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Proposal for a

COUNCIL IMPLEMENTING DECISION

**amending Council Implementing Decision (EU) (ST 11941/2021 INIT; ST 11941/2021
ADD 1) of 5 October 2021 on the approval of the assessment of the recovery and
resilience plan for Malta**

Proposal for a

COUNCIL IMPLEMENTING DECISION

amending Council Implementing Decision (EU) (ST 11941/2021 INIT; ST 11941/2021 ADD 1) of 5 October 2021 on the approval of the assessment of the recovery and resilience plan for Malta

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility¹, and in particular Article 20(1) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) Following the submission of the national recovery and resilience plan ('RRP') by Malta on 13 July 2021, the Commission has proposed its positive assessment to the Council. The Council approved the positive assessment by means of the Council Implementing Decision of 5 October 2021². That CID was amended on 14 July 2023³.
- (2) On 16 April 2025, Malta made a reasoned request to the Commission to make a proposal to amend the Council Implementing Decision of 5 October 2021 in accordance with Article 21(1) of Regulation (EU) 2021/241 on the grounds that the RRP is partially no longer achievable because of objective circumstances. On that basis, Malta has submitted an amended RRP.

Amendments based on Article 21 of Regulation (EU) 2021/241

- (3) The amendments to the RRP submitted by Malta because of objective circumstances concern 18 measures.
- (4) Malta has explained that target 4.6 of C4-R1 (Develop and implement a health policy framework aimed at making the health system more sustainable and resilient, with a particular focus on health prevention and a strong workforce) under component 4 (Health) is partially no longer achievable because of the demand-driven nature of the programme where parents were invited to participate in screenings and their acceptance was beyond the control of authorities, while the introduction of this programme during the pandemic negatively impacted the participation in the

¹ OJ L 57, 18.2.2021, p. 17.

² ST 11941/2021 INIT; ST 11941/2021 ADD 1.

³ ST 11202/2023 INIT; ST 11202/2023 ADD 1.

programme. On this basis, Malta has requested to decrease the programme coverage and to extend the implementation timeline of the aforementioned target. The Council Implementing Decision of 5 October 2021 should be amended accordingly.

- (5) Malta has explained that target 6.19 on increasing the number of staff at the Asset Recovery Bureau, part of measure C6-R5: *Reform the Asset Recovery Bureau* under component 6: *Strengthening the institutional framework* will be totally achieved but with a delay because of objective difficulties in the recruitment process that are beyond the Government's control. Specifically, the difficulties encountered included a limited number of suitable applications received, despite repeated open recruitment calls in the context of a very tight labour market. On this basis, Malta requested to split target 6.19 into two targets achievable over 2023 and 2025. Furthermore, Malta requested to extend the implementation timeline of measure C6-R5: *Reform the Asset Recovery Bureau*. The Council Implementing Decision of 5 October 2021 should be amended accordingly.
- (6) Malta has explained that three measures have been amended to implement better alternatives in order to achieve the original ambition of the measure. This concerns target 2.3 and the description of the reform under measure C2-R2: *Promoting further use of collective road public transport* under component 2: *Decarbonising Transport*. This concerns target 6.19 under measure C6-R5: *Reform the Asset Recovery Bureau*, and target 6.33 and target 6.34 under measure C6-R10: *Specific Transfer Pricing Legislation* under component 6: *Strengthening the institutional framework*. On this basis, Malta has requested to amend the description of measures (C2-R2: *Promoting further use of collective road public transport*) and to amend the description of targets (6.19; 6.33; 6.34). Furthermore, Malta has requested to remove target 2.3 and add a new milestone 2.3. The Council Implementing Decision of 5 October 2021 should be amended accordingly.
- (7) Malta has explained that 16 measures have been amended to implement a better alternative allowing to reduce the administrative burden, whilst still reaching the objectives of the respective measures. This concerns the description of the reform and milestone 1.2 and target 1.4 under measure C1-R1: *Develop a long-term renovation strategy*, milestone 1.10 under measure C1-R2: *Fostering effective waste management through a robust waste governance framework including reforming the waste collection system*, the description of the investment and target 1.15 under measure C1-I1: *Investment in the renovation and greening of public and private sector buildings, including retrofitting through energy and resource efficiency*, the description of the investment and target 1.24 under measure C1-I3: *Investment in the renovation, retrofitting and renewable energy in public schools*, and the description of investment C1-I4: *Investment in the construction of a pilot near carbon neutral school to serve as a model for the future and provide a future-proof learning experience to students* under component 1 *Addressing climate neutrality through enhanced energy efficiency, clean energy and a circular economy*. This concerns the description of the reform under measure C2-R6: *Enhanced mobility management in the Public Service through rationalisation of fleet and better transport mobility services*, target 2.16a and target 2.17 under measure C2-I2: *Enhancing the uptake of electric vehicles in the private sector*, and milestone 2.18 under measure C2-I3: *Decarbonising the public sector fleet* under component 2: *Decarbonising transport*. This concerns the description of the reform and target 3.2 under measure C3-R1: *Deepening the digital transformation through policy reform, with a focus on reducing the digital divide and promoting digital skills* and description of the investment C3-I1: *Strengthening the resilience,*

security and efficiency of the government digital backbone and investing in appropriate digital solutions, devices and tools under component 3: *Digitalisation*. This concerns milestone 4.2 under measure C4-R1: *Develop and implement a health policy framework aimed at making the health system more sustainable and resilient, with a particular focus on health prevention and a strong workforce* under component 4 *Health*. This concerns target 5.1 and target 5.2 and the description of the reform under measure C5-R1: *Strengthen early school leaving prevention measures, with a focus on skills acquisition*, and milestone 5.5 and the description of the reform under measure C5-R2: *Strengthening skills development and recognition, with a particular focus on low-skilled adults* under component 5: *Enhancing quality education and fostering socio-economic sustainability*. This concerns the milestone 6.27 and the description of the reform under measure C6-R8 *Strengthening Malta's anti-money laundering/combating terrorists financing/targeted financial sanctions (AML/CFT/TFS)*, target 6.33 and target 6.34 under measure C6-R10: *Specific Transfer Pricing Legislation* and the description of the investment C6-I1: *Digitalisation in the justice system* under component 6 *Strengthening the institutional framework*. On this basis, Malta has requested to amend the wording of the aforementioned milestones, targets and descriptions of measures removing elements which constituted unnecessary detail. As regards target 2.17 and 2.16a, the revision concerns the removal of target 2.16a and the bringing forward of the timeline for completion for target 2.17 to Q4 2024. The Council Implementing Decision of 5 October 2021 should be amended accordingly.

- (8) Malta has brought to the Commission's attention that the training of 27 out of 85 teachers envisioned in target 5.2 of measure C5-R1 (*Strengthen early school leaving prevention measures, with a focus on skills acquisition*) under component 5 (*Enhancing quality education and fostering socio-economic sustainability*) started before the eligibility period of the Facility and requested to reduce the target from 85 to 58 trained teachers. The Council Implementing Decision of 5 October 2021 should be amended accordingly.
- (9) The Commission considers that the reasons put forward by Malta justify the amendment(s) pursuant to Article 21(2) of Regulation (EU) 2021/241, and the Council Implementing Decision of 5 October 2021 should be amended accordingly.

Distribution of milestones and targets

- (10) The distribution of milestones and targets in instalments should be modified to take into account the amendments to the plan and the indicative timeline presented by Malta.

Corrections of clerical errors

- (11) Three clerical errors have been identified in the text of the Council Implementing Decision, affecting three measures under three components. The Council Implementing Decision should be amended to correct these clerical errors that do not reflect the content of the RRP submitted to the Commission on 13 July 2021, as agreed between the Commission and Malta. Those clerical errors relate to the measure description of C2-R2: *Promoting further use of collective road public transport* under component 2: *Decarbonising transport*; the measure description of C3-I1: *Strengthening the resilience, security and efficiency of the government digital backbone and investing in appropriate digital solutions, devices and tools* under component 3: *Digitalisation*; and the measure description of C6-R10: *Specific Transfer Pricing Legislation* under component 6: *Strengthening the institutional*

framework. Those corrections do not affect the implementation of the measures concerned.

Commission's assessment

- (12) The Commission has assessed the amended RRP against the assessment criteria laid down in Article 19(3) of Regulation (EU) 2021/241.
- (13) The Commission considers that the amendments put forward by Malta do not affect the positive assessment of the RRP set out in the Council Implementing Decision ST 11941/2021 of 5 October 2021 on the approval of the assessment of the RRP for Malta regarding the relevance, effectiveness, efficiency and coherence of the RRP against the assessment criteria laid down in Article 19(3), points (a), (b), (c), (d), (da), (db), (e), (f), (g), (h), (i), (j) and (k).

Positive assessment

- (14) Following the positive assessment by the Commission of the amended RRP with the finding that the RRP satisfactorily complies with the criteria for assessment set out in Regulation (EU) 2021/241, in accordance with Article 20(2) of and Annex V to that Regulation, the reforms and investment projects necessary for the implementation of the amended RRP, the relevant milestones, targets and indicators, and the amount made available from the Union for the implementation of the amended RRP in the form of non-repayable financial support should be set out.

Financial contribution

- (15) The estimated total costs of Malta's amended RRP is EUR 336 319 658. As the amount of the estimated total costs of the amended RRP is higher than the updated maximum financial contribution available for Malta, the financial contribution determined in accordance with Article 4a of Regulation (EU) 2021/1755 of the European Parliament and of the Council, Article 20(4) and 21a(6) of Regulation (EU) 2021/241 allocated for Malta's amended RRP should be equal to EUR 328 230 928. Therefore, the financial contribution made available to Malta remains unchanged.
- (16) Council Implementing Decision ST 11941/2021 INIT; ST 11941/2021 ADD 1 of 5 October 2021 on the approval of the assessment of the RRP for Malta should therefore be amended accordingly. For the sake of clarity, the Annex to that Council Implementing Decision should be replaced entirely,

HAS ADOPTED THIS DECISION:

Article 1

The Council Implementing Decision of 5 October 2021 on the approval of the assessment of the recovery and resilience plan for Malta is amended as follows: (1) Article 1 is replaced by the following:

"Article 1

Approval of the assessment of the RRP

The assessment of the modified RRP of Malta on the basis of the criteria provided for in Article 19(3) of Regulation (EU) 2021/241 is approved. The reforms and investment projects under the RRP, the arrangements and timetable for the monitoring and implementation of the RRP, including the relevant milestones and targets, the relevant indicators relating to the fulfilment of the envisaged milestones and targets, and the arrangements for providing full

access by the Commission to the underlying relevant data are set out in the Annex to this Decision.”;

Article 2
Addressee

This Decision is addressed to the Republic of Malta.

Done at Brussels,

For the Council
The President