Denmark’s recovery and resilience plan

The European Commission has given a positive assessment to Denmark’s recovery and resilience plan, which will be financed by €1.5 billion in grants.

The financing provided by the Recovery and Resilience Facility – at the heart of NextGenerationEU – will support the implementation by 2026 of crucial investment and reform measures put forward by Denmark to emerge stronger from the COVID-19 pandemic.

The Danish plan forms part of an unprecedented coordinated EU response to the Covid-19 crisis, to address common European challenges by embracing the green and digital transitions, to strengthen economic and social resilience and the cohesion of the Single Market. In particular, Denmark’s plan will accelerate the green transition, digitalise the public administration and provide support to small businesses.

**KEY MEASURES TO SECURE DENMARK’S GREEN TRANSITION**

- **Support for green transportation**: providing premiums for the scrapping of old diesel cars, building new bicycle paths, infrastructure for electric bicycles and support to purchase green ferries. **€259 million**
- **Investment window and green tax reform**: temporarily increasing tax deduction for companies investing in technology and software to facilitate their transition to new business models with lower greenhouse gas emissions. **€407 million**
- **Green research and development projects**: supporting public-private research cooperation to accelerate the development of climate-friendly technology solutions. **€94 million**
- **Replacing oil burners and gas furnaces**: expanding district heating grids into new areas and providing support to households to convert to electric heat pump systems. **€65 million**
- **SME support measures for energy renovation**: supporting SMEs to grow and create local employment with projects such as energy renovation of buildings or boosting energy efficiency for industry. **€80 million**

59% of the plan’s total allocation for reforms and investments supports climate objectives.
KEY MEASURES TO SUPPORT DENMARK’S DIGITAL TRANSITION

25% of the plan’s total allocation for reforms and investments supports the digital objectives

- **Digital strategy**: further digitalising the public administration and strengthening digitalisation within businesses and industries. **€67 million**
- **High-speed internet**: rolling out high-speed internet access in rural areas of Denmark. **€13 million**
- **SME’s digital transition**: supporting small and medium-sized enterprises in digitalising their business systems. **€9 million**

KEY MEASURES TO REINFORCE DENMARK’S ECONOMIC AND SOCIAL RESILIENCE

- **Tax incentives to boost R&D in companies**: frontloading private sector investments in research and development by providing a tax deduction to businesses investing in research and development. **€148 million**
- **Emergency management & monitoring of critical medical products**: supporting logistics and infrastructure to limit the risk of shortages of critical drugs and medicines in the future. **€10 million**

IMPLEMENTATION

- None of the plan’s measures will do significant harm to the environment.
- Stakeholders should continue to be involved in the implementation of the recovery and resilience plan to ensure ownership of reforms.
- Disbursement of funds is performance-based and will reflect progress on reforms and investments set out in the plan.
- Control systems will protect against serious irregularities such as fraud, corruption and double funding.