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ANNEX 1 – PART 2/2

ANNEX

to the

**REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND
THE COUNCIL**

on the implementation of the Recovery and Resiliency Facility: Moving forward

Lithuania

Lithuania submitted its current recovery and resilience plan (RRP) on 14 May 2021. The Commission's positive assessment on 2 July 2021 and Council's approval on 28 July 2021 paved the way for disbursing EUR 2.2 billion in non-repayable support under the RRF over the 2021-2026 period. In line with article 11(2) of the RRF, the maximum financial contribution for Lithuania was moreover updated on 30 June 2022 to an amount of EUR 2.1 billion in non-repayable support.

In the context of the current geopolitical and economic developments, Lithuania submitted an amended RRP to the Commission on 30 June 2023 to take account of the revised maximum financial contribution in line with Article 18 of the RRF Regulation, to cater for objective circumstances that make it no longer possible to achieve certain milestones and targets in the RRP in line with Article 21 of the RRF Regulation, and to request additional loans in line with Article 14 of the RRF Regulation. The revised RRP also includes a new REPowerEU chapter with additional reforms and investments related to renewable energy, expanding the production of renewable energy capacity and supporting the renovation of multi-apartment buildings, and expanding transport of heavy goods over inland waterways. The Commission's assessment of Lithuania's submission is ongoing at the time of preparation of this annual report.

Lithuania's initial (and still current) RRP aims to address the key challenges related to the green and digital transition, general and vocational education, innovation and science, healthcare services, tax compliance, social protection and employment. It consists of 27 reforms and 3 investments that are supported by EUR 2.2 billion in non-repayable support, representing 4% of Lithuania's GDP in 2021. The Commission disbursed EUR 289 million to Lithuania in August 2021 as pre-financing under the RRF.

The implementation of Lithuania's RRP is well underway. On 30 November 2022, Lithuania submitted a request for the disbursement of EUR 649.5 million, concerning the first instalment of non-repayable support. The Commission has adopted a positive preliminary assessment on 28 February 2023 for 31 out of 33 milestones covering six of the plan's seven components, while two milestones related to tax reforms have been assessed to be not satisfactorily fulfilled. The Commission acknowledges the first steps already taken by Lithuania to fulfil these outstanding milestones, though significant work remains to be done. The Commission has therefore activated the 'payment suspension' procedure that gives Lithuania additional time to fulfil these milestones, while receiving a partial payment of EUR 542.3 million (net of prefinancing) linked to the milestones that have been satisfactorily fulfilled.

The following graphs show the current state of play of the milestones and targets to be reached by Lithuania and subsequently assessed as satisfactorily fulfilled by the Commission, whilst examples of measures with fulfilled milestones and targets are included in the box below.

Examples of relevant measures with fulfilled milestones and targets for Lithuania

➤ ***Reform***

Lithuania launched a reform, which aims to define the energy efficiency and protection requirements of different types of clean vehicles. Through the entry into force of relevant legislative amendments, Lithuania introduced a gradual increase until the end of 2025, and the end of 2030, in the number of clean vehicles procured in Lithuania. This is an important step in reducing the greenhouse gas emissions resulting from the transport sector.

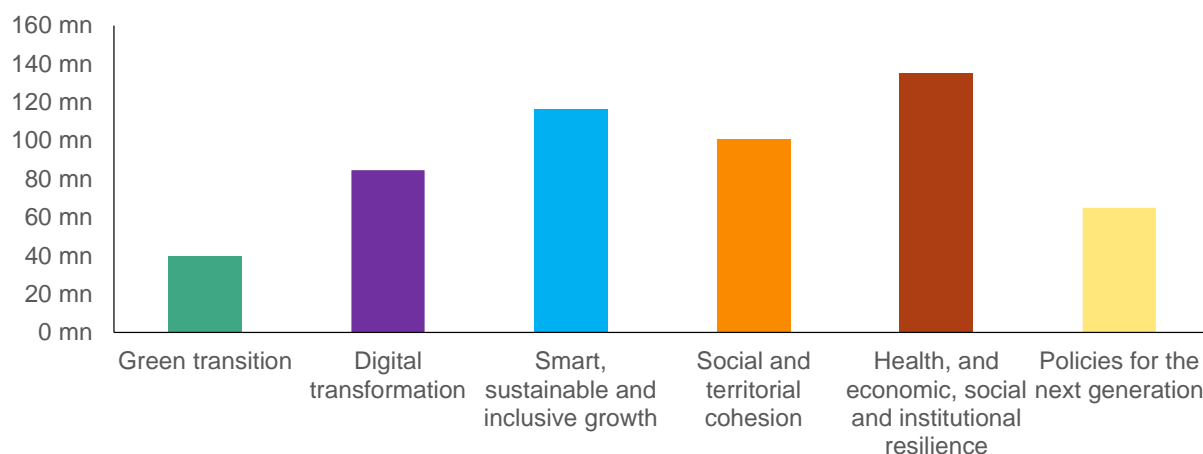
➤ ***Investment***

Lithuania launched an IT system monitoring the share of renewable fuels supplied in the transport sector. This instrument attributes allowances to supply (renewable) fuels in Lithuania, with the aim to fulfil fuel obligations. With such a system, the objective is to increase the supply of renewable fuels over time and achieve a higher level of sustainability in the transport sector.

Lithuania will support renewable fuels thanks to the RRF



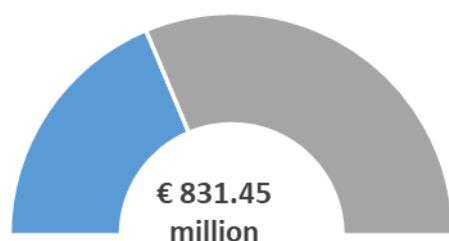
Figure 41: Disbursement per pillar – Lithuania



Note: Each disbursement reflects progress in the implementation of the RRF, across the six policy pillars. This graph displays how disbursements under the RRF (excluding pre-financing) relate to the pillars. The amounts were calculated by linking the milestones and targets covered by a given disbursement to the pillar tagging (primary and secondary) of their respective measures.

Source: RRF Scoreboard https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/country_overview.html

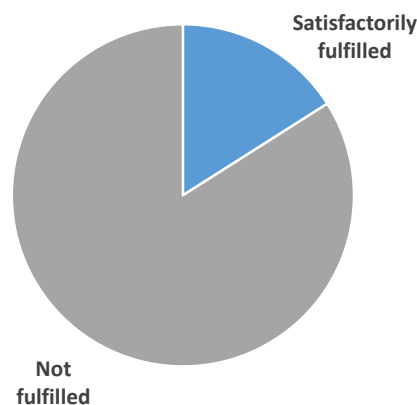
Figure 42: Total non-repayable support disbursed under the RRF – Lithuania



Note: This graph displays the amount of grants disbursed so far under the RRF, including pre-financing. **Note:** This graph displays the amount of non-repayable support disbursed so far under the RRF, including pre-financing. The total amount of grants given to each Member State is determined by an allocation key and the total estimated cost of the respective RRP. The total amount of non-repayable support given to each Member State is determined by an allocation key and the total estimated cost of the respective RRP.

Source: RRF Scoreboard https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/country_overview.html

Figure 43: Fulfilment status of milestones and targets – Lithuania



Note: This graph displays the share of satisfactorily fulfilled milestones and targets. A milestone or target is satisfactorily fulfilled once a Member State has provided evidence to the Commission that it has reached the milestone or target and the Commission has assessed it positively in an implementing decision.

Source: RRF Scoreboard https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/country_overview.html

Luxembourg

Luxembourg submitted its initial recovery and resilience plan (RRP) on 30 April 2021. The Commission's positive assessment on 18 June 2021 and Council's approval on 13 July 2021 paved the way for disbursing EUR 93.4 million in non-repayable support under the RRF over the 2021-2026 period. In line with article 11(2) of the RRF, the maximum financial contribution for Luxembourg was moreover updated on 30 June 2022 to an amount of EUR 82.7 million in non-repayable support.

In the context of the current geopolitical and economic developments, Luxembourg submitted an amended RRP to the Commission on 11 November 2022 to take account of its revised maximum financial contribution, in line with Article 18 of the RRF Regulation. Given its reduced financial contribution, Luxembourg proposed to remove from the plan the digital skills training program targeting workers on short-time working schemes, explaining that it did not meet initial expectations in terms of demand. This is mainly explained by a stronger than expected rebound of the Luxembourg economy in the spring of 2021, with a large number of beneficiaries returning to full-time contracts earlier than expected. The revised RRP was approved by the Commission on 12 December 2022 and by the Council on 17 January 2023. No REPowerEU Chapter had been submitted at the time of preparation of this annual report.

Luxembourg's current RRP aims to address the key challenges related to skills, climate, digitalisation, health and anti-money laundering. It consists of 10 reforms and 11 investments that are supported by EUR 83 million in non-repayable support, representing 0.11% of GDP. The Commission disbursed EUR 12.1 million in pre-financing on 3 August 2021, equivalent to 13% of the financial allocation.

The implementation of Luxembourg's RRP is underway. Luxembourg submitted its first payment request on 28 December 2022, corresponding to 26 milestones and targets and resulting in an overall disbursement of EUR 25 million on 16 June 2023. The milestones and targets positively assessed demonstrate significant steps in the implementation of Luxembourg's plan. This includes the entry into force of the "Housing Pact 2.0" reform, aimed at increasing the supply of affordable rental housing offered by municipalities, investments for the digitalisation of the public sector and for the development of ultra-secure communication, the upskilling of the workforce with the launch of the "FutureSkills" programme, as well as a reform on the procurement of clean vehicles.

The following graphs show the current state of play of the milestones and targets to be reached by Luxembourg and subsequently assessed as satisfactorily fulfilled by the Commission, whilst examples of measures with fulfilled milestones and targets are included in the box below.

Examples of relevant measures with fulfilled milestones and targets for Luxembourg

➤ Reform

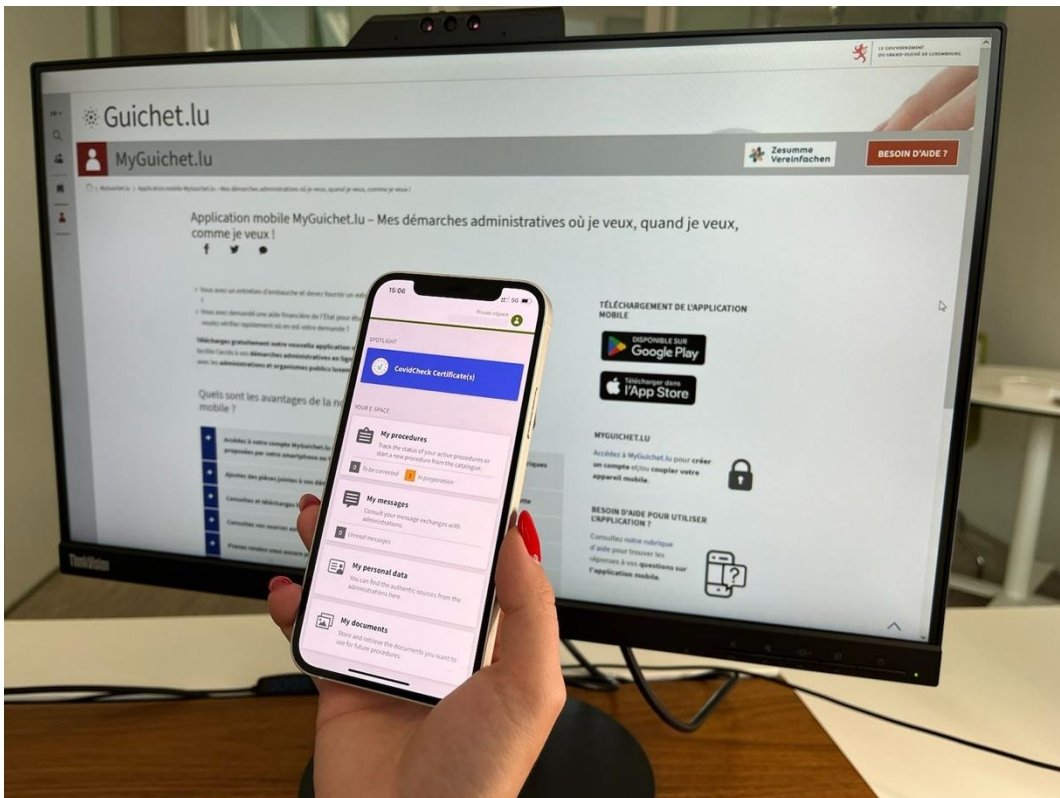
A law establishing 'Naturpakt' (nature parks) entered into force in Luxembourg. Municipalities can sign a contract with the state, where they commit to implementing nature

and biodiversity protection actions, chosen from a pre-defined set of possible actions, for the period until 2030, and receive a financial and technical support from the government. This reform strengthens the protection of ecosystems and progress towards environmental objectives.

➤ **Investment**

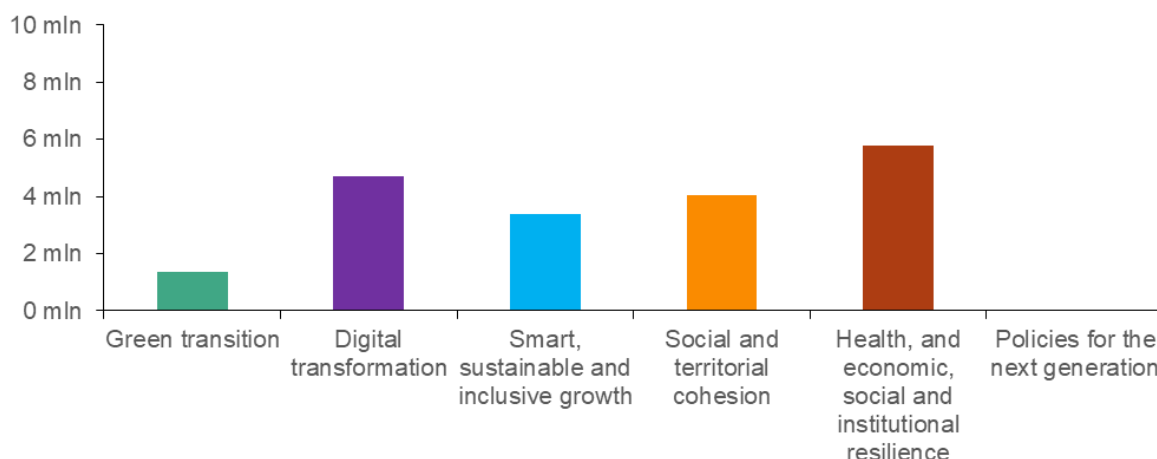
Luxembourg deployed a mobile version of ‘MyGuichet.lu’ website: a platform for interactions between citizens and businesses with the public administration. The app allows completing administrative procedures with a mobile phone. ‘MyGuichet’ is an important contribution towards digitalisation of public administration.

MyGuichet app for administrative procedures, supported by the RRF



Copyright: Representation of the European Commission in Luxembourg

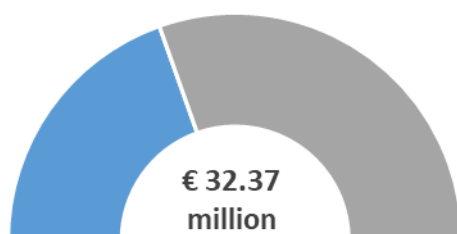
Figure 44: Disbursement per pillar – Luxembourg



Note: Each disbursement reflects progress in the implementation of the RRF, across the six policy pillars. This graph displays how disbursements under the RRF (excluding pre-financing) relate to the pillars. The amounts were calculated by linking the milestones and targets covered by a given disbursement to the pillar tagging (primary and secondary) of their respective measures.

Source: RRF Scoreboard https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/country_overview.html

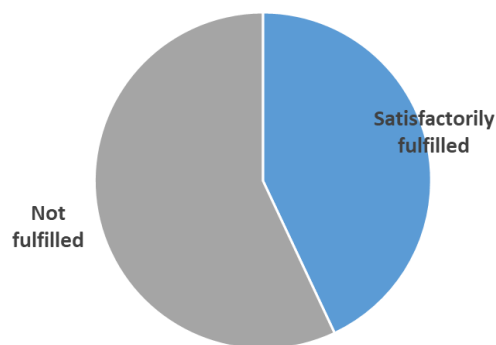
Figure 45: Total non-repayable support disbursed under the RRF – Luxembourg



Note: This graph displays the amount of grants disbursed so far under the RRF, including pre-financing. **Note:** This graph displays the amount of non-repayable support disbursed so far under the RRF, including pre-financing. The total amount of grants given to each Member State is determined by an allocation key and the total estimated cost of the respective RRP. The total amount of non-repayable support given to each Member State is determined by an allocation key and the total estimated cost of the respective RRP.

Source: RRF Scoreboard https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/country_overview.html

Figure 46: Fulfilment status of milestones and targets – Luxembourg



Note: This graph displays the share of satisfactorily fulfilled milestones and targets. A milestone or target is satisfactorily fulfilled once a Member State has provided evidence to the Commission that it has reached the milestone or target and the Commission has assessed it positively in an implementing decision.

Source: RRF Scoreboard https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/country_overview.html

Hungary

Hungary submitted its current recovery and resilience plan (RRP) on 12 May 2021. The Commission's positive assessment on 30 November 2022 and Council's approval on 15 December 2022 paved the way for disbursing EUR 5.811 billion in non-repayable support under the RRF over the 2021-2026 period. In line with article 11(2) of the RRF, the maximum financial contribution for all Member States were updated on 30 June 2022. Given that the Council approved Hungary's RRP after this update, the updated amount of EUR 5.811 billion in non-repayable support was incorporated into RRP.

In the context of the current geopolitical and economic developments, Hungary submitted an amended RRP to the Commission on 31 August 2023 to cater for objective circumstances that make it no longer possible to achieve certain milestones and targets in the RRP in line with Article 21 of the RRF Regulation and to request additional loans in line with Article 14 of the RRF Regulation. The revised RRP also includes a new REPowerEU chapter with additional and scaled-up reforms and investments related to the expansion of energy storage capacity, to boost the country's energy system's ability to integrate renewables, to support the electricity network development, and to improve the energy efficiency of households, companies, and the public sector. The Commission's assessment of Hungary's submission is ongoing at the time of preparation of this annual report.

The Hungarian RRP includes a remote health monitoring programme for the elderly



Copyright: Hungarian government

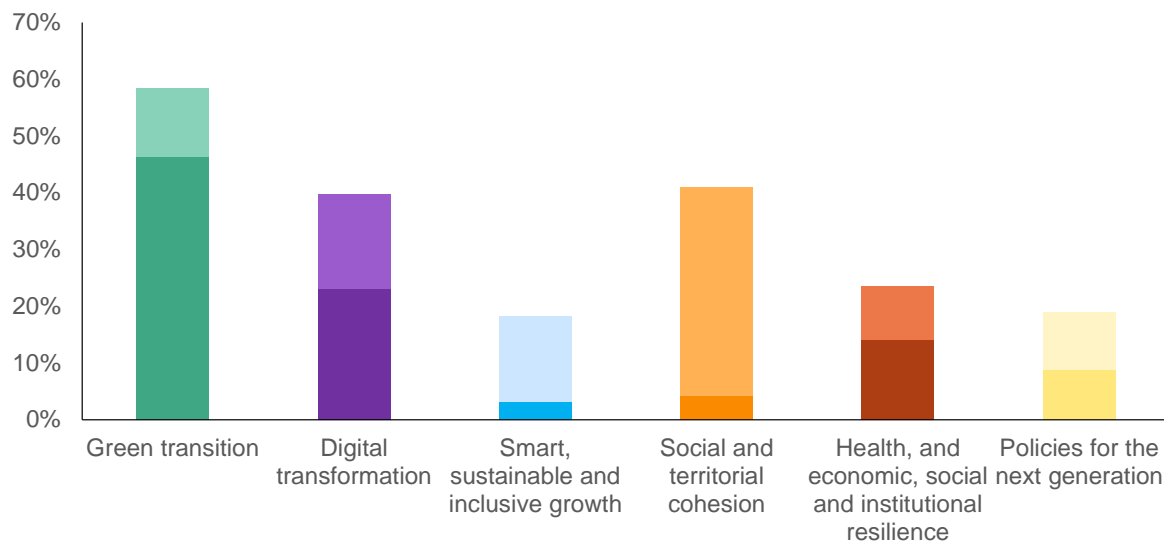
The Hungarian RRP is significant. Endorsed in December 2022, with a total of EUR 5.8 billion in non-repayable support, it represents about 3.8% of Hungary's GDP in 2021. The plan includes significant measures to accelerate the twin green and digital transition, as well as to boost economic, institutional and social resilience, including strengthening the rule of law. In so doing, it addresses a significant subset of the country-specific recommendations addressed to Hungary in the past. The plan was approved under the condition of the full and effective implementation of remedial measures undertaken by Hungary under the procedure

pursuant to Regulation (EC, Euratom) 2020/2092 and milestones to ensure sound financial management of the EU budget and the protection of the financial interests of the EU. Together with other rule of law reforms related to judicial independence, these measures have been translated into 27 'super milestones'.

Due to its late adoption in December 2022, the implementation of Hungary's RRP has been significantly delayed. No funds have so far been disbursed to Hungary under the RRF as it has yet to submit its first payment request. A swift and steady implementation of the plan would require the fulfilment of 27 milestones related to strengthening judicial independence and safeguarding the protection of the financial interests of the Union. No payment under the plan is possible until these milestones are fully and correctly implemented.

The following graphs show the share of RRF funds allocated to each policy pillar in the Hungarian RRP.

Figure 47: Share of RRF funds allocated to each policy pillar – Hungary



Note: Each measure contributes to two policy areas of the six pillars. The total allocation to all pillars displayed here therefore amounts to 200% of the estimated cost of the RRP. The bottom part represents the amount of the primary pillar, the top part the amount of the secondary pillar.

Source: RRF Scoreboard https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/country_overview.html

Malta

Malta submitted its initial recovery and resilience plan (RRP) on 13 July 2021. The Commission's positive assessment on 16 September 2021 and Council's approval on 5 October 2021 paved the way for disbursing EUR 316 million in non-repayable support under the RRF over the 2021-2026 period. In line with article 11(2) of the RRF, the maximum financial contribution for Malta was moreover updated on 30 June 2022 to an amount of EUR 258 million in non-repayable support.

In the context of the current geopolitical and economic developments, Malta submitted an amended RRP to the Commission on 26 April 2023 to take account of the revised maximum financial contribution in line with Article 18 of the RRF Regulation and to cater for objective circumstances that make it no longer possible to achieve certain milestones and targets in the RRP in line with Article 21 of the RRF Regulation. The revised RRP also included a new REPowerEU chapter with additional reforms and investments related to renewable energy and energy efficiency. The revised RRP was approved by the Commission on 26 June 2023 and by the Council on 14 July 2023.

Malta's current RRP aims to address the key challenges related to climate and energy, the digital transition, health, employment, education, skills, social policies, justice, taxation, the fight against corruption, and the fight against money laundering. The RRP consists of 31 reforms and 16 investments that are supported by EUR 328.2 million in non-repayable support, representing 2.2% of Malta's 2021 GDP. The Commission disbursed EUR 41.1 million to Malta in pre-financing on 17 December 2021, equivalent to 13% of the financial allocation.

The implementation of Malta's RRP is well underway. Malta submitted one payment request, corresponding to 19 milestones and targets in the plan and resulting in an overall disbursement of EUR 52.3 million (in non-repayable support) on 8 March 2023. The related 19 milestones and targets cover important measures such as the adoption of a strategy to reduce waste through recycling in the construction sector, the establishment of office facilities to enable civil servants to work remotely across the country, reforms to boost industrial research and investments, a national anti-fraud and corruption strategy and reforms to digitalise the justice system. Nearly all milestones and targets linked to Malta's first payment request are complemented by future commitments in the RRP. These will be assessed under subsequent payment requests.

The following graphs show the current state of play of the milestones and targets to be reached by Malta and subsequently assessed as satisfactorily fulfilled by the Commission, whilst examples of measures with fulfilled milestones and targets are included in the box below.

Examples of relevant measures with fulfilled milestones and targets for Malta

➤ Reform

Malta adopted a key reform with the objective to develop a skilled workforce in the building and construction industry and improve the regulation of the sector. The entry into force of

the Building and Construction Authority Act has established a Regulator for Buildings: it will be responsible for issuing and enforcing, policies, and providing a centralised office for the receipt and the processing of complaints. It will also monitor the performance, safety and quality of buildings and construction works. In addition, the reform increases the availability of qualified staff by extending skilling and upskilling measures and introducing a skill card for new professional categories necessary for buildings renovation projects.

➤ **Investment**

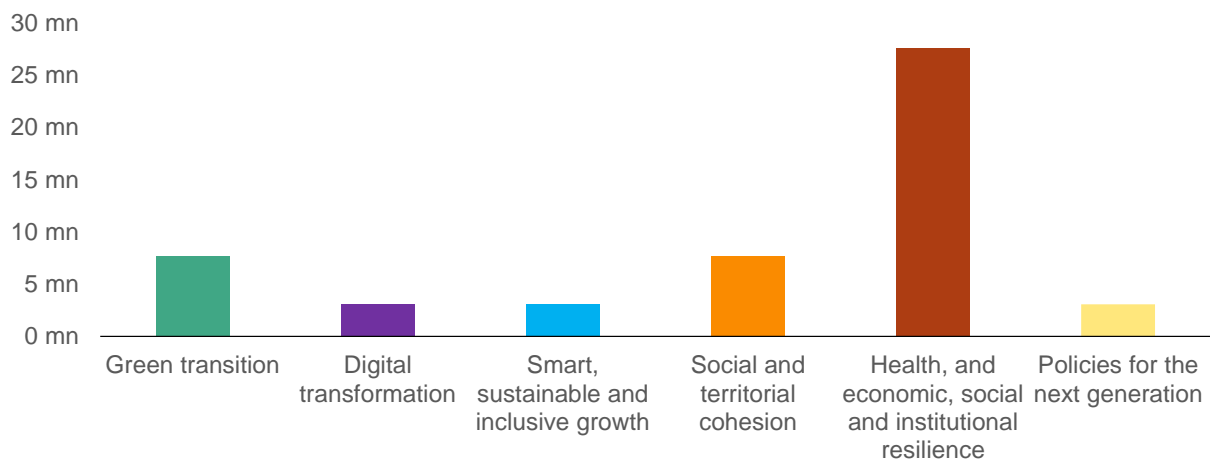
Malta completed energy performance audits of two public school buildings (St. Benedict College Ghaxaq Primary School in Malta and Gozo College Nadur Primary School) to establish their energy performance class and identify applicable energy efficiency measures. The renovations are ongoing and will be completed by mid-2024. Aside from modernising the facilities, once all energy efficiency enhancement measures are implemented, the schools will use 60% less energy and emit 60% less carbon dioxide than before.

A primary school in Nadur (Gozo) undergoing energy efficient renovation under the RRF



Copyright: Maltese government

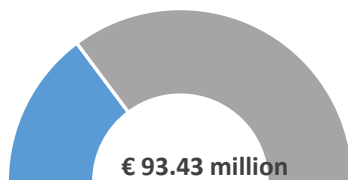
Figure 48: Disbursement per pillar – Malta



Note: Each disbursement reflects progress in the implementation of the RRF, across the six policy pillars. This graph displays how disbursements under the RRF (excluding pre-financing) relate to the pillars. The amounts were calculated by linking the milestones and targets covered by a given disbursement to the pillar tagging (primary and secondary) of their respective measures.

Source: RRF Scoreboard https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/country_overview.html

Figure 49: Total non-repayable support disbursed under the RRF – Malta

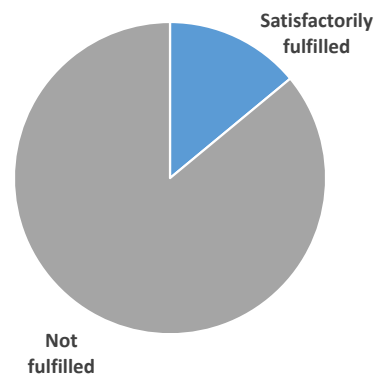


Note: This graph displays the amount of grants disbursed so far under the RRF, including pre-financing. **Note:** This graph displays the amount of non-repayable support disbursed so far under the RRF, including pre-financing. The total amount of grants given to each Member State is determined by an allocation key and the total estimated cost of the respective RRP. The total amount of non-repayable support given to each Member State is determined by an allocation key and the total estimated cost of the respective RRP.

Source: RRF Scoreboard

https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/country_overview.html

Figure 50: Fulfilment status of milestones and targets – Malta



Note: This graph displays the share of satisfactorily fulfilled milestones and targets. A milestone or target is satisfactorily fulfilled once a Member State has provided evidence to the Commission that it has reached the milestone or target and the Commission has assessed it positively in an implementing decision.

Source: RRF Scoreboard

https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/country_overview.html

Netherlands

The Netherlands submitted its initial recovery and resilience plan (RRP) on 8 July 2022. The Commission's positive assessment on 8 September 2022 and Council's approval on 4 October 2022 paved the way for disbursing EUR 4.7 billion in non-repayable support under the RRF over the 2021-2026 period. In line with article 11(2) of the RRF, the maximum financial contributions for all Member States were updated on 30 June 2022. Given that the Netherlands submitted their RRP after this revision, the updated amount of EUR 4.7 billion in non-repayable support was already taken into account by the authorities.

In the context of the current geopolitical and economic developments, the Netherlands submitted an amended RRP to the Commission on 6 July 2023 to cater for objective circumstances that make it no longer possible to achieve certain milestones and targets in the RRP in line with Article 21 of the RRF Regulation. The revised RRP also includes a new REPowerEU chapter with an additional reform and a scaled-up investment related to energy efficiency and renewable energy. The Commission's assessment of the Netherlands' submission is ongoing at the time of preparation of this annual report.

The Netherlands' initial (and still current) RRP aims to address key challenges related to the green and digital transition, the housing market, the labour jobs market, pensions, education, healthcare, the tackling of aggressive tax planning, and the fight against money laundering. It consists of 21 reforms and 28 investments that are supported by EUR 4.7 billion in non-repayable support representing 0.58% of GDP.

The Dutch RRP aims at unlocking new construction projects

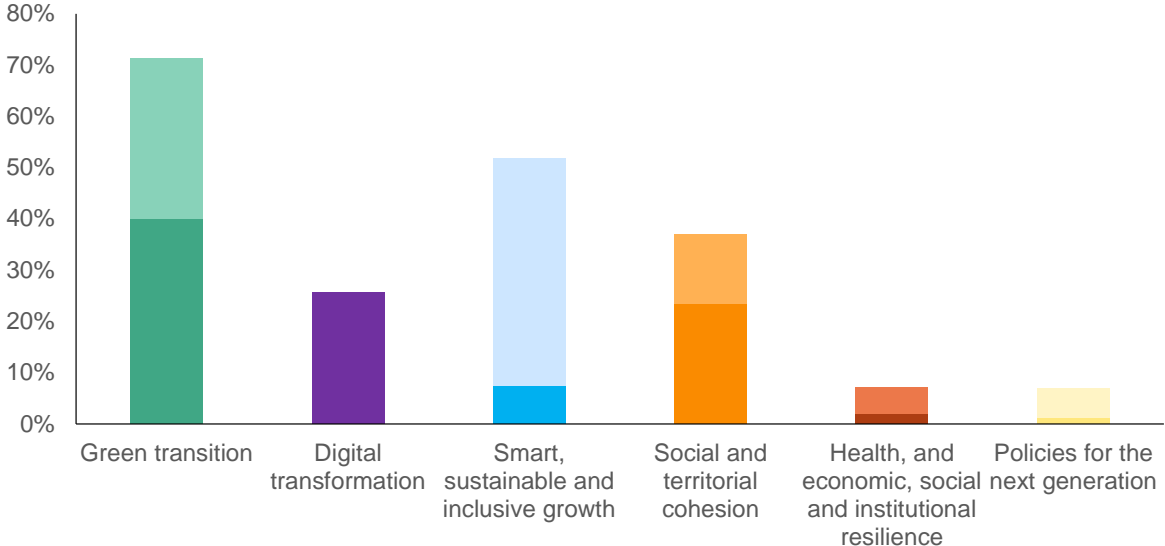


Copyright: Dutch government

While the Netherlands’ RRP was only adopted in 2022, its implementation is now underway. No disbursements have yet been made to the Netherlands. Due to the late submission of the RRP, the Netherlands was not eligible for pre-financing. Disbursement of the allocation for the Netherlands will depend on the progress in implementing the plan. Proceeding swiftly with the negotiation of the operational arrangements will help the implementation of the plan and is necessary for the submission of the first payment request which is expected by the end of 2023 and would cover 33 milestones and targets that track progress across all components of the RRP, potentially leading to a disbursement of up to EUR 1.4 billion. Implementation is ongoing and at this stage, risks of non-absorption appear limited given the relatively small financial allocation.

The following graphs show the share of RRF funds allocated to each policy pillar in the Netherland’s RRP.

Figure 51: Share of RRF funds allocated to each policy pillar – Netherlands



Note: Each measure contributes to two policy areas of the six pillars. The total allocation to all pillars displayed here therefore amounts to 200% of the estimated cost of the RRP. The bottom part represents the amount of the primary pillar, the top part the amount of the secondary pillar.

Source: RRF Scoreboard https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/country_overview.html

Austria

Austria submitted its current recovery and resilience plan (RRP) on 30 April 2021. The Commission's positive assessment on 21 June 2021 and Council's approval on 13 July 2021 paved the way for disbursing EUR 3.46 billion in non-repayable support under the RRF over the 2021-2026. In line with article 11(2) of the RRF, the maximum financial contribution for Austria was moreover updated on 30 June 2022 to an amount of EUR 3.75 billion in non-repayable support.

In the context of the current geopolitical and economic developments, Austria submitted an amended RRP to the Commission on 14 July 2023 to cater for objective circumstances that make it no longer possible to achieve certain milestones and targets in the RRP in line with Article 21 of the RRF Regulation. The revised RRP also includes a new REPowerEU chapter with additional reforms related to speeding up the permitting of renewable energy projects, a national strategy aimed at ramping up the production of renewable hydrogen, and investment in photovoltaic installations and sustainable mobility. The Commission's assessment of Austria's submission is ongoing at the time of preparation of this annual report.

Austria's initial (and still current) RRP aims to: (i) address the key challenges related to the green and digital transitions; and (ii) strengthen economic and social resilience. It includes reforms and investments in crucial areas like education, skills, healthcare, the business environment, and research and innovation. It consists of 27 reforms and 32 investments that are supported by EUR 3.751 billion in non-repayable support, representing 0.93 % of GDP. The Commission disbursed EUR 450 million to Austria in pre-financing on 28 September 2021, equivalent to 13% of the initial financial allocation.

Commission and Austrian officials visiting a construction site connecting the RRF-funded Koralm Railway. This double-track, electrified, high-speed railway will connect the cities of Graz and Klagenfurt



Copyright: Permanent representation of the European Commission in Austria/APA-Fotoservice/Ferlin-Fiedler

The implementation of Austria's RRP is well underway. Austria's first payment request was positively assessed by the Commission, leading to EUR 700 million being disbursed in financial support (net of pre-financing) on 20 April 2023. The related 44 milestones cover reforms in sustainable mobility, energy efficiency, decarbonisation, connectivity, skills, education, social protection, labour market, taxation and public administration.

The following graphs show the current state of play of the milestones and targets to be reached by Austria and subsequently assessed as satisfactorily fulfilled by the Commission, whilst examples of measures with fulfilled milestones and targets are included in the box below.

Examples of relevant measures with fulfilled milestones and targets for Austria

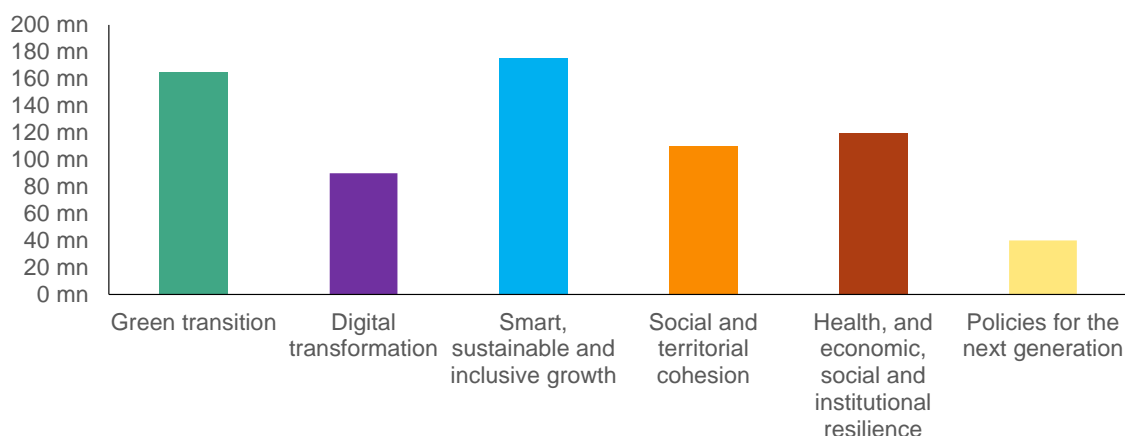
➤ ***Reform***

In October 2021 Austria introduced the 'KlimaTicket', a flat-rate season ticket for all public transport in the country. Users can choose between a ticket valid across Austria, in two regions or in a single region. By end January 2023, more than 200,000 nationwide climate tickets had been sold. All in all, more than 13% of all people living in Austria now have annual public transport tickets.

➤ ***Investment***

Through the programme 'Raus aus Öl und Gas' ('Out with oil and gas'), households receive financial support to replace fossil-fuelled heating systems with renewable heating technology such as heat pumps, biomass-based heaters or connections to district heating. Under the first payment more than 6,000 such projects have been supported. The final target of the RRP is to support more than 30,000 new heating systems. This investment programme provides an important contribution to reducing energy consumption as well as greenhouse gas emissions and air pollution.

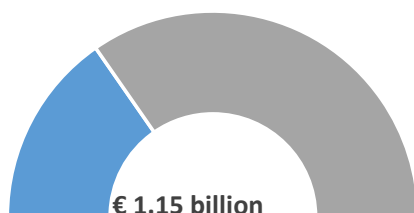
Figure 52: Disbursement per pillar – Austria



Note: Each disbursement reflects progress in the implementation of the RRF, across the six policy pillars. This graph displays how disbursements under the RRF (excluding pre-financing) relate to the pillars. The amounts were calculated by linking the milestones and targets covered by a given disbursement to the pillar tagging (primary and secondary) of their respective measures.

Source: RRF Scoreboard https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/country_overview.html

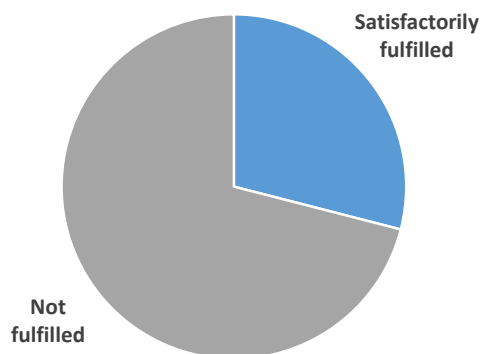
Figure 53: Total non-repayable support disbursed under the RRF – Austria



Note: This graph displays the amount of non-repayable support disbursed so far under the RRF, including pre-financing. The total amount of non-repayable support given to each Member State is determined by an allocation key and the total estimated cost of the respective RRP.

Source: RRF Scoreboard https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/country_overview.html

Figure 54: Fulfilment status of milestones and targets – Austria



Note: This graph displays the share of satisfactorily fulfilled milestones and targets. A milestone or target is satisfactorily fulfilled once a Member State has provided evidence to the Commission that it has reached the milestone or target and the Commission has assessed it positively in an implementing decision.

Source: RRF Scoreboard https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/country_overview.html

Poland

Poland submitted its current recovery and resilience plan (RRP) on 3 May 2021. The Commission's positive assessment on 1 June 2022 and Council's approval on 17 June 2022 paved the way for disbursing EUR 23.9 billion in non-repayable support and EUR 11.5 in loans under the RRF over the 2022-2026 period. In line with article 11(2) of the RRF, the maximum financial contribution for Poland was moreover updated on 30 June 2022 to an amount of EUR 22.5 billion in non-repayable support.

In the context of the current geopolitical and economic developments, Poland submitted an amended RRP to the Commission on 31 August 2023 to take account of the revised maximum financial contribution in line with Article 18 of the RRF Regulation, to cater for objective circumstances that make it no longer possible to achieve certain milestones and targets in the RRP in line with Article 21 of the RRF Regulation, and to request additional loans in line with Article 14 of the RRF Regulation. The revised RRP also includes a new REPowerEU chapter with additional and scaled-up investments related to support for electricity transmission networks, renewable energy sources, energy storage, low- and zero-emission buses, and offshore wind farms; support to institutions implementing the REPowerEU measures; development of electricity distribution networks in rural areas; development of gas infrastructure to enable diversification of supply in the interest of the Union as a whole; as well as reforms of energy communities, regulatory aspects linked to the distribution network and measures to facilitate the deployment of technologies for the energy transition. The Commission's assessment of Poland's submission is ongoing at the time of preparation of this annual report.

Poland's initial (and still current) RRP, approved in June 2022, addresses many of the main challenges the country is facing. The RRP contains measures structured around six key policy areas: the green transition; digitalisation; health; competitiveness and innovation; sustainable transport; and the quality of institutions. It is estimated that the economic impact of the NextGenerationEU fund in Poland could lead to an increase in GDP of between 1.1% and 1.8% by 2026 and translate into as many as 105 000 additional jobs.

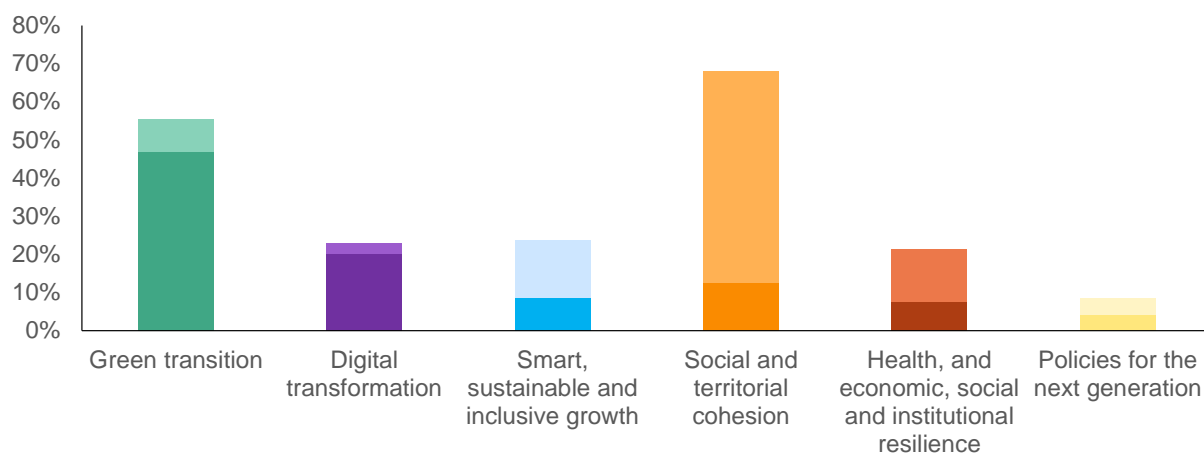
Under the RRF, Poland has supported the replacement of plantation poles for hops which used a harmful preservatives (creosote).



Due to its late adoption in June 2022, the implementation of Poland's RRP has been significantly delayed. No disbursements have yet been made to Poland. Due to the late submission of the RRP, Poland was not eligible for pre-financing. Disbursement of the allocation for Poland will depend on the progress in implementing the plan. Strengthening the independence and impartiality of courts and remedying the situation of judges affected by the decisions of the Disciplinary Chamber of the Supreme Court in disciplinary cases and judicial immunity cases are a precondition for the Commission to disburse any payment to the country and ensure the protection of the financial interests of the Union, allowing for a swift and steady implementation of the plan. Poland has started to implement key measures in the RRP, among which reforms in the areas of the fiscal framework, healthcare, digital transition, energy efficiency and labour market.

The following graphs show the share of RRF funds allocated to each policy pillar in the Polish RRP.

Figure 55: Share of RRF funds allocated to each policy pillar – Poland



Note: Each measure contributes to two policy areas of the six pillars. The total allocation to all pillars displayed here therefore amounts to 200% of the estimated cost of the RRP. The bottom part represents the amount of the primary pillar, the top part the amount of the secondary pillar.

Source: RRF Scoreboard https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/country_overview.html

Portugal

Portugal submitted its current recovery and resilience plan (RRP) on 22 April 2021. The Commission's positive assessment on 16 June 2021 and Council's approval on 13 July 2021 paved the way for disbursing EUR 13.9 billion in non-repayable support (and EUR 2.7 billion in loans) under the RRF over the 2021-2026 period. In line with article 11(2) of the RRF, the maximum financial contribution for Portugal was moreover updated on 30 June 2022 to an amount of EUR 15.5 billion in non-repayable support.

In the context of the current geopolitical and economic developments, Portugal submitted an amended RRP to the Commission on 26 May 2023 to take account of the revised maximum financial contribution in line with Article 18 of the RRF Regulation, to cater for objective circumstances that make it no longer possible to achieve certain milestones and targets in the RRP in line with Article 21 of the RRF Regulation, and to request additional loans in line with Article 14 of the RRF Regulation. The revised RRP also includes a new REPowerEU chapter with additional reforms and investments related to green skills, energy efficiency in buildings, renewables and renewable gases, sustainable transport, the electricity grid and green industry. The Commission's assessment of Portugal's submission is ongoing at the time of preparation of this annual report.

Portugal's initial (and still current) RRP aims to address the key challenges related to social services, healthcare, financing of businesses, innovation, education and skills, fiscal sustainability and the digital and green transitions. It consists of 32 reforms and 83 investment strands that are supported by EUR 13.9 billion in non-repayable support and EUR 2.7 in loans, representing 7.9% of GDP. The Commission disbursed EUR 2.1 billion to Portugal in pre-financing on 3 August 2021, equivalent to 13% of the financial allocation.

The implementation of Portugal's RRP is underway, however with risk of some delays. Portugal submitted two payment requests, corresponding to 58 milestones and targets in the plan and resulting in an overall disbursement of EUR 2.98 billion. The Portuguese RRP is ambitious and complex in nature. Strong governance and continuous monitoring of the plan are essential to minimise the risk of delays. Milestones and targets related to large investments including in health, social housing and sustainable mobility, will be assessed in the next payment requests. Measures adopted since December 2021, which formed part of the second payment request, include reforms in the areas of managing public hospitals and the digital transition in the private and public sectors.

The following graphs show the current state of play of the milestones and targets to be reached by Portugal and subsequently assessed as satisfactorily fulfilled by the Commission, whilst examples of measures with fulfilled milestones and targets are included in the box below.

Examples of relevant measures with fulfilled milestones and targets for Portugal

➤ Reform

Portugal is implementing a set of measures to better respond to issues faced by the most vulnerable groups. It adopted two national strategies to both combat poverty and accelerate the inclusion of persons with disabilities. To increase the inclusion of persons with disabilities, several measures will be implemented, including mainstreaming the inclusion of people with disabilities in decisions and projects and the extension of the Support Model for Independent Living, which provides personal assistance to and support for employment of people with disabilities.

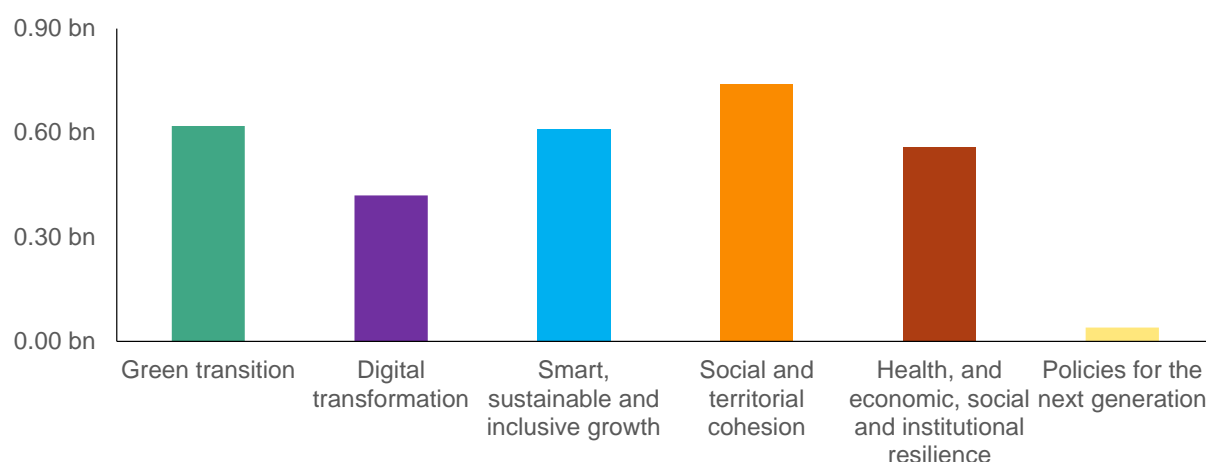
Portugal will support the inclusion of persons with disabilities thanks to RRF reforms



➤ Investment

Portugal is implementing several measures to remove barriers to access to quality internet in the school environment and limitations to the use of technological and digital equipment. These measures aim to address the lack of specialised equipment to develop digital skills and the insufficient use of digital educational resources in the learning process and assessment process. Portugal notably signed contracts to procure 600,000 laptops to be distributed to primary and secondary pupils and teachers in the Portuguese public schools network.

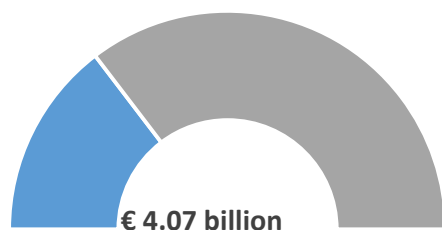
Figure 56: Disbursement per pillar – Portugal



Note: Each disbursement reflects progress in the implementation of the RRF, across the six policy pillars. This graph displays how disbursements under the RRF (excluding pre-financing) relate to the pillars. The amounts were calculated by linking the milestones and targets covered by a given disbursement to the pillar tagging (primary and secondary) of their respective measures.

Source: RRF Scoreboard https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/country_overview.html

Figure 57: Total non-repayable support disbursed under the RRF – Portugal

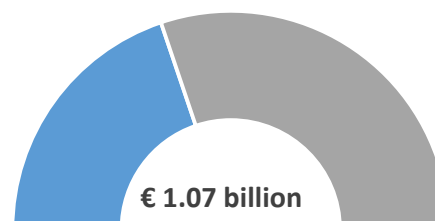


Note: This graph displays the amount of grants disbursed so far under the RRF, including pre-financing. **Note:** This graph displays the amount of non-repayable support disbursed so far under the RRF, including pre-financing. The total amount of grants given to each Member State is determined by an allocation key and the total estimated cost of the respective RRF. The total amount of non-repayable support given to each Member State is determined by an allocation key and the total estimated cost of the respective RRF.

Source: RRF Scoreboard

https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/country_overview.html

Figure 58: Total loans disbursed under the RRF – Portugal

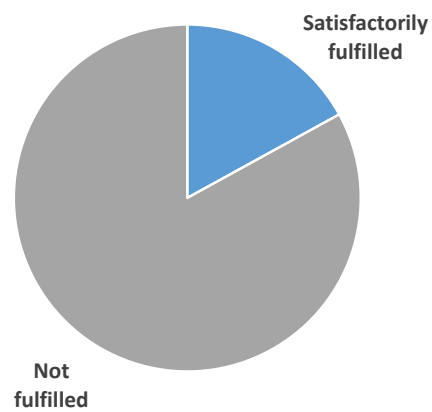


Note: This graph displays the amount of loans disbursed so far under the RRF. Loans are repayable financial contributions. The total amount of loans given to each Member State is determined by the assessment of its loan request and cannot exceed 6.8% of its 2019 GNI.

Source: RRF Scoreboard

https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/country_overview.html

Figure 59: Fulfilment status of milestones and targets – Portugal



Note: This graph displays the share of satisfactorily fulfilled milestones and targets. A milestone or target is satisfactorily fulfilled once a Member State has provided evidence to the Commission that it has reached the milestone or target and the Commission has assessed it positively in an implementing decision.

Source: RRF Scoreboard https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/country_overview.html

Romania

Romania submitted its initial recovery and resilience plan (RRP) on 31 May 2021. The Commission's positive assessment on 27 September 2021 and Council's approval on 3 November 2021 paved the way for disbursing EUR 14.2 billion in non-repayable support and EUR 14.9 billion in loans under the RRF over the 2021-2026 period. In line with article 11(2) of the RRF, the maximum financial contribution for Romania was moreover updated on 30 June 2022 to an amount of EUR 12.1 billion in non-repayable support. No revision of the plan had been submitted at the time of preparation of this annual report yet.

Romania's initial (and still current) RRP aims to address the key challenges related to the green and digital transitions and economic and social resilience. It consists of 64 reforms and 107 investments that are supported by EUR 14.24 billion in non-repayable support and EUR 14.94 billion in loans, representing 12.15% of GDP. The Commission disbursed a total of EUR 3.79 billion to Romania in pre-financing on 2 December 2021 (for the non-repayable support) and 13 January 2022 (for the loan), equivalent to 13% of the financial allocation.

The implementation of Romania's RRP is underway, however with increasing risk of delays. Romania submitted two payment requests, corresponding to 72 milestones and targets in the plan and resulting in a disbursement of EUR 2.6 billion (net of pre-financing) on 27 October 2022 for the first payment request. On 27 June 2023, the Commission adopted a positive preliminary assessment for 49 out of 51 milestones and targets covered in the second payment request, while two milestones related to energy investments have been assessed to be not satisfactorily fulfilled. The final assessment was not yet adopted at the time of preparation of this annual report.

The following graphs show the current state of play of the milestones and targets to be reached by Romania and subsequently assessed as satisfactorily fulfilled by the Commission, whilst examples of measures with fulfilled milestones and targets are included in the box below.

Examples of relevant measures with fulfilled milestones and targets for Romania

➤ Reform

Romania adopted and started implementing the National Programme to reduce early school leaving, which includes an Early Warning Mechanism in Education (MATE) for all schools that are part of the programme. The programme aims to reduce drop out of pupils from school, achieve higher participation rates in national examinations and a higher percentage of pupils completing compulsory education. The Early Warning Mechanism in Education (MATE) IT (information technology) tool allows identifying pupils at risk of early-school leaving and supports schools in data collection, individualised work plans and training.

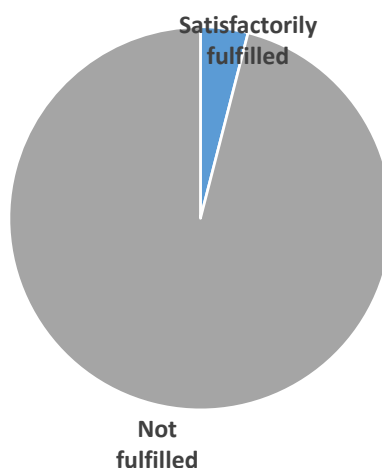
The RRF-funded Early Warning Mechanism in Education programme aims to improve evaluation outcomes



➤ ***Investment***

Romania started the implementation of an investment for improving tax and tax administration processes, including integrated risk management. The investment should improve tax compliance and tax collection, ensuring a competitive market environment. In a first step of the investment, at least 150,000 cash registers are connected to the National Agency for Fiscal Administration’s electronic system. Focus is put in particular on fraud in the area of trade and contributing to reducing the Romania’s very high VAT gap.

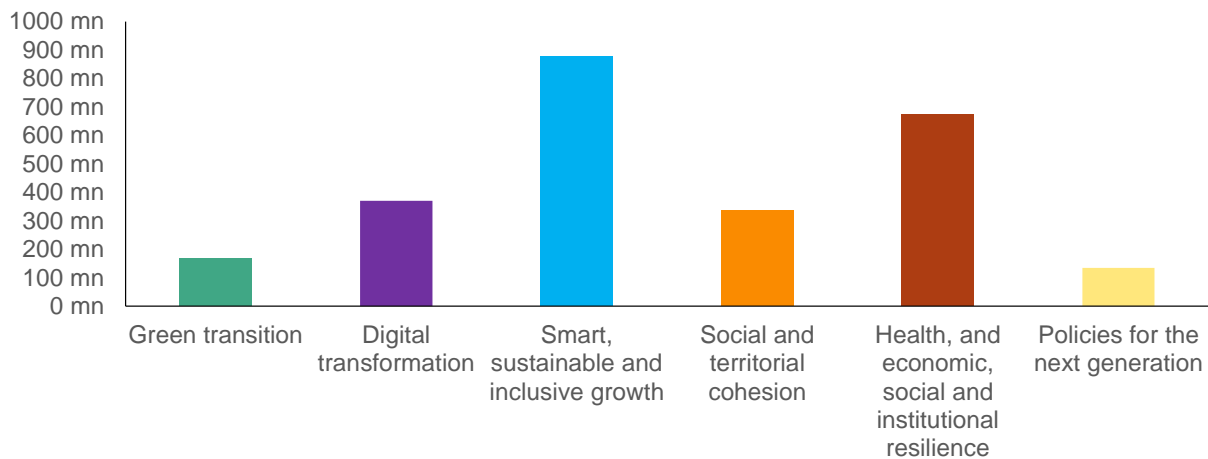
Figure 60: Fulfilment status of milestones and targets – Romania



Note: This graph displays the share of satisfactorily fulfilled milestones and targets. A milestone or target is satisfactorily fulfilled once a Member State has provided evidence to the Commission that it has reached the milestone or target and the Commission has assessed it positively in an implementing decision.

Source: RRF Scoreboard https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/country_overview.html

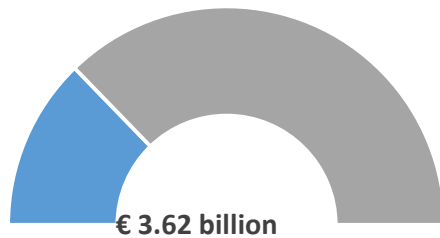
Figure 61: Disbursement per pillar – Romania



Note: Each disbursement reflects progress in the implementation of the RRF, across the six policy pillars. This graph displays how disbursements under the RRF (excluding pre-financing) relate to the pillars. The amounts were calculated by linking the milestones and targets covered by a given disbursement to the pillar tagging (primary and secondary) of their respective measures.

Source: RRF Scoreboard https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/country_overview.html

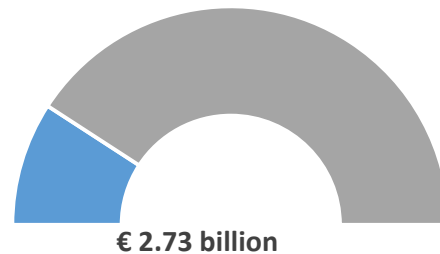
Figure 62: Total non-repayable support disbursed under the RRF – Romania



Note: This graph displays the amount of non-repayable support disbursed so far under the RRF, including pre-financing. The total amount of non-repayable support given to each Member State is determined by an allocation key and the total estimated cost of the respective RRP.

Source: RRF Scoreboard https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/country_overview.html

Figure 63: Total loans disbursed under the RRF – Romania



Note: This graph displays the amount of loans disbursed so far under the RRF. Loans are repayable financial contributions. The total amount of loans given to each Member State is determined by the assessment of its loan request and cannot exceed 6.8% of its 2019 GNI.

Source: RRF Scoreboard https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/country_overview.html

Slovenia

Slovenia submitted its current recovery and resilience plan (RRP) on 30 April 2021. The Commission's positive assessment on 1 July 2021 and Council's approval on 28 July 2021 paved the way for disbursing EUR 1.8 billion in non-repayable support and EUR 0.7 billion in loans under the RRF over the 2021-2026 period. In line with article 11(2) of the RRF, the maximum financial contribution for Slovenia was moreover updated on 30 June 2022 to an amount of EUR 1.5 billion in non-repayable support.

In the context of the current geopolitical and economic developments, Slovenia submitted an amended RRP to the Commission on 14 July 2023 to take account of the revised maximum financial contribution in line with Article 18 of the RRF Regulation, to cater for objective circumstances that make it no longer possible to achieve certain milestones and targets in the RRP in line with Article 21 of the RRF Regulation. On 31 August 2023, Slovenia also requested additional loans and the re-introduction of loans for flooding measures, which it had planned to forgo within the revision submitted on 14 July, in line with Article 14 of the RRF Regulation. The revised RRP also includes a new REPowerEU chapter with additional reforms and investments related to renewable energy, sustainable mobility, decarbonisation of Slovenia's industry, and energy efficiency. The Commission's assessment of Slovenia's submission is ongoing at the time of preparation of this annual report.

Slovenia's initial (and still current) RRP aims to address the key challenges related to the twin transition, healthcare, long-term care and the labour market. It consists of 33 reforms and 50 investments that are supported by EUR 1.49 billion in non-repayable support and EUR 705 million in loans, representing 3.7% of GDP. The Commission disbursed EUR 231 million to Slovenia in pre-financing on 17 September 2021, equivalent to 13% of the initial non-repayable support financial allocation.

The implementation of Slovenia's RRP is underway, however with increasing risk of delays. Slovenia submitted one payment request, corresponding to 12 milestones and targets in the plan and resulting in an overall disbursement of EUR 49.6 million on 20 April 2023. The related 12 milestones cover reforms in the areas of the digital transition, business environment, efficient public institutions, and long-term care. To advance faster with the implementation of its RRP in the current challenging environment, it is necessary to strengthen Slovenia's governance structure and administrative capacity, as well as to ensure that the necessary decisions are taken without delays. This concerns in particular the structural reforms of healthcare, long-term care, pensions and taxation.

The following graphs show the current state of play of the milestones and targets to be reached by Slovenia and subsequently assessed as satisfactorily fulfilled by the Commission, whilst examples of measures with fulfilled milestones and targets are included in the box below.

Examples of relevant measures with fulfilled milestones and targets for Slovenia

➤ *Reform*

Slovenia adopted a first Debureaucratisation Act, which aims at reducing the administrative barriers for business sector and citizens. Overall, the Act amends ten other national laws and repeals over two hundred laws and bylaws. This reduced the Slovenia acquis by 10%. It also resulted in a lower cost of administrative procedures, which will contribute towards the increased competitiveness of businesses in Slovenia.

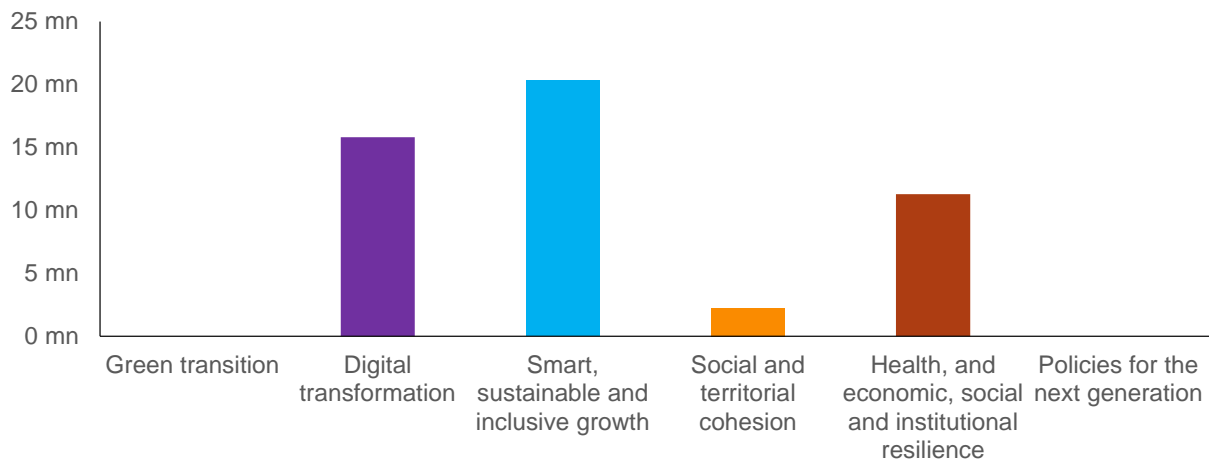
➤ *Investment*

Slovenia launched a call for proposals for expression of interest in a new project on the “next generation cloud”. This project will contribute towards the cross-border and multi-country project on European Common Data Infrastructure and Services.

The overall aim of the RRF-investment is to ensure a competitive, fair and sustainable access to cloud capacity from any part of the EU



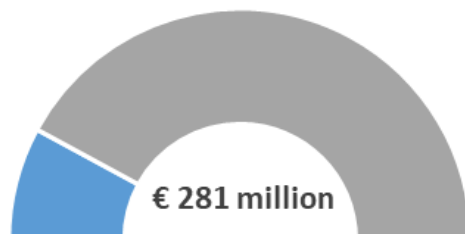
Figure 64: Disbursement per pillar – Slovenia



Note: Each disbursement reflects progress in the implementation of the RRF, across the six policy pillars. This graph displays how disbursements under the RRF (excluding pre-financing) relate to the pillars. The amounts were calculated by linking the milestones and targets covered by a given disbursement to the pillar tagging (primary and secondary) of their respective measures.

Source: RRF Scoreboard https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/country_overview.html

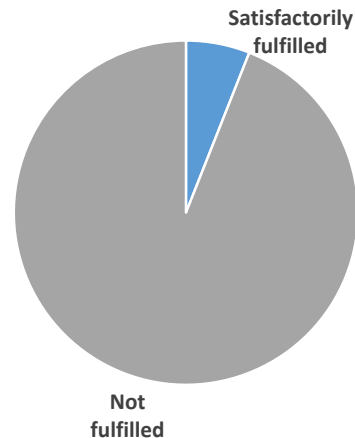
Figure 65: Total non-repayable support disbursed under the RRF – Slovenia



Note: This graph displays the amount of non-repayable support disbursed so far under the RRF, including pre-financing. The total amount of non-repayable support given to each Member State is determined by an allocation key and the total estimated cost of the respective RRP.

Source: RRF Scoreboard https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/country_overview.html

Figure 66: Fulfilment status of milestones and targets – Slovenia



Note: This graph displays the share of satisfactorily fulfilled milestones and targets. A milestone or target is satisfactorily fulfilled once a Member State has provided evidence to the Commission that it has reached the milestone or target and the Commission has assessed it positively in an implementing decision.

Source: RRF Scoreboard https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/country_overview.html

Slovakia

Slovakia submitted its initial recovery and resilience plan (RRP) on 29 April 2021. The Commission's positive assessment on 16 June 2021 and Council's approval on 13 July 2021 paved the way for disbursing EUR 6.3 billion in non-repayable support under the RRF over the 2021-2026 period. In line with article 11(2) of the RRF, the maximum financial contribution for Slovakia was moreover updated on 30 June 2022 to an amount of EUR 6 billion in non-repayable support.

In the context of the current geopolitical and economic developments, Slovakia submitted an amended RRP to the Commission on 26 April 2023 to take account of its revised maximum financial contribution in line with Article 18 of the RRF Regulation and to cater for objective circumstances that make it no longer possible to achieve certain milestones and targets in the RRP in line with Article 21 of the RRF Regulation. The revised RRP also included a new REPowerEU chapter with additional reforms and investments covering five thematic areas: renewables and grids, energy efficiency, transport, green skills and communication and coordination. The revised RRP was approved by the Commission on 26 June 2023 and by the Council on 14 July 2023.

Slovakia's current RRP aims to address the key challenges related to the green transition, education, research and innovation, health and long-term care, public administration and the digital transition. It consists of 64 reforms and 60 investments that are supported by EUR 6.4 billion in non-repayable support, representing 6.4% of Slovakia's 2021 GDP. The Commission disbursed EUR 822.7 billion to Slovakia in pre-financing on 13 October 2021, equivalent to 13% of the financial allocation.

The implementation of Slovakia's RRP has so far been well underway, however it is facing some challenges going forward. During the year 2022, Slovakia submitted two payment requests. On 29 July 2022, the Commission disbursed EUR 398.7 million in non-repayable support to Slovakia, based on the country's satisfactory achievement of the first 14 milestones of the RRP. On 22 March 2023, the Commission disbursed another EUR 708.8 million in non-repayable support, after Slovakia satisfactorily achieved 14 milestones and 2 targets. As a result, Slovakia has been among the Member States with the fastest progress in the implementation of the RRP, but potential headwinds due to administrative capacity bottlenecks.

The following graphs show the current state of play of the milestones and targets to be reached by Slovakia and subsequently assessed as satisfactorily fulfilled by the Commission, whilst examples of measures with fulfilled milestones and targets are included in the box below.

Examples of relevant measures with fulfilled milestones and targets for Slovakia

➤ Reform

Slovakia introduced new legislation to reform primary care provision for adults, children and youth, by improving the way the network of general practitioners and paediatricians is

defined. It takes into account specific parameters, such as the number of insured persons and the number of doctors operating in a given district. The reform will help to better cover the availability of medical services in all areas and districts of Slovakia.

General practitioner Dr. Laurov establishing a new medical office with the RRF assistance in municipality of Zlaté Moravce

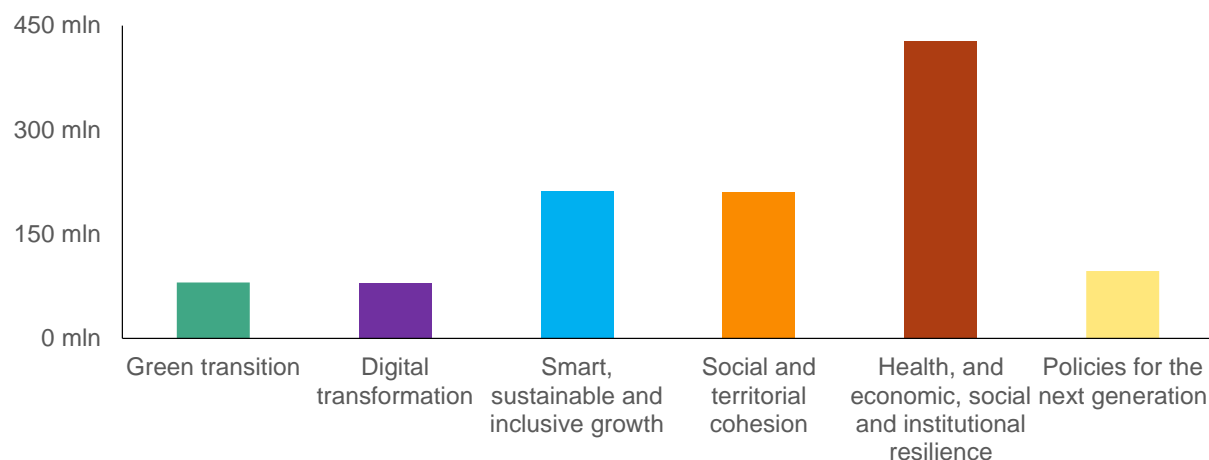


Copyright: The National Implementation and Coordination Authority (NICA) of the Slovak Republic.

➤ ***Investment***

To improve their digital skills, Slovakia implemented a pilot project for training the digital skills of seniors and disadvantaged persons. The project consisted of delivering a targeted training programme for 1,000 individuals, followed by the distribution of digital equipment. The aim of the pilot was to assess the target group's specific needs, validate the proposed training activities and assess the physiological adequacy of technological equipment.

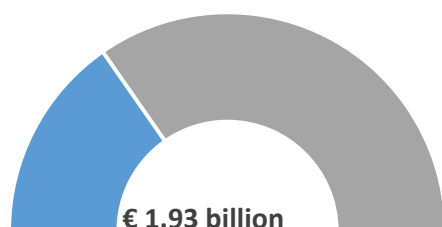
Figure 67: Disbursement per pillar – Slovakia



Note: Each disbursement reflects progress in the implementation of the RRF, across the six policy pillars. This graph displays how disbursements under the RRF (excluding pre-financing) relate to the pillars. The amounts were calculated by linking the milestones and targets covered by a given disbursement to the pillar tagging (primary and secondary) of their respective measures.

Source: RRF Scoreboard https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/country_overview.html

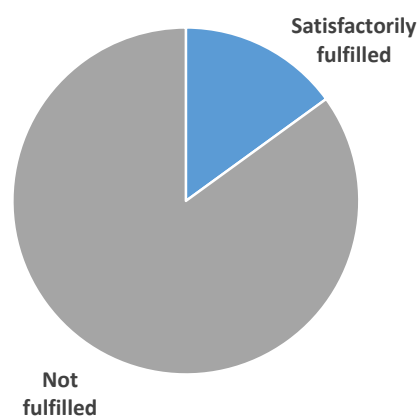
Figure 68: Total non-repayable support disbursed under the RRF – Slovakia



Note: This graph displays the amount of non-repayable support disbursed so far under the RRF, including pre-financing. The total amount of non-repayable support given to each Member State is determined by an allocation key and the total estimated cost of the respective RRF.

Source: RRF Scoreboard https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/country_overview.html

Figure 69: Fulfilment status of milestones and targets – Slovakia



Note: This graph displays the share of satisfactorily fulfilled milestones and targets. A milestone or target is satisfactorily fulfilled once a Member State has provided evidence to the Commission that it has reached the milestone or target and the Commission has assessed it positively in an implementing decision.

Source: RRF Scoreboard https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/country_overview.html

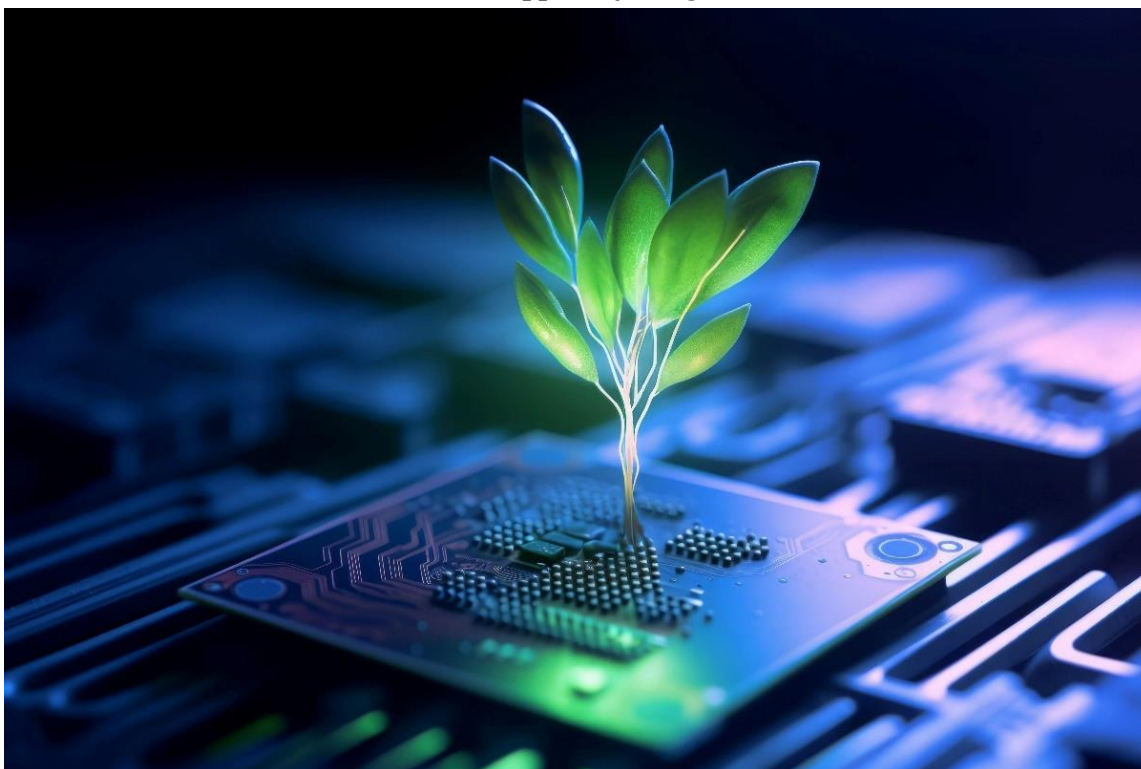
Finland

Finland submitted its initial recovery and resilience plan (RRP) on 27 May 2021. The Commission's positive assessment on 4 October 2021 and Council's approval on 29 October 2021 paved the way for disbursing 2.1 billion in non-repayable support under the RRF over the 2021-2026 period. In line with article 11(2) of the RRF, the maximum financial contribution for Finland was moreover updated on 30 June 2022 to an amount of EUR 1.82 billion in non-repayable support.

In the context of the current geopolitical and economic developments, Finland submitted an amended RRP to the Commission on 26 January 2023 to take account of the revised maximum financial contribution, in line with Article 18 of the RRF Regulation. The allocation for Finland was reduced by EUR 263 million. Consequently, Finland reduced funding proportionally across the four pillars of the plan. Cuts concerned 20 measures in the plan. The revised RRP was approved by the Commission on 28 February 2023 and by the Council on 14 March 2023. No REPowerEU Chapter was submitted at the time of preparation of this annual report.

Finland's current RRP aims to address the key challenges related to the green and digital transition, labour market, education and skills, R&I, competitiveness and healthcare. It consists of 18 reforms and 37 investments that are supported by EUR 1.82 billion in non-repayable support representing 0.7% of GDP. The Commission disbursed EUR 271 million to Finland in pre-financing on 21 January 2022, equivalent to 13% of the initial financial allocation.

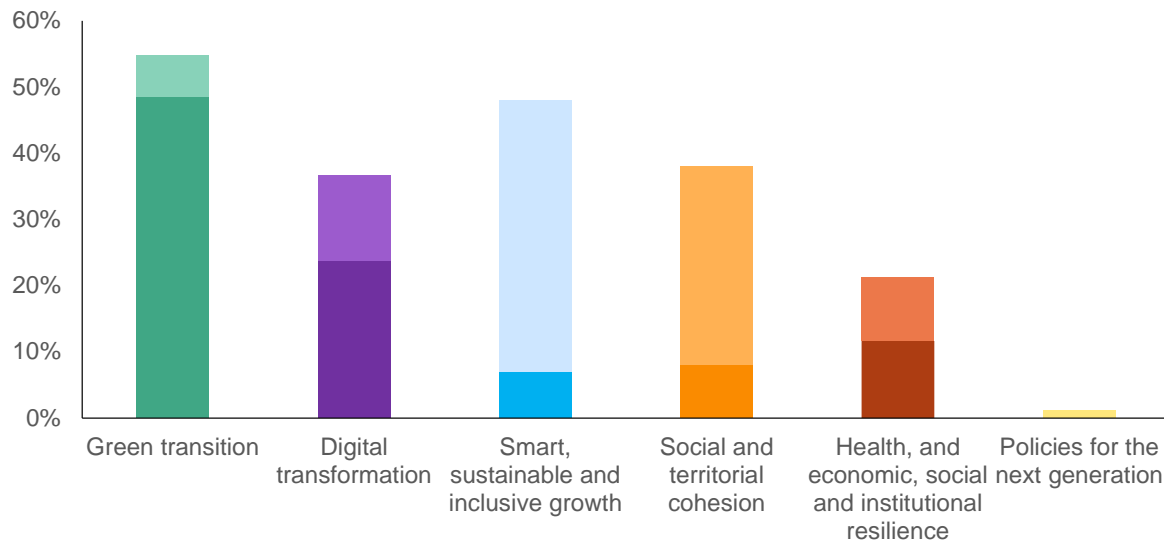
Finland's RRP supports green technology and technology for green, for instance by financing leading companies boosting their research, development and innovation (RDI) activities in support of the green transition.



The implementation of Finland’s RRP is underway. The Operational Arrangements between the Commission and Finland were signed on 19 June 2023. No payment requests have yet been submitted under the RRP, which points to the need for efforts to catch up with the agreed payment request schedule, however the first payment request is in preparation.

The following graphs show the share of RRF funds allocated to each policy pillar in the Finnish RRP.

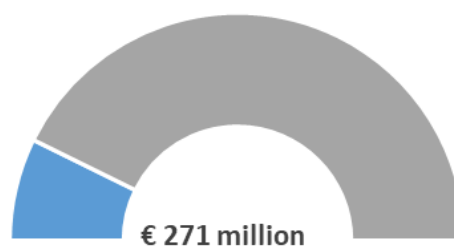
Figure 70: Share of RRF funds allocated to each policy pillar – Finland



Note: Each measure contributes to two policy areas of the six pillars. The total allocation to all pillars displayed here therefore amounts to 200% of the estimated cost of the RRP. The bottom part represents the amount of the primary pillar, the top part the amount of the secondary pillar.

Source: RRF Scoreboard https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/country_overview.html

Figure 71: Total non-repayable support disbursed under the RRF – Finland



Note: This graph displays the amount of non-repayable support disbursed so far under the RRF, including pre-financing. The total amount of non-repayable support given to each Member State is determined by an allocation key and the total estimated cost of the respective RRP.

Source: RRF Scoreboard https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/country_overview.html

Sweden

Sweden submitted its current recovery and resilience plan (RRP) on 28 May 2021. The Commission's positive assessment on 28 March 2022 and Council's approval on 4 May 2022 paved the way for disbursing EUR 3.3 billion in non-repayable support under the RRF over the 2021-2026 period. In line with article 11(2) of the RRF, the maximum financial contribution for Sweden was moreover updated on 30 June 2022 to an amount of EUR 3.18 billion in non-repayable support.

In the context of the current geopolitical and economic developments, Sweden submitted an amended RRP to the Commission on 24 August 2023 to take account of the revised maximum financial contribution in line with Article 18 of the RRF Regulation. The revised RRP also includes a new REPowerEU chapter with additional and scaled-up reforms and investments related to the energy efficiency of buildings and the streamlining of authorisation processes for the construction of electricity grids. The Commission's assessment of Sweden's submission is ongoing at the time of preparation of this annual report.

Sweden's initial (and still current) RRP aims to address the key challenges related to the green and digital transition, the housing market, the labour market, education, healthcare and anti-money laundering. It consists of 15 reforms and 12 investments that are supported by EUR 3.3 billion in non-repayable support, representing 0.5% of GDP.

The Swedish RRP includes a reform of the training system

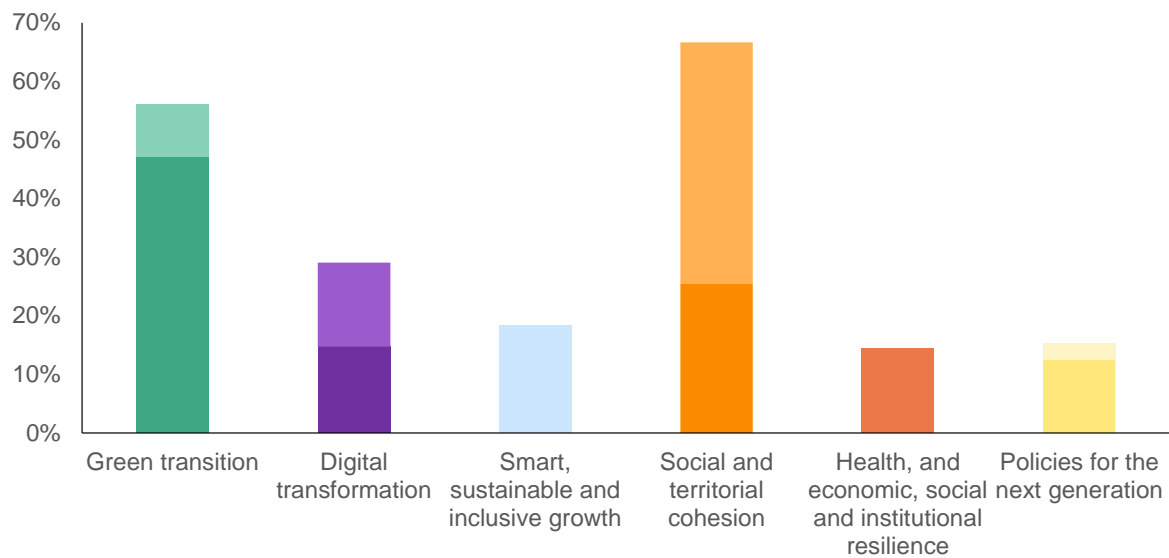


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While Sweden's RRP was only adopted in 2022, its implementation is now underway. No funds have, so far, been disbursed to Sweden under the RRF. Sweden has not yet submitted a first payment request. The operational agreement was officially signed in May 2023. Implementation is on track despite a slow start and, at this stage, risks of non-absorption appear limited given the relatively small financial allocation. Sweden is expected to submit its first payment request combining two instalments towards the end of 2023. This combined request would cover 22 milestones and targets that track progress across all components of the RRP, potentially leading to a disbursement of up to EUR 1.1 billion.

The following graphs show the share of RRF funds allocated to each policy pillar in the Swedish RRP.

Figure 72: Share of RRF funds allocated to each policy pillar – Sweden



Note: Each measure contributes to two policy areas of the six pillars. The total allocation to all pillars displayed here therefore amounts to 200% of the estimated cost of the RRP. The bottom part represents the amount of the primary pillar, the top part the amount of the secondary pillar.

Source: RRF Scoreboard https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/country_overview.html