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Subject: COUNCIL IMPLEMENTING DECISION amending the Council
Implementing Decision of 5 October 2021 on the approval of the
assessment of the recovery and resilience plan for Malta

COUNCIL IMPLEMENTING DECISION

of ...

**amending the Council Implementing Decision of 5 October 2021
on the approval of the assessment of the recovery and resilience plan for Malta**

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 Facility¹, 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, ELI: <http://data.europa.eu/eli/reg/2021/241/oj>.

Whereas:

- (1) Following the submission of the national recovery and resilience plan ('RRP') by Malta on 13 July 2021, the Commission proposed its positive assessment to the Council. On 5 October 2021, the Council approved the positive assessment by means of an implementing decision ('the Council Implementing Decision of 5 October 2021')². The Council Implementing Decision of 5 October 2021 was amended by Council implementing decision of 14 July 2023³.
- (2) On 16 April 2025, Malta made a reasoned request to the Commission to make a proposal to amend the Council Implementing Decision of 5 October 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, Malta has submitted an amended RRP.

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

- (3) The amendments to the RRP submitted by Malta because of objective circumstances concern 18 measures.

² See documents ST 11941/2021 and ST 11941/2021 ADD 1 at <http://register.consilium.europa.eu>.

³ See documents ST 11202/2023 and ST 11202/2023 ADD 1 at <http://register.consilium.europa.eu>.

- (4) Malta has explained that target 4.6 of C4-R1 (Develop and implement a health policy framework aimed at making the health system more sustainable and resilient, with a particular focus on health prevention and a strong workforce) under component 4 (Health) is partially no longer achievable because of the demand-driven nature of the programme where parents were invited to participate in screenings and their acceptance was beyond the control of authorities, while the introduction of this programme during the pandemic negatively impacted the participation in the programme. On this basis, Malta has requested that the programme coverage be decreased and that the implementation timeline for that target be extended. The Council Implementing Decision of 5 October 2021 should be amended accordingly.
- (5) Malta has explained that target 6.19 on increasing the number of staff at the Asset Recovery Bureau, part of measure C6-R5 (Reform the Asset Recovery Bureau) under component 6 (Strengthening the institutional framework) will be totally achieved but with a delay because of objective difficulties in the recruitment process that are beyond the Government's control. Specifically, the difficulties encountered included a limited number of suitable applications received, despite repeated open recruitment calls in the context of a very tight labour market. On this basis, Malta requested that target 6.19 be split into two targets achievable over 2023 and 2025. Furthermore, Malta requested that the implementation timeline for measure C6-R5 (Reform the Asset Recovery Bureau) be extended. The Council Implementing Decision of 5 October 2021 should be amended accordingly.

- (6) Malta has explained that three measures have been amended to implement better alternatives in order to achieve the original ambition of the measure. This concerns target 2.3 and the description of the reform under measure C2-R2 (Promoting further use of collective road public transport) under component 2 (Decarbonising Transport). This concerns target 6.19 under measure C6-R5 (Reform the Asset Recovery Bureau) and targets 6.33 and 6.34 under measure C6-R10 (Specific Transfer Pricing Legislation) under component 6 (Strengthening the institutional framework). On this basis, Malta has requested that the descriptions of measure C2-R2 (Promoting further use of collective road public transport) and of targets 6.19, 6.33 and 6.34 be amended. Furthermore, Malta has requested that target 2.3 be removed and that a new milestone 2.3 be added. The Council Implementing Decision of 5 October 2021 should be amended accordingly.

- (7) Malta has explained that 16 measures have been amended to implement better alternatives that allow the administrative burden to be reduced while still reaching the objectives of those measures. Under component 1 (Addressing climate neutrality through enhanced energy efficiency, clean energy and a circular economy), this concerns the description of the reform and milestone 1.2 and target 1.4 under measure C1-R1 (Develop a long-term renovation strategy), milestone 1.10 under measure C1-R2 (Fostering effective waste management through a robust waste governance framework including reforming the waste collection system), the description of the investment and target 1.15 under measure C1-I1 (Investment in the renovation and greening of public and private sector buildings, including retrofitting through energy and resource efficiency), the description of the investment and target 1.24 under measure C1-I3 (Investment in the renovation, retrofitting and renewable energy in public schools), the description of investment C1-I4 (Investment in the construction of a pilot near carbon neutral school to serve as a model for the future and provide a future-proof learning experience to students). Under component 2 (Decarbonising transport), this concerns the description of the reform under measure C2-R6 (Enhanced mobility management in the Public Service through rationalisation of fleet and better transport mobility services), target 2.16a and target 2.17 under measure C2-I2 (Enhancing the uptake of electric vehicles in the private sector) and milestone 2.18 under measure C2-I3 (Decarbonising the public sector fleet). Under component 3 (Digitalisation), this concerns the description of the reform and target 3.2 under measure C3-R1 (Deepening the digital transformation through policy reform, with a focus on reducing the digital divide and promoting digital skills) and the description of investment C3-I1 (Strengthening the resilience, security and efficiency of the government digital backbone and investing in appropriate digital solutions, devices and tools).

Under component 4 (Health), this concerns milestone 4.2 under measure C4-R1 (Develop and implement a health policy framework aimed at making the health system more sustainable and resilient, with a particular focus on health prevention and a strong workforce). Under component 5 (Enhancing quality education and fostering socio-economic sustainability), this concerns target 5.1 and target 5.2 and the description of the reform under measure C5-R1 (Strengthen early school leaving prevention measures, with a focus on skills acquisition) and milestone 5.5 and the description of the reform under measure C5-R2 (Strengthening skills development and recognition, with a particular focus on low-skilled adults). Under component 6 (Strengthening the institutional framework), this concerns the milestone 6.27 and the description of the reform under measure C6-R8 (Strengthening Malta's anti-money laundering/combating terrorists financing/targeted financial sanctions (AML/CFT/TFS)), target 6.33 and target 6.34 under measure C6-R10 (Specific Transfer Pricing Legislation) and the description of investment C6-I1 (Digitalisation in the justice system). On this basis, Malta has requested that the wording of those milestones, targets and descriptions of measures be amended in order to remove elements which constituted unnecessary detail. As regards target 2.17 and 2.16a, the revision concerns the removal of target 2.16a and the bringing forward of the timeline for completion for target 2.17 to Q4 2024. The Council Implementing Decision of 5 October 2021 should be amended accordingly.

- (8) Malta has brought to the Commission's attention that the training of 27 out of 85 teachers envisioned in target 5.2 of measure C5-R1 (Strengthen early school leaving prevention measures, with a focus on skills acquisition) under component 5 (Enhancing quality education and fostering socio-economic sustainability) started before the eligibility period of the Recovery and Resilience Facility and requested to reduce the target from 85 to 58 trained teachers. The Council Implementing Decision of 5 October 2021 should be amended accordingly.
- (9) The Commission considers that the reasons put forward by Malta justify the amendments pursuant to Article 21(2) of Regulation (EU) 2021/241. The Council Implementing Decision of 5 October 2021 should be amended accordingly.

Distribution of milestones and targets

- (10) The distribution of milestones and targets in instalments should be modified to take into account the amendments to the RRP and the indicative timeline presented by Malta.

Correction of clerical errors

- (11) Three clerical errors have been identified in the text of the Council Implementing Decision of 5 October 2021, affecting three measures under three components. The Council Implementing Decision of 5 October 2021 should be amended to correct those clerical errors, which do not reflect the content of the RRP submitted to the Commission on 13 July 2021, as agreed between the Commission and Malta. Those clerical errors relate to the measure description of C2-R2 (Promoting further use of collective road public transport) under component 2 (Decarbonising transport), the measure description of C3-I1 (Strengthening the resilience, security and efficiency of the government digital backbone and investing in appropriate digital solutions, devices and tools) under component 3 (Digitalisation) and the measure description of C6-R10 (Specific Transfer Pricing Legislation) under component 6 (Strengthening the institutional framework). Those corrections do not affect the implementation of the measures concerned.

Commission's assessment

- (12) The Commission has assessed the amended RRP against the assessment criteria laid down in Article 19(3) of Regulation (EU) 2021/241.
- (13) The Commission considers that the amendments put forward by Malta do not affect the positive assessment of the RRP set out in the Council Implementing Decision of 5 October 2021 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.

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 Malta's amended RRP is EUR 336 319 658. As the amount of the estimated total cost of the amended RRP is higher than the updated maximum financial contribution available for Malta, the financial contribution determined in accordance with Article 4a of Regulation (EU) 2021/1755 of the European Parliament and of the Council⁴ and Article 20(4) and Article 21a(6) of Regulation (EU) 2021/241 that is allocated for Malta's amended RRP should be equal to EUR 328 230 928. Therefore, the financial contribution made available to Malta remains unchanged.
- (16) The Council Implementing Decision of 5 October 2021 should therefore be amended accordingly. For the sake of clarity, the Annex to the Council Implementing Decision of 5 October 2021 should be replaced entirely,

HAS ADOPTED THIS DECISION:

⁴ 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>).

Article 1

The Council Implementing Decision of 5 October 2021 on the approval of the assessment of the recovery and resilience plan for Malta 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 Malta 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 set out in the Annex to this Decision.

Article 2

This Decision is addressed to the Republic of Malta.

Done at ..., ...

For the Council

The President
