

EUROPEAN COMMISSION

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## COMMISSION IMPLEMENTING DECISION

## of 18.12.2023

# on the authorisation of the disbursement of the second instalment of the non-repayable support for France

(Only the French 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 Facility<sup>1</sup>, 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 14 July 2023 on the approval of the assessment of the recovery and resilience plan for France<sup>2</sup> (the 'Council Implementing Decision') provides that the Union is to release instalments in accordance with the Financing Agreement conditional on a decision by the Commission, taken in accordance with Article 24(5) of Regulation (EU) 2021/241, that France has satisfactorily fulfilled the relevant milestones and targets identified in relation to the implementation of the recovery and resilience plan.

- (2) On 31 July 2023, France submitted a request for payment, accompanied by a management declaration and a summary of audits. The request concerned the second instalment of the non-repayable 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 France<sup>3</sup> 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 relevant milestones and targets related to the non-repayable support 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

<sup>&</sup>lt;sup>1</sup> OJ L 57, 18.2.2021, p. 17.

<sup>&</sup>lt;sup>2</sup> ST-11150/2023 ADD 1 REV 2, published.

<sup>&</sup>lt;sup>3</sup> Recovery and Resilience Facility Operational arrangements between the European Commission and France, entered into force on 25 November 2021 with modification entered into force on 31 July 2023.

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 was of the opinion that France has satisfactorily fulfilled all the milestones and targets 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)(1.2) of the Annex to the Council Implementing Decision provides the relevant milestones and targets that are to be satisfactorily fulfilled for the second instalment of the non-repayable support for an amount of EUR 12 217 010 020.
- (5) Milestone 1-3a provides for the entry into force of the revised thermal regulation of new buildings ('RE2020') that increases the ambition of the current regulation ('RT2012'), by strengthening thermal criteria and introducing environmental ones in order to improve the energy sobriety and the carbon impact of new buildings. The revised regulation applies to all buildings except specific tertiary buildings. France provided all the Decrees<sup>4</sup> and other implementing acts ('Orders')<sup>5</sup> related to the revised regulation, as well as technical notes. The evidence provided by France demonstrates that RE2020 has entered into force as of 1 January 2022 for buildings for residential use, and as of 1 July 2022 for new buildings used for offices, primary and secondary schools, in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (6) Target 1-5 provides for the support to energy renovation of private buildings through a subsidy mechanism, to achieve at least 700 000 (i.e., 300 000 additional in comparison to the first payment request) subsidies validated, with an objective to achieve at least 30% of energy savings on average. France provided the 'energy renovation works supported by MaPrimeRenov' between 2020 and 2022' report adopted in October 2023 by the National Observatory of Energy Renovation, demonstrating that the objective to achieve at least 30% of energy savings is met. France also provided the list of additional recipients of the scheme who have received the subsidies, on the basis of which a sampling exercise was carried out. The evidence provided by France demonstrates that the subsidies have been validated, in line with the requirements of the target. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (7) Target 1-7 provides for the support to energy renovation of social housing, to achieve at least 40 000 (i.e., 20 000 additional in comparison to the first payment request) dwellings within the category of social housing receiving a grant for renovation, with an objective to achieve at least 30% of energy savings on average. France provided the list of beneficiaries, on the basis of which a sampling exercise was carried out. The

<sup>&</sup>lt;sup>4</sup> Decree No.2021-1004 adopted on 29 July 2021, related to the energy and environmental performance requirements for building constructions in metropolitan France; Decree No.2022-305 adopted on 1 March 2022, related to the energy and environmental performance requirements for the construction of office buildings, and primary or secondary education buildings in metropolitan France.

<sup>&</sup>lt;sup>5</sup> Order (*'arrêté'*) adopted on 4 August 2021, related to the energy and environmental performance requirements of building constructions in metropolitan France and approving the calculation method provided in Article R.172-6 of the Construction and Housing Code; Order (*'arrêté'*) adopted on 6 April 2022, amending the orders issued pursuant to Articles R.122-2 to R.122-15 and R.172-1 and R.172-9 of the Construction and Housing Code.

evidence provided by France demonstrates that the grants have been received, in line with the requirements of the target. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.

- (8) Target 1-9 provides for the support to thermal renovation of public buildings to achieve 1 954 public sites belonging to local and regional authorities that have received a subsidy notification (from the State or the Regional Council) in order to perform energy renovation works, with an objective to achieve at least 30% of energy savings on average. France provided the list of projects selected, on the basis of which a sampling exercise was carried out. The evidence provided by France demonstrates that the works contracts have been notified, in line with the requirements of the target. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (9) Milestone 2-1 provides for the promulgation of the 'Climate and Resilience' Law and the entry into force of those provisions of direct applicability. France provided a copy of the Law No.2021-1104, promulgated on 22 August 2021, related to the fight against climate change and strengthening resilience to its effect ('Climate and Resilience' Law<sup>6</sup>), as well as a document explaining that 148 articles out of the 301 of the Law are already in force. The evidence provided by France demonstrates that the Law was promulgated and that the provisions with direct applicability entered into force, in 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 2-3 provides for the entry into force of the Decree implementing the antiwaste and circular economy Law, on the establishment of the building waste and building materials industry. France provided a copy of the Law No.2020-105 related to circular economy and the fight against waste<sup>7</sup>, as well as the Decree No.2021-1941 related to the Extended Producer Responsibility for construction products and materials in the building sector<sup>8</sup>. The evidence provided by France demonstrates the entry into force of all the provisions of the Decree, in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactory fulfilled.
- (11) Target 2-5 provides for the avoidance of 5 million tonnes of CO2 equivalent (MtCO2eq) of greenhouse gas emissions compared to the 'before investment' situation of projects to decarbonise the French industrial sector. France provided the call for tender for the call 'DECARB IND' issued by ADEME for year 2021 describing the conditions for support, as well as the list and details of selected projects including the name, description and before and after MtCO2eq emissions. One project was deemed ineligible as it did not fully comply with the 'Do No Significant Harm' principle and the requirements of the Council Implementing Decision. The amount of greenhouse gas emissions which will be avoided over the lifetime of the remaining projects comes to 2.11 MtCO2eq. A baseline of 3.5 MtCO2eq was reached as part of the first payment

<sup>&</sup>lt;sup>6</sup> Law No.2021-1104 promulgated on 22 August 2021, related to the fight against climate change and strengthening resilience to its effect, published in the Official Journal No.0196 on 24 August 2021.

<sup>&</sup>lt;sup>7</sup> Law No.2020-105 promulgated on 10 February 2020, published in the Official Journal No.0035 of 11 February 2020, related to circular economy and the fight against waste published in the Official Journal No.0035 of 11 February 2020.

<sup>&</sup>lt;sup>8</sup> Decree No.2021-1941 adopted on 31 December 2021, and published in the Official Journal No.0001 of 1 January 2022, related to the Extended Producer Responsibility for construction products and materials in the building sector.

request. Therefore, the target of 5MtCO2eq is achieved. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.

- (12)Target 2-7 provides for the signature of the grant agreement for at least 90 projects concerning either a recycling operation of a wasteland or a recycling operation of urbanized land, in response to regional calls for tenders. France provided, in particular, the published call for tenders for each region, the financing agreement for each project in the sample, and the grant agreement for each project in the sample by region. The evidence provided by France demonstrates that the grant agreement was signed for at least 90 projects. The Council Implementing Decision required the beneficiaries of the 'brownfield fund' to be the owners of the site. The French authorities required in the calls for projects that 'eligible project owners are the developers of brownfield recycling projects'; in this respect, beneficiaries of the fund are described as project owners rather than owners of the site. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, the difference in the wording identifying the beneficiaries of the fund has no impact on the achievement of the objectives of this measure as the ownership status of the selected projects has not direct incidence on the scope nor outcome of the rehabilitation and recycling brownfield and wasteland operations conducted. 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 satisfactory fulfilled.
- (13) Target 2-9 provides that at least 700 projects implemented by local authorities, associations and other authorities managing natural areas shall be supported in the fields of biodiversity protection and restoration, where the ecosystems are in danger. France provided evidence of the number of projects that received support including project descriptions, signed project contracts, documentation allowing to check the commitment of funds, as well as the terms of reference of the call for projects conducted by the water agencies. The evidence provided by France demonstrates that at least 700 projects were supported, in line with the requirements of the target. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- Target 2-11 provides that renovation works have started for 450 kilometres of drinking (14)water or sanitation networks in France, including the French overseas departments (DOM). Together with the completion of this target, in line with the description of the measure in the Council Implementing Decision, France will also demonstrate the investment's contribution to the sanitisation of more than 6 500 tonnes of dry sludge. This is a further step of this measure that is not linked to this target in the Council Implementing Decision. France provided, in particular, evidence of the number of kilometres for which renovation works had started, including decisions of allocation of funds, financial agreement and project descriptions, and evidence for the start of works such as work orders and certificates of the start or end of works, as well as copies of the financial agreements for the projects regarding the sanitisation of dry sludge, in addition to specific supporting evidence for certain projects such as technical explanatory notes on the calculation of dry sludge. The evidence provided by France demonstrates that renovation works have started for 450 kilometres of drinking water or sanitation networks, in line with the requirements of the target. The evidence also confirms an investment in 6 283 tonnes of dry sludge. Whilst this constitutes a minimal deviation of 3.34% from the requirement of the Council Implementing Decision, the overall objective of this target is considered met. Therefore, it is

considered that this minimal numerical deviation does not affect the progress towards the achievement of the investment that the target represents. On the basis of the due justification provided, the target should be considered as satisfactory fulfilled.

- (15) Target 2-12 provides for the modernisation of 32 sorting centres. France provided evidence of 62 selected projects with supporting documents including the financial agreement, or Financing Decision from the French Agency for Environment and Energy Management (*Agence de l'Environnement et de la Maîtrise de l'Energie' ADEME*) (when funding is below 200 000 euros), as well as project descriptions, links to the terms of reference of the related call for projects, and a copy of the General rules for awarding ADEME grants. The evidence provided by France demonstrates that contracts for the modernisation of at least 32 sorting centres have been signed, in line with the requirements of the target. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (16) Milestone 2-13 provides for investment support in waste sorting and collection, and in medical waste treatment. More specifically, it concerns the finalisation of the call for proposals and support schemes, and the selection of recipients, for three schemes that a) support investments in away-from-home (AFH) waste sorting and collecting waste, b) support bio-waste sorting, collecting and recovering, and c) support investments for equipment for disinfecting infectious medical waste. France provided a list of selected recipients across the three schemes, supported by documentation on the related call for proposals, as well as on the eligibility and financing conditions of the measure, which was issued by ADEME. The evidence provided by France demonstrates that the recipients for the three schemes were selected, in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (17) Target 2-16 provides for investment support to at least 1 200 projects which reinforce and foster new agricultural supply chains dedicated to plant proteins, with the aim of reducing the dependency of agriculture on inputs such as animal feed and nitrogen fertilisers. These projects belong to two schemes: investment support for the purchase of the necessary agricultural equipment to produce protein-rich crops, and investment support for the restructuring of the plant protein supply chain, including investments in plant protein collection and processing companies. France provided the call for projects for each scheme, as well as the signed decisions. The evidence provided by France demonstrates that projects were supported, in line with the requirements of the target. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (18) Target 3-6 provides for the regeneration of 272 railway switches as part of the measure which aims to improve and modernise the railway network in order to increase the use of railways as an alternative to road transport. France provided, in particular, the signed report of the completion of works for each project, alongside screenshots from the internal SNCF Réseau system for the management of projects, and purchase and service orders. The evidence provided by France demonstrates that at least 272 switches were successfully regenerated, in line with the requirements of the target. The Council Implementing Decision makes a reference to the investment 'deployed between 2021 and 2023'; in certain cases some projects, having been deployed after 1 February 2020, were completed in 2020. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, this does not impact the scope of the projects nor 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.

- (19) Target 3-7 provides for the installation of 182 kilometres of railway catenaries as part of the measure which aims to improve and modernise the railway network in order to increase the use of railways as an alternative to road transport. France provided, in particular, the signed report of the completion of works for each project, alongside screenshots from the internal SNCF Réseau system for the management of projects, and purchase and service orders. The evidence provided by France demonstrates that at least 182 kilometres of catenaries were successfully installed, in line with the requirements of the target. The Council Implementing Decision makes a reference to the investment 'deployed between 2021 and 2023'; in certain cases some projects, having been deployed after 1 February 2020, were completed in 2020. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, this does not impact the scope of the projects nor 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.
- (20) Target 3-8 provides for the regeneration of 863 kilometres of railway lines as part of the measure which aims to improve and modernise the railway network in order to increase the use of railways as an alternative to road transport. France provided, in particular, the signed report of the completion of works for each project, alongside screenshots from the internal SNCF Réseau system for the management of projects, and purchase and service orders. The evidence provided by France demonstrates that at least 863 kilometres of railway lines were successfully regenerated, in line with the requirements of the target. The Council Implementing Decision makes a reference to the investment 'deployed between 2021 and 2023'; in certain cases some projects, having been deployed after 1 February 2020, were completed in 2020. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, this does not impact the scope of the projects nor 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.
- (21) Target 3-9 provides for the reinforcement of 3 305 metres of tunnels as part of the measure which aims to improve and modernise the railway network in order to increase the use of railways as an alternative to road transport. France provided, in particular, the signed report of the completion of works for each project, alongside screenshots from the internal SNCF Réseau system for the management of projects, and purchase and service order. The evidence provided by France demonstrates that at least 3 305 metres of tunnels were successfully reinforced, in line with the requirements of the target. The Council Implementing Decision makes a reference to the investment 'deployed between 2021 and 2023'; in certain cases some projects, having been deployed after 1 February 2020, were completed in 2020. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, this does not impact the scope of the projects nor 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.
- (22) Milestone 3-10 provides for the replacement of glyphosate for the purpose of weed control on railway tracks, by investing in products, equipment, and research and development for more environmentally friendly alternatives. France provided, in particular, discharge certificates certifying that glyphosate was removed from use, the approval decisions and evaluations from the national French Agency for Food,

Environmental and Occupational Health & Safety (ANSES) certifying the use of alternative products containing pelargonic acid for the treatment of railways, invoices for the purchase of these alternative products and of modernised trains to disseminate them, as well as research contracts for the experimentation of various long-term solutions for weed control that do not use pesticides whatsoever. The evidence provided by France demonstrates that the replacement of glyphosate by a more environmentally friendly alternative 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.

- (23) Target 3-16 provides that 127 000 ecological bonuses are granted for light vehicles in 2021 to support the purchase of electric, hydrogen or plug-in hybrid vehicles with CO2 emissions less than or equal to 50 g/km. The Commission considers that France has provided 217 551 ecological bonuses against this target. In the context of the sampling analysis, France provided supporting evidence including invoices, lease contracts, car registration documents, the grant request, grant notifications in case of individuals, and screenshots of the IT system used by the implementing body Service and Payments Agency (ASP). In addition, France provided copies of Decree No.2020-1526 of 7 December 2020 and Decree No.2020-656 of 30 May 2020 on aid for the acquisition or rental of low emission vehicles. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- Milestone 4-3 provides for the launch of the calls for proposals or calls for interest in (24)advanced technologies under measure C4.11 'Innovate for the green transition' for the seven 'acceleration strategies' under target 4-2, in the context of the fourth futureoriented investment programme ('Programme d'investissements d'avenir' - PIA4). France provided, in particular, a copy of the terms of reference for one or several calls for project or interest for each of the seven 'acceleration strategies' for a total of 17 calls. Furthermore, France provided the links to the publication of the calls on the publicly available website of the Agency for ecological transition ('Agence de la transition écologique' - ADEME) as well as links to the relevant Decrees confirming the approval of the terms of reference in the Official Journal, in addition to specific supporting evidence for certain of the calls. The evidence provided by France demonstrates that one or several calls for projects or calls for interest have been launched for each of the seven strategies, and that the terms or reference for 'upcoming calls' include as an eligibility criterion to ensure the environmental neutrality of the applications of the funded solution, in a way that ensures that the measure complies with the 'Do No Significant Harm' principle of Regulation (EU) 2021/241. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (25) Milestone 4-8 provides for the signature of the decision to attribute financial support by the Public Bank of Investment ('*Banque Public d'Investissement' – BPI*) to private promoters that are part of the IPCEIs on hydrogen, which aims to develop a value chain for the production of renewable and low-carbon hydrogen, and for the use of this hydrogen in downstream, end-use sectors, such as transport and industry. France provided contracts for the ten projects that have been selected under this measure, signed by the representant of the company and the representant of the BPI, as well as supporting documentation that describes the project and the location for each of them, and the Annex to a press release issued by the Prime Minister's office describing the projects. The evidence provided by France demonstrates that the decision to attribute financial support to private promoters under the IPCEI on hydrogen has been signed,

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

- (26)Target 4-10 provides for investment support to 174 projects, in response to three calls for projects, which promote the diversification, modernisation, and digital and environmental transformation of companies in the aeronautics sector. France provided, in particular, the terms of reference for each of the three calls, the technical application form from the recipients of the support detailing the projects, and the signed agreement between the French Public Bank for Investment (BPI) and the recipients of the support. The evidence provided by France demonstrates that investment support has been provided to 174 projects. The Council Implementing Decision required that the 'terms of reference for upcoming calls for projects' (calls two and three) include an eligibility criterion that the projects would contribute to the green transition. The terms of reference included a selection criterion rather than an eligibility criterion as regards the contribution to the green transition. However, the evidence provided by France for the sample of 60 projects analysed as part of the assessment confirmed that projects selected under calls two and three contribute to the green transition. The Council Implementing Decision also required that airports and airlines are explicitly excluded from the calls for projects. This criterion was not explicitly stated in the terms of reference of the calls, but France provided evidence that it was effectively applied as no airports or airlines were supported. Whilst these constitute minimal substantive deviations from the requirements of the Council Implementing Decision, the objectives of the measure and the effect of the requirement were effectively achieved as all projects submitted for the achievement of the target selected under calls two and three do contribute to the green transition, and none of the recipients of support were airports or airlines. As of this, these minimal deviations do not change the nature of the measure and do 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.
- Target 4-11 provides for investment support to 200 R&D projects to promote low-(27)carbon and energy efficient aircraft, with 70% of the effort directly contributing to the energy efficiency and reduction of climate impacts of future aircraft, and the remainder contributing indirectly via a reduction in cycles and costs over the entire aircraft life cycle. France provided, in particular, the signed agreement between the General Directorate for Civil Aviation and the recipients of the support, as well as extracts of the technical documents from the project file received by the General Directorate for Civil Aviation highlighting the contribution of each project to the green transition. For projects with an indirect contribution, France also provided an extract of the CORAC Roadmap from the Research Council for Civil Aviation - the framework setting out the levers for the environmental transition of the French aeronautics sector – and evidence that it was one of the pillars to develop the measure in the plan. The evidence provided by France demonstrates that investment support was provided to at least 200 R&D projects. The Council Implementing Decision required that the selection process for the projects includes 'an eligibility criterion that selected projects shall contribute to the green transition (cumulative)'. The projects were selected through an open portal, with no explicit eligibility criterion related to the green transition. Supporting evidence, however, confirmed that each project of the sample analysed as part of the assessment does contribute directly or indirectly to the green transition. In particular, for some projects with an indirect contribution which was not explicitly listed in the Council Implementing Decision, France provided evidence demonstrating that the pertinence of the projects in relation to the CORAC

Roadmap was assessed as part of the selection process. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, the supporting evidence confirmed that all projects contribute to the green transition. 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.

- (28) Milestone 5-1 provides for the entry into force of several key implementing Decrees of the Law on accelerating and simplifying public action (ASAP Law), which aims to facilitate business developments and simplify administrative procedures for both businesses and individuals. France provided a copy of the Law No.2020-1525 of 7 December 2020 on accelerating and simplifying public action<sup>9</sup> and copies of the relevant implementing Decrees, as well as the Annexes to the 2020, 2021 and 2022 Budget bills listing the commissions and consultative or deliberative bodies directly attached to the Prime Minister or Ministers that were abolished or merged following the entry into force of the ASAP Law, in line with the requirements of the Council Implementing Decision. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (29) Target 6-2 provides for the recruitment of 100 people in 2021 and 2022 in the new recruitment route 'Tenure track' established by the Research Programming Law (Law No.2020-1674 of 24 December 2020). Tenure track ('*Chaire de Professeur Junior*') is a new recruitment route for a tenure post in a university or other higher education institution, or in a public research organisation. France provided the contract signed between each successful candidate and the employing institution. The evidence provided by France demonstrates that at least 100 people were recruited in 2021 and 2022, in line with the requirements of the target. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (30) Target 6-4 provides for 1 200 R&D personnel benefitting from four actions to support employment in R&D in the context of a collaborative research contract between a company and a non-profit structure. Depending on the type of collaboration, the measure provides for between 50% and 80% of the R&D personnel's salary to be covered, in addition to a fixed subsidy of EUR 15 000 per researcher per year. France provided, in particular, the signed collaboration contract between a company and a non-profit structure for a sample of 60 R&D personnel, as well as the financial agreements between the non-profit structure related to the collaboration contract and the National Research Agency ('*Agence National de Recherche' – ANR*), in addition to specific supporting evidence for certain sample units. The evidence provided by France demonstrates that 1 200 R&D personnel have benefitted from the four actions and that between 50% and 80% of their salary is covered by the measure together with a fixed subsidy of EUR 15 000 per researcher per year. On the basis of the due justification provided, the target should be considered as satisfactory fulfilled.
- (31) Milestone 6-8 provides for the launch of the call for proposals or interest to finance R&D investment for innovative companies as part of the fourth future-oriented investments programme ('*Programme d'Investissements d'Avenir*' *PIA4*), including innovation competitions for start-ups and SMEs, and R&D projects, with terms of

<sup>&</sup>lt;sup>9</sup> Law No.2020-1525 promulgated on 7 December 2020 on accelerating and simplifying public action, published in the Official Journal No.0108 on 8 December 2020.

reference including as eligibility criterion to ensure the environmental neutrality of the applications of the funded solution. France provided, in particular, a copy of the terms of reference for seven calls for project or interest, in addition to specific supporting evidence for certain calls. The evidence provided by France demonstrates that five calls had been launched under the innovation competitions for start-ups and SMEs scheme ('Concours d'innovation i-Nov') and two had been launched under the support for R&D projects scheme ('*i-Démo*') prior to the submission of the second payment request. In addition, the evidence provided demonstrates that the terms of reference for 'upcoming calls', therefore, calls launched after the adoption of the Council Implementing Decision, include as an eligibility criterion to ensure the environmental neutrality of the applications of the funded solution, in a way that ensures that the measure complies with the 'Do No Significant Harm' principle of Regulation (EU) 2021/241. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.

- (32) Target 6-10 provides for the award of contracts to beneficiaries in areas relevant to the space sector and national competition for space applications, as well as projects in Vernon (recovery of hydrogen, park of solar panels, modernisation of rocket engine testing facility), for a total amount of EUR 200 000 000. France provided, in particular, the awarded contracts, the published list of beneficiaries, the call for projects for projects relevant to the space sector and national competition for space applications, as well as the signed convention for projects in Vernon. The evidence provided demonstrates that a total of EUR 197 866 584 was contracted. Whilst this constitutes a minimal deviation from the target set by the Council Implementing Decision, this slight difference (1%) 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.
- (33) Target 6-11 provides that there shall be at least 80 beneficiaries of calls for projects in areas relevant to the space sector and national competition for space applications ('Space Tour 2021'). France provided, in particular, the published list of beneficiaries, as well as the official procurement document and the subsidy convention for each project in the sample. The evidence provided by France demonstrates that there were at least 80 beneficiaries under the specified calls for projects, 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 7-1 provides for the entry into force of the 3DS Law, which aims to strengthen the efficiency of public services by promoting differentiation, decentralization, deconcentration and simplification across a wide range of policy areas. France provided a copy of the Law No.2022-217 of 21 February 2022 on differentiation, decentralization, deconcentration and on various measures to simplify local public action<sup>10</sup> as well as a presentation document outlining how the Law contributes to the promotion of these four elements. The evidence provided demonstrates that the 3DS Law entered into force, in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.

<sup>&</sup>lt;sup>10</sup> Law No.2022-217 promulgated on 21 February 2022 on differentiation, decentralization, deconcentration and on various measures to simplify local public action, published in the Official Journal No.0044 on 22 February 2022

- (35)Milestone 7-5 provides for the implementation of actions identified as part of two action plans launched on recruitment and equal opportunities, with the aim of making the public service more representative, innovative and inclusive. France provided, in particular, a copy of both the 2021 and 2022 annual reports on the state of the civil service as well as a copy of the 2022 annual report on professional equality between women and men in the civil service, published by the Ministry of Transformation and Public Services. France also provided a copy of the Circular of 6 July 2022 of the Ministry for Transformation and Public Services relating to the apprentice recruitment campaign within the State civil service, as well as supporting evidence of the actions undertaken, including a communication kit, presentation documents and guides on the organisation and transformation of recruitment processes. The evidence provided by France demonstrates that the actions under the two action plans were implemented, in line with the requirements of the milestone. The Council Implementing Decision required that the implementation of the actions included in the action plans for equal opportunities and the professionalisation of the public services take place by 31 March 2022. Whilst some of these actions took place as late as July 2023, thereby constituting a minimal deviation from the requirement of the Council Implementing Decision, this delay is considered both limited and proportional as it concerns a small number of actions contributing directly to the achievement of the objectives of this measure. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (36) Milestone 7-12 provides for an exit from the emergency support mechanisms put in place from March 2020 to respond to the economic impacts of the COVID-19 health crisis. France provided copies of the 2022 and 2023 draft Budget Laws<sup>11</sup> submitted to the National Assembly, as well as copies of the 2022 Budget Law No.2021-1900 of 30 December 2021<sup>12</sup> and the 2023 Budget Law No.2022-1726 of 30 December 2022<sup>13</sup>. The evidence provided by France demonstrates that the emergency support measures of the programme '*Plan d'urgence face à la crise sanitaire'* were not extended beyond 2022, in line with the recommendations of the report of the audit mission of the national Court of Auditors. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (37) Milestone 7-13 provides for the construction of financial laws articulated with public expenditure evaluations covering the scope of public administration in compliance with the expenditure trajectory of the public finance programming Law, in order to kick start a revamped practice of spending review and evaluation of public spending, starting from the preparation of the Budget Law for 2023 onwards. It aims at ensuring that the assessment of the quality of public spending is effectively integrated into the definition of annual budgetary decisions, with enhanced consistency with the multiannual fiscal strategy. France provided, in particular, a copy of the 2023 Budget Law No.2022-1726 of 30 December 2022<sup>14</sup>, a report on France's evaluation system

<sup>&</sup>lt;sup>11</sup> 2022 draft Budget Law submitted by the French Government to the National Assembly on 22 September 2021 (registration number No.4482) and 2023 draft Budget Law submitted by the French Government to the National Assembly on 26 September 2022 (registration number No.273).

<sup>&</sup>lt;sup>12</sup> 2022 Budget Law No.2021-1900 of 30 December 2021 published in the Official Journal of the French Republic (JORF No.0304 of 31 December 2021).

<sup>&</sup>lt;sup>13</sup> 2023 Budget Law No.2022-1726 of 30 December 2022 published in the Official Journal of the French Republic (JORF No.0303 of 31 December 2022).

<sup>&</sup>lt;sup>14</sup> 2023 Budget Law No.2022-1726 of 30 December 2022 published in the Official Journal of the French Republic (JORF No.0303 of 31 December 2022).

which explains how the construction of the 2023 Budget Law was articulated with public expenditure evaluations, a copy of the draft 2023-2027 public finances programming Law submitted to the French National Assembly on 26 September 2022<sup>15</sup>. A copy of the 2024 Draft Budget Law submitted to the National Assembly on 27 September 2023<sup>16</sup> and of the 2023-2027 public finances programming Law adopted by the French Parliament on 15 November 2023<sup>17</sup> were also provided. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.

- (38) Target 7-15 provides for investment support to 3 320 industrial SMEs and mid-caps to foster digital investment through the scheme 'Industries of the Future'. France provided copies of the Decrees related to the aid for transformation investments towards the industry of the future of industrial SMEs and ISEs (Intermediary Size Enterprises) and relating to the terms of management of that aid, a sample of grant agreements signed between French authorities and the selected companies, and other supporting documents that attest the size and the activity of the companies and that prove that the subsidy was paid. The evidence provided by France demonstrates that investment support was provided to at least 3 320 industrial SMEs and mid-caps, in line with the requirements of the target. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (39) Target 7-20 provides for the production and circulation of 3 000 000 digital identity cards. France provided a screenshot from the internal system of the identity card processing centres ('*Centre d'Expertise de ressources et des titres' CERT*) for each unit of a sample of 60 application file numbers, as well as a copy of the Annual report (2021) from the National Secure Documents Agency (ANTS). The evidence provided by France demonstrates that 3 000 000 digital identity cards were produced and put into circulation prior to the second payment request, in line with the requirements of the target. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (40) Target 7-26 provides for 45 000 school classes to be digitally equipped with digital resources in elementary classes, as well as hybrid classes in secondary education together with support for change for the personnel concerned. France provided a list of the schools supported and eligible classes therein, as well as a copy of the agreement between the Ministry of National Youth Education and the training providers related to the digital training of teachers. In addition, for a sample of 60 school classes analysed as part of the assessment, France provided the agreement between the Academic region and the commune/community of communes where the school is located, a financial statement signed by the public accountant/mayor of the commune/community of communes attesting that the concerned equipment and the related services. The evidence provided by France demonstrates that at least 45 000 school classes have been digitally equipped, in line with the requirements of the

<sup>&</sup>lt;sup>15</sup> Draft 2023-2027 public finances programming Law submitted by the French Government to the National Assembly on 26 September 2022 (draft Law No.272).

<sup>&</sup>lt;sup>16</sup> 2024 draft Budget Law submitted by the French Government to the National Assembly on 27 September 2023 (draft Law No.1680).

<sup>&</sup>lt;sup>17</sup> 2023-2027 public finances programming Law adopted by the French Parliament on 15 November 2023 (No.186).

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

- (41)Target 8-1 provides for the integration of *Cap'Emploi* services, which support the employment of persons with disabilities specifically, in 700 Pôle Emploi agencies, with the overall aim of reorganising the provision of services by the main public employment service ('Pôle Emploi') in order to improve the individual support to jobseekers. France provided a list of agencies in which the service was integrated. For a sample of 60 units analysed as part of the assessment, extracts from the internal human resources and IT systems of *Pôle Emploi* were provided, confirming the setup of a Cap'Emploi service in each agency. France also provided a copy of the signed five-party framework between the State, Pôle Emploi, Chéops and Agefiph (two Cap'Emploi representatives), and the Fund for the integration of disabled people into the civil service, describing the service and its integration in Pôle Emploi. The evidence provided by France demonstrates that Cap'Emploi services were integrated in over 700 *Pôle Emploi* agencies, in line with the requirements of the target. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (42) Target 8-2 provides for the implementation of the 'compensation counsellor' set-up in 700 *Pôle Emploi* agencies, with the overall aim of reorganising the provision of services by the main public employment service ('*Pôle Emploi*') in order to improve the individual support to jobseekers. France provided a list of agencies having recruited a compensation counsellor. For a sample of 60 units analysed as part of the assessment, France also provided extracts from the internal human resources and IT systems of *Pôle Emploi*, as well as a presentation made to the central social and economic committee (CSEC) the body of staff representatives presenting the extension and generalisation phase of the reform, including an explanation of the role of the compensation counsellor and the timeline for the roll out of the reform. The evidence provided by France demonstrates that the 'compensation counsellor' set-up has been implemented in over 700 *Pôle Emploi* agencies, in line with the requirements of the target. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (43) Milestone 8-7 provides for the entry into force of two measures of the reform of the unemployment insurance scheme relating to the automatic entry into force of the remaining measures once economic conditions improve, namely the restriction of conditions of access to benefits (six months instead of four) and the sliding scale for reducing benefits awarded to high-income recipients after six months of compensation. France provided copies of the Decree<sup>18</sup> on measures relating to the unemployment insurance, of the Order<sup>19</sup> of 18 November 2021 fixing the date at which the provisions of Articles 7-1 and 7-2 of the modified Decree of 14 April 2020 on emergency measures for replacement income cease to apply, and of the Decree<sup>20</sup> of

<sup>&</sup>lt;sup>18</sup> Decree No.2021-346 of 31 March 2021 on several measures relating to the unemployment insurance system, published in the Official Journal No.0077 on 31 March 2021 and entered into force on 1 April 2021.

<sup>&</sup>lt;sup>19</sup> Order (*'arrêté'*) of 18 November 2021 fixing the date at which the provisions of Articles 7-1 and 7-2 of the modified Decree No.2021-425 of 14 April 2020 on emergency measures for replacement income cease to apply, published in the Official Journal No.0270 on 20 November 2021 and entered into force on 21 November 2021.

<sup>&</sup>lt;sup>20</sup> Decree No.2019-797 of 26 July 2019 relating to the unemployment insurance system, published in the Official Journal No.0174 on 28 July 2019 and entered into force on 29 July 2019.

26 July 2019 relating to the unemployment insurance system. The evidence provided by France demonstrates that the reform entered into force and that its content and objectives 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) Target 8-8 provides for the financing of trainings for employees of companies benefitting from short-time work schemes in 2020 (starting from 1 March of that year) and 2021. The target set in the Council Implementing Decision was to finance at least 400 000 FNE-Trainings, with a level of support ranging from 40% to 100% depending on the size of the enterprise and the timeframe during which the training was initiated. France provided the list of all the FNE-trainings financed, including the dates of the contract, the names of the employer and the titles of the training, on the basis of which a sampling exercise was carried out. In the context of the sampling exercise, other evidence was then provided in line with the requirements of the target, including evidence of companies benefitting from short-time work schemes, employees' certificates of the completion of trainings, signed by the employer, and the approval of the subsidy request by the institution in charge. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (45) Target 8-11 provides for hiring subsidies paid for employers recruiting employees preparing a diploma, certificate or professional qualification referred to in a national classification of certificates. The target set in the Council Implementing Decision was to provide exceptional professionalisation subsidy for 100 000 professionalisation contracts. France provided the list of all hiring subsidies paid to employers, on the basis of which a sampling exercise was carried out. In the context of the sampling exercise, other evidence was then provided in line with the requirements of the target, including work contracts for each employee and their respective payment history. On the basis of the due justification provided, the target should be considered as satisfactory fulfilled.
- (46) Target 8-16 provides for the financing of state-backed guarantees for study loans. The target set in the Council Implementing Decision was to achieve at least 36 000 state-backed guarantees for study loans for students under 28 years. The maximum amount borrowed is EUR 20 000 for a minimum of two years. France provided the agreement between the State and BPI France, who operated the scheme, and other evidence including the list of student loans having benefited from this state guarantee, on the basis of which a sampling exercise was carried out. The evidence provided by France demonstrates that state backed guarantees for study loans were financed, in line with the requirements of the target. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (47) Target 8-17 provides that at least 10 500 youth aged 16-18 enter the first phase of the personalised pathway offered by the national Agency for Professional Training of Adults ('Agence nationale pour la formation professionnelle des adultes' AFPA), which offers short term support to early school leavers, with an overall aim of helping address the exclusion of low-skilled youth from the labour market in the longer term. France provided, in particular, a copy of the joint agreement between the State represented by the General Delegation for Employment and Professional Training of the Ministry of Labour and AFPA on the personalised pathway called 'promo 16-18', each participant's registration form and attendance sheet, as well as screenshots from AFPA's IT system. The evidence provided by France demonstrates that at least 10 500 youth aged 16-18 entered the first phase of the personalised pathway, 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) Target 8-18 provides for places in higher education to be created. The target set in the Council Implementing Decision was to create at least 30 000 additional places in higher education, notably in short and vocational trainings, in bachelor, nursing schools and in paramedical training, to accommodate the increased number of new *'baccalauréat'* graduates. France provided official documents describing the measure, and other evidence including the list of 'classes' and establishments in which additional places were created, on the basis of which a sampling exercise was carried out. The evidence provided by France and an on-the-spot visit by Commission services demonstrates that the places were created in higher education, in line with the requirements of the target. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (49) Target 8-20 provides for subsidies paid to young people aged 16 to 25 facing integration difficulties and participating in dedicated active inclusion programmes, such as the 'personal guidance towards employment and autonomy' (PACEA) or the Youth Guarantee. The target set in the Council Implementing Decision was to achieve at least 130 000 recipients of a PACEA benefit or of a youth guarantee benefit in 2021. France provided copies of the articles of the Labour Code dedicated to the PACEA and to the Youth Guarantee, and other evidence including the list of recipients of a PACEA or a youth guarantee benefit, on the basis of which a sampling exercise was carried out. The evidence provided by France demonstrates that young people had received a PACEA or a Youth Guarantee benefit, in line with the requirements of the target. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (50) Target 8-21 provides for subsidies paid to young people facing integration difficulties in the labour market. The target set in the Council Implementing Decision was to provide subsidies for 65 000 contracts in both the non-profit (PEC) and the for-profit (CIE) sectors. These subsidised contracts last between six and 24 months and combine an offer of employment with individualised guidance with an employment counsellor. France provided a copy of the executive Order of 12 February 2021 on the fund for the employment inclusion of people furthest away from the labour market, dedicated to the financing of contracts aiming at employment inclusion, and other evidence including the list of all PEC and CIE aided contracts. On this basis, a sampling exercise was carried out. The evidence provided by France demonstrates that young people have received the subsidy, in line with the requirements of the target. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (51) Milestone 8-26 provides for the modernisation and digitalisation of professional trainings. In particular, it concerns project management assistance to support the design and dissemination of digital content to digitalise and modernise professional training. The Council Implementing Decision required that 15 project files are produced to support the design and dissemination of digital content. France provided a list of the 15 projects prepared by the General Delegation for Employment and Professional Training of the Ministry of Labour, the completed project file for each of the 15 innovative digital projects, as well as the document attesting the payment of the service providers. France also provided a copy of the methodological guide produced in view of scaling out the approach. The evidence provided by France demonstrates that 15 project files have been produced, in line with the requirements of the

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

- (52) Target 8-27 provides for the financial support of additional professional transitions by the 'AT Pro' associations responsible for providing the service. The list of jobs which may benefit from financing is expected to focus on the jobs with high employment perspectives in the region, taking into account the priorities set out in 'France Relance' (green transition, digital transformation of the economy). The target set in the Council Implementing Decision was to finance 3 900 additional professional transitions by Q4 2022, with a baseline of 12 277. France provided a list of all professional transitions that started in 2021 which have been financed. On this basis, a sampling exercise was carried out and other evidence was provided in line with the requirements of the target. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- Target 8-28 provides for the use of a top-up of Individual Learning Accounts (ILAs) (53)for digital skills. The target set in the Council Implementing Decision was to achieve at least 22 500 persons having used their topped-up individual learning account (ILA) to sign up to a training for digital skills registered in the national register of professional certifications or in the specific register. France provided the management decision between the State and the 'Caisse des Dépots et Consignations' establishing the top-up, the list of eligible certifications, and other evidence, including the list of people having used their topped-up ILA to sign-up to a digital training, on the basis of which a sampling exercise was carried out. The reference to 198 eligible trainings instead of 400 was considered a minimal substantive deviation from the description of the measure as it increased the focus of the measure on digital training, and because the target was met despite this narrower focus. 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. The evidence provided demonstrates that people have used their topped-up ILA to sign up to a digital training, 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) Target 8-31 provides for the recruitment of 1 000 counsellors on fixed-term contracts to deliver *Pôle Emploi* services to additional jobseekers resulting from the economic crisis. France provided a list of recruited *Pôle Emploi* advisors and supporting evidence for a sample of 60 units, including extracts from the *Pôle Emploi* IT system and the counsellors' first payslip confirming the employment of an advisor under a short-term contract in *Pôle Emploi* agencies, in line with the requirements of the target. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (55) Target 9-11 provides for the renovation, transformation and equipment of the French medico-social sector, in particular Establishments for Dependent Elderly Persons (EHPAD) over the period 2021-2025. The target set in the Council Implementing Decision was for 3 000 homes for the dependent elderly that have received the funding under the 'daily investments' scheme. France provided a list of 3 008 establishments which have benefited from aid for real estate investment, on the basis of which a sampling exercise was carried out. The evidence provided by France demonstrates that at least 3 000 homes for the dependent elderly have received funding support, in line with the requirements of the target. On the basis of the due justification provided, the target should be considered as satisfactory fulfilled.

- (56) Milestone 9-13 provides for the implementation of a national suicide prevention hotline, which is part of the national health strategy 2018-2022 and is one of the actions announced in the '*Ségur de la santé*' plan. France provided, in particular, the national health strategy 2018-2022 and '*Ségur de la santé*' plan, as well as copies of the contracts and the partnership agreement for the provision of the information system needed for the functioning of the hotline. The evidence provided by France demonstrates that the national suicide prevention hotline has been implemented, in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (57) Target 9-14 provides that 1 700 000 additional housing and business premises (compared to 2020) are eligible to be connected to fibre in 2021, as part of France's high-speed broadband plan. France provided, in particular, certification from the Regulatory Authority for Electronic Communications, Posts and Press Distribution (*Autorité de Régulation des Communications Electroniques, des Postes et de la Distribution de la Presse' ARCEP*) for the data, by departments, on the number of premises eligible to be connected to fibre in zones of public initiative networks in 2020 and 2021, as well as the convention signed under France's high-speed broadband plan for each project, and technical evidence that the fibre deployed provides connection speeds above 100 Mbps and generally exceeding 1 Gbps. The evidence provided by France demonstrates that at least 1 700 000 additional housing and business premises are eligible to be connected to fibre in 2021, in line with the requirements of the target. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (58) Target 9-16 provides for the training of digital advisers to be deployed in 'France Services' centres across the French territory. The target set in the Council Implementing Decision was to achieve at least 3 600 digital advisers trained. France provided the executive order establishing the 'France Services Digital Advisers' scheme, the calls for proposals for the recruitment campaign by hosting structures, and other evidence, including the list of recipients of the training, on the basis of which a sampling exercise was carried out. The evidence provided by France demonstrates that digital advisers had been trained, in line with the requirements of the target. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (59) Target 9-17 provides for an increase from 16% (in 2018) to 20% in 2021 in the global success rate for generic and specific calls for projects, which is defined as the ratio between the number of projects selected by the National Research Agency and the number of projects submitted in the generic and specific calls. The global success rate is monitored in the context of the implementation of the Research Programming Law and as such France provided, in particular, a copy of the 2022 report to the Parliament on the implementation of the Research Programming Law and the 2022 budgetary documents accompanying the Financing Law. The evidence provided by France demonstrates that the global success rate increased to 23% in 2021, in line with the requirements of the target. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (60) Furthermore, France has also confirmed that previously satisfactorily fulfilled milestones and targets have not been reversed. The Commission is aware of recoveries that have taken place for target 3-15 'Support for the purchase of clean vehicles' (ecological bonuses) related to the protection of the financial interests of the Union.

Target 3-15 was considered as satisfactory fulfilled in the first payment request. If those recoveries from the samples that have been taken were extrapolated to the total population, it would indicate that the number of ecobonuses would no longer be sufficient for the target and France would need to take action to ensure that the target is still met. In order to justify fulfilment of target 3-16, France has provided evidence to the Commission demonstrating that additional ecobonuses were granted. The Commission considers the granting of those ecobonuses as the necessary action to ensure that target 3-15 is still satisfactory fulfilled, while those additional ecobonuses were not taken into account for the assessment of fulfilment of target 3-16. On this basis, the Commission does not consider that a reversal has occurred. For other milestones and targets, the Commission does not have evidence that a reversal has occurred. This includes milestone 7-35, 'Organisation of the system and the treatment of data and organisation of the audits', and the commitments on audit and controls that were undertaken by France in the context of the first payment request to ensure continuous compliance with this milestone and its obligations under the Financing Agreement.

- (61) Following the fully positive assessment concerning France's payment request, in accordance with Article 24(5) of Regulation (EU) 2021/241, the disbursement of the financial contribution for the second instalment of the on-repayable support should be authorised.
- (62) 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 France received EUR 5 682 176 982 of the financial contribution as pre-financing, an amount of EUR 1 664 174 170 of the payment should be utilised to clear the pre-financing, of which EUR 217 036 762 to clear the pre-financing for the REPowerEU chapter. Additionally, in accordance with Article 13(3) of Regulation (EU) 2021/241 and Article 5 of the Financing Agreement, this payment shall also be reduced to offset the excess amount of pre-financing of EUR 249 577 016.
- (63) 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.
- (64) 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 second instalment of the non-repayable support as laid down in Section 2(1)(1.2) of the Annex to the Council Implementing Decision of 14 July 2023 on the approval of the assessment of the recovery and resilience plan for an amount of EUR 12 217 010 020 is authorised.

In accordance with the Financing Agreement concluded pursuant to Article 23(1) of Regulation (EU) 2021/241 between the Commission and the French Republic, EUR 1 913 751 186 shall be utilised to clear the pre-financing of the financial contribution and offset the excess amount of pre-financing paid. EUR 10 303 258 834 shall be provided to France by means of payment to the bank account indicated in the Financing Agreement.

Article 2 Addressee

This Decision is addressed to the French Republic.

Done at Brussels, 18.12.2023

For the Commission Paolo GENTILONI Member of the Commission