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COMMISSION IMPLEMENTING DECISION

of 21.12.2023

on the authorisation of the disbursement of the fourth instalment of the non-repayable support and the fourth instalment of the loan support for Italy

(Only the Italian text is authentic)

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THE EUROPEAN COMMISSION,

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 24(5) thereof,

Whereas:

- (1) According to Article 4(2) of Regulation (EU) 2021/241, the specific objective of the Recovery and Resilience Facility is to provide Member States with financial support with a view to achieving the milestones and targets of reforms and investments as set out in their recovery and resilience plans.

Council Implementing Decision of 13 July 2021 on the approval of the assessment of the recovery and resilience plan for Italy² (the ‘Council Implementing Decision’) provides that the Union is to release instalments in accordance with the Financing Agreement and the Loan Agreement conditional on a decision by the Commission, taken in accordance with Article 24(5) of Regulation (EU) 2021/241, that Italy has satisfactorily fulfilled the relevant milestones and targets identified in relation to the implementation of the recovery and resilience plan.

- (2) On 22 September 2023, Italy submitted a request for payment, accompanied by a management declaration and a summary of audits. The request concerned the fourth instalment of the non-repayable support and the fourth instalment of the loan support. Pursuant to Article 24(3) of Regulation (EU) 2021/241, the Commission assessed on a preliminary basis whether the relevant milestones and targets set out in the Council Implementing Decision had been satisfactorily fulfilled. For the purpose of this assessment, the operational arrangements concluded between the Commission and Italy³ in accordance with Article 20(6) of Regulation (EU) 2021/241, were taken into account.
- (3) The Commission made a positive preliminary assessment of the satisfactory fulfilment of all 16 relevant milestones and targets related to the non-repayable support and all 12 relevant milestones and targets related to the loan support and, in accordance with Article 24(4) of Regulation (EU) 2021/241, provided its findings to the Economic and

¹ OJ L 57, 18.2.2021, p. 17.

² ST 10160/21; ST 10160/21 ADD 1 REV 2, not yet published.

³ Recovery and Resilience Facility Operational arrangements between the European Commission and Italy, entered into force on 22 December 2021.

Financial Committee asking for its opinion on the satisfactory fulfilment of the relevant milestones and targets. In accordance with Article 25(4) of that Regulation, the Commission provided the competent committee of the European Parliament with an overview of its preliminary findings concerning the satisfactory fulfilment of the relevant milestones and targets. The Economic and Financial Committee agreed with the Commission's positive preliminary assessment and considered that Italy has satisfactorily fulfilled all 16 relevant milestones and targets related to the non-repayable support and all 12 relevant milestones and targets related to the loan support associated with the payment request. The Commission has taken the opinion of the Economic and Financial Committee into account for its assessment.

- (4) Section 2(1)(1.4) of the Annex to the Council Implementing Decision provides the relevant milestones and targets that are to be satisfactorily fulfilled for the fourth instalment of the non-repayable support for an amount of EUR 2 315 646 882.
- (5) Section 2(2)(2.4) of the Annex to the Council Implementing Decision provides the relevant milestones and targets that are to be satisfactorily fulfilled for the fourth instalment of the loan support for an amount of EUR 16 611 453 220.
- (6) Target MIC1-11 provides for the purchase of professional data science services by the Finance Police by contracting with a consulting service provider involving five human resources in total, responsible both for designing the data architecture and for writing the algorithms of the Big Data Analysis unit. The evidence provided by Italy demonstrates that the Finance Police purchased professional data science services through contracting with consulting service provider Accenture Technology Solutions S.r.l, as evidenced by the executive contract of 17 November 2022. The Council Implementing Decision required the publication of awarded contract for the purchase of data science services in compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation. However, the contract between the Finance Police and Accenture Technology Solutions S.r.l and the accessory contract between the Finance Police and Gartner S.r.l. did not include any provisions in relation to compliance with DNSH requirements. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, the ex-post assessment of 20 November 2023 by the Finance Police and the declarations by Accenture Technology Solutions S.r.l. and Gartner S.r.l. ensure compliance with the DNSH requirements. As of this, this minimal deviation does not change the nature of the measure and does not affect the progress towards achieving the investment that the target represents. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (7) Milestone MIC1-37 provides for the entry into force of the regulations and secondary sources of legislation necessary for the effective application of the enabling laws for criminal and civil justice reforms. These acts give effective and technical application to the reform of the civil justice, as laid out in the enabling legislation for the civil justice reform (Law No. 206/2021) and in the following delegated legislation (Legislative Decree No. 149/22) and to the reform of the criminal justice, as laid out in the enabling legislation for the criminal justice reform (Law No. 134/2021) and in the following delegated legislation (Legislative Decree No. 150/22). The evidence provided by Italy demonstrates the entry into force of all necessary acts, decrees and regulations. On the basis of the due justification provided, the milestone should be considered as satisfactory fulfilled.

- (8) Milestone M1C1-58 provides for the entry into force of the delegated acts, ministerial decrees, secondary legislation and all other regulations necessary for the implementation of the enabling legislation reforming the public employment, which entered into force with the fulfilment of milestone M1C1-56. These acts clarify the definition of job profiles in the public administration, create a single recruiting platform and simplify the recruitment procedures, standardise the assessment of performance of public sector employees, and strengthen on-the-job mobility and training. The evidence provided by Italy demonstrates the entry into force of all necessary acts, decrees and regulations. On the basis of the due justification provided, the milestone should be considered as satisfactory fulfilled.
- (9) Milestone M1C1-72 provides for the entry into force of rules to reduce late payments from the public administration to businesses. The evidence provided by Italy demonstrates the entry into force of the rules meant to reduce late payments to businesses by the Italian public administration and all relevant measures of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactory fulfilled.
- (10) Milestone M1C1-73 provides for the entry into force of the Legislative-Decree to implement all the provisions of the Delegation Law on the Reform of Public Procurement Code. Legislative-Decree No. 36 of 31 March 2023 (“Public Procurement Code”) has entered into force on 1 April 2023 and, to allow a transition period, its provisions became applicable as of 1 July 2023. The Public Procurement Code implements all pillars of the reform of the public procurement legislative framework, as laid out in the Delegation Law No. 78/2022, namely the reduction of the fragmentation of contracting authorities, the simplification and digitalization of the procedures, including of central purchasing bodies, and the progressive reduction of restrictions concerning subcontracting. The Public Procurement Code also provides for the stabilization and consolidation of the measures introduced in 2021, the extension of measures that were limited in scope and the consolidation and stabilization of measures further introduced in 2022 and in the first quarter of 2023, notably on qualification of contracting authorities. On the basis of the due justification provided, the milestone should be considered as satisfactory fulfilled.
- (11) Milestone M1C1-74 provides for the entry into force of implementing measures and secondary legislation for the reform on simplification of the Public Procurement Code. The evidence provided by Italy demonstrates the entry into force of the acts necessary for the implementation of the public procurement reform. Nine implementing measures and secondary sources of legislation have entered into force to give the necessary effective and technical application to the public procurement reform. Five acts will become applicable as of 1 January 2024. Whilst this constitutes a minimal temporal deviation from the requirement of the Council Implementing Decision, the delay in between the publication of the acts and the actual application of the provisions is considered both limited and proportional. Notably, it is consistent with and functional to the timing of the digitalisation of the public procurement framework foreseen by the Public Procurement Code, which requires the deployment of technical and digital actions to which these acts refer. On the basis of the due justification provided, the milestone should be considered as satisfactory fulfilled.
- (12) Target M1C1-109 provides for the transmission of pre-populated VAT tax returns to at least 2.3 million taxpayers for the tax year 2022. The evidence provided by Italy demonstrates that the number of pre-populated VAT tax returns transmitted to taxpayers for the tax year 2022 amounts to 2 404 637, which exceeds the target. On

the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.

- (13) Milestone M1C1-125 provides for the award of all public contracts for the migration of datasets and applications of local public administrations to a secure cloud infrastructure. The evidence provided by Italy demonstrates that all public contracts have been awarded. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (14) Milestone M1C2-22 provides for the award of all public contracts for the four satellite technology and space projects part of the “Satellite Technology and Space economy” investment, namely (i) Satcom, (ii) Earth Observation (EO), (iii) Space Factory and (iv) In-Orbit Economy. The evidence provided by Italy demonstrates that all public contracts have been awarded. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (15) Milestone M1C3-20 provides for the signature of the contracts between the implementing entity Cinecittà SPA and the companies in relation to the construction and recovery of nine studios. The evidence provided by Italy demonstrates that the contracts for the construction and recovery of nine studios have been signed. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (16) Milestone M2C2-14 provides for the notification of the award of (all) public contracts for the development of at least 40 re-charging stations based on hydrogen. The evidence provided by Italy demonstrates that the award of public contracts for at least 40 re-charging stations based on hydrogen have been notified. On the basis of the due justification provided, the milestone should be considered as satisfactory fulfilled.
- (17) Milestone M2C2-16 provides for the notification of the allocation of resources to build ten refuelling stations for railway based on hydrogen along six railway lines. The evidence provided by Italy demonstrates that the allocation of resources to build ten refuelling stations for railways based on hydrogen along six railways have been notified. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (18) Milestone M2C2-20 provides for the entry into force of the necessary legislative actions for administrative simplification and reduction of regulatory barriers to hydrogen deployment. The evidence provided by Italy demonstrates that the necessary actions have entered into force. The Council Implementing Decision required that the necessary legislation shall set out security provisions in relation to the production, transport, and storage of hydrogen. Italy adopted a Ministerial Decree on the technical rules for the presence of other components in combustible gas. The Ministerial Decree is not a legislative action. Whilst this constitutes a minimal formal deviation from the requirement of the Council Implementing Decision, it concerns only internal procedures of Italy and does not affect the progress towards achieving the reform that the milestone represents. Additionally, the Council Implementing Decision required the legislative framework promoting hydrogen as a renewable source of energy to include the regulation of the participation of hydrogen production plants in network services. By adopting the Single Text on Electric Dispatching (Testo Unico sul Dispacciamento Elettrico or TIDE), the regulator ARERA has issued regulatory measures on the participation of renewables in network services and formalised the experimental conditions provided in 2017, after consulting stakeholders. In addition, Italy has put in place technical measures to ensure that hydrogen plants can participate

in electricity network services, such as dispatching and aggregation services under the conditions of experimentation that started in 2017 until the entry into application of the Single Text on Electric Dispatching on 1 January 2025. Whilst this constitutes a minimal temporal deviation from the requirement of the Council Implementing Decision, the delay between the adoption of this law and the actual application of the provisions is considered both limited and proportional, notably because, hydrogen plants can technically speaking already participate in electricity network services such as dispatching and aggregation. On the basis of the due justification provided, the milestone should be considered as satisfactory fulfilled.

- (19) Milestone M2C2-27 provides for the notification of the award of all public contracts to build at least 4 700 re-charging stations in urban areas (all municipalities). The project may also include pilot re-charging stations aimed at storing energy. The evidence provided by Italy demonstrates that the award was notified for all eligible projects selected for financing. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (20) Milestone M2C2-33 provides for the award of public contracts of the rolling stock material, including carriages for the universal service, that strengthens the regional railway fleet. The evidence provided by Italy demonstrates that public contracts were awarded for the procurement of 89 trains for a total of 491 rolling stock units to be financed with RRF resources. All trains are either fully powered by electricity or hydrogen, or are bi-modal trains, as allowed by the RRF regulation. Italy moreover provided evidence about the procurement of 98 carriages for the universal service, while the Council Implementing Decision requires the procurement of 100 carriages for universal service. Italy has procured 98 passenger carriages divided into 84 single passenger carriages and 14 locomotive carriages. The latter are counted as passenger carriages considering that, as indicated in the technical Annex 1 “*Treni Blues*”, they can carry passengers and are not separable from the single passenger carriages. Whilst this constitutes a minimal numerical deviation of 2% from the requirement of the Council Implementing Decision, the overall objective of this milestone is considered met notwithstanding this minor deviation. On the basis of the due justification provided, the milestone should be considered as satisfactory fulfilled.
- (21) Milestone M2C2-48 provides for the award of the projects for the production of green hydrogen in abandoned industrial areas centres having less than 3 tCO₂eq/tH₂. The evidence provided by Italy demonstrates that the projects have been awarded. On the basis of the due justification provided, the milestone should be considered as satisfactory fulfilled.
- (22) Milestone M2C2-50 provides for the signature of the agreement with the selected project owners to promote the transition from methane to green hydrogen. The evidence provided by Italy demonstrates that the agreement has been signed. On the basis of the due justification provided, the milestone should be considered as satisfactory fulfilled.
- (23) Target M2C3-2 provides for the completion of building renovations for, at least 17 000 000 square meters, resulting in primary energy savings of at least 40% and increasing at least two categories in the energy efficiency certificate. The evidence provided by Italy demonstrates that more than 17 000 000 square metres of building renovations, resulting in primary energy savings of at least 40% and increasing at least two categories in the energy efficiency certificate were completed. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.

- (24) Milestone M2C4-21 provides for the entry into force of the secondary acts for the revision of the legal framework for interventions for the re-naturification of the Po area. The evidence provided by Italian authorities demonstrates the entry into force of the relevant legislation with the objective of recovering the ecological corridor of the Po River. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (25) Milestone M4C1-9 provides for the award of the initial contracts for building, renovating, and ensuring the safety of nurseries, preschools and early childhood education and care services. The evidence provided by Italy demonstrates that the initial contracts for the creation of additional places in nurseries, preschools and early childhood education and care services have been awarded. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (26) Milestone M4C1-28 provides for the award of the initial contracts for the creation of additional sleeping accommodation units (beds). The evidence provided by Italy demonstrates that the initial contracts for the creation of additional student beds have been awarded. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (27) Milestone M4C2-12 provides for the finalization of the list of admitted participants in the ‘Important Project of Common European Interest’ (IPCEI) projects by 30 June 2023, following the verifications and evaluations on the projects presented made in compliance with the ‘Do no significant harm’ Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation. The evidence provided by Italy demonstrates that the list of participants to IPCEI projects is contained in Directorial Decree of 28 June 2023 by the Director General for Industrial Policy, Innovation and SMEs and by the Director General of Incentives to Enterprises of MIMIT, that such a list has been published on the website of the Ministry of Enterprises and Made in Italy and that DNSH requirements have been ensured. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (28) Target M4C2-16 provides for the financing of at least 30 infrastructure projects (existing or newly financed). The satisfactory fulfilment of the target also depended on the hiring of at least 30 research managers (one per infrastructure). The Council Implementing Decision states that the innovation infrastructures shall include multi-purpose infrastructures able to cover at least three topic fields: (i) quantum, (ii) advanced materials, (iii) photonics, (iv) life-sciences, (v) artificial intelligences, (vi) energy transition. Although Article 5 (4) of the call for projects No. 3265 of 28 December 2021 includes a non-mandatory list of topic fields, the topic fields indicated in the Council Implementing Decision must be considered not binding, in light of a contextual interpretation of the RRP, in particular with reference to the narrative description of the investment. Therefore, all the multipurpose innovation infrastructures covering at least three topic fields can contribute to fulfilling the above-mentioned Council Implementing Decision condition. The evidence provided by Italy demonstrates that at least 30 infrastructure projects have been financed and at least 30 research managers have been hired. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (29) Target M5C1-18 provides for the financial support that has been committed to at least 700 additional companies compared to the baseline, through already active instruments (nito, smart&start) and the new fund (“Fondo a sostegno dell’impresa

femminile”) established by the Budget Law for 2021. The evidence provided by Italy demonstrates that such support has been committed. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.

- (30) Milestone M5C2-3 provides for the entry into force of the framework law by the government which shall set-up the single points of contacts, strengthen social and healthcare services, including those provided at home, review the procedures to assess non-self-sufficiency and identify the necessary financial resources. The evidence provided by Italy demonstrates that the framework law has entered into force. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (31) Milestone M5C2-21 provides for the notification of award of contracts for the construction or regeneration of sports facilities and distribution of sports equipment. Moreover, at least 50% of the investment shall be allocated to new constructions. The evidence provided by Italy demonstrates that the award of contracts related to the construction of new sports facilities, representing at least 50% of the investment, the supply of sports equipment, the redevelopment and adaptation of existing sport facilities have been notified. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (32) Target M5C3-8 provides for provision of educational support to at least 20 000 minors to combat educational poverty in the South of Italy. The Council Implementing Decision states public notices shall account for at least EUR 50 000 000 each. The further specifications of the operational arrangements provide that: “The provision “Key elements of the tender” shall be understood as applying to upcoming tenders (those launched after the entry into force of the Council Implementing Decision on the approval of the assessment of the Recovery and Resilience Plan for Italy)”. The amount of the second public notice of 9 November 2020 is below the minimum of EUR 50 000 000 referred to in the Council Implementing Decision. However, this was published on 9 November 2020 and the public notice complies with the further specifications of the Operational Arrangements and the assessment is in line with the contextual interpretation of the requirement of the Council Implementing Decision. The evidence provided by Italy demonstrates that at least 20 000 minors have been enrolled in courses provided by third sector organizations and that they have received educational support. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (33) Target M6C2-14 provides for the award of additional 1 800 scholarships for specific training in general medical practice. The evidence provided by Italy demonstrates that the additional 1 800 scholarships for the specific training in general medicine practice have been awarded. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (34) Furthermore, the Italian Republic has also confirmed that previously satisfactorily fulfilled milestones and targets have not been reversed.
- (35) Following the fully positive assessment concerning the Italian Republic’s payment request, in accordance with Article 24(5) of Regulation (EU) 2021/241, the disbursement of the financial contribution for the fourth instalment of the non-repayable support and the disbursement of the loan for the fourth instalment of the loan support should be authorised.

- (36) In accordance with Article 2(3) of the Council Implementing Decision, as specified in the Financing Agreement, the pre-financing of the financial contribution shall be cleared by being proportionally deducted against the payment of the instalments. As Italy received EUR 8 954 466 787 of the financial contribution as pre-financing, an amount of EUR 277 634 515 of the payment should be utilised to clear the pre-financing.
- (37) In accordance with Article 3(3) of the Council Implementing Decision, as specified in the Loan Agreement, the pre-financing of the loan shall be cleared by being proportionally deducted against the payment of the instalments. As Italy received EUR 15 938 235 352 of the loan as pre-financing, an amount of EUR 2 159 488 918 of the payment should be utilised to clear the pre-financing.
- (38) This Decision should be without prejudice 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 on the Functioning of the European Union. It does not override the requirement for Member States to implement the measures in accordance with Union and national law and, in particular, to notify instances of potential State aid to the Commission under Article 108 of the Treaty on the Functioning of the European Union.
- (39) The measures provided for in this Decision are in accordance with the opinion of the Committee established by Article 35(1) of Regulation (EU) 2021/241,

HAS ADOPTED THIS DECISION:

Article 1

Authorisation of the disbursement of the non-repayable support

The disbursement of the fourth instalment of the non-repayable support as laid down in Section 2(1)(1.4) of the Annex to the Council Implementing Decision of 13 July 2021 on the approval of the assessment of the recovery and resilience plan for Italy for an amount of EUR 2 315 646 882 is authorised.

In accordance with the Financing Agreement concluded pursuant to Article 23(1) of Regulation (EU) 2021/241 between the Commission and the Italian Republic, EUR 277 634 515 shall be utilised to clear the pre-financing of the financial contribution and EUR 2 038 012 367 shall be provided to Italy by means of payment to the bank account indicated in the Financing Agreement.

Article 2

Authorisation of the disbursement of the loan support

The disbursement of the fourth instalment of the loan support as laid down in Section 2(2)(2.4) of the Annex to the Council Implementing Decision of 13 July 2021 on the approval of the assessment of the recovery and resilience plan for Italy for an amount of EUR 16 611 453 220 is authorised.

In accordance with the Loan Agreement concluded pursuant to Article 15(2) of Regulation (EU) 2021/241 between the Commission and the Italian Republic, EUR 2 159 488 918 shall be utilised to clear the pre-financing of the loan and EUR 14 451 964 302 shall be provided to Italy by means of payment to the bank account indicated in the Loan Agreement.

Article 3
Addressee

This Decision is addressed to the Italian Republic.

Done at Brussels, 21.12.2023

For the Commission
Paolo GENTILONI
Member of the Commission