and assets related to waste landfills, incinerators⁷ and mechanical biological treatment plants⁸; and (iii) activities and assets where the long-term disposal of waste may cause harm to the environment. The following R&D&I actions under this investment shall be considered compliant with the ‘do no significant harm’ Technical Guidance (2021/C58/01): R&D&I actions under this investment devoted to substantially increasing the environmental sustainability of companies (such as decarbonisation, reduction of pollution and the circular economy) if the primary focus of the R&D&I actions under this investment is on developing or adapting alternatives with the lowest possible environmental impacts in the sector.

The investment shall be implemented by 31 December 2025.

Investment 3: Energy efficiency in multi-dwelling buildings

This public support scheme, which shall be established by a proposed regulation for energy efficiency in multi-dwelling buildings, aims to incentivise property owners to renovate multi-dwelling buildings, which is usually not profitable. The support scheme shall give support to investments that achieve at least a 20% reduction in the primary energy demand at the level of the building. It is also expected to support the application of smart energy systems as part of the renovation effort.

The implementation of the investment shall be completed by 31 December 2025.

Investment 4: Strengthened railway support

This measure shall upgrade the railway in Sweden to allow more persons and enterprises to use railways as a means of transportation. The upgrades shall also improve railway capacity. The upgrade concerns the railways between Gävle-Åänge (switching rail and shunting) and Västeråsby-Långsele (switching rail and shunting).

The implementation of the investment shall be completed by 31 December 2022.

Investment 5: Protection of valuable nature

This measure aims at protecting biodiversity in areas that host high natural values, by establishing formally protected areas of nature reserves. According to the Swedish Environmental Code a land or water area may be declared a nature reserve by a county administrative board for the purpose of preserving biological diversity, protecting and preserving valuable natural environments or satisfying the need of areas for outdoor recreation. Any area that is needed for the purpose of protecting, restoring or establishing valuable natural environments or habitats for species that are worthy of preservation may also be designated a nature reserve. The measure shall consist of compensating private land owners for either the purchase of land area or the compensation for restrictions caused by the formal protection. The decision to establish a nature reserve shall specify the restrictions on the right to use land and water areas necessary to achieve the purpose of the reserve.

⁶ Except projects under this measure in power and/or heat generation, as well as related transmission and distribution infrastructure, using natural gas, that are compliant with the conditions set out in Annex III of the ‘Do no significant harm’ Technical Guidance (2021/C58/01).

⁷ This exclusion does not apply to actions under this measure in plants exclusively dedicated to treating non - recyclable hazardous waste, and to existing plants, where the actions under this measure are for the purpose of increasing energy efficiency, capturing exhaust gases for storage or use or recovering materials from incineration ashes, provided such actions under this measure do not result in an increase of the plants’ waste processing capacity or in an extension of the lifetime of the plants; for which evidence is provided at plant level.

⁸ This exclusion does not apply to actions under this measure in existing mechanical biological treatment plants, where the actions under this measure are for the purpose of increasing energy efficiency or retrofitting to recycling operations of separated waste to compost bio-waste and anaerobic digestion of bio-waste, provided such actions under this measure do not result in an increase of the plants’ waste processing capacity or in an extension of the lifetime of the plants; for which evidence is provided at plant level.

The implementation of the investment shall be completed by 31 December 2023.

Reform 1: Adjustments in the reduction obligation

This reform shall require fuel suppliers to blend in sustainable biofuels in gasoline, diesel and jet fuel. It is expected to contribute to Sweden's climate objective to become carbon neutral by 2045, as it promotes renewable fuels for the existing stock of conventional vehicles and aircraft. The reduction obligation for jet fuel was introduced on 1 July 2021 and requires that suppliers gradually decrease emissions from jet fuel, starting from 0,8% in 2021 to 27% in 2030. From 1 August 2021 the reduction quotas have been increased for gasoline and diesel. The quotas shall gradually increase from 6% in 2021 to 28% in 2030 for gasoline and from 26% in 2021 to 66% in 2030 for diesel. Biofuels that are used to fulfil the obligation shall comply with the sustainability and greenhouse gas emission savings criteria set out in Articles 29, 30 and 31 of the Renewable Energy Directive 2018/2001/EU (REDII) and the rules on food and feed based biofuels set out in Article 26 of that Directive, and related implementing and delegated acts adopted in accordance with that Directive.

The implementation of the reform was to be completed by 30 September 2021.

Reform 2: Abolished reduction of energy tax on fuel in certain sectors

This measure shall phase out the existing reduction of the energy tax on fuels consumed for heating or the operation of stationary engines. It is expected to contribute to the climate objective of Sweden to become carbon neutral by 2045. The sectors that shall be included in this measure are manufacturing as well as professional agricultural, forestry, and aquaculture activities.

The implementation of the reform shall be completed gradually, starting with a 50% reduction of the tax advantage by 30 September 2021 and ending with a complete removal of the tax reduction by 31 March 2022.

Reform 3: Adjusted taxable benefit rates for company cars

This measure shall, by adjusting the taxable benefit rates for company cars, adjust the relative costs in order to better reflect the costs of private car ownership. In many cases the reform is expected to lead to an increase of the taxable benefit value, which increases the cost of having a company car. The reform aims to make the tax system neutral between car benefits and cash salary. The implementation of the reform was to be completed by 30 September 2021.

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

See table below. The date of the baseline for all indicators is 1 February 2020 unless indicated differently in the description of the action. Amounts in the table do not include VAT.

Number	Measure	Milestone/Target	Name	Qualitative indicators for milestones	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
1	Local and regional climate investment	Target	T1: Award of projects reducing carbon dioxide emissions by expected 300 000 tonnes		New CO2 or CO2 equivalent reductions in emissions	0	300 000	Q4	2021	The Environmental Protection Agency shall award projects that shall be in line with the criteria set out in the description of the measure and that shall in total decrease carbon dioxide emissions by an additional 300 000 tonnes per year over an expected period of 16 years.
2	Local and regional climate investment	Target	T2: Award of projects reducing carbon dioxide emissions by expected 240 000 tonnes		New CO2 or CO2 equivalent reductions in emissions	300 000	540 000	Q4	2022	The Environmental Protection Agency shall award projects that shall be in line with the criteria set out in the description of the measure and that shall in total decrease carbon dioxide emissions by an additional 240 000 tonnes per year over an expected period of 16 years.
3	Local and regional climate investment	Target	T3: Award of projects reducing carbon dioxide emissions by expected 140 500 tonnes		New CO2 or CO2 equivalent reductions in emissions	540 000	680 500	Q4	2023	The Environmental Protection Agency shall award projects that shall be in line with the criteria set out in the description of the measure and that shall in total decrease carbon dioxide emissions by an additional 140 500 tonnes per year over an expected period of 16 years.
4	Local and regional climate investment	Target	T4: Award of projects reducing carbon dioxide emissions by expected 89 500 tonnes		New CO2 or CO2 equivalent reductions in emissions	680 500	770 000	Q4	2024	The Environmental Protection Agency shall award projects that shall be in line with the criteria set out in the description of the measure and that shall in total decrease carbon dioxide emissions by an additional 89 500 tonnes per year over an expected period of 16 years.
5	Local and regional climate investment	Target	T5: Award of projects reducing carbon dioxide emissions by expected 15 000 tonnes		New CO2 or CO2 equivalent reductions in emissions	770 000	785 000	Q4	2025	The Environmental Protection Agency shall award projects that shall be in line with the criteria set out in the description of the measure and that shall in total decrease carbon dioxide emissions by an additional 15 000 tonnes per year over an expected period of 16 years.

6	Climate investment in the industrial sector	Target	Award of projects having the potential to contribute towards reducing carbon dioxide emission		Number of projects awarded	0	100	Q4	2025	The target shall be considered as reached when a cumulative amount of EUR 286,4 million has been awarded to a cumulative number of at least 100 projects that (i) shall be in line with the criteria set out in the description of the measure and (ii) have the potential to contribute towards decreasing carbon dioxide emission
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Number	Measure	Milestone/Target	Name	Qualitative indicators for milestones	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										by an additional 10 000 000 tonnes of carbon dioxide per year by 2035 (when the projects are fully operational). The calculations shall be confirmed by an independent report.
7	Energy efficiency in multi-dwelling buildings	Milestone	Entry into force of an ordinance establishing the support scheme for investments to improve energy efficiency in multi-dwelling buildings	Provision indicating the entry into force of the ordinance.				Q4	2021	The ordinance establishing the support scheme for investments to improve energy efficiency in multi-dwelling buildings enters into force. The support scheme shall give support to investments that achieve at least a 20% reduction in the primary energy demand at the level of the building. It is also expected to support the application of smart energy systems as part of the renovation effort.
8	Energy efficiency in multi-dwelling buildings	Target	600 000 square meters of buildings have been renovated		Square meters	0	600 000	Q4	2025	600 000 square meters of buildings shall have been renovated. The unit of measurement is Atemp, which is a term that defines the floor area of the building on which the energy performance should be based. Atemp is defined as the area of all floors, attic floors and basement floors with temperature-controlled areas which are intended to be heated to over 10°C and that are bounded by the inside of the building envelope. The area occupied by interior walls or openings for stairs, shafts and similar is included. However, area in garages, in the building in a residential building or in non-residential premises other than a garage is not included.
9	Strengthened railway support	Target	60 km of railways has been improved or upgraded		Kilometers	0	60	Q4	2021	Upgrades including switching rail and shunting to the railway infrastructure between Gävle-Åänge over a distance of 60 kilometers shall be completed.
10	Strengthened railway support	Target	40 km of railways has been improved or upgraded		Kilometers	60	100	Q4	2022	Upgrades including switching rail and shunting to the railway infrastructure between Västerasby-Långsele over a distance of 40 kilometers shall be completed.

Number	Measure	Milestone/Target	Name	Qualitative indicators for milestones	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
13	Adjustments in the reduction obligation	Milestone	Entry into force of a law establishing increased reduction quotas in the obligation to reduce GHG emissions from gasoline and diesel by requiring fuel suppliers to gradually blend in biofuels	Provision in the law establishing increased reduction quotas in the obligation to reduce GHG emissions from gasoline and diesel indicating the entry into force				Q3	2021	Entry into force of a law establishing increased reduction quotas in the reduction obligation requiring fuel suppliers to gradually blend in biofuels in gasoline and diesel.
14	Adjustments in the reduction obligation	Milestone	Entry into force of a law establishing a reduction obligation on jet fuel	Provision in the law establishing a reduction obligation for jet fuel indicating the entry into force				Q3	2021	Entry into force of a reduction obligation requiring fuels suppliers to blend in biofuels in jet fuel. The jet fuel suppliers shall be required to gradually decrease emissions from the jet fuel by the blend in of biofuels, starting from decreasing emissions with 0,8% in 2021 to 27% in 2030.
15	Abolished reduction of energy tax on fuel in certain sectors	Milestone	Entry into force of a law that partially abolishes a reduction of energy tax on fuel in certain sectors	Provision in the law to partially abolish the reduction of energy tax on fuel in certain sectors indicating the				Q3	2021	Entry into force of a law that shall partially abolish the reduction of the energy tax on fuels in industry and agriculture, forestry and aquaculture. This is the first of two steps to remove the reduction of energy tax on fuel in certain sectors. This first step shall be a 50% reduction of the tax advantage.

Number	Measure	Milestone/Target	Name	Qualitative indicators for milestones	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
				entry into force						
16	Abolished reduction of energy tax on fuel in certain sectors	Milestone	Entry into force of the law to fully abolish reduction of energy tax on fuel in certain sectors	Provision in the law to fully abolish the reduction of energy tax on fuel in certain sectors indicating the entry into force				Q1	2022	Entry into force, following adoption by the Swedish Parliament, of a law that shall fully abolish the reduction of the energy tax on fuels in industry and agriculture, forestry and aquaculture. This is the second of two steps to remove the reduction of energy tax on fuel in certain sectors.
17	Adjusted taxable benefit rates for company cars	Milestone	Entry into force of a law to adjust the taxable benefit rate for company cars	Provision in the law to adjust the taxable benefit rate for company cars indicating the entry into force				Q3	2021	Entry into force of a law to adjust the taxable benefit rate for company cars, which shall adjust the taxable benefit rates for company cars to better reflect the costs of privately owned cars, with the objective of making the tax system neutral between car benefits and cash salary.
18	Formal protection of valuable nature	Target	Funding disbursed for the protection of nature with high natural values for biodiversity		SEK million	0	2 500	Q4	2023	At least SEK 2.5 billion shall be disbursed to enterprises or individuals for either the purchase of land or as compensation for restrictions on land use of land that has high natural value for biodiversity, with the aim of being formally protected. The outcome of the investment shall be presented in a report to be published by the Swedish Environmental Protection Agency. The report shall show how much funding in 2021-2023 has been paid in compensating private land owners for either the purchase of land area or the compensation for restrictions caused by the formal protection. The reporting shall also include information about the number of formally protected areas and the total area protected.

B. COMPONENT 2: EDUCATION AND TRANSITION

The component “Education and transition” includes reforms and investments to improve employment opportunities by increasing human capital among the unemployed, to facilitate structural transformation, in particular adaptation to an increasingly digital society, by educating and training the labour force, to increase flexibility in the labour market with a modernised employment protection law and greater transition possibilities.

The component aims to boost employment and productivity in the long term by increasing the labour force’s human capital and better matching the demand. The structural transformation, particular the digital transition, places demands on reskilling possibilities, when the labour force lacks the skills demanded by the labour market.

Persons with particular difficulties in the Swedish labour market are those born outside of the Union, people that lack upper secondary education, older unemployed people and people with a disability. Unemployment has risen during the crisis. The component intends to counteract and avoid that people exit the labour force.

With the Covid-19 crisis many job opportunities for young people or recently arrived immigrants in the service sector have disappeared. Sectors like health, education or ICT have difficulties in finding the people with the right skill sets. The skill shortage is a barrier to growth for Swedish businesses and curbs the possibility of maintaining and improving quality in the welfare system.

The component includes reforms and investments that improve transition possibilities, in general and for people who have become unemployed. The component aims to increase the number of study places, to provide more training opportunities, with a focus on vocational training and adult education. In addition, it intends to scale up the number of places at universities and other higher education institutions.

The component is expected to contribute to country-specific recommendations addressed to Sweden, in particular “focus investment-related economic policy on education and skills” (country-specific recommendation 2, 2019) and “support education and skills development” (country-specific recommendation 2, 2020).

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

Investment 1: More study places in regional adult vocational education

The aim of this investment shall be for more people to obtain vocational training at upper secondary level and hence be able to get a job. The investment is expected to improve matching in the labour market and boost employment in the long term. Parts of the initiative within adult vocational education are motivated by the need to offer training to people within elderly care who participate in the Elderly Care Initiative, which is part of component 3.

The measure shall be a temporary reinforcement of the existing Knowledge Boost, which provides vocational programmes for adults at upper secondary level. It can be combined with Swedish for Immigrants or Swedish as a second language. Priority shall be given to individuals with the greatest need of education, such as unemployed or individuals with short previous education. Training courses are expected to be primarily procured from private training providers, allowing rapid scale-up and flexibility to respond to changing training demands.

The implementation of the investment shall be completed by 31 December 2023.

Reform 1: Higher compensation level for vocational training in combination with Swedish for Immigrants and Swedish as a second language

The aim of this reform shall be to create economic incentives for municipalities to offer a combination of vocational training and Swedish language training. This shall be done through amendments of the respective legal act increasing the amount of state compensation for such combined courses. This is expected to shorten the study period and enable participants to seek and find employment faster. This reform shall support Investment 1 and is expected to increase the number of study places for the target group, notably adults without upper secondary education and adequate language skills.

The implementation of the reform was to be completed by 30 September 2020.

Investment 2: More study places in higher vocational education

The aim of this investment shall be to improve education, training and transition prospects to meet the needs of the labour market during and after the crisis and to upskill the labour force, by increasing the number of places in higher vocational education. The investment is expected to address the transition needs in the labour market, where even before the crisis there has been a labour shortage within many professions, particularly in the welfare sector, data/IT and the industrial sector. 59% of the additional study places in higher Vocational Education are expected to be within the fields of data/IT or contribute to the digital transition in some other way.

The implementation of the investment shall be completed by 31 December 2023.

Investment 3: Resources to meet demands for education at universities and other higher education institutions

The investment shall focus on scaling up the education at universities and other higher education institutions to tackle the challenges in the labour market. A focus shall be on programmes geared towards shortage occupations and to enable re-skilling and further studies. The investment shall increase the funding of universities and other higher education institutions to enable a greater number of full-time students (study places), reinforce society, meet people's needs for training that leads to jobs, enable transition to better equip individuals for the future labour market and improve welfare, and boost competitiveness of the Swedish business sector. The investment is expected to generate higher employment, greater productivity and underpin the supply of a well-educated labour force. On average, 27% of the additional study places are expected to increase digital skills or contribute to the digital transition in some other way.

The implementation of the investment shall be completed by 31 December 2025.

Reform 2: Employment protection act and greater transition possibilities

The reform aims at adapting current employment protection to enhance both flexibility and mobility on the labour market. The Swedish labour market is increasingly divided between people with professional experience and a lengthy education and people without professional experience and only a brief education, who find it more and more difficult to get into lasting employment. Greater mobility and more entry points for people in a disadvantaged position is needed. Employers need greater flexibility and predictability to be able to adapt operations and withstand competition, while employees need protection adapted to the new labour market, with a need for continuous upskilling and hence greater employability as an important security factor. The objective of the reform shall be to modernise employment protection, while maintaining the fundamental balance between the social partners.

The implementation of the reform shall be completed by 30 June 2022.

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

See table below. The date of the baseline for all indicators is 1 February 2020 unless indicated differently in the description of the action. Amounts in the table do not include VAT.

Number	Measure	Milestone/Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
19	More study places in regional adult vocational education	Target	T1: New study places in vocational training and adult education		Number of full-time equivalent study places	0	1 000	Q4	2020	Number of new study places in 2020 with priority given to individuals with the greatest need of education in line with the criteria set out in the description of the measure, as compared to the baseline number of annual study places in 2019 of 34,000. The new study places created shall bring the total number of study places to 35,000. Study places are defined as full-time equivalent study places.
20	More study places in regional adult vocational education	Target	T2: New study places in vocational training and adult education		Number of full-time equivalent study places	1 000	7 800	Q4	2021	Number of new study places in 2021 with priority given to individuals with the greatest need of education in line with the criteria set out in the description of the measure, as compared to the baseline number of annual study places in 2019 of 34,000. The new study places created shall bring the total number of study places to 40,800. Study places are defined as full-time equivalent study places.
21	More study places in regional adult vocational education	Target	T3: New study places in vocational training and adult education		Number of full-time equivalent study places	7.800	15 700	Q4	2022	Number of new study places in 2022 with priority given to individuals with the greatest need of education in line with the criteria set out in the description of the measure, as compared to the baseline number of annual studies in 2019 of 34,000. The new study places created shall bring the total number of study places to 41,900. Study places are defined as full-time equivalent study places.
22	More study places in regional adult vocational education	Target	T4: New study places in vocational training and adult education		Number of full-time equivalent study places	15 700	16 900	Q4	2023	Number of new study places in 2023 with priority given to individuals with the greatest need of education in line with the criteria set out in the description of the measure, as compared to the baseline number of annual study places in 2019 of 34,000. The new study places created shall bring the total number of study places to 35,200. Study places are defined as full-time equivalent study places.
23	Higher compensation level for vocational training in combination with Swedish for Immigrants and Swedish as a second language	Milestone	Entry into force of the higher compensation level for vocational training in combination with Swedish for Immigrants and	Provision in the law establishing a higher compensation level for vocational training in combination with Swedish for				Q3	2020	Entry into force of the law. It shall establish an increased state compensation rate for training courses that combine vocational training in health- and social care and Swedish language training.

Number	Measure	Milestone/Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
			Swedish as a second language	Immigrants and Swedish as a second language indicating the entry into force						
24	More yearly study places in higher vocational education	Target	T1: New study places in post-secondary vocational education		Number of full-time equivalent study places	0	2 000	Q4	2020	Number of new study places in 2020, as compared to the baseline of earlier planned expansion to 40,500 annual study places in 2020, resulting in a total number of 42,500 study places in Q4 2020. The measure shall target individuals with upper secondary education or equivalent who seek a qualified vocational qualification. Follow-up of the target shall be through the monitoring of the total number of full-time equivalent study places in the year concerned.
25	More yearly study places in higher vocational education	Target	T2: New study places in post-secondary vocational education		Number of full-time equivalent study places	2 000	6 300	Q4	2021	Number of new study places in 2021 as compared to the baseline of earlier planned expansion to 42,500 annual study places in 2021, resulting in a total number of 46,800 study places in Q4 2021. The measure shall target individuals with upper secondary education or equivalent who seek a qualified vocational qualification. Follow-up of the target shall be through the monitoring of the total number of full-time equivalent study places in the year concerned.
26	More yearly study places in higher vocational education	Target	T3: New study places in post-secondary vocational education		Number of full-time equivalent study places	6 300	11 000	Q4	2022	Number of new study places in 2022 as compared to the baseline of earlier planned expansion to 44,000 annual study places in 2022, resulting in a total number of 48,700 study places in Q4 2022. The measure shall target individuals with upper secondary education or equivalent who seek a qualified vocational qualification. Follow-up of the target shall be through the monitoring of the total number of full-time equivalent study places in the year concerned.

Number	Measure	Milestone/Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
27	More yearly study places in higher vocational education	Target	T4: New study places in post-secondary vocational education		Number of full-time equivalent study places	11 000	14 900	Q4	2023	Number of new study places in 2023 as compared to the baseline of earlier planned expansion to 45,300 annual study places in 2023, resulting in a total number of 49,200 study places in Q4 2023. The measure shall target individuals with upper secondary education or equivalent who seek a qualified vocational qualification. Follow-up of the target shall be through the monitoring of the total

Number	Measure	Milestone/Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
										number of full-time equivalent study places in the year concerned.
28	Resources to meet demands for education at universities and other higher education institutions	Target	T1: Additionally registered students in higher education		Number of full-time equivalent registered students	0	9 000	Q4	2021	9,000 additional full-time equivalent registered students on any course given by the university during the current semester in full time equivalent as compared to the baseline of 300,400 registered full year students in 2019, resulting in a total number 309,400 full-time students in Q4 2021.
29	Resources to meet demands for education at universities and other higher education institutions	Target	T2: Additionally registered students in higher education		Number of full-time equivalent registered students	9 000	19 000	Q4	2022	10,000 additional full-time equivalent registered students on any course given by the university during the current semester in full time equivalent as compared to the baseline of 300,400 registered full year students in 2019, resulting in a total number 310,400 full-time students in Q4 2022.
30	Resources to meet demands for education at universities and other higher education institutions	Target	T3: Additionally registered students in higher education		Number of full-time equivalent registered students	19 000	25 000	Q4	2023	6,000 additional full-time equivalent registered students on any course given by the university during the current semester in full time equivalent 2023 as compared to the baseline of 300,400 registered full year students in 2019, resulting in a total number 306,400 full-time students in Q4 2023.
31	Resources to meet demands for education at universities and other higher education institutions	Target	T4: Additionally registered students in higher education		Number of full-time equivalent registered students	25 000	30 600	Q4	2024	5,600 additional full-time equivalent registered students on any course given by the university during the current semester in full time equivalent as compared to the baseline of 300,400 registered full year students in 2019, resulting in a total number 306,000 full-time students in Q4 2024.
32	Resources to meet demands for education at universities and other higher education institutions	Target	T5: Additionally registered students in higher education		Number of full-time equivalent registered students	30 600	35 900	Q4	2025	5,300 additional full-time equivalent registered students on any course given by the university during the current semester in full time equivalent as compared to the baseline of 300,400 registered full year students in 2019, resulting in a total number 305,700 full-time students in Q4 2025.
33	Employment protection act and greater transition possibilities	Milestone	Entry into force of the legislative amendments to modernise	Provision in the law establishing greater employment				Q2	2022	Entry into force, following adoption by the Swedish parliament, of the legislative amendments the relevant legislative acts, including most notably the Employment protection act and of the proposed new laws on transition

Number	Measure	Milestone/Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
			employment protection and enhance greater transition possibilities	protection and transition possibilities for employees indicating the entry into force.						<p>student finance and basic transition and skill support on the labour market.</p> <p>The objective of the legislative package is to give employers more flexibility and predictability in order to adapt their activities, compete, and adapt employee protection to the new labour market, where security consists of continuous skills development, thereby enhancing employability.</p> <p>Secondly, employees should have the opportunity to receive basic transition and skills support to facilitate adjustment to a new job. Thirdly, the new Student Finance Scheme for Transition and Retraining aims at facilitating an opportunity for employees to partake in lifelong learning to strengthen their position on the labour market during the course of their careers.</p>

C. COMPONENT 3: BETTER CONDITIONS FOR ADDRESSING DEMOGRAPHIC CHALLENGES

This component contains reforms aiming at increasing the average pension age, strengthening the sustainability of public finances, improving the skills of staff working in elderly care centres, and enhancing supervision and enforcement of the financial system with respect to anti-money laundering and combating the financing of terrorism.

Sweden identified a number of challenges regarding long-term care, demography (expected to have long-term budgetary implications), as well as issues with the enforcement mechanisms for anti-money laundering/combating the financing of terrorism.

Firstly, there is a need to improve the quality of the long-term care system. A reform addressing this objective concerns regulating the professional recognition of nursing assistants, and it is complemented by upgrading the human capital for the caretakers hired by the municipalities in their centres, through the reimbursements of the costs related to their further training during paid working hours.

Secondly, the average pension age should increase at the same time as the sustainability of the public pension system should improve in the face of increasing average life expectancy and decreasing working-age population. The component addresses this challenge by including a pre-existing reform linking the retirement age to a benchmark (aligned with the average life expectancy) as well as adjusting the adjacent age limits for the social security contribution system.

Thirdly, the efforts for combating the money laundering and financing of terrorism should be stepped-up. Sweden had already imposed a number of measures, and the component adds to these with two reform proposals: (1) A public inquiry on the effectiveness of the supervisory institutional structure in the area of anti-money laundering with proposals for improvements on how to better share information between private and public institutions; (2) By passing a bill for granting access to data regarding bank accounts and safe deposit boxes to all relevant competent authorities.

The component is expected to contribute to country-specific recommendations addressed to Sweden, in particular “focus investment related to economic policy on education and skills” (country-specific recommendation 2, 2019), “ensure effective supervision and the enforcement of the anti-money laundering framework” (country-specific recommendation 2, 2019) and “improve the effectiveness of anti-money laundering supervision and effectively enforce the anti-money laundering framework” (country-specific recommendation 3, 2020), and “pursue fiscal policies aimed at achieving prudent medium-term fiscal positions and ensuring debt sustainability, while enhancing investment (...) ensure the resilience of the health system, including through adequate supplies of critical medical products, infrastructure and workforce” (country-specific recommendation 1, 2020).

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

Investment 1: Elderly care initiative

This investment aims at improving the skills set of the staff working in elderly care centres. It shall consist of disbursements of the salary costs related to the upskilling and training of the staff (8000 participants from different groups) during their working hours. The central government shall make these disbursements to the municipalities, which are responsible for elderly care.

The implementation of the investment shall be completed by 31 December 2023.

Reform 1: Regulating the professional title of nursing assistants

This reform aims at address the lack of national legal provisions with respect to the skills and/or education required for a recognised nursing assistant title. A legislative proposal shall enter into force by 30 September 2023 indicating the educational and/or the corresponding skills required from persons seeking the title of nursing assistant. A 10-year transitional period shall be stipulated (expected to end in 2033) to enable the employees currently having the occupation to apply for and receive the certificate of recognition. The expected outcomes after the reform implementation are legal protection for the profession of nurse assistants and increased quality and safety services in healthcare settings and in the long-term care sector.

The implementation of the reform shall be completed by 30 September 2023.

Reform 2: Adjusted age limits

The objective of this reform is to increase the average pension age and improve further the sustainability of the public pension system by gradual increases in the retirement age reflected in adjustments in the social security and tax systems. Several age limits shall be progressively adjusted as of 2023, in particular, raising the minimum age for deductions of pension benefits from 62 to 63, and the minimum age for when the basic protection for the retired can be paid from 65 to 66. Subsequently, starting from 2026, the retirement age limits shall be linked to a benchmark age aligned with the average life expectancy. The age limits for social security, tax and contribution systems shall be adjusted accordingly, to allow for a greater labour supply, and higher tax income.

The implementation of the reform shall be completed by 30 June 2026.

Reform 3: Stronger measures against money laundering and terrorist financing

A public inquiry has been arranged in order to fulfil two tasks. Firstly, to provide proposals for legislative amendments for stricter and more effective anti-money laundering and combating the financing of terrorism measures. Secondly, to assess the effectiveness of the Swedish Financial Supervisory Authority in terms of resources, staffing and government control, inter alia, as well as the effectiveness of the institutional structure of the supervisory system as a whole. A proposal was presented to the government on 31 May 2021 (SOU 2021:42) and was sent to a public consultation that was closed on 16 September 2021. The results of the public inquiry shall feed into a government proposal and the relevant legislation shall be adopted and enter into force.

The implementation of the reform shall be completed by 31 December 2023.

Reform 4: A new bank account and safe deposit box system

This reform concerns giving access to data related to the identities of the bank account and safe deposit box holders to the relevant authorities (Financial Intelligence Unit, Tax Agency, Enforcement Authority, law enforcement authorities) in order to step-up the efforts on anti-money laundering and combating the financing of terrorism: Data regarding the balance and transaction history shall not be covered by this measure. Such information shall be made available on a platform managed by the Swedish Tax Authority. A legislative proposal (Prop. 2019/20:83) was to be sent to the Riksdag on 11 February and enter into force on 10 September 2020 (2020:272); the connection of roughly 150 financial institutions and competent agencies shall be carried out by the Swedish Tax Agency and is expected to be finished by 30 June 2022.

The implementation of the reform was to be completed by 30 September 2020.

Reform 5: Ensuring an effective and efficient implementation of the Recovery and Resilience Plan

The aim of this reform is to establish the relevant legal mandates or assignments to the authorities involved in the coordination, monitoring, control and audit of the implementation of the Swedish RPP in an efficient and effective manner which meets the requirements set out in the Regulation (EU) 2021/241. To ensure an adequate and functional internal control system with respect to the implementation of the RRF, the following legislative amendments shall have entered into force before the first payment request is submitted to the Commission.

- 1) Amendments to applicable regulations and assignments to all government entities that are involved in operational aspects of implementing the RRP in accordance with the requirements of Article 22 and 34(2) of the Regulation (EU) 2021/241;
- 2) Entry into force of all formal mandates to carry out associated tasks to the Swedish National Financial Management Authority (ESV) as the audit authority responsible for the overall monitoring of RRF disbursements and uses, with the right to gather information on achievement of milestones and targets i.e. data access at the implementing bodies and the right to audit including the access to data on final recipients in accordance with art. 22(2), point (d) of Regulation (EU) 2021/241. The ESV shall be the competent audit authority for centralising all relevant audit findings and recommendations as well as for requesting the necessary information to carry out these responsibilities. In addition, the government shall decide on mandates to specific authorities responsible for aspects of RRF execution to report on the respective objectives and achievements of milestones and targets to the Swedish National Financial Management Authority (ESV) and to the central coordinating capacity within the government offices (Ministry of Finance), to provide management declarations, and to allow audits by the ESV and to ensure visibility of the Union financing;
- 3) Entry into force of all formal mandates along with the necessary budgetary allocation to carry out associated tasks by the Swedish National Financial Management Authority (ESV) on audit.

The necessary decisions in point 1) can be specified as follows:

- The Government shall decide on assignments to the following authorities to report on their respective milestones and targets, submit management declarations and to allow audits by the Swedish National Financial Management Authority (ESV) and to ensure the visibility of the Union financing:
 1. National Board of Housing, Building and Planning,
 2. Agency for Digital Government,
 3. Swedish National Agency for Higher Vocational Education,
 4. Swedish Environmental Protection Agency,
 5. Swedish Post and Telecom Authority,
 6. National Board of Health and Welfare,
 7. Swedish Energy Agency,
 8. Swedish National Agency for Education,
 9. Swedish Transport Administration, and
 10. Assignment to an authority within the education field

The Government intends to enter into agreements on amended conditions with Chalmers University of Technology and Jönköping University.

- The following regulations and assignments shall, if necessary, be supplemented in accordance with the requirements in Articles 22(2), points (e) and (f) as well as Article 34(2) of Regulation (EU) 2021/241. Moreover, the regulations shall be supplemented in such a way as to give ESV the responsibility to follow up on payments and to

request the necessary information from the recipients of state grants according to the regulations:

1. Regulation (2017:1319) [förordningen om statligt stöd till åtgärder som bidrar till industrins klimatomställning],
 2. Regulation (2015:517) [förordningen om stöd till lokala klimatinvesteringar],
 3. Regulation (2019:525) [förordningen om statligt stöd för installation av laddningspunkter för elfordon],
 4. Coming Relation [förordning om stöd till energieffektivisering av bostadshus (bereds för närvarande)],
 5. Regulation (2020:266) [förordningen om statligt stöd för utbyggnad av bredbandsinfrastruktur],
 6. Regulation (2016:881) [förordningen om statligt investeringsstöd för hyresbostäder och bostäder för studerande],
 7. Regulation (2016:937) [förordningen om statsbidrag för regional yrkesinriktad vuxenutbildning],
 8. Regulation (2009:130) [förordningen om yrkeshögskolan],
 9. the coming assignments for 2022 and 2023 on the payment of state grants to municipalities due to the Elderly care initiative,
 10. Assignment/regulation for The Agency for Digital Government,
 11. Assignment to an authority within the education field,
 12. Assignment/regulation to The Swedish Environmental Protection Agency,
 13. Assignment/regulation to The National Board of Health and Welfare, and
 14. Assignment/regulation to The Swedish Transport Administration.
- Mandates/assignments shall ensure that the relevant authorities put in place adequate procedures on: (i) conflict of interest, (ii) double funding, (iii) detecting fraud and corruption and (iv) collecting data.

The implementation of the reform was to be completed by 31 December 2021.

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

See table below. The date of the baseline for all indicators is 1 February 2020 unless indicated differently in the description of the action. Amounts in the table do not include VAT.

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
34	Elderly care Initiative	Target	1.500 participants have started education under the Elderly care Initiative		Number of participants	0	1.500	Q4	2021	At least 1 500 staff members of the elderly care shall have started the education (to two functional groups: nursing assistants and nurses, or for heads of unit) during the period 2020-2021.
35	Elderly care Initiative	Target	8.000 participants have started education in the framework of the Elderly care Initiative		Number of participants	1.500	8.000	Q4	2023	At least 8.000 staff members of the elderly care shall have started the education (to two functional groups: nursing assistants and nurses, or for heads of unit) during the period 2020-2023.
36	Protected professional title of the profession of nurse assistant	Milestone	Entry into force of a law regulating the professional title of nursing assistant	Provision in the law indicating the entry into force of law establishing qualification requirements for nurse assistant title is published in the official journal and enters into force on the date of publication				Q3	2023	The legislative act with respect to the education required for a second level nurse title enters into force, following adoption by the Swedish parliament. The law shall establish qualification requirements, as well as a transitionary period of 10 years to enable the employees currently having the occupation to apply for and receive the certificate of recognition.
37	Adjusted age limits	Milestone	Entry into force of legislative amendments to adjust age limits in social security and tax Systems	Provision in the law indicating the entry into force of law establishing adjusted age limits in social security and tax systems are published in the official journal and enter into force on the date of publication				Q4	2023	Entry into force, following adoption by the Swedish parliament, of legislative amendments increasing age limits in social security and tax systems by one year

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
38	Adjusted age limits	Milestone	Entry into force of an automatic adjustment of age limits in social security and tax systems in line with the development of remaining life length at 65 years	Provision in the law indicating the entry into force of law establishing a connection between the retirement age and a benchmark age aligned with the average life expectancy is published in the official journal and enters into force on the date of publication				Q2	2026	Entry into force, following adoption by the Swedish Parliament, of legislative amendments linking the retirement age limits to a benchmark age aligned with the average life expectancy
39	Strengthening measures against money laundering and terrorist financing	Milestone	Entry into force of legislative amendments on stronger measures against money laundering and terrorist financing	Provision in the law indicating the entry into force of legislative provisions establishing more effective measures against money laundering and financing of terrorism				Q4	2023	Entry into force, following adoption by the Swedish Parliament, of legislative amendments for more effective anti-money laundering and combating the financing of terrorism measures.
40	A new bank account and safe deposit box system	Milestone	Entry into force of a law on a new bank account and safe deposit box system	Provision in the law indicating the entry into force of a law granting access to data related to the identities of the				Q3	2020	Entry into force of a legislative act giving access to data related to the identities of the bank account and safe deposits box holders to the relevant competent authorities, including public prosecutors.

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
				bank account and safe deposits box holders to the relevant authorities has entered into force on the date of publication (10 September 2020).						
41	Government decisions to ensure an effective and efficient implementation	Milestone	M 1: Government decisions ensuring an effective and efficient implementation of the Recovery and Resilience Plan including the audit and control set-up	Entry into force of mandates and assignments				Q4	2021	The Government shall take decisions on the mandates/assignments to the relevant authorities, as set out in the measure description, assigned to execute the RRP and other necessary decisions required to implement the RRP in an efficient and effective manner, which meets the requirements of Regulation (EU) 2021/241. The mandates/assignments shall ensure that the relevant authorities have adequate procedures on: (i) conflict of interest, (ii) double funding, (iii) detecting fraud and corruption and (iv) collecting data.
42	Government decisions to ensure an effective and efficient implementation	Milestone	M 2: Government decisions ensuring an effective and efficient implementation of the Recovery and Resilience Plan including the audit and control set-up	Entry into force of mandates and assignments				Q4	2021	The Government shall give the Swedish National Financial Management Authority (ESV) the relevant mandates/assignments on information management with respect to the execution of the RRP (data collection on achievement of milestones and targets) and reporting aside from their mandate as audit authority.
43	Government decisions to ensure an effective and efficient implementation	Milestone	M 3: Government decisions ensuring an effective and efficient implementation of the Recovery and Resilience Plan including the audit	Entry into force of mandates and assignments				Q4	2021	The Government shall take the decisions on relevant mandates/assignments to the Swedish National Financial Management Authority (ESV) on audit.

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
			and control set-up							

D. COMPONENT 4: BROADBAND EXPANSION AND DIGITALISATION OF PUBLIC ADMINISTRATION

This component of the Swedish recovery and resilience plan contains investments that aim to expand Sweden's digital infrastructure and to make its public administration more efficient and fit-for-purpose by taking advantage of the opportunity of digitalisation.

Sweden's broadband infrastructure is overall well advanced. However, to reach the government's objective that all of Sweden should have access to high-speed broadband by 2025, there is a need to increase the availability particularly in sparsely populated areas, where market mechanisms alone do not ensure the provision of such services. Increasing the speed and availability of broadband connections shall support households and companies to reap the benefits of a rapid digital transition.

This component shall also include investments in an administration-wide digital infrastructure. Currently, the lack of such infrastructure is reflected in a heterogeneous set of different frameworks and standards, which hampers interoperability and thus increases risks to efficiency and security. The investments included in this component aim to address those issues by establishing a shared digital infrastructure.

The component is expected to contribute to country-specific recommendations addressed to Sweden, in particular "focus investment on the green and digital transition, in particular on [...] high-tech and innovative sectors" (country-specific recommendation 1, 2020).

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

Investment 1: Joint public administration digital infrastructure

The investment, which shall be coordinated by the Swedish Agency for Digital Government with the involvement of different Swedish agencies, consists of developing new digital services and upgrading and modernising existing ones, in particular services that enable standardised digital public-sector services for businesses and citizens such as digital post and support services that enable information exchange and handling such as identity and trust frameworks. The aim is to achieve greater efficiency and security in handling public data, whilst offering citizens and businesses standardised solutions across the public administration. Funds shall be allocated to a common appropriation from which grants shall be paid to the participating authorities, in order to assist them in the development and establishment of standardised digital infrastructure and jointly developed solutions. In particular, the investment shall consist of a national framework for primary data, new and improved digital services, as well as support services for the exchange and handling of information and a common trust and security framework.

The implementation of the investment shall be completed by 31 December 2023.

Investment 2: Broadband expansion

The measure shall fund support for the expansion of broadband connectivity where market operators cannot expand on a commercial basis. The central government support shall be managed by the Swedish Post and Telecom Authority, which shall test eligibility, decide on grants, make payments, and supervise and monitor the implementation. Support shall be provided up to a connection point, for example fibre, ('homes passed') and for infrastructure with a capacity of at least 1 Gbit/sec. The grant decision shall include provisions on operational security and reliability and an obligation for the recipient of the support to deliver broadband connection to the end users upon request within three years after the completion of

the project ('homes connected'). The support shall be technology neutral, provided that projects comply with the requested speeds.

The implementation of the investment shall be completed by 31 December 2025.

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

See table below. The date of the baseline for all indicators is 1 February 2020 unless indicated differently in the description of the action. Amounts in the table do not include VAT.

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
44	Joint public administration digital infrastructure	Milestone	National framework for basic data and joint public digital infrastructure is established and operational	National framework and joint public digital infrastructure are established and operational for secure and efficient electronic information exchange and access to basic data within the public sector.				Q4	2023	A national framework for basic data (initially covering personal, company, property and geographical information) and a joint public digital infrastructure, including building blocks for information exchange and handling, new digital services and trust and security frameworks for a secure and efficient information exchange in the public sector is set-up and operational.
45	Broadband expansion	Target	T1: Additional number of buildings with broadband access (Homes Passed)		New broadband access to buildings	0	23 500	Q4	2021	At least 23 500 additional buildings in absolute proximity to a network with capacity of at least 1 Gbit/sec (Homes Passed) in granted projects. Absolute proximity refers to buildings that are not connected to a very high capacity network (e.g. fiber), but where such a network (e.g. a fiber cable) is located near the building.
46	Broadband expansion	Target	T2: Additional number of buildings with broadband access (Homes Passed)		New broadband access to buildings	23500	41 900	Q4	2022	At least 18 400 additional buildings in absolute proximity to a network with capacity of at least 1 Gbit/sec (Homes Passed) in granted projects. Absolute proximity refers to buildings that are not connected to a very high capacity network (e.g. fiber), but where such a network (e.g. a fiber cable) is located near the building.
47	Broadband expansion	Target	T3: Additional number of buildings with broadband access (Homes Passed)		New broadband access to buildings	41 900	50 900	Q4	2023	At least 9000 additional buildings in absolute proximity to a network with capacity of at least 1 Gbit/sec (Homes Passed) in granted projects. Absolute proximity refers to buildings that are not connected to a very high capacity network (e.g. fiber), but where such a network (e.g. a fiber cable) is located near the building.
48	Broadband expansion	Target	T4: Additional number of		New broadband access to	50 900	59 400	Q4	2024	At least 8500 additional buildings in absolute proximity to a network with capacity of at least 1 Gbit/sec (Homes

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
			buildings with broadband access (Homes Passed)		buildings					Passed) in granted projects. Absolute proximity refers to buildings that are not connected to a very high capacity network (e.g. fiber), but where such a network (e.g. a fiber cable) is located near the building.
49	Broadband expansion	Target	T5: Additional number of buildings with broadband access (Homes Passed)		New broadband access to buildings	59 400	66 100	Q4	2025	At least 6700 additional buildings in absolute proximity to a network with capacity of at least 1 Gbit/sec (Homes Passed) in granted projects. Absolute proximity refers to buildings that are not connected to a very high capacity network (e.g. fiber), but where such a network (e.g. a fiber cable) is located near the building.

E. COMPONENT 5: INVESTMENT FOR GROWTH AND HOUSING

This component shall include reforms and investments aiming at reducing frictions and foster investments in the housing market.

High house prices and associated high household debt have been identified as macroeconomic imbalances in the Swedish economy since the start of the macroeconomic imbalance procedure, leading to dedicated country-specific recommendations.

The reforms and investments related to the housing market shall aim to increase housing supply in the rental market and student housing through building subsidies, to improve prerequisites in housing construction, to reduce bottlenecks in the construction permit procedure, and to reduce the capital gains tax on housing.

Against this background, the objective of this component of the Swedish recovery and resilience plan shall be to contribute to increased housing construction and to improve the efficiency of the housing market. The component contains one investment and five reform measures.

The reform measures related to the housing market shall (1) allow stakeholders to participate in the construction planning process, (2) simplify and increase the efficiency of the regulatory framework for building permits, (3) improve prerequisites in housing construction, (4) raise the ceiling on deferred capital gains, and (5) abolish the taxed calculated income on deferred capital gains.

The component is expected to contribute to country-specific recommendations addressed to Sweden, in particular “address risks related to high household debt by gradually reducing the tax deductibility of mortgage interest payments or increasing recurrent property taxes. Stimulate investment in residential construction where shortages are most pressing, in particular by removing structural obstacles to construction. Improve the efficiency of the housing market and revising the design of the capital gains tax” (country-specific recommendation 1, 2019).

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

Investment 1: Investment aid for rental and student housing

The investment measure aims to relief the housing shortage by increasing the supply of new rental dwellings with a lower rent relative to new non-subsidised housing. Together with restrictions concerning income requirements, these dwellings shall be economically accessible to a larger number of households, easing the situation also for individuals in the lower half of the income distribution, students or people becoming active on the labor market. Construction subsidies shall be paid to houses to be completed in 2022 and 2023. Several conditions shall be attached to ensure that the target group is reached, namely, the investment aid is conditional on a maximum rent whereas the landlord may not refuse a prospective tenant to rent a subsidised dwelling on the ground that the income is too low, as long as the person or household is in a position to pay the rent. The support scheme shall give support to investments that achieve at least a 20% reduction in the primary energy demand at the level of the building compared to the requirements of the building regulation. This is expected to fall in line with historical experience.

The implementation of the investment shall be completed by 31 December 2023.

Reform 1: Private right of initiative – involvement of planning stakeholders in zoning

The reform measure aims to shorten planning periods for zoning, in areas where construction is allowed. When the reform enters into force, more opportunities shall be given to

stakeholders like property owners, developers and builders to initiate and partly to carry out the work on the development of detailed zoning plans. The municipality shall inform the requesting stakeholder what planning documentation is needed for a detailed planning including those documents related to national interests, beach protection and health and safety. The Planning and Building Act shall be revised to clarify that, notwithstanding the ultimate responsibility of the municipality, a proposal for a detailed zoning plan can be drawn up by property owners or others who take the initiative to propose a construction plan.

The implementation of the reform was to be completed by 31 December 2021.

Reform 2: A simplified and efficient regulatory framework for building permits

The reform measure aims to make the regulatory framework for building permits more effective and efficient. The reform measure shall establish (i) when a license or notification obligation should arise for different types of construction measures, (ii) which prescriptions should be complied with in order to obtain the permit, ensuring that license obligations are not more extensive than necessary to ensure the interest of society and neighbors (iii) necessary changes in procedural rules and (iv) also make the other proposals in the planning and construction regulations and in other regulations that are deemed justified on the basis of the investigator's analyses and requests.

The implementation of the reform shall be completed by 31 December 2023.

Reform 3: Better prerequisites in housing construction

In order to enable increased predictability and efficiency in the construction process and to facilitate repeatable processes, the Government has put forward on 16 September 2021 a legislative proposal on certified construction project companies – a more predictable construction process. The reform shall modify the Planning and Building Act (SCS 2010:900) by introducing a new player in the Planning and Building Act, a certified construction project company (“Certifierade byggprojekteringsföretag – en mer förutsägbar byggprocess”).

A certified construction project company shall have specific expertise and experience in assessing the design requirements for effectiveness and accessibility as well as technical property requirements for the construction of residential buildings that shall be set out in government regulations, and shall be able to substantiate this with a certificate issued by a body accredited for that purpose. Furthermore, the reform shall allow that a developer can use a certified construction project company in the design of new residential buildings. If such an enterprise is used, the Building committee shall not take into account the requirements covered by the certification, either prior to a decision on building permits or start-up notices. It shall be optional for a developer to use a certified construction project company in the process.

The implementation of the reform shall be completed by 31 December 2022.

Reform 4: Higher ceiling for the deferred amount in the capital gains tax

The measure aims to lower transaction costs for real estate purchases by private home owners, thereby easing housing and labor mobility. The maximum amount of deferred capital gains was raised from SEK 1 450 000 to SEK 3 000 000.

The implementation of the reform was to be completed by 1 July 2020, applying to sales after 30 June 2020.

Reform 5: Abolishing the calculated income from deferred capital gains

The measure aims to lower transaction costs for real estate transactions by private home owners, thereby easing housing and labor mobility. The measure abolishes the standard income on deferred capital gains. Earlier, the deferred capital gains were subject to a standard

income based on the set interest rate. This standard income had to be added to taxable income and was taxed at a 30% rate.

The implementation of the reform was to be completed by 1 January 2021, applying to tax years beginning after 31 December 2020.

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

See table below. The date of the baseline for all indicators is 1 February 2020 unless indicated differently in the description of the action. Amounts in the table do not include VAT.

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
50	Investment support for rental housing and housing for students	Target	T1: Payment of support for new completed dwellings		New completed dwellings	0	1,500	Q4	2022	Statistics on the total payments and number of dwellings delivered that fulfil the conditions to ensure that the target group is reached, namely, the investment aid is conditional on a maximum rent whereas the landlord may not refuse a prospective tenant to rent a subsidised dwelling on the ground that the income is too low, as long as the person or household is in a position to pay the rent. The data on rents shall be compared to non-subsidised new dwellings.
51	Investment support for rental housing and housing for students	Target	T2: Payment of support for new completed dwellings		New completed dwelling	1,500	4,800	Q4	2023	Statistics on the total payments and number of dwellings delivered that fulfil the conditions to ensure that the target group is reached, namely, the investment aid is conditional on a maximum rent whereas the landlord may not refuse a prospective tenant to rent a subsidised dwelling on the ground that the income is too low, as long as the person or household is in a position to pay the rent. The data on rents shall be compared to non-subsidised new dwellings.
52	Private right of initiative - participation of planning stakeholders in detailed development planning	Milestone	Entry into force of a law on establishing a private right of initiative	Provision in the law establishing a private right of initiative indicating the entry into force				Q4	2021	Entry into force, following adoption by the Swedish Parliament, of legislative amendments that include (1) an obligation for municipalities to provide information on the required planning documentation for private parties involved in development planning, (2) a right for stakeholders to obtain the list of documents the County Administrative Board considers necessary to judge whether the development planning concerns interests that come under the purview of the County Administrative Board, such as national interests, shore protection and health and safety, as well as (3) clarifications to the Planning and Building Act that the planning documentation required when a detailed development plan is prepared may also be produced by others besides the municipality.
53	A simplified and	Milestone	Entry into force of	Provision in the law				Q4	2023	Entry into force, following adoption by the Swedish

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
	effective regulatory framework for building permits and others		a law establishing a simplified and more effective regulatory framework for building permits	establishing a simplified and more effective regulatory framework for building permits indicating the entry into force						Parliament, of legislative amendments for a simplified and effective regulatory framework for building permits. The licensing obligation and the requirements that must be met in order to obtain a permit shall not be more extensive than necessary to ensure the interests of society and the neighbors.
54	Better prerequisites in housing construction	Milestone	Entry into force of amendments to the Planning and Building Act, establishing a certified construction project company [Certifierade byggprojekterings företag – en mer förutsägbar byggprocess] leading to better prerequisites in housing construction	Provision in the law establishing better prerequisites in housing construction indicating the entry into force				Q4	2022	Entry into force, following adoption by the Swedish Parliament, of legislative amendments to the Planning and Building Act (SCS 2010:900) shall introduce a new actor, namely the certified construction project company. The use of such a company in the processes of housing construction process shall replace the municipality's early check of whether the building regulations covered by the certification are met. The purpose is to enable increased predictability and efficiency in the construction process and to facilitate repeatable processes.
55	Higher ceiling for deferred capital gains	Milestone	Entry into force of a change in the relevant tax law raising the ceiling for deferred capital gains [from SEK 1,450,000 to SEK 3,000,000)	Provision in the law indicating the entry into force of law raising the ceiling for deferred capital gains				Q3	2020	The reform measure shall raise the maximum amount deferred for capital gains taxation from SEK 1.450.000 to SEK 3.000.000.
56	Abolished standard income on deferred	Milestone	Entry into force of a change in the	Provision in the law indicating the entry				Q1	2021	The reform measure shall abolish the standard income on the deferred capital gains for the income tax.

Number	Measure	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
	capital gains		relevant tax law abolishing the standard income on deferred capital gains	into force of law abolishing the standard income on deferred capital gains						

F. COMPONENT 6: REPowerEU CHAPTER

The objective of the REPowerEU chapter is to reduce the overall reliance on fossil fuels and, in particular, to speed up the construction of new electricity networks, improve energy efficiency of buildings and combat energy poverty.

The component, therefore, addresses the country-specific recommendation related to reducing overall reliance on fossil fuels (country-specific recommendations 4 of 2022 and 2023). Two investments improve the energy efficiency in multi-dwelling buildings and in buildings for rental and student housing, whereas a reform streamlines authorization procedures for the expansion of the electricity grid.

No measure in this component shall cause 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).

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

Investment 1: Scaled-up measure: Energy efficiency in multi-dwelling buildings

The objective of this measure is to scale-up Investment 3: Energy efficiency in multi-dwelling buildings, under component 1: Green recovery. The scale-up of the measure shall increase the number of renovated square meters for energy efficiency purposes.

The investment shall be completed by 31 December 2025.

Investment 2: Scaled-up measure: Investment aid for rental and student housing

The objective of this measure is to scale-up Investment 1: Investment aid for rental and student housing, under component 5: Investment for growth and housing. The scale-up of the measure shall increase the number of completed dwellings for rental and student housing.

The investment shall be completed by 31 December 2025.

Reform 1: Speeding up the authorisation process for electricity grid construction

The objective of this reform is to shorten the permitting process for electricity grid construction, in view of strengthening the electricity network within Sweden. The reform also aims to address domestic and cross-border bottlenecks in electricity transmission. The reform shall consist of legislation simplifying procedures for the construction of electricity network infrastructure. In this regard, the reform shall include the following elements:

- the introduction of a simplified procedure for granting exemptions from local area protection during the permitting process for electricity grid construction (as currently described in Chapter 7, Sections 11-b and 13-18h of the Swedish Environmental Code), which shall enable granting these exemptions faster and at earlier stages of the permitting process; and
- a presumption to use overhead line solutions instead of ground cable solutions when assessing technology choices at the highest voltage levels, which shall amend the existing requirement that both types of solutions should be explored by default.

The reform shall be completed by 31 December 2024.

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

See table below. The date of the baseline for all indicators is 1 February 2020 unless indicated differently in the description of the action. Amounts in the table do not include VAT.

Number	Measure	Milestone/Target	Name	Qualitative indicators for milestones	Quantitative indicators (for targets)			Time		Description of each milestone and target
					Unit	Baseline	Goal	Q	Year	
57	Energy efficiency in multi-dwelling buildings	Target	1 646 000 square meters of buildings have been renovated		Square meters	600 000	2 246 000	Q4	2025	<p>1 646 000 square meters of buildings shall have been renovated. The unit of measurement is Atemp, which is a term that defines the floor area of the building on which the energy performance should be based.</p> <p>Atemp is defined as the area of all floors, attic floors and basement floors with temperature-controlled areas which are intended to be heated to over 10°C and that are bounded by the inside of the building envelope. The area occupied by interior walls or openings for stairs, shafts and similar is included. However, area in garages, in the building in a residential building or in non-residential premises other than a garage is not included.</p>
58	Investment support for rental housing and housing for students	Target	T3: Payment of support for new completed dwellings		New completed dwellings	4 800	6 720	Q4	2025	Statistics on the total payments and number of dwellings delivered that fulfil the conditions to ensure that the target group is reached, namely, the investment aid is conditional on a maximum rent whereas the landlord may not refuse a prospective tenant to rent a subsidised dwelling on the ground that the income is too low, as long as the person or household is in a position to pay the rent. The data on rents shall be compared to non-subsidised new dwellings.
59	Speeding up the authorization process for electricity grid construction	Milestone	Entry into force of a law to speed up the authorization process for electricity grid construction	Provision in the law indicating the entry into force of a law speeding up the authorization process for electricity grid construction				Q4	2024	Entry into force of a law that shall introduce: (a) a simplified procedure for granting exemptions from local area protection during the permitting process for electricity grid construction (as currently described in Chapter 7, Sections 11-b and 13-18h of the Swedish Environmental Code), which shall enable the grant of these exemptions at shorter time frames and at earlier stages of the permitting process; and (b) a presumption for the use of overhead line solutions over ground cable solutions when assessing technology choices at the highest voltage levels, which shall amend the existing requirement that both types of solutions should be explored by default.

2. Estimated total cost of the recovery and resilience plan

The estimated total cost of the RRP of Sweden is SEK 35 454 030 000, which equals EUR 3 501 632 593 on the basis of the EUR SEK ECB reference rate of 28 May 2021.

SECTION 2: FINANCIAL SUPPORT

1. Financial contribution

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

1.1. First Instalment (non-repayable support):

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
1	Local and regional climate investment	Target	T1: Award of projects reducing carbon dioxide emissions by expected 300 000 tonnes
7	Energy efficiency in multi- dwelling buildings	Milestone	Entry into force of an ordinance establishing the support scheme for investments to improve energy efficiency in multi-dwelling buildings
9	Strengthened railway support	Target	60 km of railways has been improved or upgraded
13	Adjustments in the reduction obligation	Milestone	Entry into force of a law establishing increased reduction quotas in the obligation to reduce GHG emissions from gasoline and diesel by requiring fuel suppliers to gradually blend in biofuels
14	Adjustments in the reduction obligation	Milestone	Entry into force of a law establishing a reduction obligation on jet fuel
15	Abolished reduction of energy tax on fuel in certain sectors	Milestone	Entry into force of a law that partially abolishes a reduction of energy tax on fuel in certain sectors
17	Adjusted taxable benefit rates for company cars	Milestone	Entry into force of a law to adjust the taxable benefit rate for company cars
19	More study places in regional adult vocational education	Target	T1: New study places in vocational training and adult education

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
20	More study places in regional adult vocational education	Target	T2: New study places in vocational training and adult education
23	Higher compensation level for vocational training in combination with Swedish for Immigrants and Swedish as a second language	Milestone	Entry into force of the higher compensation level for vocational training in combination with Swedish for Immigrants and Swedish as a second language
24	More yearly study places in higher vocational education	Target	T1: New study places in post-secondary vocational education
25	More yearly study places in higher vocational education	Target	T2: New study places in post-secondary vocational education
28	Resources to meet demands for education at universities and other higher education institutions	Target	T1: Additionally registered students in higher education
34	Elderly care Initiative	Target	1.500 participants have started education under the Elderly care Initiative
40	A new bank account and safe deposit box system	Milestone	Entry into force of a law on a new bank account and safe deposit box system
41	Government decisions to ensure an effective and efficient implementation	Milestone	M1: Government decisions ensuring an effective and efficient implementation of the Recovery and Resilience Plan including the audit and control set-up
42	Government decisions to ensure an effective and efficient implementation	Milestone	M2: Government decisions ensuring an effective and efficient implementation of the Recovery and Resilience Plan including the audit and control set-up
43	Government decisions to ensure an effective and efficient implementation	Milestone	M3: Government decisions ensuring an effective and efficient implementation of the Recovery and Resilience Plan including the audit and control set-up
45	Broadband expansion	Target	T1: Additional number of buildings with broadband access (Homes Passed)
52	Private right of initiative - participation of planning	Milestone	Entry into force of a law on establishing a

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
	stakeholders in detailed development planning		private right of initiative
55	Higher ceiling for deferred capital gains	Milestone	Entry into force of a change in the relevant tax law raising the ceiling for deferred capital gains from SEK 1,450,000 to SEK 3,000,000
56	Abolished standard income on deferred capital gains	Milestone	Entry into force of a change in the relevant tax law abolishing the standard income on deferred capital gains
		Instalment Amount	EUR 1 118 003 611

1.2. Second Instalment (non-repayable support):

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
2	Local and regional climate investment	Target	T2: Award of projects reducing carbon dioxide emissions by expected 240 000 tonnes
10	Strengthened railway support	Target	40 km of railways has been improved or upgraded
16	Abolished reduction of energy tax on fuel in certain sectors	Milestone	Entry into force of the law to fully abolish reduction of energy tax on fuel in certain sectors
21	More study places in regional adult vocational education	Target	T3: New study places in vocational training and adult education
26	More yearly study places in higher vocational education	Target	T3: New study places in post-secondary vocational education
29	Resources to meet demands for education at universities and other higher education institutions	Target	T2: Additionally registered students in higher education
33	Employment protection act and greater transition possibilities	Milestone	Entry into force of the legislative amendments to modernise employment protection and enhance greater transition possibilities
46	Broadband expansion	Target	T2: Additional number of buildings with broadband access (Homes Passed)

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
50	Investment support for rental housing and housing for students	Target	T1: Payment of support for new completed dwellings
54	Better prerequisites in housing construction	Milestone	Entry into force of amendments to the Planning and Building Act, establishing a certified construction project company [Certifierade byggprojekteringsföretag – en mer förutsägbar byggprocess] leading to better prerequisites in housing construction
		Instalment Amount	EUR 729 078 179

1.3. Third Instalment (non-repayable support):

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
3	Local and regional climate investment	Target	T3: Award of projects reducing carbon dioxide emissions by expected 140 500 tonnes
18	Formal protection of valuable nature	Target	Funding disbursed for the protection of nature with high natural values for biodiversity
22	More study places in regional adult vocational education	Target	T4: New study places in vocational training and adult education
27	More yearly study places in higher vocational education	Target	T4: New study places in post-secondary vocational education
30	Resources to meet demands for education at universities and other higher education institutions	Target	T3: Additionally registered students in higher education
35	Elderly care Initiative	Target	8.000 participants have started education in the framework of the Elderly care Initiative
36	Protected professional title of the profession of nurse assistant	Milestone	Entry into force of a law regulating the professional title of nursing assistant

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
37	Adjusted age limits	Milestone	Entry into force of legislative amendments to adjust age limits in social security and tax systems
39	Strengthening measures against money laundering and terrorist financing	Milestone	Entry into force of legislative amendments on stronger measures against money laundering and terrorist financing
44	Joint public administration digital infrastructure	Milestone	National framework for basic data and joint public digital infrastructure is established and operational
47	Broadband expansion	Target	T3: Additional number of buildings with broadband access (Homes Passed)
51	Investment support for rental housing and housing for students	Target	T2: Payment of support for new completed dwellings
53	A simplified and effective regulatory framework for building permits and others	Milestone	Entry into force of a law establishing a simplified and more effective regulatory framework for building permits
		Instalment Amount	EUR 915 879 253

1.4. Fourth Instalment (non-repayable support):

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
4	Local and regional climate investment	Target	T4: Award of projects reducing carbon dioxide emissions by expected 89 500 tonnes
31	Resources to meet demands for education at universities and other higher education institutions	Target	T4: Additionally registered students in higher education
48	Broadband expansion	Target	T4: Additional number of buildings with broadband access (Homes Passed)
59	Speeding up the authorization process for electricity grid construction	Milestone	Entry into force of a law to speed up the authorization process for electricity grid construction
		Instalment Amount	EUR 303 352 660

Fifth Instalment (non-repayable support):

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
5	Local and regional climate investment	Target	T5: Award of projects reducing carbon dioxide emissions by expected 15 000 tonnes
6	Climate investment in the industrial sector	Target	Award of projects having the potential to contribute towards reducing carbon dioxide emission
8	Energy efficiency in multi-dwelling buildings	Target	600 000 square meters of buildings have been renovated.
57	Energy efficiency in multi-dwelling buildings	Target	1 646 000 square meters of buildings have been renovated.
32	Resources to meet demands for education at universities and other higher education institutions	Target	T5: Additionally registered students in higher education
38	Adjusted age limit	Milestone	Entry into force of an automatic adjustment of age limits in social security and tax systems in line with the development of remaining life length at 65 years
49	Broadband expansion	Target	T5: Additional number of buildings with broadband access (Homes Passed)
58	Investment support for rental housing and housing for students	Target	T3: Payment of support for new completed dwellings
		Instalment Amount	EUR 379 352 505

SECTION 3: ADDITIONAL ARRANGEMENTS

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

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

- The international and economic department Ministry of Finance shall be the Coordinating Authority and shall have the overall responsibility for monitoring and implementation of the plan as a whole. The responsible public authority shall monitor, verify and validate the achievement of milestones and targets. The Coordinating Authority shall prepare and sign the management declaration and also be responsible for the preparation and submission of the requests for payment to the European Commission and for payments at national level.
- Public authorities (myndigheter) shall be responsible for the implementation of individual measures of the recovery and resilience plan of Sweden. They shall report to the Coordinating Authority on the progress of the implementation and on the achievement of milestones and targets.
- The overarching audit authority shall be the Swedish National Financial Management Authority (ESV). Recurrent audits on efficiency, effectiveness and reliability of accounts are regularly undertaken by the National Audit Office (NAO).

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

In order to provide full access to the Commission to the underlying relevant data, Sweden shall have in place the following arrangements:

- The Ministry of Finance bears the overall responsibility for the implementation of the recovery and resilience plan and is accountable on behalf of all public sector entities on the operational and administrative aspects of the RRP. To ensure coherence in the implementation of the RRP, the overarching audit authority is the Swedish National Financial Management Authority (ESV), which assists the Ministry of Finance with its overall coordination duties. The ESV is also responsible for collecting the data for monitoring the achievement of milestones and targets by the Ministry of Finance. The Ministry of Finance (Coordinating Authority) is responsible for handling and ensuring a central reply to requests for information and access to data on final recipients. The collection and storage of such data is ensured by the authorities responsible for implementing the RRP.
- 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, Sweden shall submit to the Commission a duly justified request for payment of the financial contribution. Sweden 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.