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| From: | Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director |
| date of receipt: | 13 December 2024 |
| To: | Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union |
| No. Cion doc.: | COM(2024) 587 final |
| Subject: | Proposal for a COUNCIL IMPLEMENTING DECISION amending Implementing Decision (EU) (ST 10686/21 INIT; ST 10686/21 ADD 1) of 28 July 2021 on the approval of the assessment of the recovery and resilience plan for Cyprus |

Delegations will find attached document COM(2024) 587 final.

Encl.: COM(2024) 587 final

EUROPEAN
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Brussels, 13.12.2024
COM(2024) 587 final

2024/0325 (NLE)

Proposal for a

# COUNCIL IMPLEMENTING DECISION

**amending Implementing Decision (EU) (ST 10686/21 INIT; ST 10686/21 ADD 1) of 28 July 2021 on the approval of the assessment of the recovery and resilience plan for Cyprus**

2024/0325 (NLE)

Proposal for a

# COUNCIL IMPLEMENTING DECISION

## amending Implementing Decision (EU) (ST 10686/21 INIT; ST 10686/21 ADD 1) of 28 July 2021 on the approval of the assessment of the recovery and resilience plan for Cyprus

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 Cyprus on 17 May 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 28 July 2021[2]. That CID was amended on 8 December 2023 and 16 July 2024[3].

(2) On 25 October 2024, Cyprus 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, Cyprus has submitted an amended RRP.

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

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

(4) Cyprus has explained that two measures have been amended to implement better alternatives in order to achieve the original ambition of the measure. This concerns milestone 48 of measure C2.1I10, *Market Management System to facilitate the opening of the electricity market to competition* under component C2.1, Climate neutrality, energy efficiency and renewable energy and milestone 140 of measure

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

[2] ST 10686/21 INIT; ST 10686/21 ADD 1

[3] ST 15571/23 INIT + ST 15571/23 ADD 1 + ST 15571/23 ADD 1 COR 1; ST 11806/24 INIT + ST 11806/24 ADD 1

C3.3R4, *Design and establish a National Promotional Agency* under component C3.3, Business support for competetiveness. Cyprus has explained that the proposed amendment for measure C2.1I10 is due to market participants' lack of preparedness and due to the need to reflect the findings of the ex-ante assessment analysis for measure C3.3R4. On this basis, Cyprus has requested to amend the aforementioned milestones and the description of the measures. Furthermore, Cyprus has requested to add milestone 48a under measure C2.1I10, *Market Management System to facilitate the opening of the electricity market to competition* under component C2.1, Climate neutrality, energy efficiency and renewable energy. Cyprus has explained that the proposed amendments will ensure that the participants are prepared to participate in the market as well as that the regulator can declare commercial Market Operation with the first financial transaction as completed. The Council Implementing Decision of 28 July 2021 should be amended accordingly.

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

***Commission's assessment***

(6) The Commission has assessed the amended RRP against the assessment criteria laid down in Article 19(3) of Regulation (EU) 2021/241.

(7) The Commission considers that the amendments put forward by Cyprus do not affect the positive assessment of the RRP set out in the Council Implementing Decision ST 10686/21 INIT of 28 July 2021 on the approval of the assessment of the RRP for Cyprus 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***

(8) 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***

(9) The estimated total costs of Cyprus's amended RRP is EUR 1 220 971 974. As the amount of the estimated total costs of the amended RRP is higher than the updated maximum financial contribution available for Cyprus, the financial contribution determined in accordance with Article 20(4) allocated for Cyprus amended RRP should be equal to EUR 1 020 223 681.

(10) The loan support made available to Cyprus amounting to EUR 200 320 000 remains unchanged.

(11) Council Implementing Decision ST 10686/21 INIT of 28 July 2021 on the approval of the assessment of the RRP for Cyprus 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 28 July 2021 on the approval of the assessment of the recovery and resilience plan for Cyprus 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 Cyprus 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.";

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

*Article 2*
*Addressee*

This Decision is addressed to the Republic of Cyprus.

Done at Brussels,

*For the Council*
*The President*