

Aanleiding

Maandag 14 december spreken jullie met de RRF Task Force (10.2.e) over het Nederlands RRP. In dit oplegblad vinden jullie het doel van het gesprek en spreekpunten, zowel een spreeklijn over het nationale proces als de openstaande vragen. Bijgevoegd vinden jullie achtergrond voor bouwsteen 1, zoals opgesteld door FIN.

Doel

Bereiken

- Mandaat krijgen om op technisch niveau door te praten met de Taskforce over de maatregelen;
- De Commissie inzicht geven in het proces voor het Nederlands RRP;
- Laten zien dat Nederland vasthoudt aan een hoog ambitieniveau t.a.v. het eigen RRP (en parallel de RRP's van andere lidstaten en beoordeling en monitoring van de Commissie)
- Antwoord ontvangen op de belangrijkste technische vragen.

Vermijden

- Inhoudelijk gesprek over hervormingen en investeringen waar nog niet over besloten is:
 - Woningmarkt;
 - Nieuwe investeringen op het gebied van klimaat/digitaal.

Spreeklijn eigen proces

Introduction

- Thank you for the invite for this meeting. Very useful to inform each other on the latest developments after our first contacts in October 10.2.e. We aim to swiftly proceed with the preparations on our RRP, and we hope that this meeting will enable our colleagues to proceed with technical discussions with your staff, starting soon after this meeting.

General

- The COVID-crisis affects all member states significantly. It is good to see that member states take measures to address the consequences of the crisis. The Netherlands has also announced a number of substantial measures (estimated at more than €50 bln.); last week the government announced an extension of several support measures.
- The Netherlands sees the RRF as an important opportunity to link investments to structural reforms, in order to improve the economic resilience and potential growth of member states. For the Netherlands, and specifically for the Dutch Parliament, it is crucial that reforms address the 2019 and 2020 CSRs. The Commission has announced in its RRF guidance that, in principle, all CSRs should be addressed unless member states can substantiate why they need to deviate from this principle.
- The Netherlands is pleased with the binding percentages for climate and digital, as included in the current daft regulation. It is important that green and digital transition investments are spent in an effective way.

Dutch RRP

- In line with our position during the negotiations, our government aims to submit an ambitious RRP with structural reforms and investments that address the 2019 and 2020 CSRs.
- The government has therefore decided that a next government will submit the final RRP for the Netherlands. This process enables the next government to decide which reforms and investments it will implement in the following years. Given the election date of March 17th 2021, this may imply that the Netherlands will not be able to meet the first deadline of April 30, 2021, and will submit a final RRP between October 15, 2021 and April 30, 2022.
- In the meantime, we will informally take stock of possible measures a Dutch RRP could include. In the coming months, measures that may qualify for the Dutch RRP are explored at a

non-political level. This concerns both measures started since 1 February 2020 (one of the criteria of the concept RRF-regulation), and new measures that a next government can implement. We aim to finish the preparations before a next cabinet is in place.

- Whereas we value the input of stakeholders, the tight timeline limits the possibilities in this regard. Stakeholders will be updated through our ordinary decentralized approach. Individual departments remain in contact with their relevant stakeholders.
- Regarding the measures started since 1 February 2020, the current government has initiated multiple reforms that seem to meet the conditions for the RRP and provide a solid foundation for the draft plan. These reforms address the 2019 and 2020 CSRs and serve as the starting point of the draft RRP. These measures involve:
 - Reduction of mortgage interest deduction;
 - A new pension scheme that will make the system more robust and better geared to individual needs.
 - Paring back the fiscal allowance for self-employed;
 - A mandatory disability insurance for the self-employed is yet to be formulated.
 - Measures to counter aggressive tax planning;
 - Reforms in the green transition;
 - The implementation of the National Climate Agreement;
- Next to these reforms possible investments will be assessed. Both investments started since February 2020 and potentially new investments that could be agreed upon in the coming years will be taken into account. Proposals for these new investments are currently drafted. In the beginning of January all proposals will be submitted at the coordinating department. Afterwards a swift check of the Commission's criteria will be done. We aim to present some of these measures to you early spring.
- It is important to stress that a next government will decide on the measures that will be taken up in the plan. The measures that we will present here in Brussels up to spring will thus be a grant overview of possible measures, for which we are curious to your views. However, such presentation does not imply that they will be taken up in the final plan.

Openstaande vragen

- How does the Commission interpret the condition that measures started since 1 February are eligible? More specifically, what is meant by the phrase 'started'? Does this refer to the moment of political decision making, the moment of budgetary coverage or the moment of actual implementation? The Q&A's mention 'initial stages of a measure', however do not specify these stages.
- How does the Commission view frontloading of investments that are in line with the CSRs?
- We would like to discuss the measures with you regularly on technical level, starting in the beginning of next year. What would you need for the assessment of measures? More specifically, is there a format for the technical assessment of the measures?
- To what extent is the Commission planning to assess the climate- and digital markers that member states have to tag to their measures? We assume that the assessment takes place for every measure and not at random?

Q&A

Will the Netherlands link funds from the Recovery Fund to national funds? (If yes, how much?)

- We are still looking into this point. National funds such as our National Growth Fund and Infrastructure Fund have separate and independent governance structures. We are figuring out if and how we want to combine them.

Could you please elaborate on the specific measures that will be included in your draft plan?

- As explained, in this stage there is no decision making on the measures to include in the draft plan.

Reforms

- This government has taken several measures to address the CSRs of both 2019 and 2020. Among these are:
- *Reduction of mortgage interest deduction*; In 2020, mortgage interest payments can be deducted from taxable income at a maximum rate of 46%. This rate is gradually reduced to 43% in 2021, 40% in 2022, and 37.05% in 2023.
- A new *pension scheme* that will be implemented in the years 2021-2026; The government has worked closely with the social partners to agree reforms that will make the system more robust and better geared to individual needs. At the same time the strengths of our pension system will be retained. As well as reforming the 'second pillar' (occupational pension schemes), the government and its partners have made agreements to ensure that working people in the Netherlands are still in good health by the time they retire. These agreements cover matters such as sustainable employability, early retirement and a slower rise in the state pension age.
- Paring back the *fiscal allowance for self-employed*; The self-employed person's tax allowance will be further reduced, but this will be compensated by the increase in the employment tax credit and the decrease in the basic rate of income tax from 37.35% to 37.10%. This will reduce the differences in the tax burden on employees and self-employed people. From next year, the allowance will be reduced by an extra €110 a year, until it reaches €3,240 in 2036.
- A mandatory *disability insurance for the self-employed* is yet to be formulated;
- Measures to counter *aggressive tax planning*. These measures consist for example of a withholding tax on interest and royalty's (2021) and dividends (2024) for payments to countries that have no or a too low tax on profit (<9%) and countries that are on the European black list regarding taxation. Multinationals will bear a fairer share of the tax burden, but the business climate will be taken into account. For instance, the offsetting of losses will be limited from 2021 onwards and we will explore how to ensure more equal tax treatment of equity and debt.
- Reforms in the *green transition*, for example regarding nitrogen and a CO₂ tax. Under the National Climate Agreement, industrial companies will be encouraged to invest in cutting their CO₂ emissions. Companies that do not reduce their emissions sufficiently will pay a CO₂ tax. The tax will enable the target for 2030 to be achieved without undermining Dutch companies' competitiveness and the Netherlands' position as an attractive business location. The more efficient a company's production process, the less tax it will have to pay. The implementation of the *National Climate Agreement* will continue as planned wherever possible.

Investments

- Besides this substantial set of reforms we are exploring potential investments for our recovery plan. We are looking at both investments agreed upon by the incumbent government as well as potentially new investments that could be agreed upon in the coming years.
- The quality of these investments (effectivity and efficiency) is of utmost importance. This ensures that the funds that are allocated to the Netherlands are being put to good use. Investments should of course also be in line with the country specific recommendations for the Netherlands, the policy priorities of the Commission (climate, digitalization, economic recovery) and other relevant criteria.

How does the Netherlands look at cross-border projects under the RRF? Will you be open for cooperation in this regard?

- The next government will decide on the substance of the final RRP. Before a new government is in place, we both explore reforms and investments that have been announced since 2020, and possible new measures that may apply for the Dutch RRP.
- In general, we focus on the 2019 and 2020 CSRs and investments in the green and digital transitions, in line with the RRF-regulation.
- Naturally, we are open to look at possibilities for cross-border projects. We stress, however, that the final decision on this will be made by the next government.
- For any cross-border project we hope to find synergies with other EU-funds; think of Interreg, other cohesion funds, CEF, and Horizon Europe.

Achtergrond: Technische vragen vervolgesprek Commissie

Algemeen

- Hoe gedetailleerd moet het RRP zijn? Programmaniveau/projectniveau? Komt daar buiten publicatie van de componenten nog meer guidance over?
- Hoe werkt de berekening van de totale impact van het plan dmv vergelijking met de investeringsbaseline (2017-2019)? Wordt hier een verschil gemaakt tussen overheidsconsumptie en overheidsinvesteringen? Hoe kun je een zuivere vergelijking maken tussen 2017-2019 (3 jaar) en 2020-2026 (7 jaar post covid)? Worden de overheidsuitgaven voor covid hierin ook meegenomen? Bestaat hier al een bestaande methodologie voor die gehanteerd kan worden?

Commissiebeoordeling

- Beoordeelt de Commissie het RRP op het niveau van maatregelen of componenten?
- Klopt het dat de Commissie alleen een plan in zijn geheel kan goedkeuren of ook gedeeltelijk?
- Hoe ziet de Commissie de integraliteit en coherentie van het plan in de praktijk? Hoe zal de Commissie concreet omgaan met componenten die logischerwijs niet uit investeringen en hervormingen kunnen bestaan?
- In een gesprek heeft de CIE aangegeven dat alle CSR's als startpunt wordt genomen bij een RRP. Echter is ook aangegeven dat uitgaven onder het RRF zich beste kunnen focussen op bepaalde thema's. Hoe zit dit precies? Heeft 'alle CSR's' voornamelijk betrekking op hervormingen en niet zo zeer de uitgaven die onder de faciliteit kunnen vallen?
- Hoe moeten we omgaan met de flagships? Deze flagships komen over als licht overbodig gegeven alle andere criteria die reeds bestaan voor een plan. Daarnaast zijn ze erg concreet. Is dit een verplichting? Of kunnen we dit naast ons neer leggen?

Klimaat

- Verifiëren: Is de CRP-methode van toepassing op de lijsten met voorbeelden van groene investeringen op pag. 5 van de guidance? Sommige categorieën die daarop staan vallen ons inziens namelijk onder de 40% marker.

Europees Semester en proces

- Wat wordt de link van RRP's met de landenrapporten? Worden de landenrapporten volledig vervangen door de RRP's? Hoe gaat dat als LS pas in 2022 een plan indienen?
- Moet er een NHP ingediend worden als er gebruik wordt gemaakt van het tweede indieningsmoment?
- De RRP's van lidstaten worden goedgekeurd door QMV in de Raad. Via welke Raad (en onderraden) wordt dit besproken? Is de EPC, EFC, ecofin een logisch voorstel gezien de parallel met het Europees Semester?