



## **NextGenerationEU: European Commission endorses Lithuania's €2.2 billion recovery and resilience plan**

Brussels, 2 July 2021

The European Commission has today adopted a positive assessment of Lithuania's recovery and resilience plan. This is an important step towards the EU disbursing €2.2 billion in grants under the Recovery and Resilience Facility (RRF). This financing will support the implementation of the crucial investment and reform measures outlined in Lithuania's recovery and resilience plan. It will play a key role in enabling Lithuania to emerge stronger from the COVID-19 pandemic.

The RRF is at the heart of NextGenerationEU which will provide €800 billion (in current prices) to support investments and reforms across the EU. The Lithuania plan forms part of an unprecedented coordinated EU response to the COVID-19 crisis, to address common European challenges by embracing the green and digital transitions, to strengthen economic and social resilience and the cohesion of the Single Market.

The Commission assessed Lithuania's plan based on the criteria set out in the RRF Regulation. The Commission's analysis considered, in particular, whether the investments and reforms set out in Lithuania's plan support the green and digital transitions; contribute to effectively addressing challenges identified in the European Semester; and strengthen its growth potential, job creation and economic and social resilience.

### **Securing Lithuania's green and digital transition**

The Commission's assessment finds that Lithuania's plan devotes 38% of its total allocation to measures that support the achievement of climate objectives. The plan includes reforms and investments to develop renewable energy power plants and create public and private energy storage facilities. These measures are complemented by reforms and investments to phase out the most polluting road transport vehicles, increase the share of renewable energy sources in the transport sector and accelerate building renovations through supporting the production of modular elements for renovations from organic materials.

The Commission's assessment of Lithuania's plan finds that it devotes 32% of its total allocation to measures that support the digital transition. The plan includes considerable investments in connectivity, with a particular focus on the widespread deployment of high-speed networks and developing 2,000 km of high-speed connectivity infrastructure in rural and remote areas. The plan also envisages significant investments in e-governance and developing AI solutions for the Lithuanian language.

### **Reinforcing Lithuania's economic and social resilience**

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 resilience, quality, accessibility and efficiency of the healthcare system is expected to be improved thanks to the modernisation of healthcare facilities, the development of centres of expertise in infectious diseases and the digitalisation of the healthcare system. The long-recognised challenges related to the efficiency and quality of the education system are tackled through consolidation of the school network, modernising general education, improving vocational education and training, as well as adult learning, improving the funding of higher education and the students' admission system as well as promoting research and internationalisation of universities. The merger of existing innovation promotion agencies is expected 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 improvement of the pension indexation mechanism, is set to increase the adequacy of the social safety net and reinforce social resilience.

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

### **Supporting flagship investment and reform projects**

The Lithuanian plan proposes projects in all seven European flagship areas. These are specific investment projects, which address issues that are common to all Member States in areas that create jobs and growth and are needed for the twin transition. For instance, Lithuania has proposed to invest €242 million to develop offshore and onshore wind and solar power generation and create public and private energy storage facilities and to invest €341 million to phase out the most polluting road transport vehicles and increase the share of renewable energy sources in the transport sector.

The assessment also finds that none of the measures included in the plan significantly harm the environment, in line with the requirements laid out in the RRF Regulation.

The control systems put in place by Lithuania are considered adequate to protect the financial interests of the Union. The plan provides sufficient details on how national authorities will prevent, detect and correct instances of conflict of interest, corruption and fraud relating to the use of funds.

### **Members of the College said:**

President Ursula **von der Leyen** said: *"Today, the European Commission has decided to endorse Lithuania's recovery and resilience plan, under NextGenerationEU – our unprecedented recovery plan. The measures contained in the plan have enormous potential to transform Lithuania's economy and help it build a green and digital future. Lithuanian citizens will benefit from investments in health care, education, digital skills as well as better social protection. I am proud that NextGenerationEU will help to build a better future for Lithuanian citizens."*

Valdis **Dombrovskis**, Executive Vice-President for an Economy that Works for People, said: *"Lithuania's recovery plan will boost its economic growth and put it on a sound footing for the future as Europe gears up for the green and digital transitions. It aims to modernise Lithuania's healthcare and education systems, strengthen social protection, and improve the efficiency of its tax and benefit system. We welcome the plan's focus on major projects of common European interest, particularly in clean energy – such as wind and solar power generation and phasing out polluting road transport vehicles. This plan will help Lithuania to emerge stronger after the crisis. We will stand by Lithuania to fully implemented it."*

Paolo **Gentiloni**, Commissioner for Economy, said: *"Lithuania's plan will unlock €2.2 billion in European support for the country's efforts to tackle the challenges of the 21st century. Investments in electric car charging points and clean buses, building renovation and peatland restoration will give a strong boost to the country's climate and ecological efforts, while both the public and private sectors will benefit from the deployment of high-speed networks, including in remote areas. I particularly welcome the strong social dimension of the plan, with reforms aimed at improving the quality of education and healthcare, increasing the coverage of unemployment insurance and providing additional benefits for vulnerable groups."*

### **Next steps**

The Commission has today adopted a proposal for a Council Implementing Decision to provide €2.2 billion in grants to Lithuania under the RRF. The Council will now have, as a rule, four weeks to adopt the Commission's proposal.

The Council's approval of the plan would allow for the disbursement of €289 million to Lithuania in pre-financing. This represents 13% of the total allocated amount for Lithuania.

The Commission will authorise further disbursements based on the satisfactory fulfilment of the milestones and targets outlined in the Council Implementing Decision, reflecting progress in the implementation of the investments and reforms.

### **For More Information**

[Questions and Answers: 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](#)

[Proposal for a Council Implementing Decision on the approval of the assessment of the recovery and resilience plan for Lithuania](#)

[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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