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COMMISSION IMPLEMENTING DECISION

of 29.9.2023

on the authorisation of the disbursement of the third instalment of the non-repayable support and the third 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.
- (2) 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.
- (3) Following the submission of an amended RRP by Italy on 11 July 2023, the Commission has proposed its positive assessment to the Council. The Council has approved the positive assessment of the amended RRP by means of the Council Implementing Decision of 19 September 2023. In particular, regarding the third instalment of the loan support, the amended Council Implementing Decision provides that target M4C1-28 of reform 1.7 “Reform of student housing regulation and investment in student housing” under component 1 “Strengthening the provision of education services: from nurseries to universities”, Mission 4 is changed into a milestone and transferred from the third to the fourth instalment of the loan support. Accordingly, the instalment amount of the third instalment of the loan support is decreased from EUR 10 344 827 586 to EUR 9 825 328 389. This decision takes into account the amendments to the Council Implementing Decision.
- (4) On 30 December 2022, Italy submitted a request for payment, accompanied by a management declaration and a summary of audits. The request concerned the third instalment of the non-repayable support and the third instalment of the loan support.

¹ OJ L 57, 18.2.2021, p. 17.

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

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.

- (5) The Commission made a positive preliminary assessment of the satisfactory fulfilment of all 38 relevant milestones and targets related to the non-repayable support and all 16 relevant milestones and targets related to the loan support of the third instalment, as amended by the Council, and, in accordance with Article 24(4) of Regulation (EU) 2021/241, provided its findings to the Economic and 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 38 relevant milestones and targets related to the non-repayable support and all 16 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.
- (6) Section 2(1)(1.3) of the Annex to the Council Implementing Decision provides the relevant milestones and targets that are to be satisfactorily fulfilled for the third instalment of the non-repayable support for an amount of EUR 11 494 252 874.
- (7) Section 2(2)(2.3) of the Annex to the Council Implementing Decision provides the relevant milestones and targets that are to be satisfactorily fulfilled for the third instalment of the loan support for an amount of EUR 9 825 328 389
- (8) Milestone M1C1-3 provides for the successful completion of the testing of the datacentres of the national cloud-based hybrid infrastructure, called 'Polo Strategico Nazionale' (hereinafter referred to as "PSN") in view of the start of the migration process of the datasets and applications of targeted public administrations. Italy provided (i) a certificate of completion issued in accordance with the national legislation and signed by the responsible officer within the Department of Digital Transformation indicating that the design, preparation and set-up of the PSN infrastructure has been successfully completed and (ii) a report by an independent engineer certifying that the testing of the PSN datacentres has also been successfully completed, allowing the start of the migration process. The content of the evidence provided is in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (9) Milestone M1C1-4 provides for the National Digital Data Platform (Piattaforma Digitale Nazionale Dati, hereinafter referred to as "PDND") to become operational, allowing public administrations to publish their application programming interfaces (API) on the platform, authenticate APIs access by other authorities and sign interoperability agreements with other authorities. Italy provided a certificate of works completion provided by the contractor (PagoPA) demonstrating that the PDND is

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

operational and a report by the Department of Digital Transformation of the Presidency of Council of Ministers demonstrating that the PDND functionalities' foreseen by the milestone have been implemented. The content of the evidence provided is line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.

- (10) Milestone M1C1-5 provides for the creation of the National Cybersecurity Agency (Agenzia per la Cybersicurezza Nazionale, hereinafter referred to as "ACN"). Italy provided Decree Law of 14 June 2021, No. 82, converted with amendments by Law of 4 August 2021, No. 109 and entered into force on 5 August 2021, which stipulates the creation of the ACN and defines its objectives, its organization and its functions, and the set of three Prime Ministerial Decrees stipulating the internal regulations of the ACN, namely Prime Ministerial Decrees of 9 December 2021, No. 222, No. 223 and No. 224. The content of the evidence provided is line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (11) Milestone M1C1-6 provides for the definition of the detailed architecture of the whole ecosystem of the national cybersecurity architecture. Italy provided the National Cybersecurity Strategy document, which illustrates how the ecosystem of the national cybersecurity architecture will be structured, and a series of documents on the high-level design of the national Information Sharing and Analysis Center (ISAC), the Computer Emergency Response Teams (CERTs), the national HyperSOC and the High Performance Computing integrated with the Artificial Intelligence/Machine Learning (AI/ML). The content of the evidence provided is line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (12) Milestone M1C1-7 provides for the start-up of the network of cybersecurity screening and certification laboratories through (i) the identification by the National Cybersecurity Agency (Agenzia per la Cybersicurezza Nazionale, hereinafter referred to as "ACN") of where the screening and certification laboratories and centres will be created, the experts profiles to be recruited, the full definition of processes and procedures to be shared among labs, and (ii) the activation of one lab. Italy provided (i) evidence that, following the completion of the selection procedure related to public notice 5/2022 of 20 October 2022, 13 locations for the screening and certification laboratories and centers were identified, (ii) the public competitions for the recruitment of 50 experts in various disciplines, published in the Official Journal No. 15 of 22 February 2022, (iii) Prime Ministerial Decree No. 92 of 18 May 2022, which defines the processes and procedures to be shared among labs and (iv) a report signed by the officer responsible for the project certifying that, following the completion of the selection procedure related to public notice 4/2022 of 5 September 2022, a laboratory was activated in Rome (v) evidence that the activities created to the constitution and activation of the scrutiny labs is supervised by ACN instead of the Ministero dello Sviluppo Economico (MISE) and in particular Prime Ministerial Decree of 15 June 2022, which provides that MISE transfers to the ACN the equipment and activities of the National Assessment and Certification Center (Centro di Valutazione e Certificazione Nazionale, hereinafter referred to as "CVCN"). Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, this solution improves the progress toward the achievement of the measure, since the supervision activity is transferred to a more specialised entity (ACN instead of MISE) while ensuring the involvement of the CVCN and the

integration with the CVs by the Ministry of Interior and the Ministry of Defence, in line with the requirement of the Council Implementing Decision. The content of the evidence provided is line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.

- (13) Milestone MIC1-8 provides for the activation of a Central Audit Unit for ‘National Perimeter for Cyber Security’ (Perimetro Nazionale di Sicurezza Cibernetica, PSNC) and Network and Information Security (NIS) within the National Cybersecurity Agency (Agenzia per la Cybersicurezza Nazionale, ACN). Italy provided Directorial Decree of the ACN of 14 October 2022 and a report by the ACN demonstrating the appointment of an internal unit with the mandate for performing the activities of the Central Audit Unit that will account for the PSNC & NIS Security measures. Italy also provided evidence proving that the processes, logistics and operation arrangements have been formalized into adequate documentation, evidence on the design and security and functional requirements of the network and information systems for the collection, management and analysis of data from inspection and audit activities and evidence that the development of the tools and the design of the platform have been completed. The content of the evidence provided is line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (14) Target MIC1-9 provides for the completion of five strengthening interventions upgrading security structures in the PSNC and NIS sectors with a focus on the Healthcare, Energy and Environmental (Drinking Water Supply) sectors. Italy provided certificates of completion and a report by an independent engineer showing that seven strengthening interventions upgrading security structures have been completed. The content of the evidence provided is line with the requirements of the target. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (15) Milestone MIC1-10 provides for the completion of the setup of the “Transformation Office” and of the new company (NewCo) focused on software development & operations management, including the selection of experts that are going to work in the “Transformation Office” through a call for expression of interest and the administrative acts making the company operational. As concerns the “Transformation Office”, Italy provided (i) Art. 19 of Decree Law No. 80 of 9 June 2021 that creates the Transformation Office and the notarial deed which legally establishes the NewCo, (ii) Decree-Law No. 80 of 9 June 2021 whose Art. 10 of the Decree assigns the financial resources for the hiring of personnel for the Transformation Office, (iii) a series of 47 calls for expression of interest for various expert profiles to be employed in the Transformation Office, (iv) a series of 264 Decrees of the Presidency of the Council of Ministers each appointing an individual in a specific job position in the Transformation Office. As concerns the NewCo, Italy provided (i) Decree-Law No. 36 of 30 April 2022 which authorizes the establishment of the NewCo and lists the central public administrations which are the beneficiaries of its activities, (ii) evidence that the members of the Board of Directors and of the Supervisory Board were appointed by three Ministerial Decrees instead that by a Decreto del Presidente del Consiglio dei Ministri (DPCM) as foreseen by the Council Implementing Decision. Whilst this constitutes a minimal formal deviation from the requirement of the Council Implementing Decision, Ministerial Decrees have the same legal value as DPCMs and the only difference between Ministerial Decrees and DPCMs is the issuing authority.

As of this, this minimal deviation does not affect the progress towards achieving the reform that the milestone represents. The content of the evidence provided is line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.

- (16) Target MIC1-34 provides for the hiring of 8764 units of personnel to establish or strengthen the “office of the trial”. This Staff should provide support to judges’ activities, also carrying out tasks such as study, legal research, drafting of acts and organization of the files. Italy provided the Law Decree No. 80 of 9 June 2021, converted into Law No. 113 of 6 August 2021 envisaging the recruitment of personnel for the offices of the trial, the public competition for 8171 units to support the trial office, the link to the selected candidates for the public competition for 8171 units to support the trial office, the public competition and the link to selected candidates for 79 units to support the trial office in Trento Court of Appeal district, two Public competitions and the link to selected candidates for 1660 and 750 units of technical staff in support of trial offices and courts, the legislative Decree No. 151 of 10 October 2022 permanently establishing the trial office of first instance courts, courts of appeal (second instance), and Court of Cassation (supreme court); the two Decrees of the Ministry of Justice of 26 July 2021 defining the recruitment methods for the fixed-term staff of the trial office and allocating trial office units to districts, as well as additional relevant documents. The content of the evidence provided is line with the requirements of the target. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (17) Milestone MIC1-35 provides for a comprehensive reform of tax courts of first and second instance following up on the objective set by the abovementioned measure, namely to make the enforcement of tax law more effective and decrease the high amount of appeals at the Court of Cassation. Italy provided the Law No. 130 of 31 August 2022 published in the Official Journal No. 204 of 1 September 2022, which includes provisions for the reform of tax courts and tax proceedings; the Law No. 130 of 31 August 2022 as republished in the Official Journal No. 216 of 15 September 2022 to include the relative notes without changing the value and efficacy of the Law, the Decree Law No. 13 of 24 February 2023, published in the Official Journal No. 47 of 24 February 2023, on urgent measures for the implementation of the Recovery and Resilience Plan, as converted into law by Law No. 41 of 21 April 2023 published in the Official Journal No. 94 of 21 April 2023 concerning the increased threshold of competence for monocratic tax judges, the Legislative Decree No. 149 of 10 October 2022 published in the Official Journal No. 243 of 17 October 2022, implementing the enabling legislation for the civil justice reform as per Law No. 206/2021, which introduces the preliminary ruling to the Court of Cassation that is also extended to tax proceedings, as well as additional relevant documents. The content and objectives of the report provided are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (18) Milestone MIC1-36 provides for the entry into force of the delegated acts necessary for the implementation of the civil and criminal justice reforms and of the insolvency reform. Italy provided the link to the Legislative Decree No. 149 of 10 October 2022 published in the Official Journal No. 243 of 17 October 2022, implementing the enabling legislation for the civil justice reform, the link to the Legislative Decree No. 150 of 10 October 2022 published in the Official Journal No. 243 of 17 October 2022, implementing the enabling legislation for the criminal justice reform as per Law No.

134/2021, the Decree-Law No. 162 of 31 October 2022 as published in the Official Journal No. 255 of 31 October 2022, which modifies the entry into force of the criminal justice reform, the link to the Legislative Decree No. 151 of 10 October 2022 published in the Official Journal No. 243 of 17 October 2022, implementing the enabling legislation for the civil justice reform as per Law No. 206/2021 and for the criminal justice reform, the link to the Legislative Decree No. 83 of 17 June 2022 as published in the Official Journal No. 152 of 1 July 2022, which includes measures relating to insolvency, the Decree Law No. 198 of 29 December 2022 published in the Official Journal No. 303 of 29 December 2022, converted into law by Law No. 14 of 24 February 2023, published in the Official Journal No. 49 of 27 February 2023, which intervenes on applicability of legal provisions, the Ministry of Justice Decree of 29 September 2022 establishing the technical and scientific Committee monitoring the efficiency of civil justice, the Ministry of Justice Decree of 28 December 2021 establishing the technical and scientific Committee monitoring the efficiency of criminal justice, as well as additional relevant material. The evidence provided demonstrates that the delegated acts have entered into force and that their content and objectives of the report provided are in line with the requirements of the milestone. As regards the insolvency reform, Italy adopted Legislative Decree No. 83/2022, which constitutes primary legislation and has therefore a higher ranking than delegated legislation. Moreover, as follow-up to milestone M1C1-31, and in the context of the IT platform for composizione negoziata, Italy provided for the exchange of data with banks' IT systems via the Central Risk Credit registry of Bank of Italy instead of the interoperability of the abovementioned platform. Whilst both constitute respectively a minimal deviation and a minimal substantial deviation from the requirement of the Council Implementing Decision, these minimal deviations do not affect the progress towards achieving the reform that the milestone represents. . On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.

- (19) Milestone M1C1-57 provides for the entry into force of all related delegated acts, ministerial decrees, secondary legislation, and all other regulations necessary for the effective implementation of the simplification including agreements with Regions in case of exclusive and concurrent regional competence. Italy provided the Decree-Law 31 May 2021, No. 77 on the governance of the National Recovery and Resilience Plan and initial measures to strengthen administrative structures and speed up and streamline procedures, the Decree of the Ministry of Ecological Transition No. 361 of 2 September 2021 on the organisation of the Technical Committee of the National Recovery and Resilience Plan, the Decree of the Ministry of Ecological Transition No. 362 of 3 September 2021 on the remuneration of the members of the Technical Committee of the National Recovery and Resilience Plan, as well as additional relevant documents. The evidence provided demonstrates that all the legislative measures have entered into force and that the content of the evidence provided is line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (20) Milestone M1C1-102 provides for the adoption of a report on the effectiveness of practices used by selected public administrations for formulating and implementing saving plans. Italy provided a report prepared by the Accounting Department of the Ministry of economy and finance in cooperation with the Ministry of Health and the Ministry of Justice, analysing in detail the effectiveness of practices used by those administrations for formulating and implementing saving plans, namely with respect to the 2018-2020 spending review cycle. On the basis of this analysis, the report provides guidelines that the Accounting Department of the Ministry of economy and

finance intends to provide to public administrations for the formulation and monitoring of budget proposals related to the implementation of the expenditure review. The content and objectives of the report provided are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.

- (21) Target M1C1-105 provides for the increase by at least 20% compared to 2019 in the number of “compliance letters”, providing early communication to taxpayers for which anomalies are detected. Italy provided a report from the Ministry of economy and finance and the Revenue Agency certifying the number of “compliance letters” sent to taxpayers from November 2021 to October 2022. Italy also provided the anonymised list of “compliance letters” sent during that period, with indications concerning the relevant date, the type of irregularity and the classification as “false positive” if relevant. The report from the Ministry of economy and finance and the Revenue Agency certified that the number of “compliance letters” sent to taxpayers from November 2021 to October 2022 amounts to 2 637 383, representing an increase of 22.6% compared to the baseline, which is the number of “compliance letters” sent in 2019. The content of the evidence provided is line with the requirements of the target. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (22) Target M1C1-106 provides for the reduction by at least 5% compared to 2019 in the number of false-positive “compliance letters” (providing an early communication to taxpayers for which anomalies are detected, but for which no frauds are detected ex post). Italy provided a report from the Ministry of economy and finance and the Revenue Agency certifying the number of “compliance letters” sent to taxpayers from November 2021 to October 2022 which resulted as “false positive”. Italy also provided the anonymised list of “compliance letters” sent during that period, with indications concerning the relevant date, the type of irregularity and the classification as “false positive” if relevant. The report from the Ministry of economy and finance and the Revenue Agency certified that 34 498 compliance letters sent during that period proved to be false positive by 14 February 2023. This amount represents a reduction of 72.7% compared to the baseline, which is the number of “compliance letters” sent in 2019 which resulted as “false positive”. The content of the evidence provided is line with the requirements of the target. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (23) Target M1C1-107 provides for the increase by 15% compared to 2019 in the tax revenue generated by "compliance letters". Italy provided a report from the Ministry of economy and finance and the Revenue Agency certifying that tax revenue generated by “compliance letters” from November 2021 to October 2022 amounted to EUR 2 945 556 829, which represents an increase of 38.3% compared to the baseline, which is tax revenue generated by “compliance letters” in 2019. The content of the evidence provided is line with the requirements of the target. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (24) Target M1C1-123 provides for the deployment of 35 additional services on the institutional website of the National Social Security Institute’s (hereinafter referred to as “INPS”). The functionalities of the services include the digital submission of requests for services, the check of the requirements for accessing benefits, the status monitoring of the practice by users, the proactive proposal of services based on user's needs, the automatic renewal of benefits without the need for new applications. Italy provided (i) evidence that 37 services have been activated on INPS’ institutional

website since 1 February 2020 in line with the requirements of the target such as weblinks to the various services deployed and screenshots of the associated webpages and (ii) 42 documents by INPS Director General detailing the characteristics of the newly activated services. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.

- (25) Target M1C1-124 provides for the improvement of digital skills of 4250 INPS employees in one of the areas of the European e-Competence Framework. Italy provided a list of employees that followed the courses. The evidence provided confirmed that all INPS employees were certified with skills in one or more areas of the European e-Competence Framework. The content of the evidence provided is line with the requirements of the target. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (26) Milestone M1C2-6 provides for the entry into force of the Annual Competition Law 2021. The milestone concerns the following sectors: merger control, local public services, energy (including hydro-concessions and gas distribution), ports, railways, waste, starting a business and market surveillance. Italy provided a copy of Law n. 118 of 5 August 2022 (the Annual Competition Law 2021) as well as Decree Law 144 of 23 September 2022, containing further urgent measures on national energy policy, companies' productivity, social policies and for the implementation of the National Recovery and Resilience Plan, a copy of the Decree of the Ministry for Ecological Transition n. 257 of 23 June 2022 (waste management), the Legislative Decree n. 201 of 23 December 2022 (local public services), the legislative Decree n. 199 of 8 November 2021 (renewable sources), the Legislative Decree n. 157 of 12 October 2022 (market surveillance), Law n. 156 of 9 November 2022 converting into Law-Decree n. 121 of 10 September 2021 (mobility), the Inter-ministerial Decree by the Minister for Infrastructures and Transport and the Minister for Economy and Finance N. 419 of 28 December 2022 (port concessions), Law n. 34 of 27 April 2022, converting law-decree n. 17 of 1 March 2022 (energy), Law n. 233 of 29 December 2021, converting law-decree n. 152 of 6 November 2021 (RRP), Law n. 175 of 17 November 2022, converting into law of Law Decree n. 144 of 23 September 2022 (national energy policy, enterprise productivity, social policies and for the implementation of the RRP), Law n. 118 of 5 August 2022, (Annual Competition Law 2021), Law n. 108 of 29 July 2021, converting Law-Decree n. 77 of 31 May 2021 (RRP governance and simplification), , as well as additional relevant documents. The legal acts provided demonstrate that the Annual Competition Law 2021 has entered into force, covering all sectors indicated in the milestone, and the the content of the evidence provided is line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (27) Milestone M1C2-7 is part of the Annual Competition Law 2021 package and provides for the entry into force of the energy-related implementing measures and secondary legislation with a special focus on energy. Italy provided a copy of the Decree of the Ministry for Economic Development of 31 December 2020 on the shift of energy consumers from the regulated to the free market; Law n. 233 of 29 December 2021 (converting Decree-Law n. 152 of 6 November 2021 and containing “urgent measures for the implementation of the Recovery and Resilience Plan”); Law n. 124 of 4 August 2017, Annual Competition Law 2017, containing measures on the liberalization of the retail electricity market, the Decree of the Ministry for Energy n. 315 of 31 August 2022 regulating the arrangements for the informed entry of final customers into the

free electricity market; Decree-Law n. 176 of 18 November 2022 on urgent measures to sustain the energy sector; Legislative Decree n. 210 of 8 November 2021, implementing EU Directive 2019/944 on common rules for the internal market for electricity and amending Directive 2012/27/EU; the Decree of the Ministry for Ecological Transition n. 176 of 5 May 2022 on the eligibility to operate as electricity supplier/retailer; Legislative Decree n. 102 of 4 July 2014 implementing Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency; Law n. 197 of 29 December 2022 (Budget Law 2023); and a copy of all relevant decisions by the Energy Regulator from 2021 to 2023, as well as additional relevant documents. The legal acts provided demonstrate that the energy-related implementing measures and related secondary legislation have entered into force and that the content of the evidence provided is in line with the requirements of the milestone. The Council Implementing Decision required that flanking measures to ensure the uptake of competition in electricity retail markets fixing a ceiling as a maximum market share available to each supplier shall enter into force at the latest on 31 December 2022. The ceiling for households was defined on 18 May 2023 (through Ministerial Decree n. 169 of 18 May 2023). Whilst this constitutes a minimal temporal deviation from the requirement of the Council Implementing Decision, the delay in the entry into force of the provisions establishing a ceiling for households in 2023 is considered both limited and proportional, notably as it is consistent with and functional to the timing of the (gradual) phase-out of the regulated prices for households and the agenda for the completion of that phase-out process (10 January 2024). Furthermore, the Council Implementing Decision required that the adopted flanking measures “remove the requirement for suppliers to collect charges unrelated to the energy sector”. While one of the charges has been formally removed from the electricity bills, for the other charges Italy has established a special guarantee fund to reimburse suppliers/retailers, thus reaching the same pro-competitive result to ensure the uptake of competition in electricity retail markets and eliminating the financial risk for suppliers/retailers for not collecting the aforementioned charges. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, the measure adopted by Italy is in line with the objective of the milestone as suppliers no longer face financial exposure for having to cover up for costs that are not generated by their activity and are unrelated to their business. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.

- (28) Milestone M1C2-8 provides for the entry into force of all implementing measures (included secondary legislation, if necessary) for the effective implementation and application of the measures stemming from the 2021 Annual Competition Law. The measures contained in the 2021 Annual Competition Law milestone cover the following sectors: merger control, local public services, energy (including hydro-concessions and gas distribution), ports, railways, waste, starting a business and market surveillance. Italy provided a copy of Law n. 118 of 5 August 2022 (the Annual Competition Law 2021); the Legislative Decree n. 201 of 23 December 2022 on local public services; the Inter-ministerial Decree of the Ministry for Economy and Finance, jointly with the Ministry for Interior and the Ministry for Regional Affairs, of 27 April 2023 on aggregation incentives for contracting authorities in the local public services sector; the Decree of the Ministry for Infrastructures and Transport n. 293 of 12 October 2022 on data and information gathering by Regions in the local public services sector; the Decision by the Transport Authority n. 243 of 14 December 2022 on data and information gathering by Regions in the local public services sector; Law

n. 175 of 17 November 2022, converting into law, with amendments, of Law Decree n. 144 of 23 September 2022, containing further urgent measures on national energy policy, enterprise productivity, social policies and for the implementation of the National Recovery and Resilience Plan; the communication of the Italian Competition Authority of 13 December 2022 on the substantive test and procedural aspects of merger control; Law n. 41 of 21 April 2023, converting into Law the Law Decree n. 23 of 24 February 2023 with urgent measures for the implementation of the National Recovery and Resilience Plan, of the complementary fund and cohesion policy; Legislative Decree n. 157 of 12 October 2022 on adaptation of national legislation to provisions of Regulation (EU) 2019/1020 of the European Parliament and of the Council of 20 June 2019 on market surveillance; Inter-ministerial Decree by the Minister for Infrastructures and Transport and the Minister for Economy and Finance n. 202 of 28 December 2022, containing the regulation of ports concessions; all legislative and regulatory acts regarding market surveillance, the list of laboratories and products; as well as additional relevant documents. The legal acts provided demonstrate that all implementing measures (included secondary legislation, where necessary) for the effective implementation and application of the measures stemming from the 2021 Annual Competition Law have entered into force and that the content of the evidence provided is in line with the requirements of the milestone. With specific regard to the introduction of rules and aggregation mechanisms to incentivize municipalities' unions in order to reduce the number of entities and contracting authorities, the Council Implementing Decision required the entry into force of all implementing acts, including those on aggregation mechanisms by the end of 2022. However, the relevant final act (the Inter-ministerial Decree of the Ministry for Economy and Finance, jointly with the Ministry for Interior and the Ministry for Regional Affairs) was adopted on 27 April 2023. Whilst this constitutes a minimal temporal deviation from the requirement of the Council Implementing Decision, the delay in the adoption of the aggregation Decree is considered both limited and proportional, as, firstly, the entry into force of the Ministerial Decree follows up on a provision that already entered into force at the end of 2022 that set the rules for aggregation and incentivized aggregation. Secondly, the Ministerial Decree does not penalize the local authorities that started aggregating territories already in the first four months of 2023. The local authorities may in fact communicate the aggregations that took place in the preceding six months and retroactively benefit from the associated incentives on that basis. As of this, this minimal deviation does not change the nature of the measure and does not affect the progress towards achieving the reform that the milestone represents. With regard to market surveillance, the milestone provided for the consolidation of national market surveillance authorities in not more than ten agencies located in the main Regions (with no indication of a minimum requirement), each of them covering all product groups and reporting to the single liaison officer set up according to Regulation 2019/1020. As laid down in Legislative Decree n. 157 of 12 October 2022, Italy appointed eight authorities and has located them all in Rome, within the main Ministries. The Ministries in turn have offices with geographical competences throughout Italy at the level of Regions, Provinces and municipalities as well as cooperation protocols with authorities on the ground such as the Customs Agency and the Tax Police. While each Ministry in Rome is not competent for all the products groups at the same time, it is responsible for a homogenous group of products within its specialised competence. Product groups can be covered by several authorities within the remit of the specialised competences of each authority. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, Italy has followed up to Regulation 2019/1020 by relying on

and making use of the already existing knowledge in each Ministry and their geographical presence in the territory, creating special and dedicated ministerial offices, covering all products cumulatively. As a result, Italy has consolidated market surveillance covering all products, through the newly appointed market surveillance authorities, under the coordination of a single liaison officer, as the milestone requires. As of this, this minimal deviation does not change the nature of the measure and does not affect the progress towards achieving the reform that the milestone represents. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.

- (29) Milestone M1C3-6 provides for the entry into force of a decree defining social and environmental criteria in public procurement procedures concerning cultural events funded, promoted or organized by public authorities. Italy provided a copy of the publication in the Official Journal No. 282 of 2 December 2022 of the Ministerial Decree No. 459 of 19 October 2022, adopting the minimum social and environmental criteria for cultural events and the Ministerial Decree No. 459 of 19 October 2022, including its annex setting out the minimum social and environmental criteria for cultural events. The evidence provided demonstrates that the decree has entered into force on 19 October 2022 and that the content of the evidence provided is line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (30) Target M1C3-30 provides for the disbursement to the European Investment Bank (EIB) Thematic Fund for Tourism of EUR 350 000 000 in line with the investment policy defined in the milestone M1C3-22. Italy provided the note of the Ministry of Tourism No. 12553 of 30 September 2022, registered to the Court of Auditors on 7 October 2022, committing EUR 350.000.000 to the fund, a copy of the invoice attesting that the disbursement of EUR 350.000.000 from the Ministry of Tourism to the Fund, the three operational agreements signed between the European Investment Bank and the financial intermediaries, as well as additional relevant documents. The content of the evidence provided is line with the requirements of the target. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (31) Target M1C3-31 requires the disbursement to the National Tourism Fund of at least EUR 150 000 000, in line with the investment policy defined in milestone M1C3-23, and the activation of the investment cycle. Italy provided the Decree of the Ministry of Tourism No. 12283 of 27 September 2022, authorizing the transfer of EUR 150 000 000 to the National Tourism Fund, a copy of the invoice attesting the disbursement of EUR 150 000 000 from the Ministry of Tourism to Cassa Depositi e Prestiti Immobiliare of 12 October 2022, the call for expression of interest for the purchase of real estate properties launched on 26 May 2022 demonstrating the activation of the investment cycle, as well as additional relevant documents. The content of the evidence provided is line with the requirements of the target. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (32) Milestone M2C1-3 provides for the publication on website of the Ministry or any other support channel of the final ranking of the Logistic incentive scheme granting support to tangible and intangible investments. The investments aim to encourage the reduction of emissions in the transportation and logistics phases in the agri-food sector. Italy provided the three decrees, published on the website of the Ministry of Agriculture, with the final ranking for the three lines of interventions targeting enterprises, wholesale food markets and ports. The content and objectives of the legal

acts provided are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.

- (33) Target M2C1-4 provides for the allocation of at least 30% of resources to the identified beneficiaries of the total financial resources assigned to the investment. Moreover, it requires that this is implemented through two different procedures that already exist and through the disbursement of loans to companies that meet the requirements and submit the application for financing. The measure gives support to investments in the agro-industrial sector to undertake several types of interventions aimed at improving its energy efficiency such as the removal and disposal of the existing roof and construction of a new insulated roof, the creation of automated ventilation and/or cooling systems and the installation solar panels, intelligent management of flows and accumulators. Italy adopted the Ministerial Decree No. 140119 on 25 March 2022 setting the scope, the financial resources allocated and the eligible expenditure for the interventions corresponding to the total envelope allocated to the investment. Directorial Decree No. 0362593 of 23 August 2022 identified the financial resources earmarked to this investment and the rules applicable to the submission of proposals and Directorial Decree of 30 March 2023 provided the final list of beneficiaries selected for 33.8% of the total financial resources assigned to the investment. The disbursement of loans was not considered the most efficient and effective way to implement this measure as the main beneficiaries, notably small and medium-sized companies of the agriculture sector, face difficult financing conditions and have actually benefitted from urgent support measures from the government. In such a context, the Ministry of Agriculture decided to provide support to enterprises in the agri-food sector via grants, as the use of loans would not be a sufficient incentive for the uptake of this support. As a consequence of the modification of financing instrument from loans to grants, Ministry of Agriculture adopted a single procedure, which covers the broader range of interventions foreseen in the description of the measure of the Council Implementing Decision. Whilst the changes in the financing mechanisms (from loans to grants) and procedures constitute a minimal deviation from a substance requirement, it does not change the nature of the measure, that is supporting the beneficiaries, and does not affect the progress towards achieving the investment that the milestone represents. The content and objectives of the legal acts provided are in line with the requirements of the target. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (34) Milestone M2C1-18 provides for the entry into force of the Directorial decree approving the ranking of the projects in energy (such as renewables, grid and energy efficiency), water (such as desalination), transport (such as cycling paths, zero-emission buses and boats) and waste (such as separation of waste) in 19 small and non-interconnected Small Islands. Italy provided the Directorial Decree No. 219 on 27 September 2022 that entered into force on 3 November 2022, which approved the ranking of the selected projects, the public notice No. 390 of 25 November 2021, including its annexes. The Council Implementing Decision required that the selection procedure had to include eligibility criteria that ensure that the selected projects comply with the ‘Do no significant harm’ Technical Guidance (2021/C58/01) through the use of an exclusion list. The call for projects No. 390 of 25 November 2021 has included the respect of the Do No Significant Harm principle as eligibility criterion. However, the Do No Significant Harm exclusion list referred to in the Council Implementing Decision was not included in the call. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing

Decision, as indicated in the point below, Italy has provided several pieces evidence to demonstrate compliance with the Do Not Significant Harm principle and ensure compliance with the requirements of the Council Implementing Decision. The Italian authorities provided a report detailing all the rules and control steps applied during the selection procedure and that will be applied during project implementation. The content and objectives of the legal acts provided are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.

- (35) Milestone M2C1-20 provides for the notification of the award of (all) public contracts for the selection of Green Communities. The investment aims at promoting the sustainable and resilient development of rural and mountain areas through investments via integrated and certified management of the agro-forestry heritage and certified management of water resources, the production of energy from local renewable sources, the development of sustainable tourism, the construction and sustainable management of the building stock and infrastructure of a modern mountain, energy efficiency and intelligent integration of plants and networks, the sustainable development of production activities, and the integration of mobility services. Italy provided the link to the publication in the Dara's website of the awards of all public contracts, the decree awarding the projects, the call for projects No. 10648 of 30 June 2022, as well as additional supporting documents. The content and objectives of the legal acts provided are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (36) Milestone M2C2-8 provides for the notification of the award of (all) public contracts to increase the network capacity for the distribution of renewable energy and for the electrification of energy consumption. The investment aims to transform the distribution networks and their management, with interventions on both the electricity grid and its software components, to enable new energy scenarios where consumers and prosumers can also play a role. Ministerial Decree No. 146 of 6 April 2022 set out the financial resources and the general conditions applicable to this measure, while Directorial Decree No. 119 of 20 June 2022 opened the call for projects and defined the conditions to be fulfilled. Italy provided the Directorial Decree No. 426 of 23 December 2022 approving the ranking of the projects admitted to the contribution and copy of the notification of the 27 awards resulting from the Directorial Decree. The content and objectives of the legal acts provided are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (37) Milestone M2C2-12 provides for the notification of the award of the projects to increase the resilience of at least 4 000 km of the electricity system network to extreme weather events, particularly on the distribution grid, and to reduce the probability of prolonged interruptions of electricity supplies and the negative social and economic consequences on the affected areas. Italy provided Directorial Decrees No. 413 and 414 of 16 December 2022 approving the ranking of the projects admitted to benefit from the financial contribution on the distribution and transmission networks following the calls for projects launched by the Directorial Decrees No. 117 and 118 of 20 June 2022, which Annex I present the list of projects admitted to financial contribution. The content and objectives of the legal acts provided are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.

- (38) Milestone M2C3-9 provides for the notification of award of all public contracts following a public tendering procedure to finance the construction of new district heating networks or the extension of existing ones. This measure aims to develop efficient district heating, based on the distribution of heat generated from renewable sources, from waste heat or cogenerated in high-performance plants, with priority given to projects that guarantee the greatest savings in non-renewable primary energy. Energy-environmental benefits equal to 20 ktoe of primary fossil energy and 40 kton CO₂ of greenhouse gas emissions avoided in the non-ETS sectors each year are expected to be reached. However, in setting out the exclusion list in Article 5(2) of the call to comply with those Do No Significant Harm requirements, Italy has allowed for the financing of projects for efficient district heating in line with the definition of efficient district heating set out in Directive 2012/27/EU, partially relying also on fossil fuel as a heat source. This in contrast with the requirement of the Council Implementing Decision which allows for the financing of fossil-fuel free district heating system only. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, 14 projects financed by the call No. 94 of 28 July 2022 are either fossil-fuel free or use fossil-fuel merely as a back-up, therefore are eligible under the RRF and could be accounted for target M2C3-10. Italy provided the decrees awarding the projects, copy of the call for projects, the extract of the technical specifications of the call, and other additional supporting documents. The content and objectives of the legal acts provided are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (39) Milestone M2C4-2 provides for entry into force of the reform to ensure full managerial capacities for Integrated water services, The milestone consists of i) the integration of provision of water services into an unique operator for every Optimal Territorial Area; ii) incentives provided for a sustainable use of water in agriculture, notably by supporting the use of the common monitoring system for water uses (SIGRIAN) for collective and self-supply irrigation uses and iii) a system set of regulated prices that takes adequately into account environmental resource use and pollution in accordance with the polluter-pays principle. Italy provided the Decree Law No. 152 of 6 November 2021 converted into Law No. 233 of 29 December 2021 referring to the reduction of fragmentation of entities. Ministerial Decree No. 485148 provides for incentives for a sustainable use of water in agriculture, notably to support the use of the common monitoring system for water uses (SIGRIAN) for collective and self-supply irrigation uses. Ministerial Decree of 31 December 2022 defined the general criteria for setting-up the fees on the use of water was published on the Official Journal on 10 March 2023. The evidence provided demonstrates that the reform has entered into force and that the content and objectives of the legal acts provided are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (40) Target M2C4-19 provides for the planting of trees for the reforestation of urban and peri-urban green areas, with the requirement to plant at least 1 650 000 trees. Italy provided the certificates of planting completion of the Metropolitan cities issued by the Metropolitan cities and the CUFA (environmental division of the Carabinieri - Comando unità forestali, ambientali e agroalimentari) in charge of the implementation of the measure between November and December 2022. Italy has planted seeds in tree nurseries and not directly in their final location in the Metropolitan Cities selected while also providing sound safeguards for the implementation of the transplanting phase, such as every project having a transplanting and maintenance calendar and

expenditure already earmarked for these tasks until 2026. Whilst the deferred transfer from tree nurseries to the final planting destination in the areas of the Metropolitan Cities constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, the deferred transplanting of trees does not change the nature of the measure that is the protection and enhancement of urban and peri-urban areas in metropolitan cities in Italy. The content and objectives of the legal acts provided are in line with the requirements of the target. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.

- (41) Milestone M2C4-24 provides for the adoption of the Action Plan which identifies the orphan sites in all 21 Regions and/or Autonomous Provinces and the specific interventions to be made in every orphan site to reduce land take and enhance urban regeneration. Italy provided the Decree law no. 152, converted into law by conversion law no. 233 of 29 December 2022 adopting the Action Plan. Ministerial Decree No. 269 of 29 December 2020 set out the financial resources per region and autonomous provinces and the scope of the intervention by the National Programme on requalification of “orphan sites”, Ministerial Decree No. 301 of 4 August 2022 setting out the framework for the intervention by defining the scope, the financial resources and the conditions to be fulfilled by the implementing entities, and Directorial Decree No. 32 of 22 March 2022 provided the list of projects selected for the requalification of orphan sites. The content and objectives of the legal acts provided are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (42) Milestone M3C1-3 provides for the award of all public contracts to build high-speed railway on the lines Napoli-Bari and Palermo-Catania. Italy provided a copy of the three awarding procedures, each containing the contract award notification by Rete Ferroviaria Italiana for the award of one section to the successful consortium, as well as additional documents. The content and objectives of the legal acts provided are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (43) Milestone M3C1-12 provides for the award of the contracts for the roll out of the European Rail Transport Management System (ERTMS) and equipping 3400km of rail lines with the European Rail traffic Management System (ERTMS) in line with the ERTMS European Deployment Plan. Italy provided a copy of the two awarding procedures, containing the contract award notification by Rete Ferroviaria Italiana for the award of public contracts to introduce the ERTMS,. The content and objectives of the legal acts provided are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (44) Milestone M3C2-1 provides for the simplification of the procedures for the strategic planning process. Italy provided a copy of the Decree Law 9 November 2021 published in the Official Journal No. 267/2021 and a copy of the Legislative Decree No. 169/2016 which regulate as a minimum the (i) the development objectives of the port system authorities; (ii) the areas identified and outlined intended for strictly port and rear-port functions, (iii) the last-mile infrastructural connections of road and rail with ports, (iv) the criteria followed in identifying the contents of the planning and (v) it shall make an unambiguous identification of the guidelines, the rules and the procedures for the preparation of the port regulatory plans. . The content and objectives of the legal acts provided are in line with the requirements of the milestone.

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

- (45) Milestone M3C2-2 provides for the the award of port concessions, covering the following areas: the duration of the concession, the supervisory and control powers of the granting authorities, the renewal procedures, the transfer of the facilities to the new concessionaire at the end of the concession and the identification of the minimum limits for the fees charged to the concessionaires. Italy provided copies of the inter-ministerial Decrees No. 419/2022 and No. 202/2022, a copy of the ministerial Decree No. 110/2023 (including its guidelines), and a copy of the decision of the Italian Transport Authority n. 57/2018, implementing the aforementioned aspects of the reform. The content and objectives of the legal acts provided are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (46) Milestone M3C2-4 provides for the entry into force of the simplification of authorisation procedures for cold ironing plants in Italian ports. Italy provided a copy of the Decree Law No. 36/2022, converted into law by law No. 79/2022, as well as additional documents. The evidence provided demonstrates that the simplification of authorization procedures for cold ironing plants has entered into force and that the content and objectives of the legal acts provided are in line with the requirements of the milestone. The Council Implementing Decision required the Ministry of Infrastructure and Transport to make a proposal to streamline the authorization process and to confer the power to evaluate cold ironing projects to the territorial offices that report to the Ministry of Economic Development (now Ministry of Enterprises and Made in Italy) with the goal to speed up the study of the projects and the process for their authorization. However, the draft decree law put forward by the Ministry of Infrastructure and Transports proposed to confer the power to evaluate cold ironing projects to the Regions, as evidenced by the law decree proposal. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, the decision to confer to the Regions the power to evaluate and issue the single authorization process for cold ironing projects ensures that the objective of simplifying and speeding up the authorization process for cold ironing projects is achieved. As of this, this minimal deviation does not change the nature of the measure and does not affect the progress towards achieving the reform that the milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.
- (47) Target M3C2-8 provides for the assignment of the works on energy efficiency and renewable energy use at ports to at least seven Port System Authorities. Italy provided copies of the Directorial Decrees No. 487, 489, 490, 493, 494, 495, 496, 497 of 13 December 2022 which establish the award and the financing of the projects, copy of the call for projects No. 91236 of 25 August 2021, as well as additional supporting documents. The content and objectives of the legal acts provided are in line with the requirements of the target. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (48) Milestone M4C1-5 provides for the entry into force of the reform the primary and secondary education system. Italy provided several documents, including copies of all relevant laws and decrees: Law No. 99 of 15 July 2022, Law No. 234 of 30 December 2021, Law No. 197 of 29 December 2022, Decree-Law No. 144 of 23 September 2022 converted into Law No. 175 of 17 November 2022, Decree-Law No. 36 of 30 April 2022 converted into Law No. 79 of 29 June 2022, Ministerial Decree No. 220 of 8

August 2022; Decree of the Ministry of Education and Merit No. 328 of 22 December 2022 that covered: the organisation of the education system to adopt to demographic developments, the orientation system to minimise the drop-out rate in tertiary education, the strengthening secondary vocational education, the training of school managers, teachers, and administrative/technical staff, integrating activities, methodologies, and contents aimed at developing and strengthening STEM curricula, digital and innovation skills. The evidence provided demonstrates that the reform has entered into force and that the content and objectives of the legal acts provided are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.

- (49) Milestone M4C1-6 provides for the entry into force of the reform on the tertiary advanced school and continuous training for school managers, teachers, administrative, technical, and school staff. Italy provided a copy of Decree-Law No. 36 of 30 April 2022 converted into Law No. 79 of 29 June 2022, and a copy of Law No. 197 of 29 December 2022 that covered: the building a quality training system, the establishment a qualified body in charge of school training guidelines, and to set criteria for the selection and coordination of training initiatives linked to career progressions. The evidence provided demonstrates that the relevant legal acts have entered into force and that the content and objectives of the legal acts provided are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (50) Milestone M4C1-29 provides for the entry into force of the reform on student housing and includes measures to ensure opening up the participation to funding student accommodations also to private investors, measure to ensure the sustainability of the private investment in the long-term, measures to condition the funding and allowances granted to private investors, and measures to redefine the standards for student accommodation. Italy provided a copy of the Law No. 87 of 3 July 2023 converting into Law the Decree Law No. 51 of 10 May 2023 ensuring the applicability and entry into force of the provisions on student housing, a Copy of the Decree Law No. 144 of 23 September 2022 converted into Law No. 175 of 17 November 2022 on the main provisions of the reform on student housing, , a copy of Ministerial Decree No. 1437 of 27 December 2022 and a copy of the Inter-ministerial Decree No. 1439 of 29 December 2022 with additional provisions on the student housing standards and incentives set for private investors. The evidence provided demonstrates that the relevant legal acts have entered into force and that he content and objectives of the legal acts provided are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (51) Target M4C2-1 provides for the award of at least 300 research grants to postgraduate research grantees as well as that at least 300 young researchers are contracted. Italy provided a copy of the Directorial Decrees No. 564 of 13 December 2022 and No. 8 of 20 January 2023 and of the Ministerial Decrees No. 1152 of 13 October 2021 and No. 1039 of 25 August 2022 awarding research grants to postgraduate research grantees; the signed contracts between the researchers and the relevant university of research body; copies of the calls for projects as well as additional supporting material. The content and objectives of the legal acts provided are in line with the requirements of the target. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.

- (52) Milestone M5C1-2 provides for the adoption of regional plans which define the necessary operational activities to implement the Guaranteed Employability of Workers programme (GOL programme) at regional level. The milestone also requires the execution of such operational activities in order to reach at least 10% of the envisaged beneficiaries. Italy provided the 21 regional plans adopted by each region and autonomous province (Piano attuativo regionale), the decision by each regional council proving the adoption of the regional plans and a link to the websites where they have been published, the approval decisions by the National Agency for Active Labour Market Policies for each of the 21 regional plans, legally necessary for their adoption, and the annex with the number of candidates enrolled in the GOL programme and description of their activities. The content and objectives of the legal acts provided are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (53) Target M5C1-6 provides for the completion by at least 250 PES of at least 50% of the activities envisaged under the Strengthening Plan as further defined at regional level. Italy provided the ministerial Decree No. 59 of 22 May 2020 containing the central Strengthening Plan for PES, which includes five lines of interventions as provided in the Council Implementing Decision (renovation and refurbishment and purchase of PES locations, further implementation of the IT system interoperability; training of staff; creation of regional observatories of local labour markets; communication and outreach). Italy provided decree of the Secretary-General of the Ministry of Labour and Social Policies No. 123 of 4 September 2020 imposing consistency between the regional plans for PES strengthening and the central Strengthening Plan for PES and imposing the thresholds for financial resources allocated to three of the five lines of intervention in line with the Council Implementing Decision. The Council Implementing Decision requires that at least 50% of the activities envisaged in the Strengthening Plan be completed over the three-year period 2021-2023. The activities envisaged in the Plan, as reported under the target, have started after 1 February 2020 and at least 50% of them have been completed by December 2022. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision concerning the specific reference to the three-year period 2021-2023, activities have started after February 2020 and have been completed by December 2022. As of this, this minimal deviation does not change the nature of the measure and does not affect the progress towards achieving the investment. On this basis, it is considered that this constitutive element of the target is satisfactorily fulfilled. In addition to PES, Italy has entrusted, in a few instances, territorial offices with the implementation of the activities envisaged in the regional plans. Whilst this constitutes a minimal formal deviation from the requirement of the Council Implementing Decision, these entities provide the same employment and training services as PES do concerning the activities relevant to the target and they pertain to the Regions. Because of this, they can be considered equivalent to PES for the purpose of the satisfactory fulfilment of the target. As of this, this minimal deviation does not affect the progress towards achieving the investment that the target represents. On this basis, it is considered that this constitutive element of the target is satisfactorily fulfilled. Italy also provided the regional plans for the nine Regions with PES counting towards the target and related acts of approval and the reports for the nine Regions counting towards the target, signed by the relevant legal representative. The regional plans and reports allowed to assess the fulfillment of the requirement of the target related to equal balance in terms of territorial distribution. The target requires that at

least 250 PES should have fully completed (thus, at 100% rate) at least half (50%) of the activities envisaged in the Strengthening Plan and Italy provided the report with a list of PES benefitting from the activities and counting towards the target, with indication of the activities completed at 100% (Annex III). The content and objectives of the legal acts provided are in line with the requirements of the target. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.

- (54) Milestone M5C1-8 provides for the entry into force of a National Plan and implementation Roadmap, as well as the establishment of the inter-institutional working group that will be responsible for the creation of the National Plan and Implementation Roadmap. The reform should include direct and indirect measures to ensure net benefits of declared work, strengthening labour inspections, improving data production, communication campaigns, and strengthening the governance system to fight undeclared work. The milestone consists of the adoption of a national plan to tackle undeclared work and a time-bound roadmap spanning over one year and covering the areas of activities above. Italy provided Ministerial Decree No. 221 of 19 December 2022 adopting the National plan and roadmap, the National Plan against labour exploitation in the agriculture sector, Ministerial Decree No. 58 of 6 April 2023 that updates the National plan and roadmap, Ministerial Decree No. 32 of 24 February 2022 establishing the inter-institutional working group responsible for the drafting of the national plan against undeclared work, as well as additional documents. The evidence provided demonstrates that the National Plan and the implementation Roadmap have entered into force and that the content and objectives of the legal acts provided are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (55) Milestone M5C1-12 provides for the entry into force of legislative acts and implementing measures governing the definition of the gender equality certification system as well as accompanying incentive mechanisms for companies covering at least the following dimensions: growth opportunities for women, equal pay for equal work, management policies for gender diversity, and maternity protection. It further provides for the set-up of an IT system for the certification. Italy provided Law No. 162 of 5 November 2021, on the establishment of the gender equality certification and incentives; Decree-Law No. 51 of 10 May 2023 which includes incentives for companies holding the certification linked to the revised Public Procurement Code and Legislative Decree No. 36 of 31 March 2023, on the revised Public Procurement Code itself; Law No. 234 of 30 December 2021 (Budget Law) providing financing to fiscal incentives; Technical guidance for the gender equality certification system (UNI/PdR 125:2022) of 16 March 2022 included in Ministerial Decree of 29 April 2022 which include the standards and key performance indicators to obtain the certification, as well as additional documents. The evidence provided demonstrates that the relevant legislative acts and implementing measures have entered into force and that the content and objectives of the legal acts provided are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (56) Target M5C2-7 provides for social districts having delivered at least one project (at least 500 overall) in relation to the renovation of home spaces and/or provision of ICT devices to disabled people, accompanied by training on digital skills. Italy provided a Report by the Ministry of Labour and Social Policies, including justification that the technical specifications of the projects are aligned with the description of the

investment and target under the Council Implementing Decision, a list of recipients of projects delivered by social districts, a list of social districts involved, a dataset of the national social security institute (INPS) and certificates on the disability condition of recipients. Italy provided 515 projects delivered by 480 social districts to individual recipients. Whilst this constitutes a minimal numerical deviation of 4.0% from the requirement of the Council Implementing Decision, the overall objective of this target is considered met notwithstanding this minor deviation. On this basis, it is considered that this constitutive element of the target is satisfactorily fulfilled. The target also provides for social districts delivering the projects to have participated in a non-competitive procedure. Some evaluation criteria out set out by Article 11 of the Directorial Decree No. 5 of 15 February 2022 are non-competitive as they are based on exogenous characteristics of the social districts beyond their control, such as resident population, and the overall procedure is competitive, as it is a call for projects. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, 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 this basis, it is considered that this constitutive element of the target is satisfactorily fulfilled. The content and objectives of the legal acts provided are in line with the requirements of the target. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.

- (57) Milestone M5C2-13 provides for the entry into force of the investment plan for urban regeneration projects in metropolitan areas, which should concern three types of interventions: re-use and maintenance of public areas, improvement of urban décor and social and environmental quality, improvement of the digital and environmental quality of urban areas. Italy provided a copy of the Ministerial Decree of 6 December 2021 and its attachments on the selection criteria of projects presented by metropolitan areas, a copy of the Inter-ministerial Decree of 22 April 2022 approving the final list of selected projects, a copy of the Inter-ministerial Decree of 28 April 2023 partially amending the list of projects aforementioned, a copy of the Circular No. 96 of 22 December 2021 of the Ministry of Interior, and a copy of the Decree-Law No. 152 of 6 November 2021 assigning the financial resources to the metropolitan cities. The evidence provided demonstrates that the investment plan has entered into force and that the content and objectives of the legal acts provided are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (58) Milestone M5C2-17 provides for the approval by the Ministry of Finance (MEF) of the investment strategy of the EIB Fund-Of-Funds on urban integrated plans. The Fund's investment strategy shall define as a minimum: (i) the nature and scope of the investments supported, which shall promote sustainable urban regeneration and development projects and be in line with the RRF objectives, including DNSH, (ii) the operations supported, (iii) the targeted beneficiaries, which shall be private promoters of financially self-sustainable projects for which public support is justified by a market failure or the risk profile, and their eligibility criteria, (iv) the eligibility criteria of financial beneficiaries and their selection through an open call; (v) the inclusion of a specific line for decent housing solutions for the workers in the agriculture and industrial sector, and (vi) provisions to re-invest potential reflows for the same policy objectives, also beyond 2026. Italy provided a copy of the Decree-Law No. 152 of 6 November 2021, a copy of the investment strategy signed by the MEF and the EIB on 22 December 2021, the proof of approval of the investment strategy by the MEF and EIB on 27 April 2022, as well as additional documents. The content and objectives of

the legal acts provided are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.

- (59) Milestone M5C3-1 provides for the award of the tender for the interventions to improve the provision of social services and infrastructures in Inner Areas. Italy provided a copy of the call for projects No. 100 of 30 March 2022, a copy of the Decree of the Directorate General of the Agency of Territorial Cohesion No. 440 of 9 December 2022, partially modified by the Decree of the Directorate General of the Agency of Territorial Cohesion No. 51 of 16 March 2023, and evidence of the notifications of the award of all public contracts, as well as additional documents. The Council Implementing Decision required that the launch of all the competitive calls shall be done with terms of reference including eligibility criteria that ensure that the selected projects comply with the “Do not significant harm” Technical Guidance (2021/C58/01), including through the use of an exclusion list, which was not included in the call. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, the abovementioned Decree No. 440/2022 and the templated grants agreements to be signed with the implementing bodies have included the respect of the DNSH exclusion list as a specific condition to be respected by implementing bodies during project implementation, specifying that in case of non-compliance funds will be recovered. As compliance with the exclusion list will be ensured during projects implementation, this minimal deviation that does not change the nature of the measure and does not affect the progress towards the achievement of the investment that the milestone represents. The content and objectives of the legal acts provided are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (60) Milestone M6C2-1 provides for the revision and update the current legal framework governing the Scientific Institutes for Hospitalisation and Care (IRCCSs) and the research policies of the Italian Ministry of Health to strengthen the link between research, innovation and healthcare; and the improvement of the governance of the public IRCCSs by enhancing the strategic management and better defining the powers ad areas of competence. Italy provided a copy of the Legislative Decree No. 200 of 23 December 2022 and its relevant Annexes restructuring the legal framework of Scientific Institutes for Hospitalisation and Care (IRCCSs), as well as additional evidence. The evidence provided demonstrates that the legal framework governing the IRCCS is updated and that the content and objectives of the legal acts provided are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (61) Milestone M6C2-7 provides for the award of all public contracts related to informatization of emergency and reception departments, including all ancillary works and purchases possibly needed. Italy provided copies of 174 contracts concluded with service providers relative to 22 Framework Agreements subdivided in 85 Lots, the list, in excel format, of all active Framework Agreements relevant for the measure with all key information, as well as additional material. The content and objectives of the legal acts provided are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled
- (62) Furthermore, Italy has also confirmed that previously satisfactorily fulfilled milestones and targets have not been reversed.

- (63) Following the positive assessment concerning Italy's payment request, in accordance with Article 24(5) of Regulation (EU) 2021/241, the disbursement of the financial contribution for the third instalment of the non-repayable support and the disbursement of the loan for the third instalment of the loan support should be authorised.
- (64) 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 13% of the financial contribution as pre-financing, an amount of EUR 1 494 252 874 of the payment should be utilised to clear the pre-financing, equal to 13% of the instalment.
- (65) 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 13% of the loan as pre-financing, an amount of EUR 1 277 292 691 of the payment should be utilised to clear the pre-financing, equal to 13% of the instalment.
- (66) 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.
- (67) 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 third instalment of the non-repayable support as laid down in Section 2(1)(1.3) 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 11 494 252 874 is authorised.

In accordance with the Financing Agreement concluded pursuant to Article 23(1) of Regulation (EU) 2021/241 between the Commission and Italian Republic, EUR 1 494 252 874 shall be utilised to clear the pre-financing of the financial contribution and EUR 10 000 000 000 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 third instalment of the loan support as laid down in Section 2(2)(2.3) 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 9 825 328 389 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 1 277 292 691 shall be utilised to clear the pre-financing of the loan and EUR 8 548 035 698 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, 29.9.2023

For the Commission
Paolo GENTILONI
Member of the Commission