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LEGISLATIVE ACTS AND OTHER INSTRUMENTS

Subject:	COUNCIL IMPLEMENTING DECISION amending Implementing Decision of 8 September 2021 on the approval of the assessment of the recovery and resilience plan for Czechia

COUNCIL IMPLEMENTING DECISION

of …

amending Implementing Decision of 8 September 2021
on the approval of the assessment of the recovery and resilience plan for Czechia

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,

[1] OJ L 57, 18.2.2021, p. 17.

Whereas:

(1) Following the submission of the national recovery and resilience plan ('RRP') by Czechia on 1 June 2021, the Commission has proposed its positive assessment to the Council. On 8 September 2021, the Council approved the positive assessment by means of an implementing decision ('the Council Implementing Decision of 8 September 2021')[2]. That Council Implementing Decision of 8 September 2021was amended on 17 October 2023[3].

(2) On 13 September 2024, Czechia made a reasoned request to the Commission to make a proposal to amend the Council Implementing Decision of 8 September 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, Czechia has submitted an amended RRP.

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

(3) The amendments to the RRP submitted by Czechia because of objective circumstances concern 40 measures.

[2] See documents ST 11047/21 INIT, ST 11047/21 ADD 1 and ST 11047/21 ADD 1 COR 1.
[3] See documents ST 13383/1/23, 13383/23 REV 1 (en) and ST 13383/1/23 ADD 1 REV 1.

(4) Czechia has explained that 22 measures have been amended to implement better alternatives in order to achieve the original ambition of the measure. This concerns measure 1 (Institutional reform of the system of management for digital transformation including RIS 3 strategy), target 56 under measure 5 (European Blockchain Services Infrastructure (EBSI) – compatible DLT bonds for SME financing) and target 58 under measure 6 (5G Demonstrative application projects for cities and industrial areas) under component 1.4 (Digital Economy and Society, Innovative Start-Ups and New Technology); targets 120 and 121 under measure 5 (Aid for purchase of vehicles (electric, H2) and infrastructure for municipalities, regions, state administration and other public entities) under component 2.4 (Clean Mobility); milestone 144 under measure 1 (Implementation of new legislation on waste management in the Czech Republic) under component 2.7 (Circular Economy, Recycling and Industrial Water); measure 1 (Concessional loan facility), measure 2 (Subordinated loans facility) and target 271 and milestone 272 under measure 3 (Co-Investment Facility) under component 2.10 (Affordable housing); investment 1 (Development of labour market policies), milestone 185 under reform 1 (Development of labour market policies), target 189 under measure 2 (Increasing the capacity of pre-school facilities) and milestone 275 and target 279 under measure 4 (Development and modernisation of infrastructure in the field of care for children at risk) under component 3.3 (Modernisation of Employment Services and Labour Market Development);target 201 under measure 1 (Development of a new line of quasi-equity and green loan instruments supporting entrepreneurship) under component 4.2 (New Quasi-Equity Instruments for the Promotion of Entrepreneurship and Development of Czech-Moravian Guarantee and Development Bank (ČMZRB) as a National Development Bank);

milestone 304 and 305 under measure 3 (Improving the predictability, transparency and availability of grid connection process) under component 7.1 (Renewable energy and electricity infrastructure (REPowerEU)); target 309 under measure 1 (Electricity Data Centre) under component 7.2 (Supporting decentralisation and digitalisation of the energy sector (REPOWER EU)); measure 1 (Provision of advisory services to households, enterprises and the public sector) under component 7.3 (Comprehensive reform of the Renovation Wave Advice in the Czech Republic (REPOWER EU)); and target 326 under measure 1 (Transformation of universities to adapt to changing needs of the labour market) under component 7.4 (School adaptation – Promoting green skills and sustainability in universities (REPOWER EU)). On this basis, Czechia has requested that the aforementioned milestones and targets be amended. Furthermore, Czechia has requested that the description of measure 1 (Institutional reform of the system of management for digital transformation including RIS 3 strategy) under component 1.4 (Digital Economy and Society, Innovative Start-Ups and New Technology), measures 1 (Concessional loan facility) and 2 (Subordinated loans facility) under component 2.10 (Affordable housing), measure 1 (Development of labour market policies) under component 3.3 (Modernisation of Employment Services and Labour Market Development) and measure 1 (Provision of advisory services to households, enterprises and the public sector) under component 7.3. (Comprehensive reform of the Renovation Wave Advice in the Czech Republic (REPOWER EU)) be amended. The Council Implementing Decision of 8 September 2021 should be amended accordingly.

(5) Czechia has explained that 11 measures have been amended in order to implement better alternatives that allow for the reduction of the administrative burden while still achieving the objectives of those measures. This concerns measure 3 (Digital services for justice) under component 1.1 (Digital Services to Citizens and Businesses); targets 45 and 46 under measure 4 (Scientific research activities related to the development of 5G networks and services) under component 1.3 (High-Capacity Digital Networks); target 69 under measure 1 (European and national Digital Innovation Hubs) and target 70 under measure 2 (European Reference Testing and Experimentation facility) under component 1.5 (Digital Transformation of Enterprises); targets 103 and 104 under measure 1 (Improving the energy performance of state buildings) and targets 108 and 109 under measure 3 (Improving the energy performance of public buildings) under component 2.2 (Reducing Energy Consumption in the Public Sector); milestone 113 under measure 2 (Modernisation of distribution of heat in district heating systems) under component 2.3 (Transition to Cleaner Energy Sources); milestone 183 under measure 2 (Tutoring programmes) under component 3.2 (Adaptation of school programmes); measure 2 (Awareness raising) under component 7.3 (Comprehensive Reform of the Renovation Wave Advice in the Czech Republic (REPOWER EU)); target 336 under measure 4 (Enabling conditions for zero-emission alternative fuels infrastructure) under component 7.5 (Decarbonisation of Road Transport (REPOWER EU)); and target 345 under measure 2 (Renewable acceleration areas) under component 7.7 (Simplifying Environmental Permitting Processes and Defining Areas for the Development of Renewable Energy Sources (REPOWER EU)). On this basis, Czechia has requested that the aforementioned milestones and targets be amended. Furthermore, Czechia has requested that the description of measure 3 (Digital services for justice) under component 1.1 (Digital Services to Citizens and Businesses) and measure 2 (Awareness raising) under component 7.3 (Comprehensive Reform of the Renovation Wave Advice in the Czech Republic (REPOWER EU)) be amended. The Council Implementing Decision of 8 September 2021 should be amended accordingly.

(6) Czechia has further requested, in accordance with Article 21 of Regulation (EU) 2021/241,to use the resources freed up by the decrease in the level of cost estimates for targets 69, 70, 189 and 230 to increase the level of implementation for two measures. This concerns target 195 and 197 under measure 3 (Development and modernisation of social care infrastructure) under component 3.3 (Modernisation of Employment Services and Labour Market Development); and target 292 under measure 5 (Aid for research and development in enterprises in line with the national RIS3 strategy) under component 5.2 (Support for Research and Development in Companies and Introduction of Innovations into Business Practice). On this basis, Czechia has requested that the level of required implementation for the aforementioned milestones and targets be increased. The Council Implementing Decision of 8 September 2021 should be amended accordingly.

(7) Czechia has explained that five measures are partially no longer achievable because of objective circumstances. Czechia has explained that milestone 7 under measure 1 (Digital services for end users) under component 1.1 (Digital Services to Citizens and Businesses) is partially no longer achievable, because the listed retirement benefit does not exist in the Czech pension system. Czechia has explained that target 9 under measure 1 (Digital services for end users) under component 1.1 (Digital Services to Citizens and Businesses) is partially no longer achievable, because of the parallel introduction of new legal requirements delaying the project. Czechia has explained that targets 18 and 19 under measure 1 (Development and improving individual information systems) under component 1.2 (Digital Public Administration Systems) are partially no longer achievable, because of delays in procurement due to a pending procedure of the competition authority. Czechia has explained that milestone 193 under measure 3 (Reform of long-term care) under component 3.3 (Modernisation of Employment Services and Labour Market Development) is partially no longer achievable, because parts of the implementation are being delayed because of delays in the prerequisite reconstruction of facilities. Czechia has explained that target 230 under measure 4 (Support for research and development in synergy effects with the Framework Programme for Research and Innovation) under component 5.2 (Support for Research and Development in Companies and Introduction of Innovations into Business Practice) is partially no longer achievable, because of the lower amount of support requested by applicants. On this basis, Czechia has requested that milestone 7, target 9, target 18, target 19, milestone 193 and target 230 be amended. The Council Implementing Decision of 8 September 2021 should be amended accordingly.

(8) The Commission considers that the reasons put forward by Czechia justify the amendments pursuant to Article 21(2) of Regulation (EU) 2021/241. The Council Implementing Decision of 8 September 2021 should be amended accordingly.

Correction of clerical errors

(9) 39 clerical errors have been identified in the text of the Council Implementing Decision of 8 September 2021, affecting 39 milestones and targets and 16 measures under 12 components. The Council Implementing Decision of 8 September 2021 should be amended in order to correct those clerical errors, which do not reflect the content of the RRP submitted to the Commission on 1 June 2021, as agreed between the Commission and Czechia. Those clerical errors relate to targets 3, 4, 5 and 6 of measure 2 (eHealth services), milestone 11 and targets 12 and 245 of measure 2 (Development of open data and a public fund), milestone 13 and target 14 of measure 3 (Digital services for justice) and milestone 246 of measure 4 (Digital services for end users in social area) under component 1.1 (Digital Services to Citizens and Businesses); milestones 20, 21 and 22 of measure 2 (Development of core registries and facilities for eGovernment), milestones 23 and 24 of measure 3 (Cybersecurity), milestone 247 and target 248 of measure 5 (Top-up of cybersecurity investment) and target 249 of measure 6 (Development of information systems in social area) under component 1.2 (Digital Public Administration Systems); target 44 of measure 3 (Supporting the development of 5G mobile infrastructure in rural investment-intensive white areas) under component 1.3 (High-Capacity Digital Networks);

milestone 250 of measure 2 (European Digital Media Observatory Hub (EDMO)), target 59 of measure 7 (Czech Rise-Up Programme) and milestone 61 of measure 9 (Funds for the development of pre-seed investments, strategic digital technologies and university spin-offs) under component 1.4 (Digital Economy and Society, Innovative Start-Ups and New Technology); milestone 77 of measure 3 (Reaping the Full Benefits of Digitising Building Control) under component 1.6 (Acceleration and Digitalisation of the Building Process); milestone 79 of measure 1 (Creating alternatives to energy and space-intensive road transport) under component 2.1 (Sustainable Transport), target 124 of measure 2 (Support for energy communities projects) and target 129 of measure 2 (Replacement of stationary sources of pollution in households with renewable energy sources) under component 2.5 (Building Renovation and Air Protection); target 136 of measure 2 (Small watercourses and water reservoirs) under component 2.6 (Nature Protection and Adaptation to Climate Change); targets 154 and 155 of measure 1 (Investment aid for regeneration of specific brownfield sites), targets 156 and 157 of measure 2 (Investment aid for the regeneration of brownfield sites owned by municipalities and regions for non-business use) and targets 158 and 159 of measure 3 (Investment aid for the regeneration of brownfield sites owned by municipalities and regions for business use) under component 2.8 (Brownfields Revitalisation); target 276 of measure 4 (Reform in the care of the children at risk) under component 3.3 (Modernisation of Employment Services and Labour Market Development); target 285 of measure 4 (The increase of effectiveness and enhancing the implementation of the Recovery and Resilience Plan) under component 4.1 (Systemic Support for Public Investment); target 215 of measure 1 (Increase efficiency, pro-client orientation and use of the principles of evidence-based decision-making in public administration) under component 4.4 (Enhancing the Efficiency of Public Administration);

milestone 311 of measure 1 (Electricity Data Centre) under component 7.2 (Supporting decentralisation and digitalisation of the energy sector); and targets 320 and 321 of measure 2 (Data and methodological guidance and trainings for the advisory system) under component 7.3 (Comprehensive Reform of the Renovation Wave Advice in the Czech Republic). They also concern the description of measure 1 (Digital services for end users) and measure 4 (Digital services for end users in social area) under component 1.1 (Digital Services to Citizens and Businesses), measure 2 (Development of core registries and facilities for eGovernment), measure 2 (Development of systems supporting eHealth), measure 5 (Top-up of cybersecurity investment) under component 1.2 (Digital Public Administration Systems), measure 1 (Building high-capacity connection) under component 1.3 (High-Capacity Digital Networks), measure 7 under component 1.4 (Digital Economy and Society, Innovative Start-Ups and New Technology), measure 3 (Digital transformation of manufacturing and nonproduction companies and increase of their resilience) under component 1.5 (Digital Transformation of Enterprises), measure 3 (Reaping the full benefits of digitising building control) under component 1.6 (Acceleration and Digitalisation of the Building Process), measure 1 (Creating alternatives to energy and space-intensive road transport) under component 2.5 (Sustainable Transport), measure 1 (Entry into force of the Affordable Housing Act) under component 2.10 (Affordable Housing), measure 1 (Development of labour market policies) under component 3.3 (Modernisation of Employment Services and Labour Market Development), measure 1 (Increase efficiency, pro-client orientation and use of the principles of evidence-based decision-making in public administration) under component 4.4 (Enhancing the Efficiency of Public Administration) and measure 2 (Data and methodological guidance and trainings for the advisory system) under component 7.3 (Comprehensive Reform of the Renovation Wave Advice in the Czech Republic), as well as the description of component 1.1 (Digital Services to Citizens and Businesses), component 1.2 (Digital Public Administration Systems), component 2.10 (Affordable housing) and component 7.7 (Simplifying Environmental Permitting Processes and Defining Areas for the Development of Renewable Energy Sources). Those corrections do not affect the implementation of the measures concerned.

Commission's assessment

(10) The Commission considers that the amendments put forward by Czechia do not affect the positive assessment of the RRP set out in the Council Implementing Decision of 8 September 2021 on the approval of the assessment of the RRP for Czechia regarding the relevance, effectiveness, efficiency and coherence of the RRP against the assessment criteria laid down in Article 19(3) of Regulation (EU) 2021/241.

Contribution to the green transition, including biodiversity

(11) In accordance with Article 19(3), point (e), of and Annex V, criterion 2.5, to Regulation (EU) 2021/241, the amended RRP contains measures that contribute to a large extent (Rating A) to the green transition, including biodiversity, or to addressing the challenges resulting therefrom. The measures supporting climate objectives account for an amount which represents 43,2 % of the amended RRP's total allocation and 98,6 % of the total estimated cost of measures in the REPowerEU chapter calculated in accordance with the methodology set out in Annex VI to Regulation (EU) 2021/241. In accordance with Article 17 of that Regulation, the amended RRP is consistent with the information included in the National Energy and Climate Plan 2021-2030.

(12) The amendments concerning the contribution to the green transition relate to the reallocation of financial resources among investment 3 (Development and modernisation of social care infrastructure – reconstruction of community-based, outpatient and field social services, including facilities, reconversion of existing capacity), investment 3 (Development and modernisation of social care infrastructure-– reconstruction of community-based, outpatient and field social services, including facilities, reconversion of existing capacity (compliant with energy efficiency criteria)), investment 3 (Development and modernisation of social care infrastructure – electric cars) and investment 3 (Development and modernisation of social care infrastructure – hybrid cars) of component 3.3 (Modernisation of employment services and labour market development), and investment 4 (Aid for research and development in synergy effects with the Framework Programme for Research and Innovation) of component 5.2 (Support for research and development in companies and introduction of innovations into business practice). This entails an increase in the overall contribution to the climate target. The limited scope of the amendments does not change the overall assessment of this criterion.

Contribution to the digital transition

(13) In accordance with Article 19(3), point (f), of and Annex V, criterion 2.6, to Regulation (EU) 2021/241, the amended RRP contains measures that contribute to a large extent (Rating A) to the digital transition or to addressing the challenges resulting from it. The measures supporting digital objectives account for an amount which represents 20,9% of the amended RRP's total allocation calculated in accordance with the methodology set out in Annex VII to that Regulation. The amendments concerning the contribution to the digital transition relate to the reallocation of financial resources between investment 1 (European and national Digital Innovation Hubs) and investment 2 (European Reference Testing and Experimentation facility) in component 1.5 (Digital transformation of enterprises). This entails a decrease in the overall contribution to the digital target. The limited scope of the amendments does not change the overall assessment of this criterion.

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 cost of Czechia's amended RRP is EUR 9 233 011 652. As the amount of the estimated total cost of the amended RRP is higher than the updated maximum financial contribution available for Czechia, the total financial contribution determined in accordance with Article 20(4), Article 21a(6) and Article 21b(2) of Regulation (EU) 2021/241 allocated for Czechia's amended RRP should be equal to EUR 8 409 179 142.

(16) Council Implementing Decision of 8 September 2021 should therefore be amended accordingly. For the sake of clarity, the Annex to the Council Implementing Decision of 8 September 2021 should be replaced entirely,

HAS ADOPTED THIS DECISION:

Article 1

The Council Implementing Decision of 8 September 2021 on the approval of the assessment of the recovery and resilience plan for Czechia 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 amended RRP of Czechia 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.’;

(2) the Annex is replaced by the text set out in the Annex to this Decision.

Article 2

This Decision is addressed to the Czech Republic.

Done at … ,…

For the Council
The President