IN-DEPTH ANALYSIS

Recovery and Resilience Dialogue with the European Commission

BUDG-ECON Committee meeting on 11 December 2023

Executive Vice-President Dombrovskis and Commissioner Gentiloni are invited to the 13th Recovery and Resilience Dialogue (RRD) under the Recovery and Resilience Facility (RRF) Regulation. The previous RRD took place on 2 October.

This briefing describes the state of play of the implementation of the RRF, and then focusses on an analysis of those modified RRPs that contain a REPowerEU chapter and were already approved by the Council, detailing on some information presented therein and commenting when considered necessary.

Latter part of the briefing provides updates on the information currently available on the 100 final recipients of RRF funding, an overall estimate of RRF-related costs for the EU budget, both at short and longer term, and lists RRF-related reports by the European Court of Auditors and national supreme auditing institutions.

1. Progress with the implementation of the RRF*

1.1 State of play

Since the last RRD in October, the implementation of the RRF has covered many issues during this **two months period** (October and November). Notably (according to the information in the RRF scoreboard), **the Commission** has disbursed three payments (HR, EE, IT), received three other payment requests (FI, BG, PT), endorsed seven preliminary assessments (GR, IT, DE, SI, SK, FR, HR), and endorsed 18 modified Recovery and Resilience Plans (IT, HU, IE, BG, HR, GR, PL, RO, BE, CY, DE, LV, LT, AT, DK, SE, ES). At the beginning of December, there were moreover two additional payment requests from CZ.

Table 1: State of play on implementation of RRF payment requests

	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	HR	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SL	SK	FI	SE
27 plans approved by the Commission and adopted by the Council																											
21 pre-financing disbursed (EUR 56.6 billion							*																				
25 Operational Arrangements signed																											
42 payment requests submitted to the Commission		2x	2x					4x	3x	2x	3x	4x										3x	2x	2x	3x		
28 payments disbursed (EUR 174.69 billion)								2x	3x		2x	3x										2x	2x		2x		

Note: * No pre-financing was requested by Ireland

Source: Own calculation, based on the information provided by Commission

Overall, the Commission has by now (7.12.2023) received 42 payment requests from 23 Member States and disbursed a total amount of EUR 174.7 billion. The **state of play on the implementation** of RRF is summarised in the table 1.

As regards the above decisions relating to RRF implementation, we focus in this briefing on the nature of the revised RRPs (see Section 1.2).

Focus on: On 23 November 2023, the Commission has notably published its **positive assessment of Hungary's modified RRP**, which includes a REPowerEU chapter. In its assessment the Commission underlines that **no payment under the RRF is possible until Hungary satisfies the 27 super milestones** necessary to ensure the protection of the Union's financial interest and strengthen judicial independence, which at this stage remain unchanged.

Nevertheless, subject to Council's adoption of the HU RRP by the end of 2023, **the positive assessment could pave the way for Hungary to receive EUR 0.9 billion in pre-financing of the REPowerEU funds**, as foreseen under Article 21d of the RRF Regulation.

Over the past weeks, the question has emerged in the public domain whether such a disbursement would be warranted. Article 22 of the RRF Regulation provides that the financing and loan agreements to be concluded before the pre-financing is distributed should set out the obligations for Hungary on the protection of the Union's financial interest, thus allowing for possible ways for the Commission to reduce and recover financial support in case of breaches or departures from these obligations. The article also indicates that "*Member States shall provide an effective and efficient internal control system*" to ensure compliance with the principle of financial management.

The original Council Implementing Decision indicates that the fulfilment of the super milestones would be needed to establish an adequate control system and ensure protection of the Union's financial system, *"before any payment under the Facility is authorised by the Commission"* (recital 56). Yet, in its proposal for an amending Council Implementing Decision, the Commission indicates that "*the internal control system of Hungary's RRP is overall adequate"* despite deficiencies to be addressed by the 27 super milestones.

Furthermore, the Commission and the Member States are required by articles 310 and 317 of the Treaty on the Functioning of the EU to implement the budget according to the principle of sound financial management.

Among other notable decisions, on 21 November 2023, the Commission greenlighted the **Polish revised RRP**, which also includes a REPowerEU chapter. Following the endorsement in Council, EUR 5.1 billion in pre-financing of REPowerEU funds could be disbursed to Poland, though future regular disbursements would be conditional on the satisfactory fulfilment of three super milestones related to the rule of law.

The Council is expected to discuss the two Implementing Decisions for Hungary and Poland's revised RRPs on 8 December 2023.

1.2 Analysis of modified RRPs, approved by Council

In this section, we focus on an analysis of those **modified RRPs** that contain a REPowerEU chapter and have already been approved by the Council[1]. We specifically focus on **two key aspects**, namely the information on and reasoning for any **changes made because of objective circumstances**, i.e. based on Article 21 of Regulation (EU) 2021/241, as well as the information on and reasoning in the Commission's assessments of the **cross-border or multi-country dimension** or effect of the measures included in the REPowerEU chapters.

* Section 1 coordinated by Marcel Magnus (EGOV)

1 In January 2023, the Council approved two modified RRPs, submitted by Luxembourg and Germany, which did not yet contain a REPowerEU chapter, they are hence not subject to this analysis.

The need to make changes to the existing RRPs may have **other reasons** than objective circumstances, in particular to reflect an increase or decrease of the updated maximum **financial contribution,** in accordance with Article 18(2) of Regulation (EU) 2021/241.

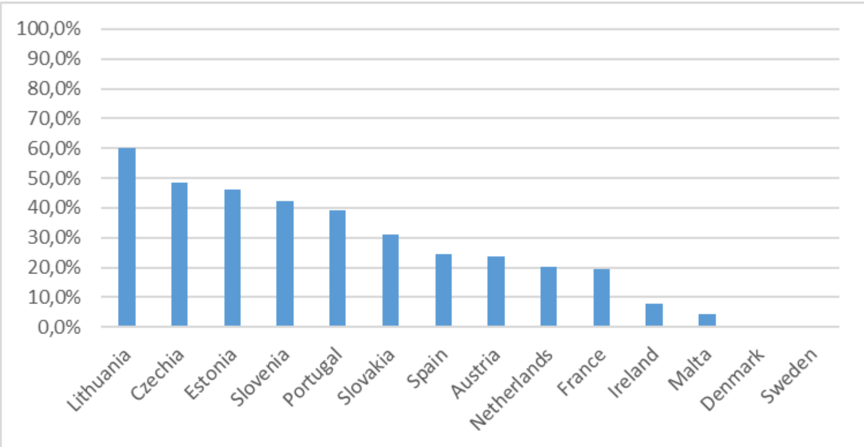
However, the changes made because of **objective circumstances** are specifically interesting as they reflect certain problems in the course of the RRF implementation that can result in changes to the initially agreed timeline, a reduction of certain targets, an adjustment to the spending, the need to find better alternatives, and lead to (partial) cancellations of the envisaged projects.

The **reasoning** for those changes are manifold, they most often include **supply-chain disruptions**, **high inflation**, and **high energy prices**, but also comprise unexpected legal or technical difficulties, the unexpected complexity of projects, and difficulties with public procurement procedures, among other things. It is obviously very important that the requests to make changes to the RRPs are assessed objectively, to ensure a level-playing field and to ensure that the initial ambition of the whole project is not gradually tailed off.

Following our analysis, we note the following points that might merit attention from a scrutiny perspective (please see **Annex 2** for more details):

- First, we note that **the degree** to which Member States have **requested changes** to their original RRPs because of objective circumstances **varies considerably** (see **Figure 1**).
- Second, we also note that there is some variation in how the respective sections in the Commission's proposals for Council Implementing Decisions were drafted (e.g. some, for example, counting at the level of measures, others counting at the level of sub-measures), which complicates a comparison. To our knowledge, there is **no overview** or summary table that would allow to easily see the **main effects of the changes** made on grounds of objective reasons (differentiating, for example, between simple changes to the timeline, meaningful reductions in targets, and the cancellation or replacement of whole projects).
- Third, we note that the level of **detail disclosed in the publicly available documents** does not allow to judge the nature and the extent of these revisions (and thereby the robustness of the underlying assessments by the Commission), i.e. whether a reduction in targets, for example, is proportionate to the price increases that a Member State faced, or whether alternative projects that replace initial projects are actually better or more suitable, as claimed.

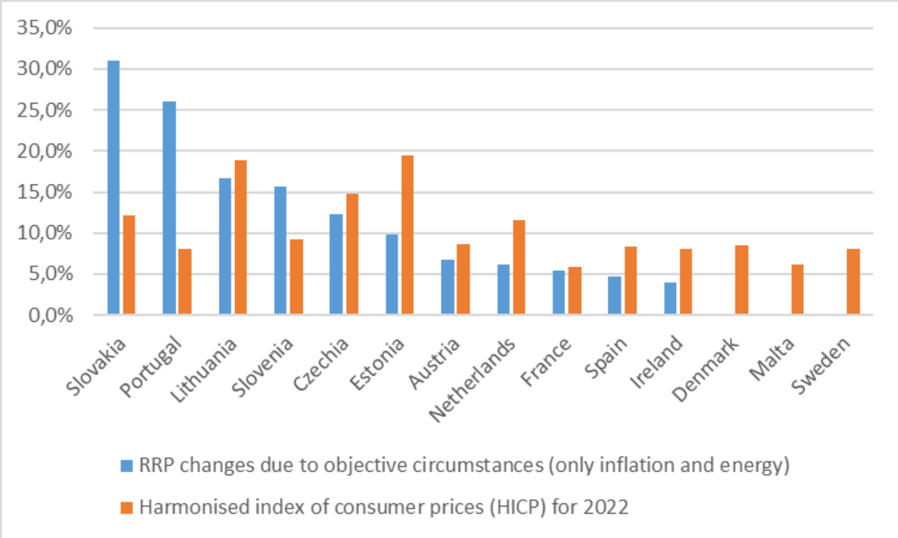
Figure 1: RRP changes due to objective circumstances (all possible reasons)



Source: Own calculation, based on the information derived from the Council Implementing Decisions

Focussing on the number of changes that were made due to very specific objective circumstances, namely due to price increases and inflation, and comparing that to a widely used measure of inflation, the Harmonised index of consumer prices (HICP) for the year 2022, we find that there is just a **weak correlation** between the number of changes that have been made on grounds of inflation, and the actual exposure to inflation (see **Figure 2**). This can, however, depend on the nature of the measures in the covered RRPs.

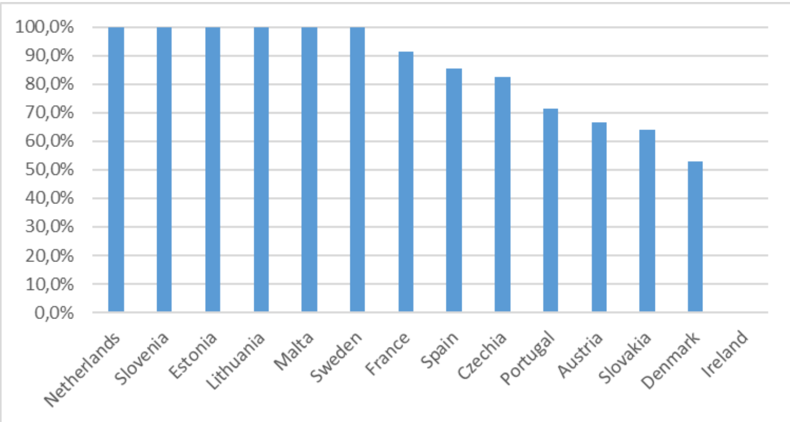
Figure 2: RRP changes on grounds of inflation and energy prices (as sub-group of objective circumstances), compared to HICP for 2022



Source: Own calculation, based on the information derived from the Council Implementing Decisions

Moreover, we analysed the Commission's assessments of the **cross-border or multi-country dimension** or effect of the measures included in the REPowerEU chapters. The share of measures considered to have a cross-border effect also varies, though to a lesser degree (see **Figure 3**).

Figure 3: Cross-country dimension of REPowerEU chapters



Source: Own calculation, based on the information derived from the Council Implementing Decisions

On substance, we think that the Commission's respective **assessments may need to be discussed**:

First, it seems that the **information is not displayed in a consistent manner**. The relevant **tables** in the Commission assessment actually **show different things** (the line per project may present a share in the overall expenditure or the assumed cross-border effect; see the two examples in **Box 1** below). Exact percentages as to the **assumed contribution are sometimes spelled out, sometimes not** (compare, for example, the wording in the assessment for Estonia, which says "*All three measures in the REPowerEU chapter and therefore 100% of its estimated costs, have a cross-country or multi-country dimension or effect*" with the assessment for Sweden, which only says "*All three measures in the REPowerEU chapter have a cross-country or multi-country dimension or effect*", not making a reference to the estimated costs.

Second, one may question the approach itself. The Commission has issued **Guidance** how to revise 'The RRPs in the context of REPowerEU' (2023/C 80/01), which explicitly sets out that "*The **cross-border or multi-country effect** of measures in the REPowerEU chapter **should not be understood in a narrow sense** as being limited to projects involving cross-border infrastructure.[...] projects having a significant impact on the demand and supply of energy (notably gas and electricity) can be considered as having an impact on the demand-supply balance across several countries and on cross-border flows.[...] The Commission will therefore consider for the purpose of assessing cross-border or multi-country effects measures related to but not limited to energy efficiency, renewables deployment, heat pump deployment, industry decarbonisation, distribution grids, and renewable/fossil-fuel hydrogen.*"

In that Guidance, the Commission also asked Member State to provide a short explanation on the cross-border dimension of the investment, including the expected effect on cross-border energy flows.

This wide interpretation - which basically argues that any reduction in (national) energy demand is sufficient to make a case for a cross-border effect - may not be aligned to the perceived need to take action to ensure real cross-border projects (with this wide interpretation, it is no surprise that basically all REPowerEU chapters way surpass the threshold). We note that investments like subsidies for rental and student housing (in Sweden's REPowerEU chapter) and expenses for a study on transitioning to renewable energy (in Lithuania's REPowerEU chapter) all qualify to have a cross-border effect, to give some examples.

Box 1: A comparison of different calculations

Table in the section "3.13. Cross-border or multi-country dimension or effect" of the Commission's analysis of the **RRP of France**:

REPowerEU measure	Costs (EUR billion)	Contribution to the target in %
IPCEI hydrogen	0.651	61.76%
Fossil-free industry	0.294	100%
Energy renovation of private housing	1.781	100%
Thermal renovation of public buildings	0.10	100%

Table in the section "3.13. Cross-border or multi-country dimension or effect" of the Commission's analysis of the **RRP of Slovenia**:

REPowerEU measure with cross-border or multi-country dimension or effect	Costs (EUR million)	Contribution to the target in % of the REPowerEU chapter estimated costs
Energy efficient restructuring of district heating systems with the use of renewable sources	20	16.4%
Strengthening the electricity distribution network (medium-voltage network)	42.17	34.5%
Energy efficiency and decarbonisation of the economy	20	16.4%
Promoting the deployment of alternative fuels infrastructure in transport	40	32.7%
Total	122.17	100%

The section "3.13. Cross-border or multi-country dimension or effect" of the Commission's analysis of the **RRP of Malta** has no such table at all.

2. Latest Commission's preliminary assessment of milestones and targets

Considering the number of preliminary assessments that have been published since the last RRD in October and the time needed to critically review them, we will provide an update on that matter in our **next RRD briefing**.

3. Update on the 100 largest final recipients[2]

Since September, several updates have been posted on the RRF Scoreboard and on national portals concerning the 100 final recipients receiving the highest amount of funding for the implementation of measures under the Facility required according to Article 25a of the REPowerEU regulation.

By November 2023, information from 24 Member States was published on the Commission's RRF Scoreboard. However, the **diversity in presenting the data** by the Member States is very significant. Beneficiary information from 22 Member States is available in a summary table on the Scoreboard, while 24 made the relevant data available on national websites (links available in **Annex 1**).

Some Member States still provide lists with fewer than 100 recipients, which may be due to the fact that disbursements to final recipients have not yet progressed far, as recipients need to be entered into the database only when they receive payments. Some Member States, on the other hand, provide data on more than the required 100, and some just provide a complete list of all recipients of RRF or even all EU programmes (please see 0 for details). It has to be noted that these lists are preliminary in every Member States, and will change as the disbursement of funds progresses.

[2] Section 3 coordinated by Andras Schwarcz (Pol Dep D).

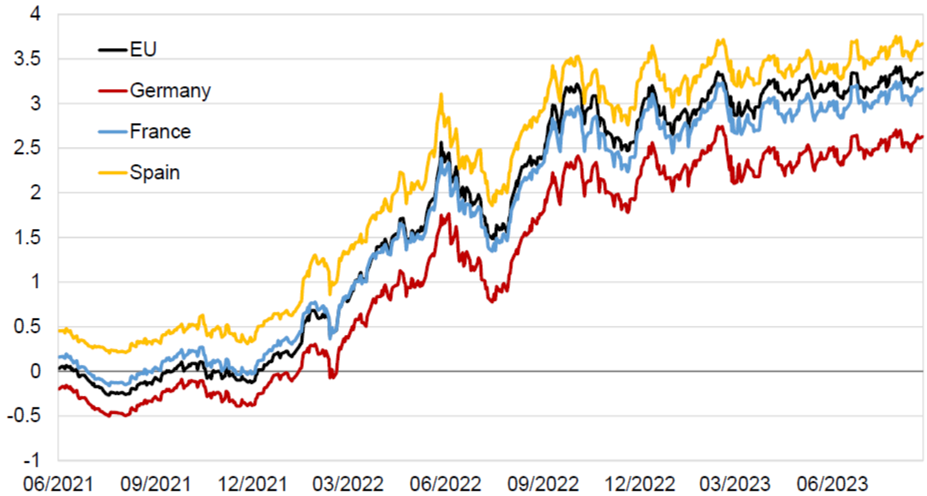
4. The RRF and the EU Budget: an estimation of short to long-term nominal costs[3]

The aim of this section is to provide an overall estimation of RRF related costs for the EU budget starting with the costs expected for 2024, then with the rest of the ongoing MFF during which the EU budget will cover interest payments and finally with long-term estimations of costs covering both interest and principal reimbursements from 2028 until 2057.

4.1 The deal on the 2024 EU budget and RRF related interest costs

As pointed out in the Commission Statement for Estimates[4] provided in preparation of the 2024 EU Budget: *"In light of the unprecedently rapid increase of interest rates since December 2021, the interest costs on funds borrowed under the European Union Recovery Instrument (EURI) in 2023 will be significantly higher than on funds borrowed in 2022. The interest on 2023 borrowings will start to be paid in the following year (i.e. 2024). Given the evolving market conditions, the amount of EUR 2 071 million initially foreseen in the financial programming for 2024 is not sufficient for the annual payments of interests on funds borrowed under EURI".*

Figure 4: 10-year benchmark yields for the EU and selected issuers (in %)



Source: Bruegel based on Bloomberg

The final amount to be covered by the EU budget depends on both interest rates as well as on the overall amount of borrowings undertaken. Against such background, the draft 2024 EU budget as proposed by the Commission foresaw initially a total cost of funding of EUR 3 864 million[5]. As emphasized in the Statement of Estimates, such estimated amount is however highly sensitive to the amounts borrowed: a "*lower level of borrowing under EURI of EUR 10 billion in 2023 would reduce the interest costs in 2024 by some EUR 300 million, all else being equal".*

The initial aim of the Commission was to borrow up to EUR 170 billion for the entire year 2023[6]. In the end, the overall amount to be borrowed is expected to be EUR 118 billion **following a slower pace of disbursements than estimated**. Such lower pace reflects lower than initially foreseen RRF disbursements as payments under RRF are expected to be EUR 20 billon below the original forecast of 2021.

[3] Section 4 coordinated by Francisco Padilla Olivares (Pol Dep D).

[4] See page 29 of the following text : https://commission.europa.eu/system/files/2023-06/DB2024-Statement-of-Estimates.pdf

[5] As indicated by the Statement of Estimates: "The additional needs in comparison with the financial programming for 2024 are proposed to be financed by a combination of the expected carry-over from 2023 (EUR 96 million), the remaining margin under heading 2b (EUR 84.9 million), as well as the mobilisation of the Flexibility Instrument (EUR 1 335,3 million) and the Single Margin Instrument (EUR 372,8 million)".

[6] Regarding the loans, EUR 292.6 billion have been claimed by the Member States by the deadline of 31st of August. It means that more than EUR 90 billion of loans will be left unused i.e. an under execution of more than 20 %.

Therefore, such dynamics of significantly higher interest rates than initially foreseen, coupled with lower than initially expected borrowed amounts has led the co-legislators to agree on an overall amount of **EUR 3 334 million in the 2024 EU budget earmarked for EURI purposes,** following conciliation negotiations concluded on 11 November 2023[7].

Table 2: Expenditures foreseen in the 2024 EU budget in relation to European Union Recovery Instrument (EURI)

Draft budget 2024	Council's position 2024	EP's position 2024	Revised Draft Budget 2024	Conciliation 2024
3 864 000 000	3 291 183 116		3 790 000 000	3 334 000 000

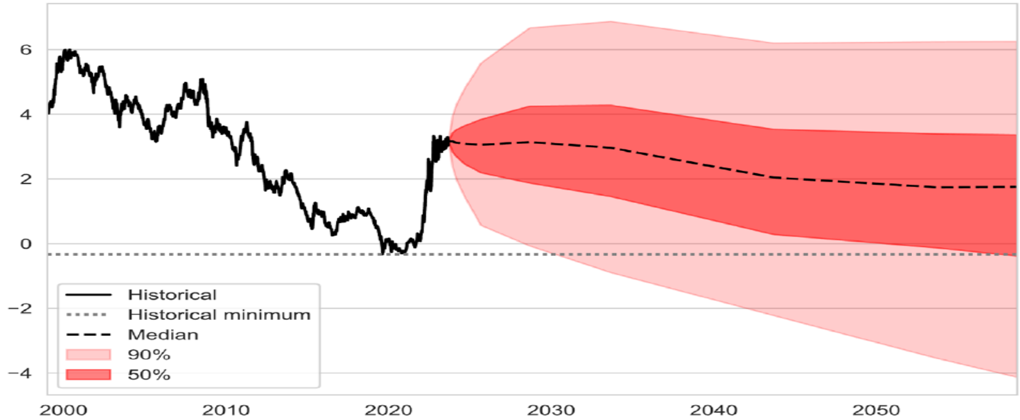
Source: *EU Council*

4.2. Medium to long-term estimates of RRF related borrowing costs

As acknowledged by the Commission[8], **the increase in interest rates (**see in **Figure 4** above) **means in practice that the overall envelope of EUR 14.9 billion EUR foreseen in the MFF 2021-2027** under Heading 2b for covering the interest payments for NGEU non-repayable support **will be well below the amounts required**.

The original 14.9 billion amount was indeed based on initial assumptions that average yields would gradually increase from 0.55% s observed in 2021 to 1.15% in 2027. However, EU yields are expected to remain well-above that amount within the ongoing MFF horizon (see figure 2)[9]. **Such development has therefore led the Commission to raise its estimations of the overall envelope required for covering interest payments of the NGEU non-repayable support in addition of the foreseen envelope by an amount that could range from EUR 17 billion to EUR 27 billion**[10].

Figure 5: 10-year swap rate, expected rate and option-implied confidence intervals (in %)



Source: Bruegel based on Danske Bank and Bloomberg.
Notes: The chart displays historical and possible future values of the 10-year euro swap rate. The 10-year euro swap rate reflects market expectations of the average short-term rate over the next 10 years and can thus be interpreted as a good proxy for the 10-year EU yields. Dark and light red shaded areas correspond to the 50 and 90 percent confidence intervals, respectively, as defined by risk-neutral probabilities derived from the option prices on 10-year swap rates.

7 https://www.consilium.europa.eu/en/policies/eu-annual-budget/2024-budget/

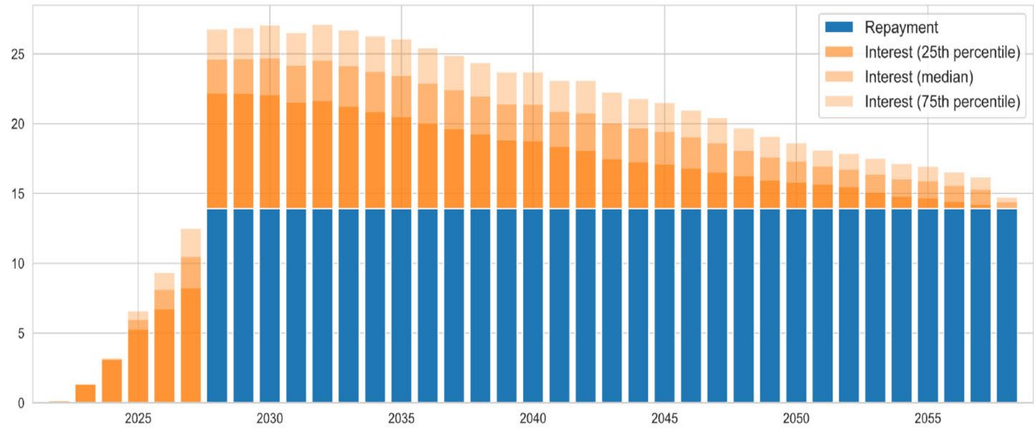
8 See pages 16-17 of the 36-37 of the Commission's communication on the mid-term revision of the MFF 2021-2027 available here: https://commission.europa.eu/system/files/2023-06/COM_2023_336_1_EN_ACT_part1_v4.pdf, as well as pages 36-37 of its annex: https://commission.europa.eu/system/files/2023-06/SWD_2023_336_1_EN_autre_document_travail_service_part1_v4.pdf.

9 As pointed out by the Bruegel follow-up briefing, rates will remain relatively stable until the end of the decade, before slowly decreasing and stabilising below 2% in the long-run.

10 As underlined by the MFF 2021-2027 mid-term revision communication, such range is based on market forecasts of 16 June 2023 as well as on different assumptions for the evolution of the interest rates used by the largest European Debt Management Offices.

The EUR 17 to 27 billion range is in line with the estimates (see **Figure 6** below) made by a briefing to follow-up on questions raised by MEPs in the context of a BUDG workshop on EU issuances commissioned to Bruegel[11]. The briefing estimates that **the yearly interest costs borne by the EU budget could increase quickly in the next few years to reach 10.8 EUR billion in 2030, before decreasing gradually up to 2058.**

Figure 6: Projected annual principal repayments and interest costs borne by the EU (in EUR billions)



Source: Bruegel based on Danske Bank, Bloomberg, and European Commission.

Notes: The chart presents historical and projected annual interest rate costs (orange) and principal repayments (blue) borne by the EU budget. Percentile estimates are based on option implied interest rate volatilities.

Such estimates indicate thereby that unless interest related costs in addition to the originally foreseen EUR 14.9 billion envelope are put over and above the MFF ceilings[12] then such amounts would need to be covered by equivalent amounts within MFF ceilings.

While acknowledging that there is a **large degree of uncertainty as regards the path of interest rates** (as put in evidence by **Figure 5**), below some longer-term estimations of costs to be borne by the EU budget (including principal reimbursements as of 2028) are provided.

- Overall, total interest costs over the whole life of the NGEU borrowing scheme could amount to **around 222 EUR billion in the central scenario.**
- **Such number could be reduced by 25 EUR billion if the EU spread vs the Bund was reduced to its early 2022 level.**
- Taking also into account the repayment of the debt, **total annual financial needs could reach 25 EUR billion[13] in 2030, before declining gradually towards EUR 14 billion per year by 2058**.
- **The 'Own Resources' package proposed by the European Commission in June 2023 could thus be enough to cover these costs**, under two strong conditions: its estimates are accurate and it is accepted by EU countries in its current form.

As underlined by the Bruegel briefing, these "*are strong assumptions as the package is far from being even approved by EU countries, and has been received with strong scepticism by some governments (in particular the statistics-based own resource on companies' profits. Moreover, parts of the ETS revenues are expected to be*

[11] Available here : https://www.europarl.europa.eu/RegData/etudes/BRIE/2023/754286/IPOL_BRI(2023)754286_EN.pdf

[12] As repeatedly requested by the Parliament and included in the Commission mid-term MFF legislative proposal.

[13] According to the Bruegel follow-up briefing's estimations these costs could reach a maximum of 27 EUR billion in 2030 in the 75th percentile scenario, or 32 EUR billion in the 95th percentile scenario.

earmarked to finance the Social Climate Fund and the Innovation Fund, which should reduce substantially the amount that could be used to service NGEU debt".

As outlined in a previous RRD briefings the overall amount of own-resources to be generated by the own-resources legislative proposals is expected to raise on average 36 EUR billion (in 2018 prices). If such amounts are adjusted for inflation projections ahead, the proposal would raise (if enacted in its current form) approximately 50 EUR billion annually between 2028 and 2030. Of such overall envelope EUR 22 billion would correspond to the statistical own resource based on company profits. **Therefore, if such statistics-based own-resource on companies' profits proposal is not adopted or is not replaced, then the amounts raised by such new own resources may fall below the amounts required for reimbursing NGEU related interest and reimbursement costs in 2030**[14].

5. Recent and upcoming RRF-related work by the European Court of Auditors[15]

ECA Annual reports 2022

As last year, the ECA provided two separate opinions on the legality and regularity of expenditure in 2022: one on the EU budget and one on the RRF. The ECA audit evidence shows that 11 out of the 13 RRF payments were affected by quantitative findings, and that six of these payments were affected by material error. The ECA also identified cases of weak design in the milestones or targets as well as problems with the reliability of information included in the Member States' management declarations. The Court therefore gave a qualified opinion on the legality and regularity of expenditure concerning the RRF.

ECA review 06/2023: The Commission's 2022 annual management and performance report for the EU budget

The ECA has published review 06/2023, in which the Court reviewed the Commission's AMPR on the basis of the findings from the Court' audits concerning 2022. The **main finding** on the RRF in this Review is that the Court and Commission differ on the Court's conclusion that 15 of the 281 audited **milestones and targets were affected by regularity issues**, with the Commission reporting that all milestones and targets for payments made in 2022 had been satisfactorily fulfilled.

ECA Special report 26/2023: The Recovery and Resilience Facility's performance monitoring framework – Measuring implementation progress but not sufficient to capture performance

The ECA audited the RRF's performance monitoring framework and concluded that it measures implementation progress but only partly the RRF's performance, and that the performance information presented on the RRF Scoreboard is misleading, as underlying assumptions are not clearly presented. The ECA recommends that the Commission improves the quality of RRF reporting and addresses the shortcomings regarding performance monitoring in future instruments based on financing not linked to costs.

CONT Committee has produced a working document on this special report (Rapporteur: Carlos Coelho).

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14 Such potential scenario assumes that the above-mentioned estimates are correct and takes into account that a meaningful part of the ETS related own-resource will be earmarked for other purposes than EURI related costs.

15 Section 5 coordinated by Minna Ollikainen (DG IPOL).

ECA's 2024+ work programme will be published on the ECA website on Tuesday 12 December 2023 at 17:00 in 24 EU languages. The ECA is expected to assess the performance of the RRF in at least one review and several special reports.

Box 2: Reports by the (supreme) audit institutions of the EU Member States on the RRF

In line with the gradual implementation of the RRF, the national (supreme) audit institutions of the EU Member States have increased their related activities and audit work.

We became aware that since early 2021, (at least) eleven national audit institutions have published (at least) seventeen publicly available audit reports (as full-fledged report or in abbreviated form, displaying the main conclusions and recommendations); two of those were published in 2021, ten in 2023, and another five in 2023.

The focus of the audits has over time shifted from conceptual considerations (e.g. the initial selection and transparency of projects included in the Recovery and Resilience Plans, the choice of targets and objectives, the design of the underlying monitoring and control system etc.) to the actual implementation, i.e. the achievement of milestones and targets.

Some of the reports take quite a critical position on what is known about the overall achievement. A very recent statement from the Finnish Court of Auditors, for example, reads: "*According to the audit, the common indicators of the EU's RRF reflect only a small number of Finland's national objectives. The achievement of the national objectives has not been monitored and reported on in such a manner that it would be possible to monitor and assess the effectiveness of the implementation of the national objectives included in Finland's Sustainable Growth Programme and Recovery and Resilience Plan in all respects. Therefore, the overall effectiveness of the implementation of the Plan cannot be monitored and the results of the implementation of the Plan cannot be verified, either.*"

As the exact circumstances are different in each Member State, we recommend reading the individual reports to give consideration to the different findings.

For the most recent reports from the Supreme Audit Institutions of the EU Member States, please see the recent EGOV RRF stakeholder briefing.

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ANNEX 1: Final recipient data made available by Member States (by 01.12.2023)

Member State	Data available on		Comment
	Scoreboard	*National portal*	
Austria	+	link	National portal provides html table with 10 recipient per page. Not downloadable.
Belgium	+	link	National portal provides html table of 100 recipients. Not downloadable.
Bulgaria	+	link	List of 19 recipients in Scoreboard and in downloadable xls on national portal.
Croatia	+	link	National portal provides unconsolidated downloadable xls list of recipients.
Cyprus	+	link	National portal provides html list, number of recipients per page can be set. Also downloadable in xls and csv.
Czechia	+	link	National portal provides downloadable xls list.
Denmark	+	link	National portal provides downloadable xls list.
Estonia	+	link	National portal provides unconsolidated list of all RRF recipients. Data downloadable.
Finland	+	link	National portal provides list of all RRF recipients. Data downloadable.
France			
Germany	+	link	National portal provides html table of 100 recipients. Not downloadable.
Greece	+	link	National portal provides downloadable xls list.
Hungary	+	link	List of 99 recipients in Scoreboard. List of 100 on national portal available in pdf to be downloaded in a zip file.
Ireland	-	link	List of 64 recipients in downloadable xls on national portal.
Italy	+	link	National portal provides unconsolidated list of 100 recipients, downloadable in xls and csv.
Latvia	+	link	List of 30 recipients in Scoreboard list. Link to national portal is incorrect (error 404).
Lithuania	+	link	List of 69 recipients in Scoreboard. List of 100 recipients on national portal downloadable in xls and pdf.
Luxembourg			
Malta	+	link	List of 16 recipients in Scoreboard list and in downloadable xls list on national portal.
Netherlands	+	link	National portal provides downloadable pdf list.
Poland	-	link	National portal provides list html and a downloadable xls.
Portugal	+	link	National portal provides a database visualisation of all recipients above EUR 1m. Not downloadable.
Romania	+	link	National portal provides downloadable xls list.
Slovakia	+	link	National portal provides downloadable pdf list.
Slovenia	+	link	National portal provides downloadable xls list.
Spain			
Sweden	+	link	National portal provides html table of 100 recipients. Not downloadable.

ANNEX 2: Overview of modifications in RRPs based on objective circumstances

Country	Reasoning / Financial aspect	Modifications of measures based on objective circumstances (Article 21(1) of the RRF Regulation)
Czechia COM press release Council Implementing Decision COM Staff Working Document	*"Czechia's post-pandemic recovery was disrupted by Russia's war of aggression against Ukraine. The Czech economy grew by only 2.5% in 2022, and consumer price inflation increased to 14.8% in 2022 due to fast-growing prices for commodities and production inputs, resulting in lower cost competitiveness. Energy dependency, particularly Czechia's high reliance on fossil fuels, remains a major vulnerability together with housing affordability and administrative capacity of the public administration.* *In light of the socio-economic challenges that Czechia has been facing, the country submitted a modified national Recovery and Resilience Plan (RRP), including a REPowerEU chapter..."* Czechia's modified RRP updates nine measures to take into account the updated maximum financial contribution that was increased by approximately EUR 600m. The total associated costs of the REPowerEU chapter equals EUR 735.4 million. The total allocation for cross-border investments amounts to EUR 605.8 million, corresponding to 82.4% of the estimated cost of the REPowerEU chapter.	Czechia made amendments to the RRP concerning **59 measures because of objective circumstances**: Seven measures are considered no longer totally achievable, because **supply-chain disruptions** have led to problems in their implementation, leading to postponements (up to a year) and changes in priority (but no removal of certain projects). 15 measures are no longer totally achievable in their original format because of **high inflation** (e.g. price increases for zero-emission vehicles), and **high energy prices**, generally leading to a reduction in targets. 17 measures are no longer totally achievable because unexpected **legal or technical difficulties** have led to the need for modifications. One measure is no longer totally achievable within their original timeline because of **other priorities** (the need to integrate Ukrainian refugees), leading to the extension of the implementation timeline. Four measures have been modified because projects related to **COVID-19 are no longer deemed as necessary**, replacing COVID-related projects with more suitable alternatives. 15 measures have been modified to implement **better alternatives** in order to achieve the original ambition of the measure. The "objectively reasoned **change ratio"** [i.e. the number of changes made on grounds of objective reasons over the total number of reforms and investments in the initial RRP] would be equal to 59/(85+37) = 48.3% The "change ratio on grounds of price increases and inflation" would be equal to 15/(35+87) = 12.3%

Country	Reasoning / Financial aspect	Modifications of measures based on objective circumstances (Article 21(1) of the RRF Regulation)
Netherlands COM press release Council Implementing Decision COM Staff Working Document	*"In 2022 the Dutch economy was hit by high inflation due to strongly rising energy prices and a high reliance on fossil fuels.* *In light of these challenges, in particular related to the Netherlands' low share of renewable energy, the country submitted a modified Recovery and Resilience Plan (RRP) along with a REPowerEU chapter on 6 July 2023."* The total associated costs of the REPowerEU chapter equal EUR 735.0 million. All measures in the REPowerEU chapter and therefore 100% of its estimated costs have a cross-country or multi-country dimension or effect.	The Netherlands made amendments to the RRP concerning **10 measures because of objective circumstances**, replacing one measure by a new measure, postponing the achievement of targets and reductions of intermediate targets, replacing targets that are not fully achievable with better alternatives, and reducing targets due the impact of labour shortages and/or increased costs: Three measures are no longer totally achievable because **better alternatives** have been developed to achieve their objectives. One measure is no longer totally achievable because the technological progress made since the submission of the original RRP necessitates changes of the **unit of measurement**. One measure is no longer totally achievable because of the larger-than-expected **price increases for electricity** and for ship conversions to zero-emission propulsion. Two other measures are no longer totally achievable in the given implementation timeline because of **price increases**. One measure is no longer totally achievable within the timeframe of the RRP because of an unforeseen peak in the **workload** for the bodies responsible for assisting pension funds. Finally, two measures are no longer totally achievable because of a **lack of demand** for training in certain sectors. The "objectively reasoned **change ratio"** [i.e. the number of changes made on grounds of objective reasons over the total number of reforms and investments in the initial RRP] would be equal to 10/(21+28) = 20.4% The "change ratio on grounds of price increases and inflation" would be equal to 3/(21+28) = 6.1%

Country	Reasoning / Financial aspect	Modifications of measures based on objective circumstances (Article 21(1) of the RRF Regulation)
Portugal COM press release Council Implementing Decision COM Staff Working Document	*"Portugal's substantial post-pandemic economic recovery fuelled by a strong rebound in tourism has slowed. The Portuguese GDP grew strongly in 2021 and 2022 and is expected to continue growing moderately in the medium term. Labour market developments are positive, although youth unemployment remains high and regional disparities persist. Despite limited direct effects, the indirect effects of Russia's invasion of Ukraine are significant, due to Portugal's dependency on imported fossil fuels.* *Portugal submitted a modified recovery and resilience plan, which reflects the increase in its final allocation, along with a REPowerEU chapter that contains measures to accelerate the green transition and decrease reliance on fossil fuels."* Portugal's modified RRP reflects the **upward revision** of its maximum **RRF grant allocation**, from EUR 13.9 billion to EUR 15.5 billion, representing an increase of around EUR 1.6 billion. The total associated costs of the REPowerEU chapter equals EUR 855 million. The total allocation for cross-border investments amounts to EUR 608.9 million, corresponding to 71.2% of the estimated cost of the REPowerEU chapter.	The amendments to the RRP submitted by Portugal because of **objective circumstances concern 45 measures**: 21 measures are no longer totally achievable within the timeline of the original RRP due to **inflation and/or supply-chain disruptions** which resulted in unsuccessful procurement procedures and/or caused delays in the acquisition of materials and/or services. Six measures are no longer totally achievable with the ambition of the original RRP due to **supply chain disruptions and high inflation**. Three measures are no longer totally achievable as originally described due to **inflation**. Fifteen measures are no longer totally achievable in their original format because **unexpected legal or technical difficulties** outside the control of the authorities. The "objectively reasoned **change ratio"** [i.e. the number of changes made on grounds of objective reasons over the total number of reforms and investments in the initial RRP] would be equal to 45/(32+83) = 39.1% The "change ratio on grounds of price increases and inflation" would be equal to 30/(32+83) = 26.1%

Slovenia COM press release Council Implementing Decision COM Staff Working Document	*"In 2022, Slovenia's economy continued to face headwinds stemming from the war in Ukraine and continued supply disruptions, high energy prices and persistent inflation. To tackle these challenges, Slovenia submitted on 14 July 2023 a modified national Recovery and Resilience Plan (RRP), including a REPowerEU chapter."* In light of the damage caused by last summer's catastrophic floods, Slovenia decided to **increase its amount of loans** financing the plan, from EUR 705 million to over EUR 1 billion, to scale-up two investments of its original plan and add three new investments in sustainable transport. Slovenia's modified RRP also reflects the **downward revision** of its **maximum RRF grant allocation**, from EUR 1.8 billion to EUR 1.5 billion. The total associated costs of the REPowerEU chapter equals EUR 122.2 million. All measures in the REPowerEU chapter and therefore 100% of its estimated costs are said to have a cross-country or multi-country dimension or effect.	The amendments to the RRP submitted by Slovenia because of **objective circumstances concern 35 measures**: 11 measures are no longer totally achievable, primarily because of unexpectedly **high inflation** in the relevant sector, mainly **construction**. For one measure, there is a **better alternative** more conducive to reaching the policy objective. One measure is no longer totally achievable due to an **increase in costs** for the investment. One measure is no longer totally achievable due to delays caused by the **complexity** and length of the procedure to set up the **multi-country project**. One measure is no longer totally achievable due to a limited number of **companies applying** for the project. One measure is no longer totally achievable due to a delay in the timeline for establishing a **value chain** in a **multi-country project**. One measure is no longer totally achievable due to the strong **increase in inflation**. One measure is no longer totally achievable due to the **energy crisis and high inflation**. One measure is no longer totally achievable due to delays caused by the **involvement of numerous stakeholders**. Five measures are no longer totally achievable due to the recent **catastrophic floods**. One measure is no longer totally achievable due to the annulment of **public procurement** after a request for revision asserted by a **public interest defender**. Seven measures are no longer totally achievable due to manifestly **better alternatives**. Two measures are no longer totally achievable due to **disruptions of supply-chains**/labour markets. One measure is no longer totally achievable due to the need to **expand the target group**. The "objectively reasoned **change ratio"** [i.e. the number of changes made on grounds of objective reasons over the total number of reforms and investments in the initial RRP] would be equal to 35/(33+50) = 42.2% The "change ratio on grounds of price increases and inflation" would be equal to 13/(33+50) = 15.7%

Country	Reasoning / Financial aspect	Modifications of measures based on objective circumstances (Article 21(1) of the RRF Regulation)
Estonia COM press release Council Implementing Decision COM staff working document	*"In 2022 Estonia's economy was strongly hit by the rise of energy prices, negative effects from the war in Ukraine and supply disruptions, while the labour market remained strong.* *In light of the socio-economic challenges that Estonia has been facing since the beginning of 2022, the country submitted a modified Recovery and Resilience Plan (RRP) along with a REPowerEU chapter..."* Estonia's modified RRP proposes to remove 3 measures from the initial plan to take into account the decrease in the maximum financial contribution from €969.5 million to €863.5 million. The REPowerEU chapter introduces three new measures to tackle energy challenges. The total associated costs of the REPowerEU chapter equals €90 million. The total allocation for cross-border investments amounts to EUR 90 million, corresponding to 100% of the estimated cost of the REPowerEU chapter.	The amendments to the RRP submitted by Spain **because of objective circumstances concern 19 measures**. Two measures are no longer achievable because of the **implications of Russian aggression against Ukraine.** Four measures are no longer achievable at the original cost estimated given high **inflation and supply chain disruptions,** with one of them being affected in the timeline given delays in construction works. Two measures are no longer achievable because of a **significant rise in wage costs and labour shortages** in the IT sector**.** Four measures are no longer achievable because of delays in implementation due to **supply chain disruptions, unexpected problems, delays with procurements and procedures**. Two measures have been modified to implement **better alternatives** whereas five new measures have been included to further promote the plans' ambitions in the areas of **green and energy efficiency**. The "objectively reasoned **change ratio"** [i.e. the number of changes made on grounds of objective reasons over the total number of reforms and investments in the initial RRP] would be equal to 19/(16+25) = 46.3% The "change ratio on grounds of price increases and inflation" would be equal to 4/(16+25) = 9,8%

Spain COM press release Council Implementing Decision COM Staff Working Document	*"Spain weathered well the effects of Russia's war of aggression against Ukraine. Real GDP grew by 6.4% last year and employment grew by 3.1% to above pre-pandemic levels. However, despite low direct exposure to the disruption of energy supply from Russia, Spain's large external energy dependence resulted in a surge in energy prices which contributed to increased inflation, reaching an average of 8.3% in 2022.* *In this context, effective policies to promote a green transition are even more necessary (...) Structural factors like low private R&D expenditure and shortfalls in the business environment keep hampering productivity growth. The energy crisis also led to social challenges affecting disproportionately vulnerable households. The effects of population ageing will pose an increasing challenge to ensuring public debt sustainability.* *In light of the socio-economic challenges that Spain has been facing since the beginning of 2022, the country submitted a modified Recovery and Resilience Plan (RRP) along with a REPowerEU chapter on 6 June 2023."* The amended RRF, including the REPowerEU chapter, significantly increases the value of the plan to roughly €163 billion. This includes: • The request of €83.1 billion in loan support, • The upward revision of the maximum RRF grant allocation from €69.5 billion to €77.2 billion, • €2.6 billion in grant support under REPowerEU, and • €58 million in transfers from the Brexit Adjustment Reserve (BAR) in line with the REPowerEU Regulation. 52 measures are affected by modifications based on objective circumstances. The upward revision accounts for 32 new or revised measures, whereas the loans will finance 27 new reforms. The REPowerEU chapter covers one new reform, a scaled-up investment and seven new investments. The plan now covers 111 reforms and 142 investments. The total associated costs of the REPowerEU chapter equals EUR 6,917 million.	The amendments to the RRP submitted by Spain because of objective circumstances concern 52 measures[16]. Fifteen measures are no longer achievable within the timeline originally envisaged due to various **supply-side constraints**, combined in some cases with **high inflation.** Six measures are no longer achievable due **lack of demand resulting from high inflation**, or the uncertain economic context provoked by **Russia's war against Ukraine.** Six measures are no deemed longer achievable as they require **additional adaptations of the legal framework** that could not be finalised within the original timeline. Three measures are no longer achievable as they require extra time to accommodate the **adoption of new procedures, demand-driven circumstances or** adjust **the administrative framework**. One of these measures was also impacted by changes in market conditions, including higher costs. One measure is no longer achievable because **failures on the procurement process** to estimate the correct number of calls required to meet the necessary level of ambition. Three measures are no longer achievable due to **unexpected lengthier preparatory procedures** than initially planned. Three measures are no longer achievable due to the redistribution of resources which followed an **extraordinary amount of forest fires**. Among them, one measure was further changed to maintain the original level of ambition by tackling issues such as **inflation, administrative delays, labour and skill shortages**. Four measures were deemed is no longer achievable because of **insufficient demand**. Two measures were **further strengthened in their level of ambition** with the freed resources. Five measures are no longer achievable because of changes in market demand as a result of **changes in the market conditions, including higher costs** Three measures are no longer achievable because of **supply-chain disruptions**. Two of these measures were further changed to maintain the original level of ambition by tackling issues such as **inflation, administrative delays, labour and skill shortages**. One measures has been modified to implement **better alternatives** to achieve its original ambition. The "objectively reasoned **change ratio"** [i.e. the number of changes made on grounds of objective reasons over the total number of reforms and investments in the initial RRP] would be equal to 52/(102+109) = 24.6%

Country	Reasoning / Financial aspect	Modifications of measures based on objective circumstances (Article 21(1) of the RRF Regulation)
	The total allocation for cross-border investments amounts to EUR 5,917 million, corresponding to 85.5% of the estimated cost of the REPowerEU chapter.	The "change ratio on grounds of price increases and inflation" would be equal to 9/(102+109) = 4.7%

[16] Please note that the figures below are based on EGOV's recalculation to account for inconsistency in the use of the word "measure", which refers to reforms and investments only (i.e. without differentiating for individual milestones and targets for an investment/reform in a given component) and address double-counting in the Council Implementing Decision.

Country	Reasoning / Financial aspect	Modifications of measures based on objective circumstances (Article 21(1) of the RRF Regulation)
Austria COM press release Council Implementing Decision COM Staff Working Document	*The Austrian economy has recovered strongly from the COVID-19 pandemic, but is now facing headwinds. In 2022, Russia's war of aggression against Ukraine and subsequent spikes in energy prices fuelled inflation and suppressed growth. In light of these challenges, Austria submitted to the Commission a modified recovery and resilience plan (RRP) including a REPowerEU chapter on 14 July 2023.* Austria's modified RRP also reflects the **upward revision** of its **maximum RRF grant allocation**, from EUR 3.5 billion to €3.75 billion. The total associated costs of the REPowerEU chapter equals EUR 210.3 million. The total costs of measures with a multi-country or cross-border dimension or effect account for 66.7% of the estimated costs of the REPowerEU chapter.	The amendments to the RRP submitted by Austria because of **objective circumstances concern 14 measures**: Three targets related to two measures are no longer totally achievable due to **disruption in supply chains** which have led to **costs increases**. Two targets and one milestone related to three measures are no longer totally achievable in the given implementation timeline due to **disruption in supply chains** which have led to delays in delivering required materials. Six targets related to two measures are no longer totally achievable due to **increased costs**. Two targets related to two measures are no longer totally achievable due to the existence of manifestly **better alternatives**. Eight targets and one milestone related to three measures are no longer totally achievable due to **lack of demand** from potential beneficiaries. Two targets related to one measure are no longer totally achievable due to **delays in public procurement**. Two targets related to one measure are no longer totally achievable in the given implementation timeline due to **labour shortages**, changes in working patterns as well as temporary closures. Two targets related to one measure are no longer totally achievable in the given implementation timeline due to the **influx of displaced people** from Ukraine. The "objectively reasoned **change ratio"** [i.e. the number of changes made on grounds of objective reasons over the total number of investment and reform measures in the initial RRP] would be equal to 14/(32+27) = 23.7% The "change ratio on grounds of price increases and inflation" would be equal to 4/(32+27) = 6.8%

Country	Reasoning / Financial aspect	Modifications of measures based on objective circumstances (Article 21(1) of the RRF Regulation)
Denmark COM press release Council Implementing Decision COM Staff Working Document	*On May 31, 2023, Denmark submitted to the Commission a modified national Recovery and Resilience Plan (RRP), where **the only modification consists of the addition of a REPowerEU chapter**.* *The Danish economy has experienced a prolonged period of robust growth, only interrupted by significant fluctuations in activity during the COVID-19 pandemic. Denmark's per capita GDP (in purchasing power standard/PPS) was 135% of the EU average in 2021, the third highest in the EU.* *Inflation increased sharply following the Russian war of aggression against Ukraine from 1.9% in 2021 to 8.5% in 2022, the highest rate of inflation recorded in Denmark since the early 1980s.* *Rising energy, food and commodity prices were the main drivers behind the initial surge in inflation.* *The measures considered to have a cross-border effect account for 53% of the estimated costs of the REPowerEU chapter, well above the 30% target.*	Denmark did **not make any amendments** to the RRP because of **objective circumstances.** The "objectively reasoned **change ratio"** [i.e. the number of changes made on grounds of objective reasons over the total number of investment and reform measures in the initial RRP] would hence be 0%. The "change ratio on grounds of price increases and inflation" would hence likewise be 0%.

Country	Reasoning / Financial aspect	Modifications of measures based on objective circumstances (Article 21(1) of the RRF Regulation)
Lithuania COM press release Council Implementing Decision COM Staff Working Document	*Lithuania's economy has been affected by the consequences of Russia's war against Ukraine. Inflation increased significantly between late 2021 and late 2022 due to rising energy and food prices and the pass-through to core inflation components. In the context of the energy crisis, effective policies to promote the green transition and decrease reliance on imported fossil fuels have become more urgent than ever, notably by improving energy efficiency and promoting renewable energy and clean and sustainable mobility. The energy crisis has also accentuated social challenges, as it has affected vulnerable households disproportionately. In light of the socio-economic challenges faced since the beginning of 2022, Lithuania submitted a modified Recovery and Resilience Plan (RRP) along with a REPowerEU chapter on 30 June 2023.* In financial terms, the modified RRP reflects both the downward revision of its maximum RRF grant allocation (from EUR 2.2 billion to EUR 2.1 billion), and the additional loans that Lithuania requested (EUR 1.55 billion), making the whole plan now worth EUR 3.85 billion, nearly double the size of the initial RRP. The total estimated cost of the REPowerEU component is EUR 748 million All measures in the REPowerEU chapter and therefore 100% of its estimated costs are said to have a cross-country or multi-country dimension or effect.	The amendments to Lithuania's initial RRP based on objective circumstances concern **18 different measures** (affecting 44 sub-measures in total, some thereof by more than one circumstance at the same time)[17]: Five measures are no longer totally achievable due to **high inflation**. Two measures are no longer totally achievable due to **supply chain disruptions**. One measure was no longer totally achievable within the initial timeframe due to an unforeseen need to **review the initial plan** in order to safeguard the quality and safety of the project. Three measures are no longer totally achievable due to **changed market demand**. Six measures are no longer (totally) achievable within the initial timeframe due to a delay in the **procurement process**. For 14 measures, the proposed revisions constitute a manifestly **better alternative** of implementing the project. Lithuania's initial RRP comprised in total 30 measures, strongly geared to reforms (27 in total). The "objectively reasoned **change ratio"** [i.e. the number of changes made on grounds of objective reasons over the total number of investment and reform measures in the initial RRP] would be equal to 18/(3+27) = 60% The "change ratio on grounds of price increases and inflation" would be equal to 5/(3+27) = 16.7%

[17] Please note that the figures below are based on EGOV's recalculation to account for inconsistency in the use of the word "measure".

Country	Reasoning / Financial aspect	Modifications of measures based on objective circumstances (Article 21(1) of the RRF Regulation)
Sweden COM press release Council Implementing Decision COM Staff Working Document	*In 2022, Sweden's economy was confronted with the adverse effects of the Russian aggression against Ukraine. Even if the direct exposure through trade linkages was rather limited, the increase in energy prices and ultimately inflation and the subsequent monetary tightening impacted the Swedish economy particularly hard because of the high private debt and short-interest fixation periods. As a consequence, private consumption declined and investment in construction dropped, leading to a decline in GDP. The REPowerEU chapter contains measures to help address the key energy challenges that Sweden currently faces.* In financial terms, the changes to the original plan need to factor in a comparatively small downward revision of the maximum RRF grant allocation (from EUR 3.29 billion to EUR 3.18 billion). The total estimated cost of the REPowerEU component is EUR 283 million All measures in the REPowerEU chapter and therefore 100% of its estimated costs are said to have a cross-country or multi-country dimension or effect.	Sweden did not make any amendments to the RRP because of objective circumstances. The "objectively reasoned **change ratio"** [i.e. the number of changes made on grounds of objective reasons over the total number of investment and reform measures in the initial RRP] would hence be 0%. The "change ratio on grounds of price increases and inflation" would hence likewise be 0%.

France COM press release Council implementing decision COM staff working document	France submitted a modified national Recovery and Resilience Plan (RRP), which included a REPowerEU chapter. The REPowerEU chapter introduced three new reforms and investments, and scaled up one measure from the initial RRP to enhance the resilience, security, and sustainability of the Union's energy system. The reforms included a law on accelerating renewable energy production, an 'energy sobriety plan', and the establishment of a General Secretariat for Ecological Planning. The new investments focused on decarbonising industry, producing and using renewable and fossil-free hydrogen, and renovating public buildings for energy efficiency. The scaled-up measure involved the energy renovation of private housing. **The plan is now worth almost €40.3 billion in grants (up from €39.4 billion) and covers 24 reforms and 73 investments.** All the measures included in France's REPowerEU chapter are said to have a multi-country or cross-border dimension. The weighted average, based on the information in the Commission Staff Working document, would translate into a 91,2% of the estimated costs that have a cross-country or multi-country dimension or effect.	France has made substantial amendments to its Recovery and Resilience Plan due to a **range of unavoidable circumstances affecting multiple area**s. These changes have impacted **18 different measures** within the plan. Issues such as supply chain disruptions, increased inflation rates, and unexpected legal or technical challenges have caused delays and hurdles in implementing these measures. As a result: • Two measures have become unachievable due to **supply chain disruptions and inflation**, leading to France reducing specific targets in cultural sectors, renovation of medical and social establishments, and vocational training support. • Investments addressing employment resources, boarding schools for excellence, and infrastructure greening have faced feasibility challenges due to the ongoing **COVID-19 crisis** and supply chain disruptions, leading inter alia to timeline extensions. • Three measures experienced delays due to **inflation**, resulting in changes in descriptions and the postponement of targets related to infrastructure, innovative businesses, and healthcare facilities. • **Unexpected legal or technical difficulties** affected three measures, leading to alterations in milestones and descriptions concerning building renovation, technological sovereignty, and digital upgrading. • **Delays in the implementation** of four measures necessitated changes in descriptions and targets related to social housing renovation, circular economy laws, seismic risk prevention, and cultural heritage support. • Modifications were made to four measures **to implement better alternatives aligned with the original objectives**. Changes affect descriptions, milestones, and targets. • Additionally, France aimed to **intensify the monitoring of one measure's implementation**, changing milestone descriptions. The "objectively reasoned **change ratio"** [i.e. the number of changes made on grounds of objective reasons over the total number of reforms and investments in the initial RRP; France had 92 measures: 21 reforms and 70 investments] would be equal to 18/92 = 19,6% The "change ratio on grounds of price increases and inflation" would be equal to 5/92 = 5,4%

Country	Reasoning / Financial aspect	Modifications of measures based on objective circumstances (Article 21(1) of the RRF Regulation)
Ireland COM press release Council implementing decision The "*Commission Staff Working Document: Analysis of the recovery and resilience plan of Ireland amending the approval of the assessment of the recovery and resilience plan*" **has so far not been made available on the RRF** website country **for Ireland**	Ireland has proposed the removal of two investments and modifications to five others. These revisions are driven by the need to accommodate the reduction in its maximum Recovery and Resilience Facility grant allocation, which was **revised downwards from €989 million to €914 million.** Changes also reflects Ireland's relatively better economic performance in 2020 and 2021 than initially anticipated. The request for plan modification is also influenced by factors, such as construction material price inflation in 2022 due to supply chain disruptions caused by Russia's aggression against Ukraine, the identification of significantly better alternatives, and a stronger than expected post-pandemic recovery of the labour market. The overall recovery and resilience plan for Ireland will be funded by €914 million in grants. In September 2023, Ireland submitted its first payment request of €323.8 million.	Ireland made two amendments to its Recovery and Resilience Plan (RRP) due to objective circumstances: The two measures required adjustments due to **unforeseen challenges, including increased technical requirements for a loan guarantee scheme** and delays in housing projects caused by external factors like **inflation and supply-chain disruptions.** The "objectively reasoned **change ratio"** [i.e. the number of changes made on grounds of objective reasons over the total number of reforms and investments in the initial RRP; Ireland has 25 measures in its initial RRP: 9 reforms and 16 investments] would be equal to 2/25 = 8,0% The "change ratio on grounds of price increases and inflation" would be equal to 1/25= 4,0%

Country	Reasoning / Financial aspect	Modifications of measures based on objective circumstances (Article 21(1) of the RRF Regulation)
Malta COM press release Council implementing decision COM staff working document	Malta has submitted a revised recovery and resilience plan, **now worth €328 million in grants, up from the initial €316.4 million**. This plan includes a REPowerEU chapter designed to expedite the green transition and reduce Malta's dependence on fossil fuels. The modifications to the plan have led to changes in six measures of the initial plan, including the removal of two investments and the scaling down of two measures related to the digitalisation of the health sector and the renovation of Mount Carmel public hospital. These changes are a result of a decrease in Malta's non-repayable financial support from €316.4 million to €258.3 million due to an updated maximum financial contribution. They also account for objective circumstances such as supply chain disruptions and procurement delays caused by Russia's aggression against Ukraine, which have increased investment costs and caused delays. The REPowerEU chapter introduces measures to address Malta's key energy challenges, including a reform to expedite permit-granting procedures for renewable energy projects and an investment to strengthen the electricity distribution network. These measures aim to increase the share of renewables in Malta's energy mix and address internal electricity transmission distribution bottlenecks. The implementation of these measures is expected to contribute to reducing dependency on fossil fuels, aligning with the country-specific recommendation on energy. The investment into the electricity grid included in the REPowerEU chapter, and representing 100% of its estimated costs, has a cross-border effect.	Malta requested to modify two measures due to objective circumstances: One involves **difficulties with a procurement procedure**, leading to modifications in conditions and the launch of a new process. The other measure faces delays in electric vehicle uptake within the private sector, primarily attributed to **supply chain issues**, including vehicle availability and delivery timelines. In response, Malta has requested an extension of the implementation timeline for the affected milestone and target, introduced an intermediate target for one measure, and proposed baseline amendments. The "objectively reasoned **change ratio"** [i.e. the number of changes made on grounds of objective reasons over the total number of reforms and investments in the initial RRP; Malta has 47 measures: 30 reforms and 17 investments] would be equal to 2/47 = 4,3% The reasons supporting the changes introduced by Malta do not explicitly refer to inflation (0%).

Country	Reasoning / Financial aspect	Modifications of measures based on objective circumstances (Article 21(1) of the RRF Regulation)
Slovakia COM press release Council implementing decision COM staff working document	Slovakia's recovery from the pandemic has been impacted by Russia's aggression against Ukraine. The Slovak economy faced several challenges, including inflation exceeding expectations in 2022, high energy and food prices, and supply chain delays. Energy dependency, particularly Slovakia's high reliance on fossil fuels, remains a major vulnerability. In response to these challenges, Slovakia submitted a modified national Recovery and Resilience Plan, which now includes a REPowerEU chapter. The revised plan includes several modifications, such as expanding the range of renewable energy sources eligible for financial support, and clarifying the scope of investments in healthcare, justice, and transport. **The plan is now worth €6.4 billion in grants (up from €6 billion)** and covers 64 reforms and 60 investments. The total allocation for cross-border investments correspond to approximately 64,1% of the estimated cost of the REPowerEU chapter.	Slovakia has made significant amendments to its Recovery and Resilience Plan (RRP) due to objective circumstances affecting 36 measures. These amendments were prompted by a myriad of challenges, including **substantial construction cost increases, supply chain disruptions, unexpected obstacles, and delays in procurement** and other procedures. These factors rendered 23 measures unachievable within the initial timeline. Modifications involved a diverse range of measures, such as enhancing energy efficiency in buildings, improving digital infrastructure in schools, and supporting the healthcare sector's modernization. Furthermore, four measures faced **inflation-related delays in construction works**, compelling Slovakia to extend the implementation timeline and introduce changes. Two measures required **acceleration in reducing dependence on natural gas imports from Russia, due to Russia's war of aggression in Ukraine**. Additionally, **unforeseen challenges** impacted 11 measures, resulting in delayed implementation, increased costs, and necessitating alternative approaches to achieve the measures' objectives effectively. Slovakia has requested extensions and amendments for milestones and targets across various components, such as sustainable transport, inclusive education, healthcare, and judicial reform. These amendments aim to address the complexities faced and adapt to changing macroeconomic environments, allowing for more effective achievement of the RRP objectives. **The "objectively reasoned change ratio"** [i.e. the number of changes made on grounds of objective reasons over the total number of reforms and investments in the initial RRP; Slovakia had 116 measures: 58 reforms and 58 investments] would be equal to 36/116 = 31,0% Considering that Slovakia made the case that all 36 measures were no longer fully achievable because, inter alia, of a substantial increase in construction costs, the change ratio on grounds of price increases and inflation would likewise be equal to 36/116 = 31,0%

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