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Malta's Recovery & Resilience Plan: REPowerEU Chapter



GOVERNMENT
OF MALTA



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NextGenerationEU



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01

Introduction

In May 2020, the European Commission proposed the Recovery and Resilience Facility (RRF) as the main pillar under the NextGenerationEU

The Recovery and Resilience Facility serves as a temporary recovery instrument in the form of loans and grants that aims to address the short to medium term impact brought about by the coronavirus pandemic as well as to provide a supporting platform for the green and digital transitions. The Facility helps Member States to implement reforms and investments in line with the EU's priorities and more specifically to address the challenges identified in the Country-Specific Recommendations under the European Semester.

For Member States to make use of the Facility they must present their national Recovery and Resilience Plan, which identifies a coherent package of structural reforms and investment projects, in line with the regulatory framework.

Malta's Recovery and Resilience Plan (RRP) was endorsed by the European Commission in September 2021 in line with the Council Implementing Decision on the approval of the assessment of the Recovery and Resilience Plan for Malta¹. The overall objective of Malta's Recovery and Resilience Plan is to contribute to a sustainable, equitable, green and digital recovery effort, in a manner that complements and supports the Government's broader policy objectives, the European Goals, as well as the Sustainable Development Goals (SDGs).

Since the adoption of the Plan, the context has changed in light of the challenges arising from the war in Ukraine which highlight immediate needs to take swift action to ensure enhanced resilience in the domestic energy mix and reduce dependency on fossil fuels. This is critical in the face of the current energy crisis and the increase in energy prices impacting the economy and society at large.

On 18 May 2022, the European Commission published the REPowerEU Plan, which highlights the European Union action to be taken with respect to energy security of supply and storage including actions to save energy, diversify supplies and accelerate Europe's clean energy transition. In view of this plan, the RRF regulation was amended to factor in the new realities and ambitions of the REPowerEU Plan and include an additional €20 billion REPowerEU objectives.

Regulation (EU) 2023/435 of the European Parliament and of the Council of 27 February 2023 now requires Member States to include dedicated REPowerEU Chapters in their existing Recovery and Resilience Plans. Malta's Plan, including the REPowerEU Chapter has a total budget of around EUR 336.7M of which EUR 328.2M² in EU resources.

¹ Council Implementing Decision on the approval of the assessment of the Recovery and Resilience Plan¹ for Malta. Source: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CONSIL:ST_11941_2021_INIT&from=EN

² Including non-repayable financial support for REPowerEU and additional voluntary transfers from the Brexit Adjustments Reserve (BAR).



02

Key Priority Areas



REPowerEU Chapter

This Chapter outlines the policy reform and investment that directly contribute to the REPowerEU Plan and that address the challenges specified in the Country Specific Recommendation (CSR) 1 and 4 of 2022. Under the REPowerEU Chapter, initiatives will aim to contribute towards supporting energy security of supply, through the strengthening and widening of the electricity grid and battery storage as well as reforming the permitting process with a view to accelerate permitting timeframes and encourage RES projects.

Measures will contribute to the ambitions of Sustainable Development Goal 7 and initiatives foreseen under Components 1 and 2 of Malta's Recovery and Resilience Plan. Actions will also complement initiatives under other EU Funded Programmes for the 2021-2027 period, particularly actions related to RES initiatives, the decarbonising of the environment and the transport sector, amongst others.

Reforms

- a. *Review of existing permitting systems to streamline processes and accelerate permit-granting procedures for renewable energy projects*

Investments

- a. *Strengthening and widening the electricity distribution network, through investments in the grid, distribution services and battery storage*

This Component
has a budget of circa
€ 69.9 million



04

Next Steps



The European Commission will now assess Malta's REPowerEU Chapter within the Recovery and Resilience Plan with a view to make a recommendation to the Council of the European Union for adoption. This will serve as the basis for the renewed implementation of the Plan.

Further details of Malta's Recovery and Resilience Plan will be published in due course.



