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2024/0103 (NLE)

Proposal for a

COUNCIL IMPLEMENTING DECISION

**amending Implementing Decision (EU) (ST 10160/21 INIT; ST 10160/21 ADD 1 REV 2)
of 13 July 2021 on the approval of the assessment of the recovery and resilience plan for
Italy**

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amending Implementing Decision (EU) (ST 10160/21 INIT; ST 10160/21 ADD 1 REV 2) of 13 July 2021 on the approval of the assessment of the recovery and resilience plan for Italy

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility¹, and in particular Article 20(1) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) Following the submission of the national recovery and resilience plan ('RRP') by Italy on 30 April 2021, the Commission has proposed its positive assessment to the Council. The Council approved the positive assessment by means of the Council Implementing Decision of 13 July 2021. That Council Implementing Decision was amended on 19 September 2023 and on 8 December 2023.
- (2) On 4 March 2024, Italy made a reasoned request to the Commission to make a proposal to amend the Council Implementing Decision of 13 July 2021 in accordance with Article 21(1) of Regulation (EU) 2021/241 on the grounds that the RRP is partially no longer achievable because of objective circumstances. On that basis, Italy has submitted an amended RRP.

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

- (3) The amendments to the RRP submitted by Italy because of objective circumstances concern 24 measures.
- (4) Italy has explained that 23 measures have been amended to implement better alternatives in order to achieve the original ambition of the measure. This concerns: Investment 1.8: Recruitment procedures for administrative courts under component 1 of mission 1, including targets M1C1-139 and M1C1-40; Reform 1.8 Digitalisation of Justice under component 1 of mission 1, including milestone M1C1-38bis; Reform 1.9: Reform of the public administration under component 1 of mission 1, including milestone M1C1-59ter; Reform 1.10: Reform of the public procurement legislative framework under component 1 of mission 1, including target M1C1-86; Reform 1.15

¹ OJ L 57, 18.2.2021, p. 17.

of public accounting rules under component 1 of mission 1, including milestones M1C1-117 and M1C1-118; Reform 1.12 of the tax administration under component 1 of mission 1, including targets M1C1-113 and M1C1-114; Investment 1.1 Community Health Houses to improve territorial health assistance under component 1 of mission 6, including target M6C1-3; Investment 1.1: Digital Infrastructure, under component 1 of mission 1, including targets M1C1-17 and M1C1-26; Reform 1.9.1 Reform for accelerating the implementation of cohesion policy, under component 1 of mission 1; Reform 1.11: Reduction of late payments by public administrations and health authorities, under component 1 of mission 1, including milestones M1C1-72ter and M1C1-72quinquies; Reform 3: Rationalization and simplification of firms' incentives under component 2 of mission 1, including milestone M1C12-14ter; Reform 1.2 National Program for Waste Management under component 1 of mission 2, including targets M2C1-15, M2C1-15bis, M2C1-16, M2C1-16bis; Investment 1.1 - Implementation of new waste management plants and modernization of existing plants under component 1 of mission 2, including targets M2C1-15ter and M2C1-16ter; Investment 1.4 Development of biomethane, according to criteria for promoting the circular economy under component 2 of mission 2, including target M2C2-4; Investment 4.4.3: Renewal fleet for the National fire brigade command under component 2 of mission 2, including target M2C2-36; Investment 2.1: Measures for flood and hydrogeological risk reduction under component 4 of mission 2, including M2C4-11, M2C4-11ter and M2C4-13; Investment 4.2 Development of Rapid Mass Transport systems (metro, streetcar, BRT) under component 2 of mission 2; Investment 4.1 Investments in primary water infrastructures for the security of water supply under component 4 of mission 2, including milestones M2C4-28, M2C428bis and target M2C4-29; Investment 4.2. Reduction of losses in water distribution networks, including digitization and monitoring of networks under component 4 of mission 2, including milestone M2C4-30; Investment 4.3 Investments in the resilience of the irrigation agrosystem for better management of water resources under component 4 of mission 2, including milestone M2C4-33; Investment 11. Scale-up: Strengthening of the regional public transport railway fleet with zero emission trains and universal service under mission 7, including milestone M7-31; Investment 12: Grant Scheme for the development of an international, industrial and R&D leadership in electric buses under mission 7, including M7-32, M7-33 and M7-34; Investment 15. Transizione 5.0 under mission 7. On this basis, Italy has requested to amend the aforementioned measures, including the relevant milestones and targets. The Council Implementing Decision of 13 July 2021 should be amended accordingly.

- (5) Italy has explained that Investment 2.2: Partnerships in research and innovation – Horizon Europe under component 2 of mission 4, including target M4C2-2, is totally no longer achievable, as developments in the market have resulted in insufficient demand. On this basis, Italy has requested to remove the measure in its entirety. The Council Implementing Decision of 13 July 2021 should be amended accordingly.
- (6) Italy has further requested to use the resources freed up by the removal of measure Investment 2.2: Partnerships in research and innovation – Horizon Europe under component 2 of mission 4 under Article 21 of Regulation (EU) 2021/241 to include a new measure and increase the level of required implementation of an existing measure. This concerns respectively: M4C2-2bis under Investment 2.2: Innovation Agreements under component 2 of mission 4 and M1C1-38bis under Reform 1.8 Digitalisation of Justice under component 1 of mission 1. On this basis, Italy has requested to add M4C2-2bis and Investment 2.2: Innovation Agreements under component 2 of mission 4. Furthermore, Italy has requested to add milestone M1C1-38bis to increase the level

of required implementation of Reform 1.8 Digitalisation of Justice under component 1 of mission 1. The Council Implementing Decision of 13 July 2021 should be amended accordingly.

- (7) The Commission considers that the reasons put forward by Italy justify the amendment(s) pursuant to Article 21(2) of Regulation (EU) 2021/241, and the Council Implementing Decision of 13 July 2021 should be amended accordingly.

Corrections of clerical errors

- (8) 55 clerical errors have been identified in the text of the Council Implementing Decision, affecting 52 milestones and targets and 40 measures under 14 components. The Council Implementing Decision should be amended to correct these clerical errors that do not reflect the content of the RRP submitted to the Commission on 30 April 2021 and as amended on 19 September 2023 and 8 December 2023, as agreed between the Commission and Italy. Those clerical errors relate to: M1C1-37bis and M1C1-45 under Reform 1.4: Reform of civil justice under component 1 of mission 1; and M1C1-46 under Reform 1.5: Reform of criminal justice under component 1 of mission 1; M1C1-120 under Reform 1.14: Reform of the subnational fiscal framework under component 1 of mission 1; M1C1-14 and M1C1-16 under Investment 1.6.5: Digitization of the Council of State under component 1 of mission 1; M1C1-140 under Investment 1.4.1: Citizen experience - Improvement of the quality and the usability of digital public services under component 1 of mission 1; M1C2-32 under Investment 7: Support to the production system for the Ecological Transition, Net Zero Technologies, and competitiveness and resilience of strategic supply chains under component 2 of mission 1; M2C1-22, M2C1-23, M2C1-24 and M2C1-25 under Investment 3.4: Fondo Rotativo Contratti di Filiera (FCF) to support supply-chains contracts for the agri-food, fishing and aquaculture, forestry, floriculture and plant nursery sectors, under component 1 of mission 2; M2C2-22 and M2C2-23 under Investment 4.1 Investment in soft mobility (National Plan of Cycle Path) under component 2 of mission 2; M2C2-35-bis under Investment 4.4.2: Strengthening of the regional public transport railway fleet with zero emission trains and universal service under component 2 of mission 2; M2C2-40 under Investment 5.1.1: Development of an international, industrial and R&D leadership in renewables and batteries under component 2 of mission 2; M2C4-20 under Investment 3.1: Protection and enhancement of urban and peri-urban forests under component 4 of mission 2; M2C4-36 and M2C4-37 under Investment 4.4: Investments in sewerage and purification under component 4 of mission 2; M3C1-6 under Investment 1.1: High-speed railway connections to the South for passengers and freight under component 1 of mission 3; M3C1-9 under Investment 1.2: High-speed lines in the North connecting to the rest of Europe under component 1 of mission 3; M3C1-14 under Investment 1.4: Introducing the European Rail Transport Management System (ERTMS) under component 1 of mission 3; M3C1-17 and M3C1-17bis under Investment 1.7 Upgrading, electrification and resilience of railways in the South under component 1 of mission 3; M3C2-6 under Investment 2.2: Digitalization of air traffic management under component 2 of mission 3; M3C2-12 under Investment 2.3: Cold ironing under component 2 of mission 3; M3C2-9 under Investment 1.1: Green ports: renewable energy and energy efficiency interventions at ports under component 2 of mission 3; M4C1-15ter under Reform 2.1: Teachers' recruitment under component 1 of mission 4, M4C1-23 and M4C1-23bis under Investment 3.4: Teaching and advanced university skills under component 1 of mission 4; M4C2-14 under Investment 2.3: Strengthening and sectorial/ territorial extension of technology transfer centres by industry segments

under component 2 of mission 4; M4C2-8 under Investment 1.3: Partnerships extended to universities, research centers, companies and funding of basic research projects under component 2 of mission 4; M4C2-21 and M4C2-21bis under Investment 3.5: Financing start-ups; under component 2 of mission 4 M5C2-10 under Investment 3: Housing First and Post Stations under component 2 of mission 5; M5C3-8, M5C3-9 under Investment 3: Structured socio-educational interventions to combat educational poverty in the South supporting the Third Sector under component 3 of mission 5; M5C3-13 under Investment 4: Infrastructural investments for the Special Economic Zones (SEZ) under component 3 of mission 5; M6C1-8 under Investment 1.2: Home as the first place of care and telemedicine under component 1 of mission 6; M6C2-6 and M6C2-8 under Investment 1.1: Digital update of hospitals' technological equipment, under component 2 of mission 6; M6C2-10bis under Investment 1.2: Toward a safe and sustainable hospital under component 2 of mission 6; M6C2-13 under Investment 1.3: Strengthening of the technological infrastructure and of the tools for data collection, data processing, data analysis and simulation under component 2 of mission 6; M7-24 under Investment 7: Smart National Transmission Grid under mission 7; M7-25, M7-26, M7-27, M7-28 under Investment 10: Sustainable, circular and secure supply of Critical Raw Materials under mission 7; M7-29 under Investment 9: Scale-up measure: Provide technical assistance and strengthen capacity building for the implementation of the Italian recovery and resilience plan under mission 7; M7-45 under Investment 16: Support to SMEs for self-production from renewable energy sources under mission 7; M7-47 and M7-48 under Investment 17: Financial instrument for energy renovations of public and social housing, and low-income and vulnerable households under mission 7.

- (9) Moreover, those clerical errors relate to the description of the following measures: Investment 1.7 Basic digital skills under component 1 of mission 1; Reform 1.14: Reform of the subnational fiscal framework under component 1 of mission 1; Investment 7: Support to the production system for the Ecological Transition, Net Zero Technologies, and competitiveness and resilience of strategic supply chains under component 2 of mission 1; Investment 3.4: Fondo Rotativo Contratti di Filiera (FCF) to support supply-chains contracts for the agri-food, fishing and aquaculture, forestry, floriculture and plant nursery sectors, under component 1 of mission 2; Investment 4.1: Investment in soft mobility (National Plan of Cycle Path) under component 2 of mission 2; Investment 5.1: Development of an international, industrial and R&D leadership in renewables and batteries under component 2 of mission 2; Investment 1.1: High-speed railway connections to the South for passengers and freight under component 1 of mission 3; Investment 1.7 Upgrading, electrification and resilience of railways in the South under component 1 of mission 3; Investment 2.3: Strengthening and sectorial/ territorial extension of technology transfer centres by industry segments under component 2 of mission 4; Investment 3: Structured socio-educational interventions to combat educational poverty in the South supporting the Third Sector under component 3 of mission 5; Investment 4: Infrastructural investments for the Special Economic Zones (SEZ) under component 3 of mission 5; Investment 1.1: Digital update of hospitals' technological equipment under component 2 of mission 6; Reform 5: Plan for new Skills – Transitions under mission 7; Investment 5: SA.CO.I.3 under mission 7; Investment 17: Financial instrument for energy renovations of public and social housing, and low-income and vulnerable households under mission 7. Those corrections do not affect the implementation of the measures concerned.

Commission's assessment

- (10) The Commission has assessed the amended RRP against the assessment criteria laid down in Article 19(3) of Regulation (EU) 2021/241.

Contribution to the green transition including biodiversity

- (11) In accordance with Article 19(3), point (e), of and Annex V, criterion 2.5, to Regulation (EU) 2021/241, the amended RRP contains measures that contribute to a large extent (Rating A) to the green transition, including biodiversity, or to addressing the challenges resulting therefrom. The measures supporting climate objectives account for an amount which represents 39.4% of the amended RRP's total allocation and 75.7% of the total estimated costs of measures in the REPowerEU chapter calculated in accordance with the methodology set out in Annex VI to Regulation (EU) 2021/241. In accordance with Article 17 of Regulation (EU) 2021/241, the amended RRP is consistent with the information included in the National Energy and Climate Plan 2021-2030.
- (12) The modifications to the contribution to the green transition relate to the removal of measure Investment 2.2: Partnerships in research and innovation – Horizon Europe under component 2 of mission 4 and to the correction of a clerical error regarding the amount supporting climate objectives of Investment 17: Financial instrument for energy renovations public and social housing under mission 7. This entails an increase in the overall contribution to the climate target of the plan and addresses the removal of Investment 2.2: Partnerships in research and innovation – Horizon Europe under component 2 of mission 4. The limited scope of these modifications does not change the overall assessment of this criterion.

Contribution to the digital transition

- (13) In accordance with Article 19(3), point (f), of and Annex V, criterion 2.6, to Regulation (EU) 2021/241, the amended RRP contains measures that contribute to a large extent (Rating A) to the digital transition or to addressing the challenges resulting from it. The measures supporting digital objectives account for an amount which represents 25.6% of the amended RRP's total allocation calculated in accordance with the methodology set out in Annex VII to Regulation (EU) 2021/241.
- (14) The modifications to the contribution to the digital transition or addressing the challenges resulting from it relates to the removal of Investment 2.2: Partnerships in research and innovation – Horizon Europe under component 2 of mission 4 and to the increase in the level of required implementation of Reform 1.8 Digitalisation of Justice under component 1 of mission 1. The increase in the level of required implementation of measure Reform 1.8 Digitalisation of Justice under component 1 of mission 1 addresses the removal of measure Investment 2.2: Partnerships in research and innovation – Horizon Europe under component 2 of mission 4. The limited scope of these modifications does not change the overall assessment of this criterion.

Costing

- (15) In accordance with Article 19(3), point (i), of and Annex V, criterion 2.9, to Regulation (EU) 2021/241, the justification provided in the amended RRP on the amount of the estimated total costs of the RRP is to a moderate extent (Rating B) reasonable and plausible, is in line with the principle of cost efficiency and is commensurate to the expected national economic and social impact.
- (16) For one new measure and two modified measures, Italy has provided sufficient information and evidence that the amount of the estimated total costs is not covered by existing or planned Union financing. The limited modifications involving a cost

assessment proposed by Italy do not change the previous assessment of the estimated total costs of the modified RRP.

Any other assessment criteria

- (17) The Commission considers that the amendments put forward by Italy do not affect the positive assessment of the RRP set out in the Council Implementing Decision ST 10160/21 of 13 July 2021 on the approval of the assessment of the RRP for Italy regarding the relevance, effectiveness, efficiency and coherence of the RRP against the assessment criteria laid down in Article 19(3), points (a), (b), (c), (d),(da), (db), (g), (h), (j) and (k).

Positive assessment

- (18) Following the positive assessment by the Commission of the amended RRP with the finding that the RRP satisfactorily complies with the criteria for assessment set out in Regulation (EU) 2021/241, in accordance with Article 20(2) of and Annex V to that Regulation, the reforms and investment projects necessary for the implementation of the amended RRP, the relevant milestones, targets and indicators, and the amount made available from the Union for the implementation of the amended RRP in the form of non-repayable financial support should be set out.

Financial contribution

- (19) The estimated total costs of Italy's amended RRP is EUR 194 415 951 466. As the amount of the estimated total costs of the amended RRP is higher than the updated maximum financial contribution available for Italy, the total financial contribution determined in accordance with Articles 20(4) and 21a(6) allocated for Italy's amended RRP should be equal to EUR 71 779 623 788.
- (20) The loan support made available to Italy amounting to EUR 122 601 810 400 remains unchanged.
- (21) Council Implementing Decision ST 10160/21 of 13 July 2021 on the approval of the assessment of the RRP for Italy should therefore be amended accordingly. For the sake of clarity, the Annex to that Council Implementing Decision should be replaced entirely.

HAS ADOPTED THIS DECISION:

Article 1

The assessment of the modified RRP of Italy on the basis of the criteria provided for in Article 19(3) of Regulation (EU) 2021/241 is approved. The reforms and investment projects under the RRP, the arrangements and timetable for the monitoring and implementation of the RRP, including the relevant milestones and targets and the additional milestones and targets related to the payment of the loan, the relevant indicators relating to the fulfilment of the envisaged milestones and targets, and the arrangements for providing full access by the Commission to the underlying relevant data are set out in the Annex to this Decision.

Article 2

The Council Implementing Decision of 13 July 2021 on the approval of the assessment of the recovery and resilience plan for Italy is amended as follows:

- the Annex is replaced by the text in the Annex to this Decision.

Article 3
Addressee

This Decision is addressed to the Italian Republic.

Done at Brussels,

For the Council
The President