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Proposal for a

COUNCIL IMPLEMENTING DECISION

amending the Implementing Decision of 13 July 2021 on the approval of the assessment of the recovery and resilience plan for Latvia

{SWD(2025) 374 final}

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Proposal for a

COUNCIL IMPLEMENTING DECISION

amending the Implementing Decision of 13 July 2021 on the approval of the assessment of the recovery and resilience plan for Latvia

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 Latvia on 30 April 2021, the Commission proposed its positive assessment to the Council. On 13 July 2021, the Council approved the positive assessment by means of an implementing decision ('the Council Implementing Decision of 13 July 2021')[2]. The Council Implementing Decision of 13 July 2021 was amended by Council Implementing Decisions of 8 December 2023[3] and of 18 February 2025[4].

(2) On 4 November 2025, Latvia made a reasoned request to the Commission to make a proposal to amend the Council Implementing Decision of 13 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, Latvia has submitted an amended RRP.

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

(3) The amendments to the RRP submitted by Latvia because of objective circumstances concern 75 measures.

(4) Latvia has explained that four measures are partially no longer achievable because of insufficient market demand. This concerns measure 1.2.1.2.i (Increasing energy efficiency in business in the form of a combined financial instrument) under Component 1 (Climate Change and Environmental Sustainability), measure 2.3.2.1.i (Digital skills for people, including youth) under Component 2 (Digital

[1] OJ L 57, 18.2.2021, p. 17, ELI: https://eur-lex.europa.eu/eli/reg/2021/241/oj

[2] See documents ST 10157/21 INIT; ST 10157/21 ADD 1 at http://register.consilium.europa.eu

[3] See documents ST 15569/23 INIT; ST 15569/23 ADD 1 at http://register.consilium.europa.eu

[4] See documents ST 5730/25 INIT; ST 5730/25 ADD 1 at http://register.consilium.europa.eu

Transformation), measure 3.1.2.1.i (Measures to promote access to public services and employment for people with functional impairments) and measure 3.1.2.3.i (Resilience and continuity of the long-term social care service) under Component 3 (Reduction of Inequality). On this basis, Latvia has requested that those measures be amended. The Council Implementing Decision of 13 July 2021 should be amended accordingly.

(5) Latvia has explained that two measures are partially no longer achievable because of unexpected delays in the implementation, including contractor performance issues and impediments to the progress of the measure that have rendered the initial planning unfeasible. This concerns measure 3.1.1.3.i (Investments in public infrastructure to develop industrial parks in the regions) under Component 3 (Reduction of Inequality) and measure 6.1.2.1.i. (Connecting railway scanners to BAXE and creating x-ray image analysis platform) under Component 6 (Rule of Law). On this basis, Latvia has requested that these measures be amended. The Council Implementing Decision of 13 July 2021 should be amended accordingly.

(6) Latvia has explained that five measures have been amended to implement better alternatives in order to achieve their original ambition. This concerns measure 1.1.1.r (A sustainable transport system) and measure 1.3.1.r (Disaster management system adaptation to climate change, rescue and rapid response services) under Component 1 (Climate Change and Environmental Sustainability), measure 4.1.1.2.i. (Support for infrastructure or equipment of hospitals) under Component 4 (Health), measure 5.2.1.r (Reform of Higher Education and Scientific Excellence and Governance) under Component 5 (Economic transformation and productivity reform), measure 6.2.1.2.i (Strengthening the capacity to investigate economic crime) under Component 6 (Rule of Law). On this basis, Latvia has requested to amend the aforementioned measures. As those circumstances justify an amendment of the measures, the Council Implementing Decision of 13 July 2021 should be amended accordingly.

(7) Latvia has explained that 60 measures have been amended or removed to implement better alternatives that allow the administrative burden to be reduced and simplify the Council Implementing Decision, while still achieving the objectives of those measures. This concerns amended measures 1.1.1.i (Improving Riga metropolitan transport infrastructure), 1.2.1.1.i (Improving the energy efficiency of multi-apartment buildings), 1.2.1.3.i (Improving energy efficiency of municipal buildings), 1.2.1.4.i (Improving the energy efficiency of public sector buildings), 1.2.1.5.i (Modernisation of electricity transmission and distribution networks), 1.3.1.1.i (Increasing the capacity of the rescue services), 1.3.1.2.i (Investments in flood risk reduction infrastructure) under Component 1 (Climate Change and Environmental Sustainability); measures 2.1.1.1.i (Administration modernisation and digital transformation of services), 2.1.2.1.i (Centralised platforms, solutions or systems), 2.1.2.2.i (Cloud services), 2.1.3.1.i (Data availability, sharing and analysis), 2.2.1.1.i (Support for the establishment of Digital Innovation Hubs and regional contact points), 2.2.1.2.i (Digitalisation of entities), 2.2.1.3.i (Support for the introduction of products and services into business), 2.2.1.4.i (Financial instrument to facilitate the digital transformation of economic operators), 2.2.1.5.i (Fostering the digital transformation of media companies), 2.3.1.r (Development of a sustainable and socially responsible support framework for adult learning), 2.3.1.1.i (Delivering advanced digital skills), 2.3.1.2.i (Development of digital skills of enterprises), 2.3.2.r (Digital skills for the digital transformation of society and government), 2.3.2.2.i (Development of state and local government digital transformation skills and capabilities), 2.4.1.2.i (Broadband or very high capacity network “last mile” infrastructure development) under

Component 2 (Digital Transformation); measures 3.1.1.1.i (Improvement of the network of regional and local roads), 3.1.1.2.i (Strenghtening the capacity of municipalities to improve service efficiency and quality), 3.1.1.4.i (Establishing a financing fund for the construction of low-rent housing), 3.1.1.5.i (Development of infrastructure and equipment of educational institutions), 3.1.1.6.i (Purchase of electric school buses), 3.1.2.2.i (Development of a forecast tool), 3.1.2.4.i (Synergistic development of social and vocational rehabilitation services for the promotion of the resilience of people with functional impairments), 3.1.2.5.i (Participation in the labour market of unemployed, jobseekers and people at risk of unemployment), 3.1.2.6.i (Facilitating the availability of technical aids) under Component 3 (Reduction of Inequality); measures 4.1.1.r (Sustainability and resilience of a human-centred, comprehensive, integrated healthcare system), 4.1.1.1.i (Support for public health research), 4.1.1.3.i (Support for infrastructure or equipment of secondary outpatient healthcare service providers), 4.2.1.r (Provision of human resources and upskilling), 4.2.1.1.i (Support for the implementation of the human resources development system), 4.3.1.r (Sustainability of healthcare and efficient use of health resources), 4.3.1.1.i (Support for assessing and improving the quality and accessibility of non-hospital secondary healthcare) under Component 4 (Health); measures 5.1.1.1.i (Support for a fully-fledged innovation system governance model), 5.1.1.2.i (Support instrument for research and internationalization), 5.2.1.1.i (Research, development and consolidation grants) under Component 5 (Economic transformation and productivity reform); measures 6.1.1.1.i (Modernisation of existing analytical solutions), 6.1.1.2.i (Development of new analytical systems), 6.1.2.3.i (Improvement of customs control of received postal items at Airport customs control point), 6.1.2.4.i (Creation of infrastructure for the performance of control services in Kundziņsala), 6.2.1.1.i (Establishment of AML Innovation Hub to improve the identification of money laundering), 6.2.1.3.i (Establishment of a training centre), 6.3.1.r (Modernisation of public administration), 6.3.1.1.i (Open, transparent, fair and accountable public administration), 6.3.1.2.i (Professional, open and accountable public administration), 6.3.1.3.i (Development of the innovation ecosystem of public administration), 6.3.1.4.i (Growth of non-governmental organisations to strengthen social security representation and monitor public interests), 6.4.3.r (Development and implementation of a professionalisation strategy), 6.4.4.r (IUB IT and analytical capacity building) under Component 6 (Rule of Law); measures 7.1.r (Transforming the national energy sector), 7.2.i (Security and stability of energy supply, and synchronisation with the Union grid) and 7.4.i (Increasing the uptake of sustainable biomethane) under Component 7 (REPowerEU); as well as removed measures 2.3.1.3.i (Development of a self-managed learning approach for ICT specialists), 2.3.1.4.i (Development of the individual learning account approach) under Component 2 (Digital Transformation) and measure 6.1.2.r (Remote and centralised analysis of images scanned at customs control points) under Component 6 (Rule of Law). On this basis, Latvia has requested that those measures be amended or removed. The Council Implementing Decision of 13 July 2021 should be amended accordingly.

(8) Following the removal and decrease in the level of implementation of measures in accordance with Article 21 of Regulation (EU) 2021/241 and related reduction in the underlying costing, Latvia has requested to use the resources freed up by the removal of measures and decrease in the level of their implementation to add one new measure and increase the level of implementation of three measures. On this basis, Latvia has requested that the level of implementation of measure 2.3.2.3.i (Closing the digital divide for socially vulnerable pupils and educational institutions) under Component 2

(Digital Transformation), measure 3.1.1.7.i (Loans to real estate developers for the construction of low-rent dwellings) under Component 3 (Reduction of Inequality) and measure 7.3.i (Upgrading, digitalising and securing the electricity transmission and distribution networks) under Component 7 (REPowerEU) be increased and that measure 2.3.1.5.i (Digital skills through the individual learning account platform) under Component 2 (Digital Transformation) be added. The Council Implementing Decision of 13 July 2021 should be amended accordingly.

Distribution of milestones and targets

(9) The distribution of milestones and targets in instalments should be amended to take into account the amendments to the RRP and the indicative timeline presented by Latvia.

Commission's assessment

(10) The Commission has assessed the amended 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 38.05% of the amended RRP's total allocation and 100% of the total estimated costs 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 Regulation (EU) 2021/241, the amended RRP is consistent with the information included in the National Energy and Climate Plan 2021-2030.

(12) Following the proposed amendments by Latvia to the RRP, the contribution to climate objectives decreased from 38.14% previously to 38.05% currently. The decrease in the contribution to climate objectives reflects the decrease in the level of implementation of measure 1.2.1.2.i. (Increasing energy efficiency in business in the form of a combined financial instrument) in Component 1 (Climate Change and Environmental Sustainability) contributing 100% to the green objectives and the reallocation of the corresponding freed up resources partly to measure 3.1.1.7.i (Loans to real estate developers for the construction of low-rent dwellings) under Component 3 (Reduction of Inequality) with a 0% contribution to green objectives and partly to measure 7.3.i (Upgrading, digitalising and securing the electricity transmission and distribution networks) under Component 7 (REPowerEU) contributing 100%. The limited scope of these 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 22.75% of the amended RRP's total allocation calculated in accordance with the methodology set out in Annex VII to that Regulation.

(14) The contribution towards the digital transition of the modified RRP increases slightly from the previous 22.66% contribution to currently 22.75%. This slight increase is due

to the fact that the allocation for the REPowerEU chapter increases with the reallocation of EUR 6 811 812 from measure 1.2.1.2.i. (Increasing energy efficiency in business in the form of a combined financial instrument) in Component 1 (Climate Change and Environmental Sustainability). Given that the allocation for the REPowerEU chapter increases, the overall denominator for calculating the digital share for the revised plan, which represents the total financial allocation of the plan without the REPowerEU chapter, slightly decreases resulting in a slightly increased contribution to the digital transition of the amended plan of 22.75% currently.

Costing

(15) In accordance with Article 19(3), point (i), of and Annex V, criterion 2.9, to Regulation (EU) 2021/241, the justification provided in the amended RRP on the amount of the estimated total cost of the RRP is to a medium extent (rating B) reasonable and plausible, is in line with the principle of cost efficiency and is commensurate to the expected national economic and social impact.

(16) According to the information provided, the assessment of the cost estimates for the new measure and for the existing measures whose modifications entailed a new cost assessment show that most of the costs are reasonable and plausible. Furthermore, the changes in the cost estimates for the modified measures were justified, proportional to the new revised targets and supported by detailed calculations and evidence, and as such the reasonability and plausibility of these cost estimates were not altered compared to the original RRP. Finally, the amount of the estimated total cost of the RRP is in line with the principle of cost-efficiency and commensurate to the expected national economic and social impact.

Any other assessment criteria

(17) The Commission considers that the amendments put forward by Latvia do not affect the positive assessment of the RRP set out in the Council Implementing Decision of 13 July 2021 on the approval of the assessment of the RRP for Latvia 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), (g), (h), (j) and (k).

Positive assessment

(18) 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 should be set out.

Financial contribution

(19) The estimated total costs of Latvia's amended RRP is EUR 1 969 244 522. As the amount of the estimated total cost of the amended RRP is equal to the updated maximum financial contribution available for Latvia, the financial contribution determined in accordance with Article 4a of Regulation (EU) 2021/1755 of the

European Parliament and of the Council[5], and with Article 20(4) and Article 21a(6) of Regulation (EU) 2021/241 that is allocated for Latvia's amended RRP should be equal to EUR 1 969 244 522. Therefore, the financial contribution made available to Latvia remains unchanged.

(20) The Council Implementing Decision of 13 July 2021 should therefore be amended accordingly. For the sake of clarity, the Annex to the Council Implementing Decision of 13 July 2021 should be replaced entirely.

(21) This Decision should be without prejudice to the outcomes of any procedures relating to the award of Union funds under any Union programme other than the Facility or procedures relating to distortions of the operation of the internal market that may be undertaken, in particular under Articles 107 and 108 of the Treaty. It does not override the requirement for Member States to notify instances of potential State aid to the Commission under Article 108 of the Treaty,

HAS ADOPTED THIS DECISION:

Article 1
Approval of the assessment of the RRP

The assessment of the amended RRP of Latvia on the basis of the criteria provided for in Article 19(3) of Regulation (EU) 2021/241 is approved.

Article 2
Amendments

The Council Implementing Decision of 13 July 2021 on the approval of the assessment of the recovery and resilience plan for Latvia is amended as follows:

the Annex to the Council Implementing Decision of 13 July 2021 on the approval of the assessment of the recovery and resilience plan for Latvia is replaced by the text set out in the Annex to this Decision.

Article 3
Addressee

This Decision is addressed to the Republic of Latvia.

Done at Brussels,

For the Council
The President

[5] Regulation (EU) 2021/1755 of the European Parliament and of the Council of 6 October 2021 establishing the Brexit Adjustment Reserve (OJ L 357, 8.10.2021, p. 1, ELI: http://data.europa.eu/eli/reg/2021/1755/oj).