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To:	Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union
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Subject:	Proposal for a COUNCIL IMPLEMENTING DECISION amending Implementing Decision (EU) (ST 10477/21 INIT; ST 10477/21 ADD 1) of 28 July 2021 on the approval of the assessment of the recovery and resilience plan for Lithuania

Delegations will find attached document COM(2024) 421 final.

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2024/0233 (NLE)

Proposal for a

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amending Implementing Decision (EU) (ST 10477/21 INIT; ST 10477/21 ADD 1) of 28 July 2021 on the approval of the assessment of the recovery and resilience plan for Lithuania

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 Facility[1], 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 Lithuania on 14 May 2021, the Commission proposed its positive assessment to the Council. The Council approved the positive assessment by means of the Council Implementing Decision of 28 July 2021[2]. That Council Implementing Decision was amended on 9 November 2023[3].

(2) On 25 July 2024, Lithuania made a reasoned request to the Commission to make a proposal to amend the Council Implementing Decision of 28 July 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, Lithuania has submitted an amended RRP.

Amendments based on Article 21 of Regulation 2021/241

(3) The amendments to the RRP submitted by Lithuania because of objective circumstances concern two measures.

(4) Lithuania has explained that one measure has been amended to implement a better alternative to achieve the original ambition of the measure. This concerns measure B.1.4 (Investment 4: Increasing GHG absorption capacity) under component 2 Green Transformation of Lithuania. This measure originally required all applicants to install hydrotechnical structures in order to regulate the water level in the managed areas after the restoration of wetlands (peatlands). However, the objective of the measure to reduce greenhouse gas emissions from former drained and degraded peatlands by re-

[1] OJ L 57, 18.2.2021, p. 17.
[2] ST 10477/21 INIT; ST 10477/21 ADD 1
[3] ST 14637/23 INIT; ST 14637/23 COR 1; ST 14637/23 ADD 1

wetting the areas concerned can still be attained without constraining recipients to install hydrotechnical infrastructures. On this basis, Lithuania has requested that the description of this measure is amended. The Council Implementing Decision of 28 July 2021 should be amended accordingly.

(5) Lithuania has explained that one measure has been amended to implement a better alternative allowing to reduce the administrative burden. This concerns milestone 147 of measure F.1.2 (Reform 2: A fairer and more growth-friendly tax system) under component 6 Efficient Public Sector and Preconditions to Recover After the Pandemic. A postponement of the entry into force of the legislative amendments under milestone 147 by one quarter to 31 March 2023 allows Lithuania to bring together the entry into force of all tax reform proposals submitted to the Parliament in 2023 (milestones 143, 145 and 147) into the same period of time, thereby lowering the administrative burden for the Lithuanian tax authorities in implementing the reforms, as well as for taxpayers. In addition, the new timeline for the entry into force coincides better with the entry into force of several tax measures introduced as part of the defence funding package which was adopted in light of the geopolitical situation in 2023 and 2024 and Lithuania's proximity to Russia. On this basis, Lithuania has requested to amend the timeline of milestone 147. The Council Implementing Decision of 28 July 2021 should be amended accordingly.

(6) The Commission considers that the reasons put forward by Lithuania justify the amendments pursuant to Article 21(2) of Regulation (EU) 2021/241, and the Council Implementing Decision of 28 July 2021 should be amended accordingly.

(7) The distribution of milestones and targets in instalments should be amended to take into account the amendments to the plan and the indicative timeline presented by Lithuania. This notably includes advancing the implementation of six milestones from later instalments into the second instalment of non-repayable support.

Corrections of clerical errors

(8) Clerical errors have been identified in the text of the Council Implementing Decision, affecting five milestones and targets and eight (sub-)measures. The Council Implementing Decision should be amended to correct those clerical errors that do not reflect the content of the RRP submitted to the Commission on 14 May 2021, as agreed between the Commission and Lithuania. Those clerical errors relate to targets 34, 35 and 36 of sub-measure B.1.2.2 (Support for the purchase zero-emission public transport vehicles) and target 39 and target 42 of sub-measure B.1.2.3 (Installation of vehicle charging/alternative fuel filling infrastructure) under Component 2 (Green Transformation of Lithuania), target 61 of measure C.1.1 (Transformation of public information technology governance) under Component 3 (Digital Transformation for Growth), measure E.3.1 (Loans to enterprises to develop green and high value-added technologies for industrial development) under Component 5 (Higher Education, a Coherent Framework for Stimulating Research and Innovation and High Value-Added Business), milestone 139 of sub-measure F.1.1.2 (Establishment of a centralised training system for developing competences in the public sector) under Component 6 (Efficient Public Sector and Preconditions to Recover After The Pandemic), target 193 of sub-measure G.3.1.1 (Improving the integration of employment, social and other services) under Component 7 (More Opportunities For Everyone to Actively Build National Well-Being), and measure H.1.1 (Accelerating renovation of buildings) and measure H.3.1 (Investment support for RES plants (solar and wind onshore)) under Component 8 (REPowerEU), Finally, a clerical error has been identified in the text of

the Council Implementing Decision with respect to the amount of the third Instalment of the loan support set out in section 2(2)(2.3) of the Annex to the Council Implementing Decision. The Council Implementing Decision should be amended to correct that clerical error. Those corrections do not affect the implementation of the measures.

Commission's assessment

(9) The Commission considers that the amendments put forward by Lithuania do not affect the positive assessment of the RRP set out in the Council Implementing Decision ST 10477/21 INIT; ST 10477/21 ADD 1 of 28 July 2021 on the approval of the assessment of the RRP for Lithuania 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).

Financial contribution

(10) The estimated total cost of Lithuania's amended RRP is EUR 3 849 237 823. As the amount of the estimated total cost of the amended RRP is higher than the updated maximum financial contribution available to Lithuania, the total financial contribution determined in accordance with Articles 20(4) and 21a(6) allocated to Lithuania's amended RRP should be equal to EUR 2 297 565 464.

(11) The loan support made available to Lithuania amounting to EUR 1 551 672 358 remains unchanged.

(12) The amount of the financial contribution for Lithuania should be determined in this decision in accordance with Article 20 of Regulation (EU) 2021/241. However, pursuant to Commission Implementing Decision of 6 May 2024 on the reduction of the amount of the first instalment of the non-repayable support for Lithuania, adopted in accordance with Article 24(8) of Regulation (EU) 2021/241, the financial contribution has been reduced by EUR 8 733 750 and Lithuania cannot request its disbursement from the Commission.

Positive assessment

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

(14) Council Implementing Decision of 28 July 2021 on the approval of the assessment of the RRP for Lithuania 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 assessment of the modified RRP of Lithuania 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 related to the payment of non-repayable

financial support, and the additional milestones and targets related to the payment of the loan, 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

The Council Implementing Decision of 28 July 2021 on the approval of the assessment of the recovery and resilience plan for Lithuania is amended as follows:

The Annex is replaced by the text in the Annex to this Decision.

Article 3
Addressee

This Decision is addressed to the Republic of Lithuania.

Done at Brussels,

For the Council
The President