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Subject: COUNCIL IMPLEMENTING DECISION amending Implementing Decision of 13 July 2021 on the approval of the assessment of the recovery and resilience plan for Denmark

COUNCIL IMPLEMENTING DECISION

of ...

**amending Implementing Decision of 13 July 2021
on the approval of the assessment of the recovery and resilience plan for Denmark**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility¹, and in particular Article 20(1) thereof,

Having regard to the proposal from the European Commission,

¹ OJ L 57, 18.2.2021, p. 17.

Whereas:

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

¹ See documents ST 10154/21 and ST 10154/21 ADD 1 at <http://register.consilium.europa.eu>.

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

- (7) The REPowerEU chapter also includes scaled-up measures affecting two measures under component 3 (Energy Efficiency, Green Heating and Carbon Capture and Storage). The scaled-up measures included in the REPowerEU chapter introduce a substantive improvement in the level of ambition of the measures already included in the national RRP. The scaled-up measure on replacing oil burners and gas furnaces further strengthens the chapter's contribution to addressing energy poverty, by subsidising the installation of green, energy-efficient heating solutions in households.
- (8) The Commission has assessed the modified RRP including the REPowerEU chapter against the assessment criteria laid down in Article 19(3) of Regulation (EU) 2021/241.

Balanced response contributing to the six pillars

- (9) In accordance with Article 19(3), point (a), of and Annex V, criterion 2.1, to Regulation (EU) 2021/241, the modified RRP including the REPowerEU chapter represents to a large extent (rating A) a comprehensive and adequately balanced response to the economic and social situation, thereby contributing appropriately to all of the six pillars referred to in Article 3 of that Regulation, taking into account the specific challenges faced by and the financial allocation for the Member State concerned.

- (10) The REPowerEU chapter includes measures to support the first and sixth pillars. The new and scaled-up measures under component 8 further strengthen the focus of the original RRP on the green transition. In particular, the measures contribute to accelerating the deployment of renewable energy installations, reducing overall reliance on fossil fuels for heating purposes, and decarbonising the industry. They also contribute to improving policies for the next generation by developing the skills needed for the green transition through investments in the continuous part of the vocational education and training (VET) system, with a particular focus on acquisition of skills and competences needed for the green transition.

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

- (11) In accordance with Article 19(3), point (b), of and Annex V, criterion 2.2, to Regulation (EU) 2021/241, the modified RRP including the REPowerEU chapter is expected to contribute to effectively addressing all or a significant subset of challenges (rating A) identified in the relevant country-specific recommendations addressed to Denmark, including fiscal aspects thereof, or challenges identified in other relevant documents officially adopted by the Commission in the context of the European Semester.

- (12) In particular, the modified RRP takes into account country-specific recommendations formally adopted by the Council prior to the assessment of the modified RRP by the Commission. As the maximum financial contribution for Denmark has been adjusted downwards, the 2022 and 2023 recommendations not related to energy challenges are not considered in the overall assessment. The 2023 country-specific recommendations on energy were also taken into account when designing the modifications, in particular recommendations to reduce reliance on fossil fuels, to streamline permitting rules for renewable energy, to ensure a better roll-out of decarbonised heating sources and to improve the provision and acquisition of green skills.
- (13) Having assessed progress in the implementation of the relevant country-specific recommendations at the time of submission of the modified national RRP, the Commission finds that the horizontal recommendation to expand public investment for the green and digital transitions (2022 recommendation 1.2) was fully implemented. Substantial progress has been achieved with regard to the recommendations to upgrade energy transmission networks, increasing interconnections with neighbouring countries (2022 recommendation 4.3), enhance the resilience of the health system (2020 recommendation 1.2), front-load mature public investment projects, promote private investment and to focus investment on sustainable transport and on research and innovation (2020 recommendations 2.1, 2.2, 2.4 and 2.5).

- (14) With the REPowerEU chapter, the modified RRP includes an extensive set of mutually reinforcing reforms and investments that contribute to effectively addressing a significant subset of the economic and social challenges outlined in the country-specific recommendations addressed to Denmark by the Council in the context of the European Semester, in particular reducing reliance on fossil fuels and increasing the share of renewables in the energy supply, streamlining the applicable permit-granting rules for renewable energy, implementing additional measures that support energy efficiency in private and public buildings to reduce energy bills and energy system costs, ensuring a better roll-out of decarbonised heating sources, and stepping up policy efforts aimed at the provision and acquisition of skills and competences needed for the green transition.
- (15) The REPowerEU chapter makes significant contributions to addressing the horizontal recommendation to expand public investment for the green and digital transitions, and for energy security taking into account the REPowerEU initiative, including by making use of the Recovery and Resilience Facility established by Regulation (EU) 2021/241 (the ‘Facility’) and other Union funds (2022 recommendation 1.2). The investments included in the chapter all contribute to the green transition, by expanding the use of renewable energy, investing in green technologies for industry decarbonisation such as carbon capture and storage (CCS) of biogenic and atmospheric CO₂, and preparing the labour force to adapt for the challenges of the green transition through green upskilling. The scaled-up measure on replacing oil burners and gas furnaces also contributes to energy security by replacing fossil fuels machinery with renewable or green sources of energy.

- (16) The REPowerEU chapter contributes to addressing several challenges identified in energy-related country-specific recommendations made in 2022 (2022 recommendation 4), as well as the energy-related country-specific recommendations made in 2023 (2023 recommendation 4). The investments under the renewable energy measure contribute to reducing overall reliance on fossil fuels (2022 recommendation 4.1 and 2023 recommendation 4.1) and helping decarbonise the economy by accelerating the deployment of renewables including by introducing reforms to simplify and expedite administrative and permitting procedures (2022 recommendation 4.2 and 2023 recommendations 4.2 and 4.4). The National Energy Crisis Staff (NEKST) reform is expected to significantly reduce administrative burdens and simplify permitting procedures for the deployment of renewable energy on land and for transitioning from gas to green sources of heating. Both NEKST and the scaled-up measure providing a support scheme for replacing oil burners and gas furnaces with district heating from renewable sources or electric heat pumps contribute to improving energy efficiency (2022 recommendation 4.4) and ensuring a better roll-out of decarbonised heating sources (2023 recommendation 4.6). The measure on green upskilling is also expected to contribute to stepping up policy efforts aimed at the provision and acquisition of skills and competences needed for the green transition (2023 recommendation 4.7).

Do no significant harm

- (17) In accordance with Article 19(3), point (d), of and Annex V, criterion 2.4, to Regulation (EU) 2021/241, the modified RRP including the REPowerEU chapter is expected to ensure that no measure for the implementation of reforms and investments projects included in this RRP does significant harm to environmental objectives (rating A) within the meaning of Article 17 of Regulation (EU) 2020/852 of the European Parliament and of the Council¹ (the principle of ‘do no significant harm’).

¹ 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).

- (18) The modified RRP including the REPowerEU chapter is assessed to be compliant with the principle of ‘do no significant harm’ following the methodology set out in technical guidance provided in the Commission Notice entitled ‘Technical guidance on the application of “do no significant harm” under the Recovery and Resilience Facility Regulation’¹. The assessment is done systematically for each new and scaled-up measure following a two-step approach. The assessment concludes that, for all new and scaled-up measures under the REPowerEU chapter, there is either no risk of significant harm or, where a risk is identified, a more detailed assessment is performed demonstrating the absence of significant harm. Denmark has reported on the detailed assessment for the new measures included in the REPowerEU chapter. None of the measures in the REPowerEU chapter required a derogation from the principle of ‘do no significant harm’. Where needed, the requirements of compliance with the principle of ‘do no significant harm’ are enshrined in the design of a measure and specified in a milestone or target representing such measure. Based on the information provided, it can be concluded that the modified RRP is expected to ensure that no measure does significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852.

Contribution to the REPowerEU objectives

- (19) In accordance with Article 19(3), point (da), of and Annex V, criterion 2.12, to Regulation (EU) 2021/241, the REPowerEU chapter is expected to effectively contribute to a large extent (rating A) to energy security, the diversification of the Union’s energy supply, an increase in the uptake of renewables and in energy efficiency, an increase of energy storage capacities or the necessary reduction of dependence on fossil fuels before 2030.

¹ OJ C 58, 18.2.2021, p. 1.

- (20) The measures included in the REPowerEU chapter are expected to contribute to the objectives under Article 21c(3), points (b), (c) and (f), of Regulation (EU) 2021/241. The expected streamlining and simplification of administrative and permitting procedures and related processes to be achieved by the National Energy Crisis Staff (NEKST) reform should contribute to increasing the share and accelerating the deployment of renewable energy by shortening and streamlining permit-granting processes. It will also contribute to the decarbonisation of households' heating by facilitating the roll-out of district heating. The three investments accompanying the reform should increase the share and accelerate the deployment of renewable energy by developing new offshore wind capacity, by screening Denmark's offshore wind potential and by installing and testing experimental wind turbines. The investments in subsidising the replacement of oil burners and gas furnaces for households' heating should contribute to increasing energy efficiency and to increasing the share and accelerating the deployment of renewable energy by incentivising the installation of green, energy-efficient solutions in households. They will also contribute to addressing energy poverty. Investments in CCS technologies should contribute to decarbonising industry by reducing CO₂ emissions by an estimated 0,5 million tons annually from 2025 to 2032. Investments in green upskilling should contribute to supporting the objectives under Article 21c(3) points (b), (c), and (f), of Regulation (EU) 2021/241 through an accelerated qualification of the workforce towards green skills by funding the development and testing of training courses related to green technologies and sustainability.

- (21) The measures included in the REPowerEU chapter are consistent with the efforts of Denmark to achieve the objectives set out in Article 21c(3) of Regulation (EU) 2021/241, taking into account the measures included in the original RRP, as well as other nationally funded and Union-funded complementary or accompanying measures. The measures under the chapter are aligned with Denmark's policy framework aimed at reducing by 70 % Denmark's greenhouse gas emissions by 2030 (compared to the 1990 level) and at achieving climate neutrality by 2045. Several measures included in the REPowerEU chapter complement other Union-funded measures under the Just Transition Fund, the European Regional Development Fund and the European Social Fund Plus, such as green upskilling and CCS.
- (22) For all the above considerations, the REPowerEU chapter is expected to effectively contribute to a large extent to energy security, the diversification of the Union's energy supply, an increase in the uptake of renewables and in energy efficiency, an increase of energy storage capacities and the necessary reduction of dependence on fossil fuels before 2030.

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

- (23) In accordance with Article 19(3), point (db), of and Annex V, criterion 2.13, to Regulation (EU) 2021/241, the measures included in the REPowerEU chapter are expected to a large extent (rating A) to have a cross-border or multi-country dimension or effect.

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

Contribution to the green transition including biodiversity

- (27) In accordance with Article 19(3), point (e), of and Annex V, criterion 2.5, to Regulation (EU) 2021/241, the REPowerEU chapter contains measures that contribute to a large extent (rating A) to the green transition, including biodiversity, or to addressing the challenges resulting therefrom. The measures supporting climate objectives account for an amount which represents 69 % of the RRP's total allocation and 100 % of the total estimated costs of measures in the REPowerEU chapter calculated in accordance with the methodology set out in Annex VI to Regulation (EU) 2021/241. In accordance with Article 17 of that Regulation, the modified RRP including the REPowerEU chapter is consistent with the information included in the National Energy and Climate Plan 2021-2030.
- (28) The REPowerEU chapter has the overarching objective of accelerating the green transition through the deployment of renewable energy, green upskilling and the reduction or removal of CO₂ emissions.
- (29) This multi-fold objective should be achieved by: (a) simplifying and expediting administrative and permitting procedures for the deployment of renewable energy projects and the roll-out of district heating from renewable sources; (b) fostering the development of offshore wind capacity and supporting the testing of experimental wind turbines; (c) funding green upskilling initiatives; (d) subsidising the replacement of oil burners and gas furnaces; and (e) supporting innovative CCS technologies for the decarbonisation of industries, with a potential of reducing CO₂ emissions by 0,5 million tons annually in the period 2025-2032.

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

Contribution to the digital transition

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

Lasting Impact

- (32) In accordance with Article 19(3), point (g), of and Annex V, criterion 2.7, to Regulation (EU) 2021/241, the modified RRP including the REPowerEU chapter is expected to have a lasting impact on Denmark to a large extent (rating A).

- (33) With the upscaling of the measure relating to replacing oil burners and gas furnaces, the RRP can be expected to durably reduce greenhouse gas emissions of households and boost the shift from fossil fuels to more sustainable heating sources. The measures of the chapter on renewable energy durably support the green transition beyond the timeline of the RRP. The measure on the screening of the offshore wind capacity lays the groundwork for Denmark to contribute to the Union's target of 300 GW of offshore wind by 2050. The reform aimed at simplifying and shortening administrative procedures for the deployment of renewable energy projects durably improves the framework conditions for the uptake of renewables. In addition, the green upskilling measure prepares the labour force for the green transition, with skills that will be used beyond the timeline of the RRP.

Monitoring and implementation

- (34) In accordance with Article 19(3), point (h), of and Annex V, criterion 2.8, to Regulation (EU) 2021/241, the arrangements proposed in the modified RRP including the REPowerEU chapter are adequate (rating A) to ensure effective monitoring and implementation of the RRP, including the envisaged timetable, milestones and targets, and the related indicators.
- (35) The assessment of the original RRP, in accordance with Article 19(3), point (h), of and Annex V, criterion 2.8, to Regulation (EU) 2021/241 found that the original RRP was adequate (rating A) to ensure effective monitoring and implementation of the RRP, including the envisaged timetable, milestones and targets, and the related indicators.

- (36) The nature and extent of the proposed modifications to Denmark's RRP do not have an impact on the previous assessment of the effective monitoring and implementation of the RRP. The Ministry of Finance remains responsible for the monitoring and implementation of the RRP. The milestones and targets that accompany the measures included in the original RRP are clear and realistic and the proposed indicators for those milestones and targets are relevant, acceptable and robust. In addition, the milestones and targets that accompany the new measures and the new measures in the REPowerEU chapter are clear and realistic and the proposed indicators for those milestones and targets are relevant, acceptable and robust. Milestones and targets are also relevant for measures already completed which are eligible under Article 17(2) of Regulation (EU) 2021/241. The satisfactory fulfilment of these milestones and targets over time is required to justify a disbursement request.

Costing

- (37) In accordance with Article 19(3), point (I), of and Annex V, criterion 2.9, to Regulation (EU) 2021/241, the justification provided in the modified RRP including the REPowerEU chapter on the amount of the estimated total costs of the RRP is to a medium extent (rating B) reasonable and plausible, is in line with the principle of cost efficiency and is commensurate with the expected national economic and social impact.

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

Protection of the financial interests of the Union

- (40) In accordance with Article 19(3), point (j), of and Annex V, criterion 2.10, to Regulation (EU) 2021/241, the arrangements proposed in the modified RRP including the REPowerEU chapter and the additional measures contained in this Decision are adequate (rating A) to prevent, detect and correct corruption, fraud and conflicts of interest when using the funds provided under that Regulation, and the arrangements are expected to effectively avoid double funding under that Regulation and other Union programmes. This is without prejudice to the application of other instruments and tools to promote and enforce compliance with Union law, including for preventing, detecting and correcting corruption, fraud and conflicts of interest, and for protecting the Union budget in accordance with Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council¹.
- (41) In the original assessment, the arrangements described in the RRP were assessed as adequate (rating A) to ensure protection of the financial interests of the Union. The Ministry of Finance should have overall responsibility for the implementation of the RRP and should reply on behalf of other ministries for the operational and administrative aspects of the RRP. Within the Ministry of Finance, the Office of Audit and Supervision (OAS) is responsible for performing controls regarding ministries' application of funds and the documentation and fulfilment of targets and milestones.

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

- (42) The internal control system described in the modified Danish RRP and the additional measures contained in this Decision, is based on robust processes and structures and identifies clear actors and their roles and responsibilities for the performance of the internal control tasks. The internal control system appropriately segregates the relevant functions and consists of two levels: (a) management verifications, audit and controls carried out by line ministries on the decentralised level and (b) audits carried out by the Ministry of Finance on the centralised level. The internal control system and other relevant arrangements in the modified Danish RRP, including those for the verification mechanisms, data collection and storage, and those for the responsibilities of relevant actors, are adequate with regard to preventing, detecting, and correcting corruption, fraud and conflicts of interests when using the funds under Regulation (EU) 2021/241 and with regard to avoiding double funding under that Regulation and other Union programmes.
- (43) Additional milestones on audit and control should be introduced to provide for a fully operational and functional repository system and requiring Denmark to provide a complete and reliable data set collected and stored in accordance with Article 22(2), point (d), of Regulation (EU) 2021/241, as well as to adopt an action plan related to the anti-fraud and anti-corruption strategy. This should further strengthen the measures to protect the financial interests of the Union.

Coherence of the RRP

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

Any other assessment criteria

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

Consultation process

- (47) In preparation of the REPowerEU chapter, Denmark's Ministry of Finance launched an online public consultation portal on the dedicated webpage of the Danish Recovery and Resilience Plan. The Ministry also conducted a stakeholder meeting attended by representatives of civil society organisations, trade associations and confederations, interest groups and other actors. The measures included in the modified RRP including the REPowerEU chapter reflect the suggestions made in the consultation regarding increasing investments in renewable energy – in particular solar and offshore wind (included in C8.I1.1: Preparation of a call for tenders for 4 Gigawatt Offshore Wind, C8.I1.2: Screening of Denmark's offshore wind capacity, C8.I1.3: Support for the commissioning of experimental wind turbines), streamlining of permit-granting procedures for renewable energy projects (included in C8.R1: National Energy Crisis Staff (NEKST)), increased energy efficiency and phasing out of gas boilers (included in C8.I3: Replacing oil burners and gas furnaces), accelerating CCS (included in C8.14: Carbon capture and storage (CCS) potential) and inclusion of green skills in continuing education (included in C8.I2: Green upskilling). Other suggestions such as support for biogas, increased tax deductions or new CO₂ taxes, could not be accommodated in the context of the REPowerEU chapter. Such inputs are addressed through nationally funded initiatives to varying degrees.

Positive assessment

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

Financial contribution

- (49) The estimated total costs of the modified RRP, including the REPowerEU chapter, of Denmark is DKK 13 477 000 000, which equals EUR 1 812 081 282 on the basis of the EUR DKK ECB reference rate of 30 April 2021 for the original RRP and on the basis of the EUR DKK ECB reference rate of 31 May 2023 for the REPowerEU chapter. As the amount of the estimated total costs of the modified RRP is higher than the updated maximum financial contribution available for Denmark, the financial contribution calculated in accordance with Article 11 of Regulation (EU) 2021/241 allocated for Denmark's modified RRP, including the REPowerEU chapter, should be equal to the total amount of the financial contribution available for Denmark's modified RRP, including the REPowerEU chapter. This amount is equal to EUR 1 429 149 364¹.

¹ This amount corresponds to the financial allocation after deduction of Denmark's proportional share of the expenses referred to in Article 6(2) of Regulation (EU) 2021/241, calculated in accordance with the methodology set out in Article 11 of that Regulation.

- (50) Pursuant to Article 21a(5) of Regulation (EU) 2021/241, on 31 May 2023, Denmark submitted a request for the allocation of the revenue referred to in Article 21a(1) of that Regulation, shared between Member States on the basis of the indicators set out in the methodology referred to in Annex Ivar to that Regulation. The estimated total costs of reforms and investments aiming to contribute to the objectives set out in Article 21c(3), points (b) to (f), of Regulation (EU) 2021/241 included in the REPowerEU chapter is DKK 1 467 000 000, which equals EUR 196 965 628 on the basis of the EUR DKK ECB reference rate of 31 May 2023. As this amount is higher than the allocation share available for Denmark, the additional non-repayable financial support available for Denmark should be equal to the allocation share. This amount is equal to EUR 130 714 933¹.
- (51) Additionally, in accordance with Article 4a of Regulation (EU) 2021/1755², on 1 March 2023, Denmark submitted a reasoned request to transfer part of its remaining provisional allocation from the resources of the Brexit Adjustment Reserve to the Facility, amounting to EUR 66 026 588. That amount should be made available to support the reforms and investments in the REPowerEU chapter as additional non-repayable financial support.
- (52) The total financial contribution available to Denmark should be EUR 1 625 890 885.

¹ This amount corresponds to the financial allocation after deduction of Denmark's proportional share of the expenses referred to in Article 6(2) of Regulation (EU) 2021/241, calculated in accordance with the methodology set out in Article 11 of that Regulation.

² 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).

REPowerEU Pre-financing

- (53) Denmark has requested the following funding for the implementation of its REPowerEU chapter: transfer of EUR 66 026 588 from the provisional allocation from the resources of the Brexit Adjustment Reserve, and EUR 130 714 933 from the revenue from the Emissions Trading System under Directive 2003/87/EC of the European Parliament and of the Council¹.
- (54) For those amounts, pursuant to Article 21d of Regulation (EU) 2021/241, on 31 May 2023 Denmark has requested pre-financing of 20 % of the funding requested. Subject to available resources, that pre-financing should be made available to Denmark subject to the entry into force of, and in accordance with, an agreement to be concluded between the Commission and Denmark pursuant to Article 23(1) of Regulation (EU) 2021/241.
- (55) The Council Implementing Decision of 13 July 2021 on the approval of the assessment of the recovery and resilience plan for Denmark should be amended accordingly. For the sake of clarity, the Annex to that Implementing Decision should be replaced entirely,

HAS ADOPTED THIS DECISION:

¹ Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a system for greenhouse gas emission allowance trading within the Union and amending Council Directive 96/61/EC (OJ L 275, 25.10.2003, p. 32).

Article 1

The Council Implementing Decision of 13 July 2021 on the approval of the assessment of the recovery and resilience plan for Denmark is amended as follows:

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

‘Article 1

Approval of the assessment of the RRP

The assessment of the modified RRP of Denmark on the basis of the criteria provided for in Article 19(3) of Regulation (EU) 2021/241 is approved. The reforms and investment projects under the RRP, the arrangements and timetable for the monitoring and implementation of the RRP, including the relevant milestones and targets, the relevant indicators relating to the fulfilment of the envisaged milestones and targets, and the arrangements for providing full access by the Commission to the underlying relevant data are set out in the Annex to this Decision.’;

- (2) in Article 2, paragraphs 1 and 2 are replaced by the following:

‘1. The Union shall make available to Denmark a financial contribution in the form of non-repayable support amounting to EUR 1 625 890 885*. That contribution includes:

- (a) an amount of EUR 1 302 852 547, which shall be available to be legally committed by 31 December 2022;

- (b) an amount of EUR 126 296 817, which shall be available to be legally committed from 1 January 2023 until 31 December 2023;
 - (c) an amount of EUR 130 714 933**, in accordance with Article 21a(6) of Regulation (EU) 2021/241, exclusively for reforms and investments that aim to contribute to the objectives set out in Article 21c(3), points (b) to (f), of that Regulation;
 - (d) an amount of EUR 66 026 588, transferred from the Brexit Adjustment Reserve to the Facility.
2. The Union financial contribution shall be made available by the Commission to Denmark in instalments in accordance with the Annex to this Decision. An amount of EUR 201 682 144 shall be made available as pre-financing in accordance with Article 13 of Regulation (EU) 2021/241.

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

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

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

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

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

Article 2
Addressee

This Decision is addressed to the Kingdom of Denmark.

Done at ...,

For the Council
The President
