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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 10687/21 INIT; ST 10687/21 ADD 1) of 28 July 2021 on the approval of the assessment of the recovery and resilience plan for Croatia

Delegations will find attached document COM(2025) 275 final.

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Proposal for a

COUNCIL IMPLEMENTING DECISION

**amending Implementing Decision (EU) (ST 10687/21 INIT; ST 10687/21 ADD 1) of 28
July 2021 on the approval of the assessment of the recovery and resilience plan for
Croatia**

{SWD(2025) 141 final}

Proposal for a

COUNCIL IMPLEMENTING DECISION

amending Implementing Decision (EU) (ST 10687/21 INIT; ST 10687/21 ADD 1) of 28 July 2021 on the approval of the assessment of the recovery and resilience plan for Croatia

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,

Whereas:

- (1) Following the submission of the national recovery and resilience plan ('RRP') by Croatia on 8 July 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 2021². That CID was amended on 8 December 2023³.
- (2) On 16 April 2025, Croatia 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, Croatia has submitted an amended RRP.

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

- (3) The amendments to the RRP submitted by Croatia because of objective circumstances concern 30 measures.
- (4) Croatia has explained that two measures are partially or totally no longer achievable, because of insufficient demand. This concerns, respectively, target 35 of C1.1.2. R4-II Support for Digital Innovation Hubs, under component 1.1: Resilient, green and digital economy; target 287 of Reform C4.1 R1 Development and implementation of new targeted active labour market policies for the purposes of green and digital transition of the labour market under the component 4.1 Improving employment measures and

¹ OJ L 57, 18.2.2021, p. 17.

² ST 10687/21 INIT; ST 10687/21 ADD 1

³ ST 15834/23 INIT; ST 15834/23 COR 1; ST 15834/23 ADD 1 REV 1

the legal framework for a modern labour market and the economy of the future. On this basis, Croatia has requested to remove the target 35. Furthermore, Croatia has requested to decrease target 287.

- (5) Croatia has explained that four measures are partially or totally no longer achievable, because of inflation, which has significantly increased the estimated costs of the measure. This concerns, respectively, target 18 of Investment C1.1.1. R4-I2 Financial instrument for micro, small and medium-sized enterprises and target 20 of investment C1.1.1. R4-I3 Financial instrument for mid-cap and large enterprises under component 1.1: Resilient, green and digital economy; target 113 under the investment C1.4 R3-I2 Procurement/construction of passenger ships used for regular coastal transport under the component 1.4 Development of a competitive, energy sustainable and efficient transport system; target 227 under the investment C2.5R1-I4 Design and implementation of the Zagreb Justice Square project to improve access to justice and efficiency of commercial procedures and administrative disputes under the component 2.5 Modern justice fit for future challenges. On this basis, Croatia has requested to decrease the targets 18, 20 and 227. Furthermore, Croatia has requested to remove the target 113.
- (6) Croatia has explained target 101 under the investment C1.4 R2-I1 Reconstruction of the existing and construction of second track of railway section Dugo Selo - Novska, sub-section Kutina - Novska (phase D) under the component 1.4 Development of a competitive, energy sustainable and efficient transport system is totally no longer achievable due to delays in preparing the project documentation by the contractor. On this basis, Croatia has requested to remove the target 101.
- (7) Croatia has explained that target 186 under the investment C2.3R3-I6 Investment in State information infrastructure networks under the component 2.3 Digital transition of society and public administration is partially no longer achievable because of the unexpected delays during public procurement. On this basis, Croatia has requested to extend the implementation timeline of the target 186.
- (8) Croatia has explained that target 178 under measure C2.R2-I1 Establishment of a central interoperability system under the component 2.3 Digital transition of society and public administration is partially no longer achievable due to two services, listed in Annex II of the Single Digital Gateway (SDG) Regulation which do not exist in Croatia, and therefore having been removed. On this basis, Croatia has requested to decrease the target 178. The Council Implementing Decision of 28 July 2021 should be amended accordingly.
- (9) Croatia has explained that nine measures have been amended to implement better alternatives in order to achieve the original ambition of the measure. This concerns milestone 97 under investment C1.4. R1-I5 Monitoring of Transport of Dangerous Goods by Road (e-ADR) under component 1.4 Development of a competitive, energy sustainable and efficient transport system, the investment C1.3 R2-I2 Remediation programme for closed landfills and sites contaminated with hazardous waste, the investment C1.3 R1-I3 Disaster risk reduction programme under the component 1.3 Improving water management and waste management, target 190 under investment C2.3 R3-I8 Creation of a digital mobile, target 206 under the investment C2.3 R4-I2 Construction of passive electronic communications infrastructure platform under the component 2.3 Digital transition of society and public administration; milestones 208 and 442 under the reform C2.4 R2 – Improving corporate governance in state-owned enterprises of particular interest to the Republic of Croatia and in majority-owned

enterprises of central government under the component 2.4 Improving the management of state assets; target 264 under the reform C2.9 R3 Innovative Procurement under the component 2.9 Strengthening the public procurement framework; target 280 under the investment C3.2R1-I2 Strengthening institutional capacity of universities and research institutes for innovation under the component 3.2 Boosting research and innovation capacity and milestones 298 and 300 under the reform C4.2 R1 Increasing pension adequacy through continued pension reform under the component 4.2 Improving the pension system through increased pension adequacy;. On this basis, Croatia has requested to amend the investments C1.3 R1-I3, C1.3 R2-I2, the targets 190, 264 and milestones 208, 298 and 300. Furthermore, Croatia has requested to add the milestone 442. Furthermore, Croatia has requested to remove the investment C3.2R1-I2 and move the target 280 under the investment C3.2R1-I1. Furthermore, Croatia has requested to extend the implementation timeline of milestone 97. Furthermore, Croatia has requested to decrease the target 206. The Council Implementing Decision of 28 July 2021 should be amended accordingly.

- (10) Croatia has explained that five measures have been amended to implement a better alternative allowing to reduce the administrative burden, whilst still reaching the objectives of the respective measure. This concerns targets 42, 43 and 376 under investment C1.2 R1-I1 – Revitalising, building and digitising the energy system and supporting infrastructure to decarbonise the energy sector under component 1.2 Energy transition for a sustainable economy; targets 85 and 89 of the investment C1.3 R2-I1 Waste disposal reduction programme and reform C1.3 R2 Implementation of sustainable waste management under component 1.3 Improving water management and waste management; the targets 261 and 262 under the reform C2.9 R2 - Strengthening the review system in public procurement under the component 2.9 Strengthening the public procurement framework; the target 306 under the reform C4.3 R1 Transparency and adequacy of social benefits in the social protection system under the component 4.3 Improving the social welfare system. On this basis, Croatia has requested to amend the targets 42, 43, 376, 85, 89, 261, 262. Furthermore, Croatia has requested to remove the target 306. The Council Implementing Decision of 28 July 2021 should be amended accordingly
- (11) Croatia has further requested to use the resources freed up by the removal of measures under Article 21 of Regulation (EU) 2021/241 to add two new measures and increase the level of implementation of five measures. This concerns investment C1.3 R3-I1 – Further investments into the public sewage development programme, investment C1.3 R3-I2 – Further investments into the public water supply development programme, targets 440 and 441 investment C1.3 R3-I3 – Further investment into the disaster risk reduction programme under component 1.3 Improving water management and waste management; target 204 under the investment C2.3 R4-I1 Broadband access for households in white NGA areas; target 443 under the investment C2.5 R1-I7 under the component 2.5 Modern justice fit for future challenges; targets 278 and 279 under the investment C3.2 R1-I1 Development of a system of programme agreements for funding universities and research institutes focused on innovation, research and development under the component 3.2 Boosting research and innovation capacity; targets 354 and 355 under the investment 6.1.R1-I1 Energy renovation of buildings under the component 6.1 Renovation of buildings . On this basis, Croatia has requested to add targets 440, 441 and 443. Furthermore, Croatia has requested to increase the level of required implementation of investments C1.3 R3-I1 and C1.3 R3-I2, targets 204, 278, 279, 354, 355. The Council Implementing Decision of 28 July 2021 should be amended accordingly.

- (12) The Commission considers that the reasons put forward by Croatia 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.

Distribution of milestones and targets

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

Corrections of clerical errors

- (14) One clerical error has been identified in the text of the Council Implementing Decision, affecting one target. The Council Implementing Decision should be amended to correct this clerical error that do not reflect the content of the RRP submitted to the Commission on 8 July 2021, as agreed between the Commission and Croatia. This clerical error relates to and the milestone 422 of the investment C7.1 I3 under the component C7.1 Energy and sustainable transport (REPowerEU component). This correction does not affect the implementation of the measure concerned.

Commission's assessment

- (15) 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

- (16) 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 moderate 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 38.56% of the amended RRP's total allocation and 62.63% 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.
- (17) The measures removed or reduced do not impact the overall ambition of the plan regarding the green transition. The measures of the plan are still expected to have a lasting impact by accelerating the phase-out of fossil fuels towards a durable renewable energy system in Croatia. They are expected to reduce the greenhouse gas emissions and facilitate the uptake of renewable energy in Croatia and thus contribute to the attainment of the 2030 climate targets and the objective of the Union climate neutrality by 2050.

Contribution to the digital transition

- (18) 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 20.22% of the amended RRP's total allocation calculated in accordance with the methodology set out in Annex VII to that Regulation.

- (19) The positive assessment regarding the contribution to the digital transition provided for in the Council Implementing Decision of 28 July 2021 remains valid. The modified RRP continues to significantly contribute to the digital transition, including by increasing digitalisation of the public administration, number of digital services for citizens and business as well as investments in e-health and digitalisation of transport sector

Costing

- (20) 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 costs 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.

Measures supporting investment operations contributing to the objectives of the Strategic Technologies for Europe Platform (STEP)

- (21) In accordance with Article 4(4) of the Regulation (EU) 2024/795, Croatia considered as a matter of priority projects that have been awarded a Sovereignty Seal pursuant to Article 4(1) of the Regulation (EU) 2024/795. However, Croatia considered that no project having been awarded a Sovereignty Seal was to be included in the amended RRP because the projects that have been awarded a Sovereignty Seal do not cover the areas that have been upscaled with this revision.

Positive assessment

- (22) 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

- (23) The estimated total cost of Croatia's amended RRP is EUR 10 040 701 600. As the amount of the estimated total costs of the amended RRP is higher than the maximum financial contribution available for Croatia, the financial contribution determined in accordance with Article 4a of Regulation (EU) 2021/1755 of the European Parliament and of the Council, Article 20(4) and 21a(6) of Regulation (EU) 2021/241 allocated for Croatia's amended RRP should be equal to EUR 5 786 544 628. Therefore the financial contribution made available to Croatia remains unchanged.
- (24) The loan support made available to Croatia amounting to EUR 4 254 156 972 remains unchanged.
- (25) Council Implementing Decision (EU) ST 10687/21 of 28 July 2021 on the approval of the assessment of the RRP for Croatia 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 Croatia 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 Croatia 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.”;

(3) the Annex is replaced by the text in the Annex to this Decision:

Article 2

Addressee

This Decision is addressed to the Republic of Croatia.

Done at Brussels,

For the Council

The President