### **European Commission - Questions and answers**





# Questions and answers: European Commission endorses Lithuania's €2.2 billion recovery and resilience plan

Brussels, 2 July 2021

#### How did the Commission assess Lithuania's recovery and resilience plan?

The Commission is assessing the recovery and resilience plans based on eleven criteria set out in the Regulation itself. The 11 criteria require an assessment of whether:

- the measures have a lasting impact;
- the measures address the challenges identified in the country specific recommendations or a significant subset of it;
- the milestones and targets which allow for monitoring the progress with the reforms and investments are clear and realistic;
- the plans meet the 37% climate expenditure target and the 20% digital expenditure target;
- the plans respect the do no significant harm principle;
- the plans provide an adequate control and audit mechanism and set out the plausibility of the costing information.

The Commission has summarised its assessment in the proposal for the Council Implementing Decision. The accompanying staff-working document provides detailed documentation on the assessment.

#### Does Lithuania's recovery and resilience plan effectively support the green transition?

The Lithuanian plan's contribution to the green transition amounts to 38% of its total allocation of €2.2 billion. This exceeds the minimum of 37% required by the RRF Regulation.

The plan focuses on sustainable mobility through investing in e-mobility infrastructure and public transport. It provides for the installation of nearly 60,000 new private and public electric car charging points and the acquisition of 730 electric or alternative fuel powered buses. The plan foresees investment in the production of an additional 300 MW of solar and wind energy and the capacity to store 200 MW of electricity, which will provide additional security of supply and flexibility to accommodate renewable energy sources in the grid. The plan also envisages investments to improve the energy efficiency of multi-apartment buildings with a target to renovate at least 860 buildings. It also includes measures to preserve biodiversity through investments in the restoration of degraded peatlands.

#### Does Lithuania's recovery and resilience plan effectively contribute to the digital transition?

The Lithuanian plan's contribution to the digital transition amounts to 32% of its total allocation of €2.2 billion. This exceeds the minimum of 20% required by the RRF Regulation.

The digital measures included in the plan cover various aspects of the digital transformation encompassing public and private sector, skills and connectivity – with a focus on improving the competitiveness of the Lithuanian economy in the medium and the long term. The plan foresees investment in the widespread deployment of high-speed networks, including 5G, and developing 2,000 km of high-speed infrastructure in rural and remote areas to connect 5000 digitally intensive businesses and institutions. The plan also includes significant investments in e-governance, the transformation of the public information technology governance and developing AI solutions for Lithuanian language.

# Does the recovery and resilience plan represent a balanced response to the economic and social situation of Lithuania?

The Lithuanian plan represents a comprehensive and adequately balanced response to the economic and social situation of Lithuania, thereby contributing appropriately to all six pillars referred to in the RRF Regulation.

The plan focuses on Lithuania's main challenges that are the green and digital transitions, the healthcare and education systems, the research and innovation policy, social protection, and the efficiency of the public sector. A high share of investments into the green and digital transitions accompanied by reforms is expected to help make Lithuania's growth model more resource efficient while other measures are set to contribute to the long-term productivity growth and the economic and social resilience.

## Do the reforms presented by Lithuania effectively address a significant part of the countryspecific recommendations issued to it in the context of the European Semester?

The plan includes an extensive set of mutually reinforcing reforms and investments that contribute to effectively addressing all or a significant subset of the economic and social challenges outlined in the country-specific recommendations addressed to Lithuania by the Council in the European Semester in 2019 and in 2020.

The plan includes reforms aimed at addressing a significant number of challenges faced by the Lithuanian economy, notably in the areas of healthcare, education, innovation policy and social protection.

It includes measures for the modernisation of healthcare facilities, the development of centres of expertise in infectious diseases and the digitalisation of the healthcare sector. These measures are expected to strengthen resilience, improve quality, accessibility and efficiency of the healthcare system.

The consolidation of the school network, modernising general education, improving vocational education and training, as well as adult learning, the improvement of the higher education's funding and the students' admission system, as well as the promotion of research and internationalisation of universities is expected to improve the efficiency and quality of education. The merging of existing innovation promotion agencies is set to make research and innovation policies more efficient.

The reform of the guaranteed minimum income protection, together with the increase of the unemployment insurance scheme coverage, comprehensive revision of benefits and the improvement of the pension indexation mechanism, is set to increase the adequacy of the social safety net, address social inequality and reinforce social resilience.

#### **For More Information**

Press release: European Commission endorses Lithuania's €2.2 billion recovery and resilience plan

Recovery and Resilience Facility: Questions and Answers

Factsheet on Lithuania's recovery and resilience plan

<u>Proposal for a Council Implementing Decision on the approval of the assessment of the recovery and resilience plan for Lithuania</u>

Annex to the Proposal for a Council Implementing Decision on the approval of the assessment of the recovery and resilience plan for Lithuania

Staff-working document accompanying the proposal for a Council Implementing Decision

Recovery and Resilience Facility

Recovery and Resilience Facility Regulation

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