

Brussels, 24.2.2022 C(2022) 1248 final

## COMMISSION IMPLEMENTING DECISION

of 24.2.2022

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

(Only the French text is authentic)

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

(Only the French text is authentic)

#### 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 13 July 2021 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 26 November 2021, France submitted a request for payment, accompanied by a management declaration and a summary of audits. 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 the relevant milestones and targets and, in accordance with Article 24(4) 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

<sup>2</sup> ST 10162/21: ST 10162/21 ADD 1.

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OJ L 57, 18.2.2021, p. 17.

Recovery and Resilience Facility Operational arrangements between the European Commission and France, entered into force on 25 November 2021.

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)(1.1) of the Annex to the Council Implementing Decision provides the relevant milestones and targets that are to be satisfactorily fulfilled for the first instalment of the non-repayable support for an amount of EUR 8 505 747 126.
- (5) Milestone 1-1 of the Annex to the Council Implementing Decision provides for the entry into force of the reform of the system related to the personal housing benefits. France provided a copy of the legislative acts related to the modifications of the parameters to calculate such benefits: the Decree 2019-1574 of 30 December 2019 and the Decree 2020-1816 of 29 December 2020, amending Decree 2019-1574, on the resources taken into account for the calculation of personal housing benefits that demonstrated that the reform has entered into force and that its content and objectives are in line with the requirements of the milestone. These modifications allow to quickly adapt the amount of aid to the income variations of the beneficiaries. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (6) Target 1-4 provides for the support to energy renovation of private buildings through a subsidy mechanism. The target set in the Council Implementing Decision Annex was to achieve at least 400 000 subsidies validated. France provided a copy of the legislative acts governing this measure, other evidence, as well as the list of beneficiaries who have received the subsidies, on the basis of which a sampling exercise was carried out, which demonstrated that the subsidies had 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 1-6 provides for the support to energy renovation of social housing. The target set in the Council Implementing Decision Annex was to achieve at least 20 000 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 a copy of the legislative acts governing this measure as well as the call for tenders, other evidence and the lists of beneficiaries, on the basis of which a sampling exercise was carried out, which demonstrated 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 1-8 provides for the support to thermal renovation of public buildings. The target set in the Council Implementing Decision Annex was to achieve at least 2 900 renovation projects of public sites belonging to the State, for which the renovation works contract has been notified and with an objective to achieve at least 30% of energy savings on average. France provided a copy of the calls for proposals, which includes the methodology concerning the energy savings calculation, other evidence and the list of projects selected, on the basis of which a sampling exercise was carried out, which demonstrated 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) Target 2-4 provides for the financing of investments to reduce energy consumption of industrial companies and reducing greenhouse gas emissions by 3.5 million tonnes of CO<sup>2</sup> equivalent. France provided the list of 37 projects performed in industrial installations selected through calls for projects. The list indicated that the quantity of GHG emissions avoided (in tons of CO<sup>2</sup> equivalent), throughout the life of the projects (set to 20 years), is above the target (3.69 Mt vs 3.5 Mt). These data were supported by evidence included in the technical annexes to contracts and submissions to the committee responsible for projects selection. In addition, for the 15 ETS installations selected, the reduction of CO<sup>2</sup> emissions is always below the ETS benchmark included in the ETS Directive 2003/87/EC. For three ETS installations, the reduction of CO<sup>2</sup> emissions is considered not to be "significantly below the ETS benchmark". France provided a justification explaining why the technology chosen will not allow to decrease CO<sup>2</sup> emissions substantially below the relevant ETS benchmark. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (10) Target 2-6 provides for a subsidy allocated to municipalities that increase housing density, in areas affected by housing shortage if they comply with the conditions set out in Decree 2021-1070 of 11 August 2021 putting the scheme in place. The target is to achieve 1 200 municipalities benefiting from the aid. France provided a list of 1 288 municipalities, indicating their compliance with all the eligibility conditions set in the Council Implementing Decision Annex. France also provided other evidence, including the inter-ministerial Decree of 25 October 2021 that sets out the list of beneficiary municipalities with the amount of aid, on the basis of which a sampling exercise was carried out, which demonstrated that the subsidies have been allocated to municipalities in line with the requirements of the target. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (11) Milestone 3-1 provides for the entry into force of implementing Decrees of Law n° 2019-1428 of 24 December 2019 on mobility ("the Mobility Law"). The Mobility Law aims at a deep transformation of transport and mobility with the objectives of improved daily service, meeting the needs of the entire population and of an accelerated decarbonisation of the sector. The implementing Decrees cover the conditions under which journeys may entail financial allocation to drivers who offered car sharing in the absence of passengers, pursuant to Article 35 of the Mobility Law. France provided a copy of Decrees n° 2020-678 and n° 2020-679, which demonstrate the entry into force of measures pursuant to Article 35 of the Mobility Law and that their 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.
- (12) Milestone 3-2 provides for the entry into force of the measures to adapt the rules to ensure management transfers to the regions of the rail network of local interest, pursuant to Article 172 of the Mobility Law. France provided a copy of Decree n° 2020-1820, which demonstrates the entry into force of measures pursuant to Article 172 of the Mobility Law 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.
- (13) Milestone 3-4 foresees the publication of a green budget with the 2022 Financing Law. The green budget aims at setting up a standardized and comprehensive information framework targeted to Parliament and civil society on the environmental impact of the State Budget. France provided a copy of the green budget report, including a revised

methodology for the treatment of operating expenditure, and evidence that the green budget was published with the 2022 Budgetary Law in the Official Journal on 31 December 2021, which demonstrated that the green budget was published 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.

- (14) Milestone 3-5 provides for the adoption of the funding agreements by the Transport Infrastructure Financing Agency for France (AFITF) board necessary for financing of small local railway lines and freight lines. The signature of funding agreements puts funds at the disposal of the AFITF, which can then enter into contracts with beneficiaries, project by project. France provided funding agreements n° 20-78-16, n° 20-79-08 and n° 21-80-04, as well as amendment n° 21-82-11, regarding the financing of the investments described above, which demonstrated that they were adopted by the AFITF board, in line with the requirements of the milestone, and signed on 21 October 2020, 1 February 2021, 17 February 2021 and 22 July 2021 respectively. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (15) Target 3-15 provides for the distribution of more than 85 000 ecological bonuses mainly targeted to households to support the purchase of an electric, hydrogen or plugin hybrid light vehicle. Its amount depends on the type of vehicle (electric, plug-in hybrid, hydrogen), the type of beneficiary (household or business) and the price of the vehicle (higher bonus for cheaper cars). The global list of bonuses granted after 1 June 2020 provided by France contains 91 261 bonuses, above the target. A sampling exercise was carried out and additional evidence was provided, which demonstrated that the bonuses have been distributed mainly to households in line with the requirements of the target. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- Milestone 3-18 provides for the adoption by the AFITF board of funding agreements necessary for financing the development of rail infrastructure and other public transport for daily mobility in urban areas. The measure focuses on the Ile-de-France region around Paris, to solve recurrent congestion issues. It shall also participate to the creation of new urban metro lines in large cities in the regions. France provided copies of funding agreements n° 20-78-16, n° 20-79-08, n° 21-80-04 and n° 21-83-03, as well as amendment n° 21-82-11, regarding the financing of the investments described above, which demonstrated that they were adopted by the AFITF board and signed on 21 October 2020, 1 February 2021, 11 February 2021, 23 November 2021 and 22 July 2021 respectively and that their 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.
- Milestone 3-21 provides for the adoption of the funding agreements by the AFITF board necessary for the financing of projects such as building reserved lanes for public transport and carpooling, devices to check the use of these lanes, and the renovation of river networks, including locks and dams. France provided copies of funding agreements n° 20-79-07 and n° 21-80-05, as well as amendment n° 21-84-02, regarding the financing of the investments described above, which demonstrated that they were adopted by the AFITF board and signed on 1 February 2021, 10 March 2021 and 10 November 2021 respectively and that their 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.

- (18) Milestone 3-22 provides for the signature by the French Services and Payments Agency (Agence des Services et de Paiement, ASP) of the funding agreement for the financing of new charging stations for electric vehicles. The ASP will be in charge of managing the fund and select the beneficiaries, which are operating companies of motorways. France provided the funding agreement, which demonstrated that it was signed by the ASP on 27 July 2021 and that their 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.
- (19) Target 3-27 provides for the purchase of clean vehicles (electric or plug-in hybrids) by three administrations: the police and gendarmerie (Ministry of the Interior), the general directorate of customs (Finance Ministry), and the penitentiary administration (Justice Ministry). The vehicles purchased by the police and gendarmerie (Ministry of the Interior) and the general directorate of customs (Finance Ministry) amount to 1 478 hybrid vehicles and 492 electric vehicles or 1 970 vehicles purchased in total, in excess of the target of 1 291. France provided, amongst other evidence, a list of all vehicles purchased, including the category (hybrid or electric), on the basis of which a sampling exercise was carried out which demonstrated that the clean vehicles have been purchased in line with the requirements of the target. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (20) Milestone 3-29 provides for the adoption of the funding agreements by the AFITF board necessary for financing electric connections to offer alternative fuel on docks as well as the acquisition by the department in charge of maritime affairs at the Ministry of Ecology of new, cleaner vessels with lower emissions. France provided copies of funding agreements n° 20-78-16, n° 20-79-08 and n° 20-79-09, as well as amendment n° 21-82-11, regarding the financing of the investments described above, which demonstrated that they were adopted by the AFITF board and signed on 21 October 2020, 16 December 2020 (both agreements n° 20-79-08 and n° 20-79-09) and 22 July 2021 respectively and that their 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.
- Milestone 4-1 provides for the revision of the governance of the Investment for the (21)Future programme. It aimed at (i) the establishment of an Interministerial Innovation Council, which brings together the competent ministers around the Prime Minister, and decides orientations and priorities for the innovation policy, and (ii) the expansion of the missions of the Future Investments Supervisory Committee to advise the Interministerial Innovation Council in the development of innovation policies and to provide a consultative opinion on the identification of new investment priorities. These governance reforms will help the Future Investments Programme to benefit from a clear strategic steer. France provided a copy of two legal texts implementing the revisions of the governance: the Framework agreement (entry into force on 11 April 2021) and the Law n° 2010-237 of 9 March 2010 as modified on 31 December 2020 (entry into force on 31 December 2020), which demonstrated that the revision of the governance had taken place 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.
- (22) Target 4-2 provides for the validation of seven acceleration strategies to step up investment in advanced technologies for the green transition, in the context of the fourth Investments for the Future Programme. The seven strategies are (i) decarbonised hydrogen, (ii) decarbonisation of industry, (iii) sustainable agricultural

- systems, (iv) recycling and reincorporation of recycled materials, (v) sustainable cities and innovative buildings, (vi) digitalisation and decarbonisation of mobility, and (vii) biosourced products and industrial biotechnologies sustainable fuels. France provided the full text of each of the seven acceleration strategies, as well as relevant additional documents, which demonstrated the validation of the strategies and the publication of related documents and that their content and objectives 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.
- (23) Target 6-5 provides for the validation of six acceleration strategies to step up investment in key digital technologies, in the context of the fourth Investments for the Future Programme. The six strategies are (1) quantum, (2) cybersecurity, (3) education and digital, (4) cultural and creative industries, (5) 5G, and (6) cloud. France provided the full text of each of the six acceleration strategies, as well as relevant additional documents, which demonstrated the validation of the strategies and the publication of related documents and that their content and objectives 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.
- Milestone 7-3 provides for the entry into force of the Law aiming to enshrine the right to differentiation, which gives local authorities the possibility of applying, first in an experimental framework and then, under certain conditions in a lasting manner, rules relating to the exercise of their different powers to take account of their specificities. A copy of the Law n° 2021-467 of 19 April 2021 on the simplification of experiments implemented on the basis of the fourth paragraph of Article 72 of the Constitution, as well as a copy of the Government instruction of 12 May 2021 on the implementation of experiments undertaken on the basis of the fourth paragraph of Article 72 of the Constitution provided by France demonstrated that the Law entered into force and 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.
- (25) Milestone 7-6 provides for the submission of a report by the Commission for the Future of Public Finances (Commission pour l'Avenir des Finances Publiques, CAFP) on the post-crisis budgetary strategy and on the renovation of the public finance governance framework. The report, published on 18 March 2021, was provided by France, together with relevant annexes, which demonstrated that the report had been submitted 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.
- Milestone 7-7 provides for the implementation of selected recommendations of the report by the CAFP. France submitted a copy of the Organic Law n° 2021-1836 of 28 December 2021 on the modernisation of public finances management, which was published in the Official Journal on 29 December 2021 and will be applicable as from the tabling of the draft budgetary Laws for the year 2023. The Organic Law implements selected recommendations by (i) introducing a multi-annual expenditure rule applicable to total public spending and subject to monitoring in the context of the budgetary cycle; (ii) extending the prerogatives of the French national fiscal board to support the multiannual dimension and the consistency of public finances management; and (iii) providing for the introduction of a new annual report and a parliamentary debate on public debt and its long-term sustainability. The evidence provided demonstrated that selected recommendations of the report by the CAFP are

- being implement and that their 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.
- Milestone 7-8 provides for the implementation of a COVID debt containment scheme. France submitted a copy of the Budget Bill for 2022, the relevant Annex and an explanatory document, providing evidence of the debt ring-fencing strategy deployed. The Budget Bill for 2022, adopted on 30 December 2021, establishes a scheme to amortise the additional public debt resulting from the health crisis accumulated over the years 2020 and 2021. The amortisation, foreseen between 2022 and 2042, will be financed each year by a share of the increase in net government tax revenues resulting from GDP growth compared to 2020. The evidence provided demonstrated that COVID debt containment scheme is being implemented 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.
- Milestone 7-10 provides for the publication of a report on the results of the productivity reforms of public action carried out over the five-year presidential term. The relevant report was published on the website of the French Ministry of Economy and Finance on 7 October 2021. It presents the results of the main productivity reforms carried out in the public administration domain over the five-year presidential term period. The reforms reviewed in the report are numerous, have different scope and cover a wide range of areas. The evidence provided demonstrated that the report was published 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.
- (29) Milestone 7-11 provides for the publication of a report of the audit mission of the Court of Auditors on public finances. The report was published on the Court of Auditors' website on 15 June 2021 and submitted as evidence by France. It defines a comprehensive public finance strategy to exit the support mechanisms deployed in response to the health crisis, proposing 27 recommendations along four broad intervention areas: (i) strengthening France's growth potential; (ii) consolidating public finances; (iii) controlling public expenditure and improving its quality; (iv) reinforcing the effectiveness of public policy intervention. The evidence provided demonstrated that the report was published 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.
- (30) Milestone 7-35 provides for the establishment of audit and control procedures. France submitted a copy of the circular that was signed by the Prime Minister that sets out the roles and responsibilities of the coordinating body and ministries as well as the procedure for collecting and storing data. Furthermore, documents that outline the audit strategy were provided, such as model audit on the system and corroboration test results, coordination authority system audit report model, model audit sheet used for audits, risk mapping methodology and planning of the French audit authority activities. It is necessary to continue developing the system to improve aspects of some functionalities and the efficiency of the systems in place in order to ensure continuous compliance with the milestone and the obligations under the Financing Agreement. This includes developing further its data management system, in particular Propilot by strengthening its data collection, recording and storage systems, and improving the consolidation of the internal control activities, which require strengthening the administrative capacity of the coordinating authority (SGPR). The

- Commission will monitor the timely delivery of these measures. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (31) Milestone 8-3 provides for the entry into force of the reform that repurposes the existing short-time work schemes to the post-confinement context in order to boost economic activity. Copies of the four Decrees (Decree n° 2021-674 of 28 May 2021, Decree n° 2021-671 of 28 May 2021, Decree n° 2020-1316 du 30 October 2020, and Decree n° 2021-221 of 26 February 2021) amending the Law on short time work schemes provided by France demonstrated that the adaptations concerning: the adjustment in levels of compensation for employers and employees, the adjustment of the validity of authorisation period for recourse to short-time work scheme and the phasing out of increased support rate for protected sectors and administratively closed companies have all entered into force and that their 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.
- (32) Milestone 8-4 provides for the entry into force of amendments to the Law aiming at providing France with a more effective system of occupational safety and health, focusing on prevention on the one hand, and on the other hand reorganising the governance and functioning of the institutions responsible for occupational safety and health. A copy of Law n° 2021-1018 of 3 August 2021 on health and safety at work provided by France demonstrated that the content and objectives of the Law 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) Milestone 8-6 provides for the entry into force of four measures of the reform of the unemployment insurance scheme relating to new rules for calculating the benchmark daily wage on which the unemployment allowance is based; a sliding scale for reducing the benefits awarded to high-income recipients after 6 months; stricter eligibility conditions; the first step of a bonus-malus on employers' contributions to unemployment insurance to discourage the use of very short-term contracts. Copies of the three Decrees (Decree n° 2021-346 of 30 March 2021, Decree n° 2021-843 of 29 June 2021, Decree n° 2021-1251 of 29 September 2021) and other evidence provided by France demonstrated that the reform entered into force and 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.
- (34) Target 8-10 provides for hiring subsidies paid for apprenticeship contracts. The target set in the Council Implementing Decision Annex was to achieve at least 333 374 apprenticeship contracts for which a hiring subsidy has been paid to the employer. France provided copies of the two Decree Laws (Decree No 2021-224 of 26 February 2021 and Decree No 2021-363 of 31 March 2021) granting the exceptional hiring subsidies to employers of apprentices and other evidence, including the list of all hiring subsidies paid, on the basis of which a sampling exercise was carried out was provided, which demonstrated that the subsidies have been paid to employers in line with the requirements of the target. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (35) Target 8-12 set in the Council Implementing Decision Annex provides for achieving at least 337 000 hiring subsidies for the recruitment of young people aged below 26. France provided a copy of Decree n° 2020-982 of 5 August 2020 establishing aid on the recruitment of young people under the age of 26 and other evidence, including the

- list of all hiring subsidies paid, on the basis of which a sampling exercise was carried out was provided, which demonstrated that the subsidies have been paid to employers in line with the requirements of the target. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (36) Target 8-15 foresees that at least 185 000 students participate in the "Roped together for success" programme. France provided a copy of the Charter of the programme signed by the Minister for Education, Youth and Sports and by the Minister for Higher Education, Research and Innovation, as well as the list of schools with, for each of them, the number of pupils participating in the programme. On this basis, a sampling exercise was carried out and other evidence was provided, which demonstrated that the students have participated in the programme in line with the requirements of the target. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (37) Target 8-19 provides for places in higher education to be created. The target set in the Council Implementing Decision Annex was to create at least 16 000 places for post-baccalaureate students. France provided official documents describing the measure "Plan for youth: higher education for post-baccalaureate students" and other evidence, including the list of all public and private higher education institutions where places were created, on the basis of which a sampling exercise was carried out was provided, which demonstrated that the places were created for post-baccalaureate students in line with the requirements of the target. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (38) Target 8-22 set in the Council Implementing Decision Annex provides for achieving at least 12 500 hiring subsidies for the recruitment of persons with disabilities. France provided a copy of the legislative acts governing this measure and other evidence, including the list of all hiring subsidies paid, on the basis of which a sampling exercise was carried out, which demonstrated that the subsidies have been paid to employers 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) Milestone 8-29 provides for the signature of an agreement between the French State and 'France Compétences' the national authority responsible for the regulation and financing of apprenticeships and professional training to increase the financial resources of 'France Compétences' by EUR 750 000 000. A copy of the agreement signed on 25 March 2021 and a copy of the amended agreement signed on 13 December 2021 between the State and 'France Compétences' provided by France demonstrated that the agreement was signed allowing the transfer of EUR 750 000 000 to 'France Compétences' to primarily finance apprenticeship contracts that their 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.
- (40) Milestone 9-1 provides for the vote and publication of the bill to improve the health system through the simplification of the governance of hospitals. A copy of Law n° 2021-502 of 26 April 2021 on improving the health system provided by France demonstrated that the Law entered into force and 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.
- (41) Milestone 9-3 provides for the entry into force of the Law for the creation of a new branch of social security dedicated to supporting the independence of the elderly and

people with disabilities. A copy of Law  $n^{\circ}$  2020-991 of 7 August 2020 on social debt and autonomy and Law  $n^{\circ}$  2020-1576 of 14 December 2020 on the financing of social security for 2021 provided by France demonstrated that both legislative acts entered into force and their 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.

- (42) Milestone 9-18 provided for the launch of three calls for projects for the support to innovation in the fields of teaching (from kindergarten to university) and research. France provided the links toward the websites where the three calls for projects are published: (i) ExcellencES, (ii) diversification of the resources of higher education and research institutions, and (iii) transformation of school education by promoting innovation and new forms of organization and management. The terms of reference of the three calls or projects contain also the explicit reference to DNSH and exclusion of projects harming the environment. The evidence provided demonstrated that the calls were launched and that their 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.
- (43) Following the 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 first instalment of the non-repayable support should be authorised.
- (44) In accordance with Article 2(3) of the Council Implementing Decision, as specified in the Financing Agreement, the pre-financing shall be cleared by being proportionally deducted against the payment of the instalments. As France received 13% of the financial contribution as pre-financing, an amount of EUR 1 105 747 126 of the payment should be utilised to clear the pre-financing, equal to 13% of the instalment.
- (45) 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.
- (46) 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 first instalment of the non-repayable support as laid down in Section 2(1)(1.1) of the Annex to Council Implementing Decision of 13 July 2021 on the approval of the assessment of the recovery and resilience plan for France for an amount of EUR 8 505 747 126 is authorised.

In accordance with the Financing Agreement pursuant to Article 23(1) of Regulation (EU) 2021/241 between the Commission and France, EUR 1 105 747 126 shall be utilised to clear the pre-financing and EUR 7 400 000 000 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, 24.2.2022

For the Commission Paolo GENTILONI Member of the Commission