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Subject: COUNCIL IMPLEMENTING DECISION amending the 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 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 the Council Implementing Decisions of 14 July 2023³ and 20 June 2025⁴.
- (2) On 31 October 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.

REPowerEU chapter based on Article 21c of Regulation (EU) 2021/241

- (3) The REPowerEU chapter includes one new measure, namely measure C7-I2 (Investment in the renovation and greening of private sector buildings), which is a new investment that addresses energy efficiency in buildings and thereby reduces the dependence of Malta on fossil fuels.

² See documents ST 11941/21 and ST 11941/21 ADD 1 at <http://register.consilium.europa.eu>.

³ See documents ST 11202/23 and ST 11202/23 ADD 1 at <http://register.consilium.europa.eu>.

⁴ See documents ST 9589/25, ST 9589/25 ADD 1 and ST 9589/25 ADD 1 COR at <http://register.consilium.europa.eu>.

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

- (4) The amendments to the RRP submitted by Malta because of objective circumstances concern 34 measures.
- (5) Malta has explained that one measure is no longer achievable because of technical difficulties and unexpected procurement delays. This concerns measure C2-I4 (Part replacement of the public transport fleet). On this basis, Malta has requested that that measure be removed. The Council Implementing Decision of 5 October 2021 should be amended accordingly.
- (6) Malta has explained that one measure is partially no longer achievable because of delays in the construction works due to technical constraints. That concerns measure C1-I2 (Investment in the renovation and retrofitting of public hospitals). On this basis, Malta has requested that that measure be amended. The Council Implementing Decision of 5 October 2021 should be amended accordingly.
- (7) Malta has explained that three measures are partially no longer achievable because of technical difficulties and procurement delays. This concerns measures C3-I2 (Digitalisation of the Merchant Shipping Directorate within Transport Malta), C3-I3 (Further digitalisation and modernisation of the public administration) and C7-I1 (Strengthening and widening the electricity distribution network, through investments in the grid, distribution services and battery storage). On this basis, Malta has requested that those measures be amended. The Council Implementing Decision of 5 October 2021 should be amended accordingly.

- (8) Malta has explained that one measure is partially no longer achievable because of lower than expected demand. This concerns measure C3-I4 (Rolling out measures to intensify the digitalisation of the private sector). On this basis, Malta has requested that that measure be amended. The Council Implementing Decision of 5 October 2021 should be amended accordingly.
- (9) Malta has explained that two measures have been amended because of delays in the procurement process. This concerns measures C6-R3 (Reinforcing the institutional framework capacity to fight against corruption; Implementation of the National Anti-Fraud and Corruption Strategy (NAFCS)) and C6-I1 (Digitisation in the justice system). On this basis, Malta has requested that those measures be amended. The Council Implementing Decision of 5 October 2021 should be amended accordingly.
- (10) Malta has explained that one measure has been amended because of unexpected delays linked to global supply chain disruptions. This concerns measure C1-I5 (Renewable energy investments in roads and public spaces). On this basis, Malta has requested that that measure be amended. The Council Implementing Decision of 5 October 2021 should be amended accordingly.
- (11) Malta has explained that one measure has been amended to implement a better alternative in order to achieve the original ambition of the measure. This concerns measure C1-I1 (Investment in the renovation and greening of public and private sector buildings, including retrofitting through energy and resource efficiency measures). On this basis, Malta has requested that that measure be amended. The Council Implementing Decision of 5 October 2021 should be amended accordingly.

- (12) Malta has explained that 24 measures have been amended to implement better alternatives that allow the administrative burden to be reduced and simplify the implementation of the Council Implementing Decision of 5 October 2021, while still achieving the objectives of those measures. This concerns measures C1-R2 (Fostering effective waste management through a robust waste governance framework including reforming the waste collection system), C2-R1 (Stimulating the adoption and implementation of policies promoting the sustainability of the transport sector, including by encouraging the use of collective and multimodal transport), C2-R3 (Expediting the finalisation and implementation of a Sustainable Urban Mobility Plan (SUMP) for the Valletta Region), C2-R4 (Reducing the socio-economic and environmental impact of vehicles in urban areas), C2-R6 (Enhanced mobility management in the public service), C2-I2 (Enhancing the uptake of electric vehicles in the private sector), C2-I3 (Decarbonising the public service fleet), C3-I1 (Strengthening the resilience, security and efficiency of the government digital backbone and investing in appropriate digital solutions, devices and tools), 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), C4-R2 (Review the national legislative framework related to the Establishment of a Blood, Tissue and Cell Centre for Malta), C4-I1 (Establishment of a Blood, Tissue and Cell Centre for Malta), C4-I2 (Enhancing the resilience of the health system through digitalisation and new technologies), C5-R1 (Strengthen early school leaving prevention measures, with a focus on skills acquisition), C5-R2 (Strengthening skills development and recognition, with a particular focus on low-skilled adults), C5-R3 (Developing new education pathways towards inclusive and quality education),

C5-R4 (Implementing an effective education policy monitoring system), C5-R5 (Reinforcing the resilience of the labour market), C6-R1 (Reform the method of appointment and dismissal of the judiciary), C6-R2 (Create a separate prosecution service), C6-R4 (Reform the Permanent Commission Against Corruption (PCAC)), C6-R5 (Reform the Asset Recovery Bureau), C6-R7 (Implementation of the reform concerning the judicial review of decisions not to prosecute and other decisions of the Attorney General. This includes the assignment of the status of injured party at law to specific institutions when reporting a corrupt practice), C6-R11 (Study on the relevance of measures relating to inbound and outbound dividend, interest and royalty payments) and C7-R1 (Review of existing permitting systems to streamline processes and accelerate permit-granting procedures for renewable energy projects). On this basis, Malta has requested that those measures be amended. The Council Implementing Decision of 5 October 2021 should be amended accordingly.

- (13) Following the removal and the decrease in the level of implementation of measures in accordance with Article 21 of Regulation (EU) 2021/241, Malta has requested to use the resources freed up by the removal of measures and the decrease in the level of their implementation to add three new measures and increase the level of implementation of one measure. This concerns the removal of measure C2-I4 (Part replacement of the public transport fleet), and the decrease in the level of implementation of measures C1-I1 (Investment in the renovation and greening of public and private sector buildings, including retrofitting through energy and resource efficiency measures), C1-I2 (Investment in the renovation and retrofitting of public hospitals), C3-I2 (Digitalisation of the Merchant Shipping Directorate within Transport Malta), C3-I3 (Further digitalisation of public administration), C3-I4 (Rolling out measures to intensify the digitalisation of the private sector) and C7-I1 (Strengthening and widening the electricity distribution network, through investments in the grid, distribution services and battery storage). On this basis, Malta has requested that the level of implementation of one measure, namely C2-I2 (Enhancing the uptake of electric vehicles in the private sector) be increased and that three new measures, namely C2-R7 (Measures to reduce traffic congestion), C3-I5 (Mobile digitalisation of urban ecology) and C3-I6 (Contribution to the Member State compartment under the InvestEU programme), be added. The Council Implementing Decision of 5 October 2021 should be amended accordingly.

Distribution of milestones and targets

- (14) 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 Malta.

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 REPowerEU objectives

- (16) In accordance with Article 19(3), point (da), of, and criterion 2.12 of Annex V to, Regulation (EU) 2021/241, the REPowerEU chapter is expected to effectively contribute to a large extent (rating A) to energy security, the diversification of the Union's energy supply, an increase in the uptake of renewables and in energy efficiency, an increase of energy storage capacities or the necessary reduction of dependence on fossil fuels before 2030.

- (17) Malta has explained that the investment in a battery storage facility under measure C7-I1 (Strengthening and widening the electricity distribution network, through investments in the grid, distribution services and battery storage) is no longer achievable within the Recovery and Resilience Facility timeline. On this basis, Malta has requested that the specific sub-investment is removed from that measure. The Council Implementing Decision of 5 October 2021 should be amended accordingly. This does not affect the previous positive assessment of the REPowerEU chapter, which through the remaining reform of measure C7-R1 (Review of existing permitting systems to streamline processes and accelerate permit-granting procedures for renewable energy projects), sub-investments under measure C7-I1 (Strengthening and widening the electricity distribution network, through investments in the grid, distribution services and battery storage) and the new measure C7-I2 (Investment in the renovation and greening of private sector buildings) continues to address the uptake of renewables, energy efficiency and the reduction of dependence on fossil fuels in Malta.

Contribution to the green transition, including biodiversity

- (18) In accordance with Article 19(3), point (e), of, and criterion 2.5 of Annex V 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 from it. The measures supporting climate objectives account for an amount which represents 62 % of the amended RRP's total allocation and 100 % of the estimated total 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 Regulation (EU) 2021/241, the amended RRP is consistent with the information included in the National Energy and Climate Plan 2021-2030.

- (19) The measures in the amended RRP continue to significantly contribute to the green transition. The green contribution of the amended RRP has decreased from 68,8 % to 62,0 %. That decrease was the result of the scaling down of measures CI-I1 (Investment in the renovation and greening of public and private sector buildings, including retrofitting through energy and resource efficiency measures), C1-I2 (Investment in the renovation and retrofitting of public hospitals) and C7-I1 (Strengthening and widening the electricity distribution network, through investments in the grid, distribution services and battery storage), as well as the removal of measure C2-I4 (Part replacement of the public transport fleet). That scaling down outweighed the scaling up of measure C2-I2 (Enhancing the uptake of electric vehicles in the private sector) and the introduction of new measure C7-I2 (Investment in the renovation and greening of private sector buildings).
- (20) The measures related to the green transition in the amended RRP, including the REPowerEU chapter, have a lasting impact as the measures aim to promote the uptake of renewables in Malta, reducing Malta's dependence on fossil fuels and increasing energy efficiency in buildings. As a result, those measures also contribute to achieving the 2030-2050 climate targets and the objective of EU climate neutrality by 2050. The scope of the amendments does not change the overall assessment of this criterion.

Contribution to the digital transition

- (21) In accordance with Article 19(3), point (f), of, and criterion 2.6 of Annex V 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 26,9 % of the amended RRP's total allocation calculated in accordance with the methodology set out in Annex VII to Regulation (EU) 2021/241.
- (22) The measures in the amended RRP continue to significantly contribute to the digital transition. The amendments to the contribution to the digital transition relate to the decrease in allocation for three measures, namely C3-I2 (Digitalisation of the Merchant Shipping Directorate within Transport Malta), C3-I3 (Further digitalisation and modernisation of the public administration) and C3-I4 (Rolling out measures to intensify the digitalisation of the private sector), countered by the addition of one new measure, namely C3-I5 (Mobile digitalisation of urban ecology). Overall, due to those changes in the digital allocation, the amendments to Malta's RRP entail a net increase in the overall contribution to the digital target of the RRP by 0,7 percentage points, from 26,2 % to 26,9 %. The limited scope of those amendments does not change the overall assessment of this criterion.

Costing

- (23) In accordance with Article 19(3), point (i), of, and criterion 2.9 of Annex V 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 with the expected national economic and social impact.
- (24) According to the information provided, the assessment of the cost estimates for the new measures and for the existing measures whose modifications entailed a new cost assessment shows that most of the costs are reasonable and plausible. In only a few cases, the methodology and calculations used to make the cost estimates were not as solid. This precludes a rating of A for this assessment criterion. Furthermore, the changes in the cost estimates for the amended measures were justified, proportional to the new revised measures and supported by detailed calculations and evidence, and as such the reasonability and plausibility of those 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 with the expected national economic and social impact.

Any other assessment criteria

- (25) 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), points (a), (b), (c), (d), (db), (g), (h), (j) and (k), of Regulation (EU) 2021/241.

Positive assessment

- (26) 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

- (27) The estimated total cost of Malta's amended RRP is EUR 329 083 116. 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 Council⁵ and with 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.
- (28) 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.
- (29) This Decision is without prejudice to the outcome of any procedures relating to the award of Union funds under any Union programme other than the Recovery and Resilience Facility or to 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:

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>).

Article 1

Approval of the assessment of the amended recovery and resilience plan

The assessment of the amended the recovery and resilience plan for Malta on the basis of the criteria provided for in Article 19(3) of Regulation (EU) 2021/241 is approved.

Article 2

Amendment

The Annex to the Council Implementing Decision of 5 October 2021 on the approval of the assessment of the recovery and resilience plan for Malta is replaced by the text appearing in the Annex to this Decision.

Article 3

Addressee

This Decision is addressed to the Republic of Malta.

Done at ...,

For the Council

The President
