

26 January 2022

Positive preliminary assessment of the satisfactory fulfilment of milestones and targets related to the first payment request of 26 November 2021 submitted by France transmitted to the Economic and Financial Committee by the European Commission

Executive summary

In accordance with Article 24(2) of Regulation (EU) 2021/241, on 26 November 2021, France submitted a request for payment for the first instalment of non-repayable support. The payment request was accompanied by the required management declaration and summary of audits.

To support its payment request, France provided due justification of the satisfactory fulfilment of the 38 milestones and targets of the first instalment, as set out in Section 2(1)(1.1) of the Council Implementing Decision of 13 July 2021 on the approval of the assessment of the recovery and resilience plan for France¹.

For 11 targets covering a large number of beneficiaries, in addition to the summary documents and official listings provided by France, Commission services have assessed a statistically significant sample of individual files. The sample size has been uniformly set at 60, with 10 additional units for specific cases, which corresponds to a confidence level of 95% or above in all cases.

Upon receipt of the payment request, the Commission has assessed on a preliminary basis the satisfactory fulfilment of the relevant milestones and targets. Based on the information provided by France, the Commission has made a positive preliminary assessment of the satisfactory fulfilment of all 38 milestones and targets.

The milestones and targets assessed as part of this payment request demonstrate significant steps in the implementation of France's Recovery and Resilience Plan. This includes, among others, reforms in the areas of public finance, housing, mobility, unemployment insurance, skills, and health, as well as France's audit and control system for the implementation of the RRF.

The milestones and targets also confirm progress towards the completion of investment projects related to energy renovation of buildings, decarbonisation of industry, clean vehicles, research, youth employment, and education.

By the transmission of this preliminary assessment and in accordance with Article 24(4) of Regulation (EU) 2021/241, the Commission asks for the opinion of the Economic and Financial Committee on the satisfactory fulfilment of the relevant milestones and targets.

¹ (ST 10162/21; ST 10162/21 ADD 1), not yet published.

Contents

C1.R1 - Housing policy.....	4
C1.I1 - Energy renovation of private buildings.....	5
C1.I2 - Energy renovation of social housing.....	6
C1.I3 - Energy renovation of public buildings	8
C2-I1 - Decarbonisation of industry	10
C2.I2 - Urban densification: sustainable construction.....	11
C3.R1a - Mobility law	13
C3.R1b - Mobility law	14
C3.R2 - Green budget.....	15
C3.I1 - Support to railway	15
C3.I2 - Support for the purchase of clean vehicles	16
C3.I3 - Daily mobility	17
C3.I4a - Acceleration of transport infrastructure works.....	18
C3.I4b - Acceleration of transport infrastructure works.....	19
C3.I5 - Greening of the State car fleet	20
C3.I6 - Greening of Harbours	21
C4.R1 - Reform of the Governance of Programme d'investissements d'avenir (PIA)	22
C4.I1 - Innovate for the green transition	24
C6.I2 - PIA - Key digital technologies.....	25
C7.R2 - Organic law Experimentation	26
C7.R4a - Governance of public finances	27
C7.R4b - Governance of public finances	28
C7.R4c - Governance of public finances.....	29
C7.R5a - Assessment of the quality of public spending	30
C7.R5b - Assessment of the quality of public spending.....	31
Control and audit procedures in the implementation of the RRF	32
C8.R2 - Reform of short-time work schemes.....	33
C8.R3 - Reform of health and security at work.....	34
C8.R4 - Reform of the unemployment insurance	36
C8.I3 - Hiring subsidy for apprenticeship contracts.....	38
C8.I5 - Hiring subsidies for youth under 26	39
C8.I8 - "Roped together for success" (Cordées de la réussite).....	39
C8.I12 - Plan for youth: higher education.....	40
C8.I15 - Support to employers for hiring of persons with disabilities (AMEETH).....	42
C8.I21 - Increase in the resources of France Compétences.....	43

C9.R1 - National Strategy for the Transformation of the Health System	44
C9.R2 - Creation of a new branch of social security covering the risk of loss of autonomy.....	45
C9.I8 - PIA4 - Support to teaching, research, promotion and innovation ecosystems.....	45

Number: 1-1	C1.R1 - Housing policy
Name of the Milestone: Reform of the APL (« aides personnelles au logement »)	
Qualitative Indicator: Entry into force	Time: Q1 2021
<p>Evidence Provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> • Summary document duly justifying how the milestone was satisfactorily fulfilled and providing an explanation of how the decrees address the requirements set out in the CID Annex. • Decree 2019-1574 of 30 December 2019 on the resources taken into account for the calculation of personalised housing assistance (“aides personnelles au logement”) (Official Journal of the French Republic, 0303 of 31 December 2019). • Decree 2020-1816 of 29 December 2020 amending Decree 2019-1574 on the resources taken into account for the calculation of personalised housing assistance (Official Journal of the French Republic, 0316 of 31 December 2020). • Link to the website where the legislative act was published. 	
<p>Objectives of the measure:</p> <p>As provided in the CID, the milestone aims firstly at reforming the calculation methodology of the amount of APL aid. It is to be calculated on the basis of the current income of the beneficiary household, instead of the income of the penultimate year. Secondly, the amount of aid should be recalculated every quarter, allowing for a gradual taking into account of recent changes in income. Such revisions will allow the system to adapt more quickly to the income variations of beneficiaries, with a view to improve social fairness.</p> <p>Analysis:</p> <p>Until the end of 2020, the references taken into account for the calculation of the right to APL were based on the income of calendar year N-2. The revision of the calculation modalities for the APL is now done (as per the provisions of Decree 2019-1574):</p> <ul style="list-style-type: none"> • Firstly, on the basis of the current income of the beneficiary household, instead of the income of the penultimate year. • Secondly, the amount of aid shall be recalculated every quarter (allowing for a gradual taking into account of recent changes in income). • In particular, Article 2 of Decree 2019-1574 provides that <i>“the resources and charges taken into account for the calculation of personalised housing assistance are assessed every three months [...]. For the resources mentioned in Article R. 822-4 taken into account [...] over a reference period running from the thirteenth to the second month preceding the date of initiation or review of the right to personal assistance to lodging.”</i> <p>Both points are in line with the requirements in the description of the milestone, according to which the revised calculation modalities should reflect current income of the beneficiary household.</p> <p>Based on the above, the provisions entered into force on 1 January 2021 (and on 1 May 2021 for the specific case of the provisions on personalized housing assistance provided for first-time home buyers (“aide personnalisée au logement à l’accession”), according to Article 2 Decree 2020-1816 which specifies that <i>“the provisions of this decree are applicable to the calculation of rights to personal housing assistance from the month of January 2021 or, for the calculation of rights to personalized housing assistance provided for first-time home buyers [...] from May 2021.”</i> All CID criteria are therefore fulfilled.</p>	
Commission Preliminary Assessment: Satisfactorily fulfilled	

Number: 1-4	C1.I1 - Energy renovation of private buildings		
Name of the Target: Number of MPR validated			
Quantitative Indicator: Number	Baseline: 0	Target: 400 000	Time: Q4 2021
<p>Evidence Provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> 1. Summary document duly justifying how the target was satisfactorily fulfilled 2. Three implementing acts (two administrative decisions, or “arrêtés,” and one decree) establishing the technical features and eligibility criteria for the MaPrimeRenov’ scheme: <ol style="list-style-type: none"> a. The Decree n°2020-26 of 14 January 2020 on the energy transition premium, which describes the MPR scheme for owners occupying their home; b. the administrative decision, or “arrêté”, of 14 January 2020 on the energy transition premium, which complements the decree; c. the administrative decision or “arrêté” of 17 November 2020 on the technical characteristics and procedures for carrying out works and services for which expenditure is eligible for the energy transition premium. 3. The list of all MPR validated by Anah (National Housing Agency) and allocated for individual homes (460 839 records), with information on: <ol style="list-style-type: none"> a. the location of the project; b. the type of beneficiary (in terms of income); c. the amount of MPR and the amount of renovation works; d. the dates of instruction of the file. 4. The list of detailed renovation works per types of work for all MPR validated by Anah. 5. The list of MPR files which have benefited from a “thermal sieves” bonus (799 records), which is allocated to dwelling poorly insulated (e.g. with Energy Performance Diagnostic corresponding to F and G categories). 6. The list of MPR allocated to buildings administered in co-ownership (“co-propriétés”), e.g. to multi-apartments buildings (56 records). 7. In the context of the sampling analysis, 143 supporting documents for the list of 70 samples for further verification of the: <ol style="list-style-type: none"> a. 60 MPR allocated without the thermal sieves” bonus; b. 10 MPR allocated with the “thermal sieves” bonus. 			
<p>Objectives of the measure:</p> <p>As provided in the CID, this measure is a grant scheme, called ‘MaPrimeRenov’ (MPR), which is allocated to owners in order to contribute to financing insulation, heating, ventilation or energy audit works for single-family house or apartments in collective housing. The premium level depends on the income of the owner as well as the types of energy renovation to be performed. In order to guarantee quality standards of the works supported, the renovation works are carried out by companies with the RGE label (“recognized as guarantors of the environment”).</p> <p>Analysis:</p> <p>The three implementing acts (one decree and two “arrêtés”) define the modalities of the “MaPrimeRenov” support scheme, in terms of eligibility criteria (types of works supported, types of dwellings and households), funding mechanisms (maximum amount of premium, aid intensity thresholds per category, specific bonuses for deep renovation or for “copropriétés”), which correspond to the description of the measure in the CID Annex. The “Decree” 20-26 of 14 January 2020 defines these modalities, and it has been complemented by the administrative decision or “arrêté” published on the same date (and modified on 25 January 2021) and the administrative decision or “arrêté” of 17 November 2020 specifying the technical characteristics of heating and hot</p>			

water systems (high performance boilers, heat pumps, etc.).

The list containing the total number of “MaPrimeRenov” validated by Anah (National Housing Agency) to households committing to carry out energy renovation works in their home exceeds the target of 400 000 (460 839 records). In addition to this list, 56 additional MPR have been allocated to “co-propriétés”, which means the CID target has been exceeded by a large margin of 60 895.

Within the global listing, data are provided on all elements of the Operational Arrangements:

- types of beneficiaries (owners occupying their home or lending it);
- level of income of each beneficiary;
- aid intensity, which can be calculated with the amount of MPR validated and the amount of renovation works to be performed;
- location of the dwelling;
- the bonus allocated for “thermal sieves”;
- the list of MPR allocated to “co-propriétés” (in a separate list).

The analysis shows that the vast majority of MPR are allocated to owners occupying their homes (99%), and most of these owners’ incomes are low to very low (68%) (e.g. for single-person households, the income is less than 25 068 euros per year in “Ile-de-France” region, or less than 19 074 euros per year in other regions). The average aid intensity is 28.5%. For 31 MPR, the aid intensity is above the maximum threshold of 90%, but the French authorities explained that this anomaly (very marginal as it concerns 0.006% of all MPRs) will be corrected at the time of the final allowance calculation. The location shows that the entirety of the French territory is covered as all French departments are concerned.

The evidence provided for a sample of 60 MPR allocated to owners (without thermal sieves) includes the formal notification of the MPR by Anah to the beneficiary, the RGE label (“recognized as guarantors of the environment”) of the company performing the works which guarantees the quality standards of the works supported, certifying that the MPR are allocated according to the criteria defined in the CID Annex. All samples are supported by the necessary evidence, except for three of them. For samples 20, 29 and 41 the MPR was withdrawn (either because the demand for a subsidy was made after the works had been completed, or because the nature of the works of the estimate did not correspond to the works of the invoice, or because the beneficiary decided not to carry out renovation works).

On this basis, a statistical analysis has been carried out comparing the reported 460 839 records and the target of 400 000, with the 60 samples, out of which 57 have been considered as successful.

For the sample concerning 10 additional MPR allocated with the “thermal sieves” bonus, supplementary evidence was provided: the formal notification of the “bonus” allocation and the energy performance that will be achieved thanks to the renovation works supported. All samples are supported by the necessary evidence.

The conclusion is that the CID target of 400 000 has been over-achieved.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 1-6	C1.I2 - Energy renovation of social housing		
Name of the Target: Number of dwellings within the category of social housing receiving a grant for renovation			
Quantitative Indicator: Number	Baseline: 0	Target: 20 000	Time: Q4 2021

Evidence Provided:

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

1. Summary document duly justifying how the target was satisfactorily fulfilled and providing an explanation of how the target addresses the requirements set out in the CID Annex.
2. Administrative decision or “arrêté” of 25 October 2021 (Official Journal of the French Republic “Journal Officiel de la République Française” (JORF), fixing the amounts and detailed rules for the aid granted in application of decree n° 2021-1070 of 11 August 2021.
3. Administrative decision or “arrêté” of 17 November 2020 (JORF), fixing the technical characteristics and detailed rules for performance of the works and services the expenditure of which is eligible for the premium energy transition.
4. The Decree n° 2020-26 of 14 January 2020 (JORF), providing information about the energy transition premium.
5. Beneficiaries List 1 Plan de relance - Heavy rehabilitations in metropolitan areas (Réhabilitations lourdes métropole).
6. Beneficiaries List 2 Plan de relance - Outre-mer.
7. Beneficiaries List 3 Plan de relance - MassiRéno.
8. Explanation note on selection criteria for calls for projects MassiRéno - social rental park (Fiche explicative des critères retenus Appel à projet MassiRéno - Massification exemplaire du parc locatif social).
9. Administrative documents for call for projects MassiRéno (Plan de Relance – Appel à Projets « MassiRéno » Massification de la rénovation exemplaire du parc locatif social).
10. Explanation note for selection criteria Heavy rehabilitation and energy renovation of social housing in Outre-mer (Fiche explicative des critères retenus, Réhabilitation lourde et rénovation énergétique des logements du parc locatif social en Outre-Mer).
11. Administrative decision or “arrêté” of 29 September 2009 update in 01/03/2012 (JORF), about conditions for the label attribution high energy performance (Haute performance énergétique), giving information about low consumption building (Batiment Basse Consommation - BBC label (MassiRéno).
12. Administrative decision or “arrêté” of 15 September 2006 update in 01/07/2021 (JORF), on the energy performance diagnostic for existent buildings on sale in metropolitan France, providing information on the Energy Performance Diagnostic (Diagnostic de Performance Energétique- DPE) levels.
13. Convention of 30/08/2019 on the social eco-loan for improving the energy performance of social housing, chapter about Outre-mer.
14. In the context of the sampling analysis, supporting documents were provided for the list of 70 samples for further verification of the:
 - 60 Social housing dwellings receiving a grant for renovation in Metropolitan areas.
 - 7 Social housing dwellings receiving a grant for renovation in Outre-mer.
 - 3 Social housing dwellings receiving a grant for renovation under MassiRéno.

Objectives of the measure:

As provided in the CID, this measure consists in supporting social housing organisations (“organismes HLM - Habitation à Loyer Modéré” are offices in charge of low-income housing) and local authorities operating social housing in their work to support deep renovation of buildings. The ambition is to achieve the highest standards of renovation and gradually eliminate energy sieves. The target has two dimensions: (i) it targets 20 000 social dwellings, (ii) with an objective of achieving at least 30% of energy savings on average.

Analysis:

The five implementing acts (one decree, four administrative decisions or “arrêtés”) and one convention define the modalities of eligibility criteria and funding mechanisms, which correspond to the description of the measure in the CID Annex.

i. 20 000 dwellings in the category of social housing receiving a grant for renovation:

- The data extracted from the database (GALION) of the Direction de l’Habitat, de l’Urbanisme et des Paysages (DHUP), categorise the applications for financing social housing by a) beneficiaries; b) type of projects (“Heavy rehabilitations in metropolitan areas”, “Outre-mer” and “MassiRéno”); c) number of dwellings concerned, d) location, as indicated in the verification mechanism of the Operational Arrangement (OA) (data from the GALION database were crosschecked with data from CHORUS, the governmental financial information system as required in the OA).
- The total number of dwellings renovated exceeds the target of 20 000: 18 530 dwellings are concerned for “Heavy rehabilitations in metropolitan areas”, 2 150 for “Outre-mer” and 616 for MassiRéno (i.e. a total of 21 296).

ii. Reaching at least 30% of energy savings on average

- For projects under the “Heavy rehabilitations in metropolitan areas” (selection procedure subsidies), the energy savings are determined by the energy performance diagnostic (DPE diagnostic de performance énergétique) label. On average, for all dwellings, the DPE label is increased by more than 2 levels, which represents more than 30% of energy savings.
- For projects in “Outre-mer” (selection procedure subsidies), while DPE certificates are not available, the selection criterion is based on a grants points system determined by the types of renovation to be performed. All projects have been selected in order to achieve at least 40% energy savings.
- For projects of the “MassiRéno” scheme (selection procedure through a call for projects), the renovation works are based on global processes to achieve high energy performance levels. Technical specifications of the calls for tenders under “MassiRéno” include a condition that at least 31% of energy savings on average is achieved.

All samples were supported by the necessary evidence. For 16 samples, additional evidence was provided on (i) energy saving with DPE certificates (or equivalent) before the renovation works and the DPE estimate after the renovation works, (ii) number of dwellings and (iii) exact location.

The conclusion is that all projects achieve the objective of at least 30% of energy savings on average as required by the CID.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 1-8	C1.I3 - Energy renovation of public buildings		
Name of the Target: Number of renovation projects of public sites belonging to the State, for which the renovation works contract has been notified			
Quantitative Indicator: Number	Baseline: 0	Target: 2 900	Time: Q4 2021
Evidence provided:			
In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:			
<ul style="list-style-type: none"> • A <u>summary note</u> justifying how the target was satisfactorily fulfilled. This includes a justification of how the selection of projects is expected to meet the objective of achieving at least 30% of energy savings on average. • A document (thereafter “List of Projects”) compiling information - extracted from the 			

dedicated web-based reporting tool, managed by the Department of State Real Estate of the Ministry of Economy and Finance, of renovation operations of buildings belonging to the State - on the 2 906 projects for which at least one renovation works contract has been notified, including:

- a. beneficiaries;
 - b. number of square metres of floors of the site where energy renovation will be completed;
 - c. location;
 - d. expected date of completion;
 - e. energy savings (except for projects below EUR 70 000).
- The calls for proposals published in the context of this measure provide further information on the eligibility of the types of buildings for thermal renovations, on the timing of the works, on the energy savings calculation methodology, on the program monitoring indicators (notably for verification of the expected/declared energy efficiency savings), etc.
 - In the context of the sampling analysis, 1 109 documents were submitted as supporting evidence. The sampling exercise targeted the documents evidencing that the requirements of the projects were fulfilled for 60 random projects and additionally for the 10 projects that contributed the most to achieving at least 30% of energy savings on average.

Objectives of the measure:

As provided in the CID, this measure supports energy renovation works of public buildings belonging to the State. The target has two dimensions: (i) it targets 2 900 renovation projects of public sites for which at least one renovation work contract has been notified, (ii) with an objective of achieving at least 30% of energy savings on average.

Analysis:

i. 2 900 projects for which at least one renovation work contract has been notified:

- The List of Projects compiles 2 906 projects for which the Department of National Real Estate (“Département de l’Immobilier de l’Etat”) of the Ministry of Economy and Finance has received notification of at least one renovation work contract.
- The data is extracted from the dedicated web-based reporting tool managed by the Department of National Real Estate of the Ministry of Economy and Finance, filtering the projects for which one renovation work contract has been notified. Only the projects for which a notification occurred were submitted to the Commission as part of the List of Projects.
- This extraction allows to verify (i) that at least one renovation work contract for each of these projects was indeed notified before the end of 2021 and (ii) that all works have the objective to be completed by the end of 2024. This means that the objective of at least 2 900 projects for which at least one renovation work contract has been notified is considered as reached.

ii. Reaching at least 30% of energy savings on average:

- The List of Projects presents an average of approx. 40.2% of energy savings, weighted by the size of the project (financial amount of the project), over the 2 906 projects notified.
- The summary note contains a justification of how the 2 906 of projects are expected to meet the objective of at least 30% of energy savings on average.
- At the stage of the notification of the renovation works (i.e. the works have not been completed yet), the energy efficiency gains per project have been based on the declarations of the beneficiaries based on thermal studies providing an estimation of the energy efficiency gains to be expected through the renovation works.
- France provided evidence to support the declarations made by the beneficiaries of the estimated energy efficiency gains the renovation work should bring.

- For 69 out of 70 projects selected by sampling, the evidence provided matches the declarations of the beneficiaries. For one project, the evidence was inconclusive. Under a scenario where the single remaining project for which the evidence is not conclusive is considered as contributing 0% to the energy savings, the weighted average of 30% is still achieved.
- The calls for proposals for these projects detail the monitoring program that will further follow up on the declared energy efficiency gains to refine, if needed, the initial expectations as the renovation works of the projects advance and are concluded. Such monitoring will occur every 3 months, per project and will be followed by the services of the Ministry of the Economy. This monitoring system provides sufficient assurance that the energy savings requirement are abided by.
- The conclusion is that the target achieves the objective of at least 30% of energy savings on average, in line with the requirements of the CID.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 2-4	C2-I1 - Decarbonisation of industry		
Name of the Target: Greenhouse gas emissions avoided			
Quantitative Indicator: Million tons of CO ₂	Baseline: 0	Target: 3.5	Time: Q2 2021
Evidence Provided:			
In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:			
<ol style="list-style-type: none"> 1. Summary document duly justifying how the target (including all the constitutive elements) was satisfactorily fulfilled 2. An Excel file containing the list of 37 projects selected within the framework of two calls for projects (one called “decarbonisation of industry” and another one called “energy efficiency in the industry”), monitored by the Agency for ecological transition (ADEME), including projects outside of the scope of the ETS market, and projects in ETS installations for which the CO₂ reduction is going below the relevant ETS benchmark(s) referred to in the ETS Directive². For these 37 projects, the Excel files provides information on: <ul style="list-style-type: none"> • the type of calls • the selection phase of the project (validation by the steering committee, validation by the Minister, contract signed), • information on the project (name of the company, name of the project and location of the project, including zoning related to regional aid called “AFR”, aide à finalité régionale) • greenhouse gases (GHG) emissions avoided, in tons of CO₂ equivalent per year, and on a 20 year period For ETS installations (i.e. for 15 projects out of 37), additional information is provided on: <ul style="list-style-type: none"> • the sub-installation concerned by the investment • the technology to be developed through the project • the carbon intensity of the project (in tons of CO₂ equivalent per ton or per Terajoule), based on the estimated GHG emissions with the new investment (in tons of CO₂ equivalent per year) and the production level envisaged (in tons or in Terajoule per year) • the difference (in %) between the carbon intensity of the project and the relevant ETS benchmark 3. The description of the specifications of the call for projects related to the decarbonisation 			

² Benchmarks established for free allocation for activities falling within the scope of the Emissions Trading System, as set out in the Commission Implementing Regulation (EU) 2021/447.

of industry, as revised on 28 June 2021.

Following information requested on technologies used for each project, 62 additional documents were provided:

- One cover note explaining the content of the additional documents provided
- 61 documents, covering all 37 projects, which are:
 - Technical annexes and subsidy agreements, for contracted projects;
 - The relevant materials presented to the steering committee responsible for project selection, for projects that have not yet been contracted.

Objectives of the measure:

As provided in the CID, this investment contributes to the decarbonisation of the industrial sector, by financing investment to reduce energy consumption of industrial companies and reducing greenhouse gas emissions by 5 million tonnes of CO₂ equivalent (3.5 million tonnes for the first target). Investments made within ETS installations shall enable to decrease CO₂ emissions below the benchmark referred to in the ETS Directive.

Analysis:

The projects were selected through calls for projects. France provided the terms of reference for the call for project related to the decarbonisation of industry, revised on 28 June 2021 to comply with the CID. The terms of reference require that applicants shall include information on “the carbon intensity per sub-installation estimated on the basis of assigned emissions and activity levels, and their comparison with the corresponding EU-ETS benchmarks for the period 2021-2025. If the EU-ETS reference levels are not met, the industrial installation will then have to provide information explaining why this level of requirement cannot be met in the context of the project.”

The Excel file with the list of 37 projects performed in industrial installations shows that the quantity of GHG emissions avoided (in tons of CO₂ equivalent), throughout the life of the projects (set to 20 years), is above the target (3.69 Mt vs 3.5 Mt). The data included in this table were extracted from supporting documents provided by France, in the form of technical annexes to contract, for projects which already received a contract, and submissions to the committee responsible for projects selection, for projects which have not yet been contracted. These documents set out the technologies that will be put in place, the site’s projected emissions after the implementation of the project, which have been evaluated by the ADEME on the basis of technical evidence provided by the project’s holder.

In addition, for the 15 ETS installations selected, the reduction of CO₂ emissions is always below the ETS benchmark included in the ETS directive 2003/87/EC. For three ETS installations, the reduction of CO₂ emissions is considered not to be “significantly below the ETS benchmark”: for one of them, the reduction is 0.14% in comparison to the applicable benchmark; for two other ETS installations, the reduction of CO₂ emissions will lead to emissions that are not below the 10% best performers for the relevant benchmark. France provided a justification explaining why the technology chosen will not allow to decrease CO₂ emissions substantially below the relevant ETS benchmark as requested by the conditions attached to this target in the CID.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 2-6	C2.I2 - Urban densification: sustainable construction		
Name of the Target: Number of municipalities benefiting from the aid			
Quantitative Indicator: Number	Baseline: 0	Target: 1 200	Time: Q4/2021
Evidence Provided: In line with the verification mechanism set out in the Operational Arrangements, the following			

evidence was provided:

1. A summary document duly justifying how the target (including all the constitutive elements) was satisfactorily fulfilled;
2. A decree laying down the detailed rules for granting the aid: Decree 2021-1070 of 11 August 2021 (JORF n°0186) laying down the arrangements for granting aid for relaunching sustainable construction
3. An implementing ministerial order laying down the density categories: *Arrêté* of 12 August 2021 (JORF n°0195) adopted pursuant to Decree No 2021-1070 of 11 August 2021 laying down detailed rules for granting aid for relaunching sustainable construction
4. An inter-ministerial order setting out the list of beneficiary municipalities: *Arrêté* of 25 October 2021 (JORF 0252) fixing the amounts of aid granted pursuant to Decree No 2021-1070 of 11 August 2021 laying down detailed rules for granting aid for the relaunch of sustainable construction.
5. An Excel table indicating the list of municipalities which benefit from the measure, listed by Département and for each of them:
 - a) Confirmation of compliance with the rules imposed by the “Solidarity and Urban Renewal Act” of 2 000, by which social housing must represent 20% of the residential stock
 - b) The applicable administrative procedure (“ORT” or “PPA”)
 - c) Information of the building density
 - d) The number of beneficiaries
 - e) The number of dwellings builtThe information has been extracted by the authorities from the public database Sitadel.
6. Copy of decree n° 2021-1004 of 29 July 2021 (JORF n°0176 du 31 July 2021) on energy and environmental performance requirements for building constructions in metropolitan France
7. Copy of the Ministerial order of 4 August 2021 on the energy and environmental performance requirements of building constructions in metropolitan France and approving the calculation method provided for in Article R. 172-6 of the Construction and Housing Code (JORF n°0189 du 15 August 2021)
8. In the context of the sampling analysis, supporting documents were provided for the list of 60 samples for further verification.

Objectives of the measure:

As provided in the CID, this measure aims to help municipalities increase housing density, in areas affected by housing shortage. A flat-rate aid shall be allocated to municipal authorities complying with the conditions set out in the decree putting the scheme in place.

Analysis:

France provided a list of **1 288 municipalities** that received the financial support. An inter-ministerial decree of 25 October 2021 set out the list of beneficiary municipalities with the amount of aid. Notifications of individual decisions to pay aid to municipalities will be taken by the prefects by the end of 2021 on the basis of the inter-ministerial decree.

Therefore, the target of 1 200 municipalities benefitting from the aid has been achieved.

The decree 2021-1070 and the implementing ministerial order of 12 August 2021 lay down the eligibility conditions of the municipalities to financial support. The municipalities shall comply with the obligations imposed by the “Solidarity and Urban Renewal Act” of 2000, by which social housing must represent 20% of the residential stock; the construction program must include at least two dwellings exceeding certain density thresholds and must have been subject to previous urban authorisation.

The Excel table provided by France is based on information provided by the municipalities in the Sitadel database which is a public database for urban authorisations and related documents. Additionally, France provided the link to public databases where information on compliance with the “Solidarity and Urban Renewal Act” and information related to the urban authorisations could be found. According to this table and the public databases, the sampled municipalities comply with the eligibility criteria listed in the CID. They all comply with the requirement of the “Solidarity and Urban Renewal Act”, they all include at least two dwellings exceeding certain density thresholds and have all been granted an urban authorisation. Furthermore, France provided the RE2020 regulation, adopted in a form of a decree n°2021-1004 published on 29 July 2021 and a Ministerial order of 4 August 2021 published on 15 August 2021. This new regulation sets new principles to reduce the carbon impact of new buildings and increase their energy performance, in application as of the 1st of January 2022. This new regulation will therefore apply to all the buildings concerned by the measure.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 3-1	C3.R1a - Mobility law
Name of the Milestone: Article 35.2 of Law No 2019-1428 of 24 December 2019 on mobility	
Qualitative Indicator: Entry into force	Time: Q3 2020
Evidence Provided:	
In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:	
<ol style="list-style-type: none"> 1. Summary document duly justifying how the milestone was satisfactorily fulfilled and providing an explanation of how the mobility law (<i>Loi n° 2019-1428 du 24 décembre d'orientation des mobilités</i>) addresses the requirements set out in the CID Annex 2. Extract of Article 35 of the mobility law (Law n° 2019-1428) with relevant references to decrees to be implemented highlighted 3. Copy of decrees n° 2020-678 (<i>Décret n° 2020-678 du 5 juin 2020 relatif à la nature des frais de covoiturage et aux conditions de versement d'une allocation par les autorités organisatrices</i>) and 2020-679 (<i>Décret n° 2020-679 du 5 juin 2020 portant définition du seuil de distance applicable aux très courts trajets de covoiturage</i>), which cover the entry into force of measures pursuant to Article 35 of Law n° 2019-1428. 4. Link to the website where the legislative act was published. 	
Objectives of the measure:	
As provided in the CID, 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 law contains a comprehensive package of policy instruments on governance, regulations, and investment plans. A number of secondary legislations linked to the Mobility law are to be implemented during the RRF timeframe, including the conditions under which journeys may entail financial allocation to drivers who offered car sharing, management transfer of rail networks with local interest and revision of the financial and operational programming of State investments in transport infrastructure.	
Analysis:	
Article 35.2 of the Mobility Law provides that two elements will be laid down by decree: i) the conditions under which a journey may give rise to the payment of an allowance to drivers who offered car sharing in the absence of passengers, ii) the determination of a distance threshold below which the calculation of the allowance may be subject to certain derogations.	
Decree n° 2020-678 stipulates that the conditions of Article R.3132-3 (regulating the calculation of the	

amount of the allowance and stating that it may not exceed the cost of the trip outside of certain derogations) of the transport code (*code des transports*) apply equally to drivers who offered car sharing and completed the trip without passengers. By setting out these conditions, the decree addresses the requirements of the CID.

Decree n° 2020-679 stipulates that the threshold of a very short car sharing trip (below which the calculation of the allowance may be subject to certain derogations) is 15 kilometres.

Both decrees were published on 5 June 2020 and entered into force the day after their publication, according to the preamble of both decrees.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 3-2	C3.R1b - Mobility law
Name of the Milestone: Article 172 of Law No 2019-1428 of 24 December 2019 on mobility	
Qualitative Indicator: Entry into force	Time: Q2 2021
Evidence Provided:	
In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:	
<ol style="list-style-type: none"> 1. Summary document duly justifying how the milestone was satisfactorily fulfilled and providing an explanation of how the law addresses the requirements set out in the CID Annex 2. Copy of decree n° 2020-1820 (<i>Décret n° 2020-1820 du 29 décembre 2020 relatif au transfert de gestion de lignes ferroviaires d'intérêt local ou régional à faible trafic et au transfert de missions de gestion de l'infrastructure sur de telles lignes, et portant diverses autres dispositions</i>), which covers the entry into force of measures pursuant to Article 172 of Law n° 2019-1428. 3. Link to the website where the legislative act was published. 	
Objectives of the measure:	
As provided in the CID, 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 law contains a comprehensive package of policy instruments on governance, regulations, and investment plans. A number of secondary legislations linked to the Mobility law are to be implemented during the RRF timeframe including the conditions under which journeys may entail financial allocation to drivers who offered car sharing, management transfer of rail networks with local interest and revision of the financial and operational programming of State investments in transport infrastructure.	
Analysis:	
Decree n° 2020-1820 stipulates the conditions for proceeding with a transfer of management. These include in particular that the authority wishing to take over the management of a rail network should address a request to that effect to the Minister in charge of transport. The Minister will take a decision after receiving an opinion of the transport regulatory authority (<i>L'Autorité de régulation des transports</i> or ART), SNCF Réseau, and SNCF Gares & Connexions. The request should specify among others which railway lines are the subject of the request and the scope of the transfer, including in particular the service facilities exclusively dedicated to the lines concerned whose transfer is desired. The ability for the management of rail networks to be transferred to local authorities addresses the requirement of the CID.	
The decree was published on 31 December 2020 and entered into force the day after its publication, according to the preamble.	
Commission Preliminary Assessment: Satisfactorily fulfilled	

Number: 3-4	C3.R2 - Green budget
Name of the Milestone: Green budget with the Financing law	
Qualitative Indicator: Publication of the Green budget with the Financing law	Time: Q4 2021
<p>Evidence Provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> 1. Report on the environmental impact of the State Budget – September 2021 (<i>‘Rapport sur l’impact environnemental du budget de l’État – septembre 2021’</i>) published on 11 October 2021 as an annex to the draft budgetary law for 2022. The report contains a dedicated box explaining the methodology used to treat operating expenditures. 	
<p>Objectives of the measure:</p> <p>As provided in the CID, the measure concerns the publication of a Green Budget that aims to set up a standardized and comprehensive information framework targeted to Parliament and civil society on the environmental impact of the State Budget.</p>	
<p>Analysis:</p> <p>The report sent by France corresponds to the green budgeting document evaluating the environmental impact of budgetary credits and tax expenditures included in the 2022 State budget. Also included in the report are a consolidated overview of public and private funding mobilized in favour of the ecological transition and an overview of green public resources and environmental taxation.</p> <p>In the green budget, the treatment of the operating expenditures benefits from an improved methodology in line with the CID (dedicated “box 2” in the Green Budget on page 76). The first edition of the French green budget (budget 2021) only presented the operating expenditures synthetically. This enriched edition for 2022 now categorizes these expenditures by type (e.g. fuel, water, electricity, transports...) and by Ministry.</p> <p>The 2022 Budgetary law was published in the Official Journal on 31 December 2021 (Loi de finances n° 2021-1900 du 30 décembre 2021 pour 2022).</p>	
Commission Preliminary Assessment: Satisfactorily fulfilled	

Number: 3-5	C3.I1 - Support to railway
Name of the Milestone: Conclusion of the funding agreements	
Qualitative Indicator: Adoption by the AFITF board of the funding agreements	Time: Q3 2021
<p>Evidence Provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> 1. Copy of signed funding agreement between the Agency responsible for investing in transport infrastructure (hereinafter: ‘AFITF’) and the State, Ministry for Ecological Transition, represented by the Director-General for Infrastructure, Transport and the Sea, dated 30/09/2020 and signed on 21/10/2020 with reference n° 20-78-16; 2. Copy of signed funding agreement between the AFITF and the State, Ministry for Ecological Transition, represented by the Director-General for Infrastructure, Transport and the Sea, signed on 01/02/2021 with reference n° 20-79-08, including amendment_signed on 22/07/2021 with reference no. 21-82-11; 3. Copy of signed funding agreement between the AFITF and the State, Ministry for Ecological 	

Transition, represented by the Director-General for Infrastructure, Transport and the Sea, dated 27/01/2021 and signed on 17/02/2021 with reference n° 21-80-04;

4. Summary document duly justifying how the target (including all the constitutive elements) was satisfactorily fulfilled, with appropriate links to the underlying evidence; and
5. List of the already selected freight lines that will be renovated, including the number of kilometres and location as well as the type of works to be performed; and
6. List of the already selected small local lines that will be renovated, including the number of kilometres and location as well as the type of works to be performed.

Objectives of the measure:

The adoption of the funding agreement, in line with the requirements of the CID, paves the way to significant investments in the French railway network, in particular to renovate local railway lines in cooperation with the State and the regions, and renovate freight lines and embedded logistic platforms.

Analysis:

The AFITF (Transport Infrastructure Financing Agency for France) manages the provision of financing for transport infrastructure investment programmes on behalf of the State. The signature of funding agreements puts funds at the disposal of the AFITF, which can then enter into contracts with beneficiaries, project by project. The actual selection of projects for this measure will be finalised by the end of 2022. Ultimately, the conventions will finance the renovation of small local railway lines and freight lines. Eight subsequent targets as well as one milestone, over the 2022-2025 period, will track the implementation of projects.

As provided in the CID, the milestone concerns the adoption by the AFITF Board of the funding agreements related to the implementation of the measure to support the railway sector.

- The three above mentioned AFITF funding agreements have been adopted by the AFITF board and were signed on 21/10/2020, 01/02/2021 and 17/02/2021 respectively. Amendment n° 21-82-11 was adopted and signed on 22/07/2021.
- The funds from the Facility will be transferred to the AFITF, which will be in charge of signing the contracts with the beneficiaries and granting the subsidies.
- The list of projects is not yet complete, as the programming period runs until the end of 2022, meaning that not all projects have been selected yet. By 24 October 2021, 4 freight line projects were selected for a total of 106.6 kilometres of line and 53 small lines projects were selected for a total of 554 kilometres of line.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 3-15	C3.I2 - Support for the purchase of clean vehicles		
Name of the Target: Ecological bonuses			
Quantitative Indicator: Number	Baseline: 0	Target: 85 000	Time: Q1 2021
Evidence Provided:			
In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:			
<ol style="list-style-type: none"> 1. Summary document duly justifying how the target (including all the constitutive elements) was satisfactorily fulfilled, with appropriate links to the underlying evidence. 2. List of 91 261 bonuses for light vehicles granted between June 2020 and December 2021, as stated in the target definition of the CID. It contains the vehicle category (electric, plug-in hybrid, hydrogen), as mentioned in the OA. 			

3. In the context of the sampling analysis, supporting documents for the list of 60 samples for further verification of bonus payments, including the invoices containing the bonuses, the car registration, the grant notification in case of individuals and, if it applies, the convention of the car dealership allowing it to pay bonuses.

Objectives of the measure:

As provided in the CID, the measure introduces an “ecological bonus” mainly targeted to households to support the purchase of an electric, hydrogen or plug-in 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).

Analysis:

The global list provided was analysed and revealed that all 91 261 bonuses were granted after 1 June 2020, in line with the CID.

The documentation concerning the 60 sampled bonuses was considered valid in every case where the bonus was clearly mentioned on the car purchase invoice or on another official document (e.g. a credit note due by the car dealership to the buyer, a copy of the bonus payment information system). This was the case for the 60 samples selected.

The conclusion is that the sampling exercise was considered successful and the target has been met.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 3-18	C3.I3 - Daily mobility
Name of the Milestone: AFITF funding agreements	
Qualitative Indicator: Adoption by the AFITF board	Time: Q1 2021
<p>Evidence Provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> 1. Copy of signed funding agreement between the AFITF and the State, Ministry for Ecological Transition, represented by the Director-General for Infrastructure, Transport and the Sea, dated 30/09/2020 with reference n° 20-78-16; 2. Copy of signed funding agreement between the AFITF and the State, Ministry for Ecological Transition, represented by the Director-General for Infrastructure, Transport and the Sea, dated 16/12/2020 with reference n° 20-79-08, including amendment signed on 22/07/2021 with reference no. 21-82-11; 3. Copy of signed funding agreement between the AFITF and the State, Ministry for Ecological Transition, represented by the Director-General for Infrastructure, Transport and the Sea, dated 27/01/2021 with reference n° 21-80-04; 4. Copy of signed funding agreement between the AFITF and the State, Ministry for Ecological Transition, represented by the Director-General for Infrastructure, Transport and the Sea, dated 29/09/2021 with reference n° 21-83-03; 5. Summary document; 6. List of projects to be financed including the type of works and the number of kilometres of lines built; and 7. Reply to a request for information received on 15 December 2021. 	
<p>Objectives of the measure:</p> <p>As provided in the CID, the measure aims at financing the development of rail infrastructure for daily mobility in urban areas, to increase their attractiveness. The measure shall focus 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.</p>	

Analysis:

The AFITF (Transport Infrastructure Financing Agency for France) manages the provision of financing for transport infrastructure investment programmes on behalf of the State. The signature of funding agreements, in line with the requirements of the CID, puts funds at the disposal of the AFITF, which can then enter into contracts with beneficiaries, project by project. The actual selection of projects for this measure will be finalised by the end of 2022. Two subsequent targets, in 2024 and 2026, will track the implementation of projects.

- The four above mentioned AFITF funding agreements have been adopted by the AFITF board in line with the CID and were signed on 21/10/2020, 01/02/2021, 11/02/2021 and 23/11/2021 respectively. Amendment n° 21-82-11 was adopted and signed on 22/07/2021.
- The list of projects to be financed includes the type of works and the number of kilometres of lines to be built as required by the Operational Arrangement.
- Since the selection of projects runs until the end of 2022, the list of projects is not finalised at this stage. The projects already supported include among others the improvement of urban train lines (RER E, B and D), the deployment of tram lines (T3, T1) and services buses (TZ3), and supporting the creation of a new metro line in Toulouse, as mentioned in the CID.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 3-21	C3.I4a - Acceleration of transport infrastructure works
Name of the Milestone: AFITF funding agreement	
Qualitative Indicator: Adoption by the AFITF board	Time: Q1 2021
Evidence Provided:	
<p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> 1. Signed funding agreement between the AFITF and the State, Ministry for Ecological Transition, represented by the Director-General for Infrastructure, Transport and the Sea, dated 16/12/2020 with reference n° 20-79-07, including amendment dated 08/11/2021 with reference n° 21-84-02; 2. Signed funding agreement between the AFITF and the State, Ministry for Ecological Transition, represented by the Director-General for Infrastructure, Transport and the Sea, dated 27/01/2021 with reference no. 21-80-05; 3. Summary document; and 4. Lists of projects to be financed including a brief description; one list for investments in waterways under the competence of VNF (<i>Voies Navigables de France</i>), one list for investments in reserved lanes approved by the Ministry of Transport. 	
Objectives of the measure:	
<p>As provided in the CID, the purpose of the measure is to modernise existing transport infrastructure to adapt it to new means of transport, local needs and the green transition. It shall facilitate the integration of carpooling and electric vehicles as an alternative to private cars. It shall also increase digitisation and integration of new technologies for the functioning and surveillance of the river infrastructure to make it a credible alternative to road freight transport.</p>	
Analysis:	
<p>The AFITF (Transport Infrastructure Financing Agency for France) manages the provision of financing for transport infrastructure investment programmes on behalf of the State. The signature of funding agreements, in line with the requirements of the CID, puts funds at the disposal of the AFITF, which can then enter into contracts with beneficiaries, project by project. The actual</p>	

selection of projects for this measure will be finalised by the end of 2022. Two subsequent targets and one milestone, in 2023-2024, will track the implementation of projects.

- The two above mentioned AFITF conventions have been adopted by the AFITF board in line with the CID and were signed on 01/02/2021 and 10/03/2021. Amendment n° 21-84-02 was adopted and signed on 10/11/2021.
- The lists of projects to be financed include a brief description of the works such as “reinforcement of dikes” or “rehabilitation of canal bridges”, as well as the location where they are to be carried out.
- Since the selection of projects runs until the end of 2022, the list of projects is not finalised at this stage. The list of projects already supported includes the building of 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, as mentioned in the CID.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 3-22	C3.I4b - Acceleration of transport infrastructure works	
Name of the Milestone: Signature by the ASP (l'Agence de Services et de Paiement) of the funding agreement for new charging stations		
Qualitative Indicator: Adoption of the funding agreements by the ASP		Time: Q4 2021
Evidence Provided:		
In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:		
<ol style="list-style-type: none"> 1. Signed funding agreement between the ASP and the Minister for the Ecological transition dated 27 July 2021 aiming at the management of the subsidies for the deployment of electric charging stations for electric vehicles (relative à la gestion de l'aide au déploiement des installations de recharge pour véhicules électriques “IRVE”); 2. Summary document explaining how the selection of projects will be done, the selection timeline and the list of the projects already submitted, including the number of charging stations; 3. The list of eligible charging stations 4. A list of selected projects on 17 October 2021. 		
Objectives of the measure:		
As provided in the CID, the purpose of the measure is to modernise existing transport infrastructure to adapt it to new means of transport, local needs and the green transition. It shall facilitate the integration of carpooling and electric vehicles as an alternative to private cars. It shall also increase digitisation and integration of new technologies for the functioning and surveillance of the river infrastructure to make it a credible alternative to road freight transport. This specific milestone focuses on the financing of charging stations for electric vehicles.		
Analysis:		
The funding agreement between the ASP and the Minister for the Ecological transition has been signed on 27 July 2021 in line with the CID. Further to this funding agreement, France has entrusted the ASP with the management and payment of subsidies for the deployment of charging stations for electric vehicles. The subsidies to be managed by the ASP cover a perimeter of 475 eligible service areas over the period 2021 —2023 for the payment of aid.		
The service offer annexed to the funding agreement specifies the functioning of the measure and in particular how the selection of projects will be done. The beneficiaries, which are operating companies of motorways, must send an application to the ASP, which checks the eligibility of the applicant and accepts or rejects the project within two months. The applicant must then send a		

payment request to the ASP on the basis of invoices certified payments.

Projects must be submitted by 30 June 2022 by the operators/installers who will make the investment. Consequently, the final list of projects is not known yet. However, France has submitted a list which identifies the projects selected to date. By mid-October 2021, the ASP had retained 60 projects which could benefit from subsidies. A target in 2023 will track the implementation of projects.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 3-27	C3.I5 - Greening of the State car fleet		
Name of the Target: Number of electric and plug-in hybrid vehicles purchased by the French administration			
Quantitative Indicator: Number	Baseline: 0	Target: 1291	Time: Q2 2021
<p>Evidence Provided: In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> 1. A list of all vehicles subsidised under the measure as purchased by the police and gendarmerie (Ministry of the Interior), including the category (hybrid or electric) in in line with the CID Annex 2. A list of all vehicles subsidised under the measure as purchased by the general directorate of customs (Finance Ministry), including the category (hybrid or electric) in line with the CID Annex 3. In the context of the sampling analysis, supporting documentation attesting to the purchase of the vehicles for a sample of 60 units. The evidence generally includes purchase orders and estimates, as well as, in certain cases: invoices, advance payments or internal purchase requests 4. Summary document explaining that the target is fulfilled. 			
<p>Objectives of the measure: As provided in the CID, the measure aims at renewing the car fleet of three administrations: the police and gendarmerie (Ministry of the Interior), the general directorate of customs (Finance Ministry), and the penitentiary administration (Justice Ministry). The combined fleets of these three bodies represent the majority of the State's vehicles. The fleet's greening plan for 2021 and 2022 prioritizes the purchase of clean vehicles (electric or plug-in hybrids).</p> <p>Analysis: 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. Only light vehicles are targeted by the measure.</p> <p>The evidence does not include any vehicles purchased by the penitentiary administration (Ministry of Justice). This is without prejudice to the achievement of the target, which is a cumulative one across the three Ministries. The measure is covered by a second target in Q3 2023 with the goal of 4 200 vehicles purchased.</p> <p>A review of a sample of 60 purchases confirmed a purchase in line with the requirements of the CID in all cases. The conclusion is that the sampling exercise was considered successful and the target has been met.</p>			
Commission Preliminary Assessment: Satisfactorily fulfilled			

Number: 3-29	C3.I6 - Greening of Harbours
Name of the Milestone: AFITF funding agreements	
Qualitative Indicator: Adoption by the AFITF board	Time: Q1 2021
<p>Evidence Provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> 1. Signed funding agreement between the AFITF and the State, Ministry for Ecological Transition, represented by the Director-General for Infrastructure, Transport and the Sea, dated 30 September 2020 with reference no. 20-78-16, including amendment dated 22 July 2021 with reference no. 21-82-11; 2. Signed funding agreement between the AFITF and the State, Ministry for Ecological Transition, represented by the Director-General for Infrastructure, Transport and the Sea, dated 16 December 2020 with reference no. 20-79-08; 3. Signed funding agreement between the AFITF and the State, Ministry for Ecological Transition, represented by the Director-General for Infrastructure, Transport and the Sea, dated 16 December 2020 with reference no. 20-79-09; 4. Summary document; 5. List of projects to be financed including a brief description; 6. A list of electric connections that will be installed in various harbours; and 7. Reply to a request for information received on 15 December 2021. 	
<p>Objectives of the measure:</p> <p>As provided in the CID, the measure supports 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. This specific milestone addresses the investment in harbours only.</p> <p>Analysis:</p> <p>The measure supports 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.</p> <ul style="list-style-type: none"> • The AFITF conventions have been adopted by the AFITF board in line with the CID and have been signed respectively on 21 October 2020 and 16 December 2020 (twice). Amendment no 21-82-11 was adopted and signed on 22/07/2021. One subsequent target and one milestone, in 2022-2023, will track the implementation of projects. • The summary document provides that the funding agreements entrust the AFITF to finance investment projects in large harbours. • The list of projects to be financed includes a brief description of the location of the project and the type of investment to be undertaken. • The list of projects is not complete at this stage, as the programming period runs until the end of 2022, meaning that not all projects have been selected yet. However, all the projects requested in the CID have been included in the list. It shall finance the installation of new electric connections to offer alternative fuel on docks in the Havre-Rouen-Paris dock network, in Marseille and Pointe des Grives dock in Martinique harbour. • France further specified on 15 December 2021 the number of electric connections to be installed in various harbours which will be 9 new connections. This is in line with the CID annex. 	
Commission Preliminary Assessment: Satisfactorily fulfilled	

Number: 4-1	C4.R1 - Reform of the Governance of Programme d'investissements d'avenir (PIA)
Name of the Milestone: Revised governance of the Programme d'investissements d'avenir	
Qualitative Indicator: Entry into force	Time: Q1 2021
<p>Evidence Provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> • Amending finance law n°2010-237 of 9 March 2010 (“Loi de finances rectificative”) (thereafter “the Law n°2010-237 of 9 March 2010”) (Official Journal of the French Republic, n°0058 of 10 March 2010, modified on 31 December 2020). • Framework agreement of 8 April 2021 between the State, ADEME, the National Research Agency, the Caisse des Dépôts et Consignations, the EPIC Bpifrance and Bpifrance framing the provisions common to the agreements relating to the implementation of the 4th future investment program (“Convention du 8 avril 2021 entre l'État, l'ADEME, l'Agence nationale de la recherche, la Caisse des Dépôts et Consignations, l'EPIC Bpifrance et la société anonyme Bpifrance encadrant les dispositions communes aux conventions relatives à la mise en œuvre du quatrième programme d'investissements d'avenir”) (thereafter “the Framework Agreement”) (Official Journal of the French Republic, n°0085 of 10 April 2021). • Summary document duly justifying how the milestone was satisfactorily fulfilled and providing an explanation of how the decree addresses the requirements set out in the CID Annex. • An indication of the date of entry into force (including a reference to the provision specifying the entry into force). • Validation of the framework agreement by the responsible authorities (Prime Minister, Minister of Ecological Transition, Minister of the Economy, Finance and Recovery, Minister of Higher Education, Research and Innovation) including a reference to the provision indicating the date of entry into force (in the Framework Agreement). • Links to the website of the publication of the legislation in the Official Journal. 	
<p>Objectives of the measure:</p> <p>The description of the measure in the CID requires the following amendments to this PIA (or Future Investments Programme) governance: (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 clearer strategic steer.</p>	
<p>Analysis:</p> <p>The milestone comprises two elements whose fulfilment is duly justified on the basis of the legal texts submitted by France:</p> <p>i. <u>The Framework agreement has entered into force on 11 April 2021 (see Article 6).</u></p> <ul style="list-style-type: none"> • Article 2.1 provides that the Interministerial Innovation Council brings together the competent ministers (Minister of Ecological Transition, Minister of the Economy, Finance and Recovery, Minister of Higher Education, Research and Innovation) around the Prime Minister who chairs the Interministerial Innovation Council. • It also provides that the Interministerial Innovation Council decides on the orientations and priorities for the innovation policy within the framework of the PIA. It notably validates the national strategies mobilizing all or part of its credits, as well as their execution strategy defining in particular the schedule, the nature and the envelope maximum number of 	

credits allocated to each selection procedure, as well as their allocation per action. In addition, it ensures the consistency of the entire Future Investments Program (“Programmes d’investissements d’avenir”).

ii. **The Law n° 2010-237 of 9 March 2010 (as modified on 31 December 2020, entered into force on 31 December 2020 (see Article 8) complements:**

- The missions of the Future Investments Supervisory Committee (“Comité de surveillance des investissements d’avenir”) in the development of innovation policies and providing a consultative opinion on the identification of new investment priorities.
- Article IV defines the missions of the Future Investments Supervisory Committee as assessing the investment program, advising the Government on the program's investment priorities and drawing up an annual report on its implementation. The reform including the above elements has entered into force on 11 April 2021.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 4-2	C4.I1 - Innovate for the green transition			
Name of the Target: Number of 'acceleration strategies' validated				
Quantitative Indicator: Number	Baseline: 0	Target: 7	Time: Q4 2021	
Evidence Provided:				
In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided for each of the seven acceleration strategies:				
<ul style="list-style-type: none"> • Summary document duly justifying how the milestone was satisfactorily fulfilled in line with the requirements set out in the CID Annex. • Underlying evidence by the transmission of the validated strategies. • Links to the publication of the relevant documents on the SGPI's* website. 				
For each of the seven strategies, the following evidence has been submitted:				
#	Strategy	Text of the strategy (« feuille de route »)	Minutes of COMEX** validating the strategy	Press material ("dossier") or speech announcing validation of strategy
1	Decarbonised hydrogen	X	-	X [full text of the strategy published as part of the press material on 8 September 2020]
2	Decarbonisation of industry	X	X [Minutes dated 1.7.2021 of a meeting dated 8.6.2021]	-
3	Recycling and reincorporation of recycled materials	X	X [Minutes dated 26.4.2021 of a meeting dated 9.4.2021]	X
4	Sustainable agricultural systems	X	X [Minutes dated 1.7.2021 of a meeting dated 8.6.2021]	X
5	Sustainable cities and innovative building	X	X [Minutes dated 4.6.2021 of a meeting dated 10.5.2021]	X
6	Digitisation and decarbonisation of mobility	X	X [Minutes dated 1.7.2021 of a meeting dated 8.6.2021]	X
7	Biosourced products and industrial biotechnologies	X	X [Minutes dated 4.6.2021 of a meeting dated 10.5.2021]	X
<p>*the SGPI is the General Secretariat for Investment (« Secrétariat général pour l'investissement ») which is in charge, under the authority of the Prime Minister, to implement the PIA (Future Investments Programme).</p> <p>**The Minutes of the COMEX report on meetings where the Executive Committee of the Interministerial Innovation Council validates the strategies.</p>				
Objectives of the measure:				
As provided in the CID, to accelerate and step up investment in advanced technologies for the green transition, in the context of the fourth PIA, seven 'acceleration strategies' are to be validated (decarbonised hydrogen, decarbonisation of industry, sustainable agricultural systems, recycling and reincorporation of recycled materials, sustainable cities and innovative buildings, digitalisation and decarbonisation of mobility, biosourced products and industrial biotechnologies – sustainable fuels). It will lead to the launch of calls for proposals end-2022 and the award of contracts end-2023.				
Analysis:				
The evidence received demonstrates the fulfilment of the target. The following were received:				
<ul style="list-style-type: none"> • The full text of each of the seven acceleration strategies, confirming that the strategies have been launched; • Relevant additional documents demonstrating the validation of the strategies and the publication 				

of related documents on the General Secretariat for Investment's website in line with the CID, such as:

- The Minutes of the meetings of the Executive Committee evidencing that each strategy has been validated by the Executive Committee.
 - For the Hydrogen strategy, the full strategy was directly published on the General Secretariat for Investment's website (on 8 September 2020), therefore evidencing its validation.
 - Similarly, for the Strategy on decarbonisation of industry, the full text of the strategy was shared with the Commission and the Executive Committee has approved the strategy. However, the proper links are still to be updated on the General Secretariat for Investment's website.
- Related documents published on the General Secretariat for Investment's website, such as press material or speeches that announced the validation/publication of the strategies. These documents further evidence the validation of the acceleration strategies.

The objectives of the strategies as described in the CID annex are in line with the full text of the strategies validated. These strategies will be further implemented through the organisation of calls for tenders.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 6-5	C6.I2 - PIA - Key digital technologies			
Name of the Target: Number of strategies validated				
Quantitative Indicator: Number	Baseline:	Target: 6	Time: Q4/2021	
Evidence Provided:				
In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:				
<ul style="list-style-type: none"> • Summary document duly justifying how the milestone was satisfactorily fulfilled in line with the requirements set out in the CID Annex. • Underlying evidence by the transmission of the validated strategies. • Links to the relevant documents on the SGPI's* or government website. 				
For each of the six strategies, the following evidence has been submitted:				
#	Strategy	Text of the strategy (« feuille de route »)	Minutes of COMEX** validating the strategy	Press material ("dossier") or speech announcing validation of strategy
1	Quantum	X ***	-	X
2	Cybersecurity	X	-	X
3	Education and digital	X	-	X
4	Cultural and creative industries	X	X [Minutes dated 24.3.2021 of a meeting dated 8.3.2021]	X
5	5G	X	X [Minutes dated 26.4.2021 of a meeting dated 9.4.2021]	X
6	Cloud	X	X [Minutes dated 1.7.2021 of a meeting dated 8.6.2021]	X
*the SGPI is the General Secretariat for Investment (« Secrétariat général pour l'investissement ») which is in charge, under the authority of the Prime Minister, to implement the PIA (Future Investments Programme).				
**The Minutes of the report on meetings where the Executive Committee of the Interministerial Innovation Council validates the				

strategies.

***The Quantum strategy was provided in a redacted format due to its sensitivity (the full text was provided for the other strategies).

Objectives of the measure:

As provided in the CID, six ‘acceleration strategies’ were to be validated to step up research investment in key digital technologies, in the context of the fourth Plan d’Investissement d’Avenir (PIA4). It will lead to the launch of calls for proposals end 2023 and award of contracts end 2024. The six strategies are: (1) quantum, (2) cybersecurity, (3) education and digital, (4) cultural and creative industries, (5) 5G, and (6) cloud.

Analysis:

- The cover note provided by France explains that the validation of a strategy is a two-step process: (i) technical validation by the Executive Committee of the Interministerial Innovation Council and (ii) political validation by the Innovation Council or the Government. Then press materials are published. The publication of press materials and the strategy text were then considered sufficient by the Commission to prove that a strategy was validated as they are downstream to the process.
- The text of the strategies and published press materials were submitted by France for the six strategies.
- For three strategies (Cultural creative industries, 5G, Cloud), the report of the Executive Committee of the Interministerial Innovation Council was submitted.
- For four strategies (Cybersecurity, Education and digital, Cultural creative industries, and 5G), the full strategy and the public press material were supplemented by the publication of on-going call for projects to support further that these research strategies are well on-track.
- Due to its sensitivity, France provided an exportable (redacted) version of the Quantum strategy, proving that the strategy was indeed validated.
- The objectives of the strategies as described in the CID annex are in line with the full text of the strategies validated.

The evidence collected satisfactorily proves the validation of the six acceleration strategies and the links to the relevant documents on the General Secretariat for Investment’s website have been provided.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 7-3	C7.R2 - Organic law Experimentation
Name of the Milestone: Entry into force of the law aiming to enshrine the right to differentiation	
Qualitative Indicator: Entry into force	Time: Q2 2021
Evidence Provided In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided: <ul style="list-style-type: none">• Summary document duly justifying how the milestone was satisfactorily fulfilled and explaining how the law addresses the requirements set out in the CID Annex;• 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;• Link to the Official Journal website where the Law n° 2021-467 of 19 April 2021 was published;• Implementing act from the Government: 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.	
Objectives of the measure: As provided in the CID, the objective of the measure is to enshrine the right to differentiation by giving 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. The “right to differentiation” concerns the transfer of powers from the State to local territories, for example in roads or water management, upon the request and initiative of those territories.

Analysis:

In compliance with the milestone, France adopted in April 2021 an Organic Law (Law n° 2021-467 of 19 April 2021) to enshrine the right to differentiation by giving 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.

The Organic Law amends Articles LO. 1113-1 to LO. 1113-7 of the General Code of Local Authorities in order to simplify the conditions for implementing experiments and broaden the options that can be considered at the end of the experiment. In particular, Article 2 of the Organic Law allows local authorities to decide to participate in the experiments conducted on the basis of Article 72 of the Constitution by a reasoned decision of their deliberative assembly. Therefore, local authorities may decide by a simple deliberation to participate in an experiment without having to be authorized to do so by decree, putting an end to the prior authorisation regime. In addition, the Government instruction of 12 May 2021 specifies (under 2.2) the simplification of procedures governing the entry into force of the decisions taken by local authorities in the context of the experiments as well as the conditions for exercising the legality control of these decisions. As regards the outcomes of the experimentation, Article 6 of the Organic Law provides that the experimental measures may be maintained in all or part of the local authorities that participated in the experiment and extended to others. In addition, the Government instruction of 12 May 2021 specifies (under 2.4) how the Organic law enshrines a differentiation of standards applicable to the competences of territorial authorities and their groupings according to local particularities. It is now possible to maintain the measures taken on an experimental basis in territorial authorities or groupings that participated in the experiment, or in some of them only, and to extend them to others, in compliance with the constitutional principle of equality.

The Government instruction of 12 May 2021 also specifies the procedures for implementing the Organic Law, in particular the setting up of local support offices in the departmental prefectures. The purpose of these offices is to support local authorities and their groupings in the implementation of experiments and to organise the feedback of local proposals.

The Organic Law entered into force on 21 April 2021, the day after its publication in the Official Journal.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 7-6	C7.R4a - Governance of public finances
Name of the Milestone: Submission of the CAFP report (Commission pour l’Avenir des Finances Publiques)	
Qualitative Indicator: Submission of the report	Time: Q4 2021
Evidence Provided:	
In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:	
<ul style="list-style-type: none"> Report from the Commission on the Future of Public Finance (Commission pour l’Avenir des Finances Publiques - CAFP) on the post-crisis budgetary strategy and on the renovation of the public finances governance framework (<i>‘Nos dépenses publiques post COVID-19: pour de nouvelles règles du jeu’</i>). Annexes to this report. 	

<ul style="list-style-type: none"> • Link to the government website where the CAFP report was published.
<p>Objectives of the measure:</p> <p>As provided in the CID, the objective of the reform of the governance of public finances is to adopt a strategy for the consolidation of public finances in the medium and long term. This strategy is based on the recommendations of the Commission for the Future of Public Finances ('Commission pour l'Avenir des Finances Publiques' or CAFP; report of 18 March 2021).</p> <p>Analysis:</p> <p>The Report from the CAFP proposes a post-crisis budgetary strategy for the consolidation of public finances in the medium and long term through a reform of the public finances governance framework and, in particular, the creation of a multi-year expenditure rule as a compass to guide the management of public finances. In addition, the CAFP recommends extending the prerogatives of the High Council for Public Finance (HCFP) to strengthen the transparency of public finances and better inform the Parliament and the public about the future of public finances. Additional proposals are made to increase transparency of the budgetary strategy, such as introducing an annual debate in Parliament on public debt and its long-term sustainability.</p> <p>The submission of the CAFP report paved the way for the implementation of reforms covered in milestone 7-7. The report was published on 18 March 2021.</p> <p>Commission Preliminary Assessment: Satisfactorily fulfilled</p>

Number: 7-7	C7.R4b - Governance of public finances
Name of the Milestone: Implementation of selected recommendations of the CAFP report	
Qualitative Indicator: Entry into force	Time: Q4 2021
<p>Evidence Provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> • Summary document explaining how the Organic Law no. 2021-1836 of 28 December 2021 on the modernisation of public finance management addresses the requirements set out in the milestone; • Copy of the Organic Law no. 2021-1836 of 28 December 2021 on the modernisation of public finance management; • Link to the publication on the Official Journal website of the Organic Law no. 2021-1836 of 28 December 2021 on the modernisation of public finance management. 	
<p>Objectives of the measure:</p> <p>As provided in the CID, the objective of this reform of the governance of public finances is to adopt a strategy for the consolidation of public finances in the medium and long term. This strategy is based on the recommendations of the Commission for the Future of Public Finances ('Commission pour l'Avenir des Finances Publiques' or CAFP; report of 18 March 2021). Part of the CAFP recommendations concerns extending the prerogatives of the High Council for Public Finance (HCFP) to strengthen the transparency of public finances and better inform the Parliament and the public at large about the future of public finances.</p> <p>Analysis:</p> <p>The Organic Law no. 2021-1836 of 28 December 2021 on the modernisation of public finance management extends some prerogatives of the 'Haut Conseil des Finances Publiques' (HCFP, which is the national Fiscal Board) and establishes a multi-year expenditure ceiling, therefore addressing both requirements set in the CID annex. The Organic Law implements a subset of the recommendations of the CAFP for reforming the governance of public finances.</p> <ul style="list-style-type: none"> • <u>Article 1 of the Organic Law</u> introduces a multi-annual expenditure rule applicable to public 	

spending, via a new target for public spending in volume (and a forecast in value in billion), which will be defined in the public finance programming laws, as of 2023.

- Article 24 of the Organic Law also introduces within the Economic, Social and Financial Report (ESFR) annexed to the draft budget bill (Projet de Loi de Finances) a monitoring of the discrepancies between these expenditure forecasts and the most recent forecasts and achievements underlying the latest budget bill.
- Article 30 of the Organic Law extends the prerogatives of the HCFP beyond what was provided for in the TSCG (Traité sur la stabilité, la coordination et la gouvernance), with new missions relating to the assessment of:
 - the consistency of the preliminary article (reporting the main fiscal targets) of the budgetary laws of the year with the multiannual expenditure objectives defined in the public finance programming law (and not only with the structural balance objective as in the current legislative framework);
 - the realism of revenue and expenditure forecasts in the annual budgetary laws;
 - the provisions of sectoral programming laws with an impact on public finances.
- Article 23 of the Organic Law also provides for the introduction of a new annual report on public debt, its trajectory, its financing conditions and its sustainability, to be submitted by the Government each autumn, and to be debated in Parliament ahead of the parliamentary debate on the draft budgetary laws.

Amongst the recommendations of the CAFP not retained in the reform, the main ones are:

- The extension of the prerogatives of the HCFP so as to assess the long-term fiscal sustainability, including by producing its own projections of short/medium/long term macroeconomic and budgetary variables (e.g. expenditure, revenues and debt).
- The attribution to the HCFP to carry out ex-ante evaluations of the medium-term economic and financial impact of reforms proposed by the Government and by the Parliament.
- The attribution to the HCFP of an enhanced early warning role regarding the control of the compliance with European rules.
- The definition of the multiannual expenditure standard according to a long-term public debt target and adjusted for the evolution of tax revenues.

As indicated above, the recommendations of the CAFP regarding the extension of the prerogatives of the HCFP and the establishment of a multi-year expenditure ceiling were addressed by the reform of the organic law. The reform therefore addresses the two requirements of the milestone in line with the CID Annex.

Organic Law no. 2021-1836 of 28 December 2021 was published in the Official Journal on 29 December 2021. Above-mentioned provisions will be applicable as from the tabling of the draft budgetary Laws for the year 2023 (Article 33 of Organic Law No. 2021- 1836).

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 7-8	C7.R4c - Governance of public finances	
Name of the Milestone: Implementation of a COVID debt containment scheme		
Qualitative Indicator: Implementation of a COVID debt containment scheme		Time: Q4 2021
Evidence Provided:		
In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:		
<ul style="list-style-type: none"> • Summary document duly justifying how the milestone was satisfactorily fulfilled; • Copy of the Budget Bill for 2022 and Annex to the Budget Bill for 2022 'Amortisation of the State's debt related to COVID-19' ('Amortissement de la dette de l'Etat liée à la COVID- 		

19'). The Budget Bill for 2022 was submitted to Parliament on 22 September 2021 and adopted on 30 December 2021.
<p>Objectives of the measure:</p> <p>As provided in the CID, the objective of this reform of the governance of public finances is to adopt a strategy for the consolidation of public finances in the medium and long term. As part of this strategy, the government shall put in place a COVID debt ring-fencing strategy with the aim of allocating specific resources to its repayment. The COVID debt ring-fencing was not part of the recommendations in the CAFP report requested under milestone 7-6.</p> <p>Analysis:</p> <p>In compliance with the milestone, France implemented a COVID debt containment scheme in the Budget Bill for 2022.</p> <p>The objective of the COVID debt containment scheme is to amortise the additional central government debt accumulated in 2020 and 2021 resulting from the health crisis, with the aim of allocating specific resources to its repayment between 2022 and 2042.</p> <p>The COVID debt containment scheme foresees that the COVID debt amortisation will be financed, each year, by a share of the increase in net government tax revenues resulting from GDP growth compared to 2020. This share, of around 6%, is based on a growth path forecast by the government (1.6% in 2023, then 1.4% between 2024 and 2027) and would allow the COVID debt to be repaid by 2042. The share will be modulated according to economic growth and allocated to a Public Debt Fund ('Caisse de la dette publique' - CDP) to repay the public debt until the amount corresponding to the debt due to the crisis in 2020-2021, estimated at EUR 165 billion, is reached.</p> <p>The Budget Bill for 2022 was submitted to Parliament on 22 September 2021 and adopted on 30 December 2021. The budget bill confirms that the elements of the milestone described in the CID are fulfilled.</p> <p>Commission Preliminary Assessment: Satisfactorily fulfilled</p>

Number 7-10	C7.R5a - Assessment of the quality of public spending
Name of the Milestone: Publication of the results of the productivity reforms	
Qualitative Indicator: Publication of the report	Time: Q4 2021
<p>Evidence Provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> • Copy of the Report on the results of the productivity reforms in the public administration ('Bilan des réformes de productivité de l'action publique') 	
<p>Objectives of the measure:</p> <p>As provided in the CID and complementary to the reform of the public finance governance, this measure consists of an evaluation of public spending that shall be carried out after the crisis with the aim of identifying the most efficient expenditures favouring growth, social inclusion and the ecological and digital transition.</p> <p>Analysis:</p> <p>In compliance with the milestone, France provided the Report on the results of the main productivity reforms in the public administration implemented over the five-year presidential term period.</p> <p>The reforms presented in this Report are numerous, have different scope and cover a wide range of areas, from human resources management, to streamlining of internal expenditure controls and procedures, from simplifying regulation and tax collection to rationalising and</p>	

relocating public services, including via accelerating the deployment of IT solutions. These reforms are expected to contribute to improving the transparency of and accessibility to public services, although, based on information included in the Report, their contribution to the objective of reducing public spending and, more in general, to fiscal consolidation seems at present relatively limited in terms of amounts.

The Report on the results of the productivity reforms of public action was published on the Ministry of Economy and Finance website on 7 October 2021.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 7-11	C7.R5b - Assessment of the quality of public spending
Name of the Milestone: Report of the audit mission of the Court of Auditors on public finances	
Qualitative Indicator: Publication of the report	Time: Q4 2021
<p>Evidence Provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> • Report of the Court of Auditors: ‘A public finances strategy for exiting the crisis’ (« Une stratégie de finances publiques pour la sortie de crise »). <p>The report can also be found on the Court of Auditors’ website.</p>	
<p>Objectives of the measure:</p> <p>As provided in the CID and complementary to the reform of the public finance governance, this measure consists of an evaluation of public spending that shall be carried out after the crisis with the aim of identifying the most efficient expenditures favouring growth, social inclusion and the ecological and digital transition. The measure shall include the publication of an audit report on public finances by the Court of Auditors.</p>	
<p>Analysis:</p> <p>In compliance with the milestone set out in the CID Annex, France provided the Report of the French Court of Auditors: “A public finances strategy for exiting the crisis”. In this report, from June 2021, the Court proposes a comprehensive post-crisis public finance strategy for the gradual exit from the support mechanisms put in place from March 2020 to respond to the economic impacts of the health crisis. The Court does so by defining 27 recommendations along four broad intervention areas, namely:</p> <ul style="list-style-type: none"> • Strengthening France’s growth potential. This should result from a targeted and closely-monitored mobilisation of public resources to support growth-enhancing investment in R&D, innovation, industry and knowledge and to foster green and digital transitions as well as social and economic resilience; • Consolidating public finances. Once the crisis has been overcome, a gradual public finances’ consolidation strategy in a strengthened multiannual budgetary framework should rely on the containment of public expenditure growth as the most effective way to ensure the stabilisation and reduction of public debt. • Controlling public expenditure and improving its quality. This should build on the outcome of systematic spending reviews in order to identify priority areas for intervention. The report suggests five sectors which could prove strategic to start with, which are the pension system, healthcare spending, employment policy, social benefits and social housing. • Reinforcing the effectiveness of public policy intervention. To this end, efforts should be pursued in order to prioritise, simplify and rationalise policy action at all levels of the administration, building on a renewed public policy evaluation system. 	

The report of the audit mission of the Court of Auditors on public finances was published on the Court of Auditors' website on 15 June 2021.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 7-35	Control and audit procedures in the implementation of the RRF
Name of the Milestone: Organisation of the system and the treatment of data and organisation of the audits	
Qualitative Indicator: Signature of the Circular by the Prime Minister and report by the CiCC	Time: Q4 2021
<p>Evidence Provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> • Circular signed by the Prime Minister defining the roles and responsibilities of the coordinating body and the ministries, as well as the procedure for collecting and storing data relating to the indicators, including ensuring their reliability and access to data collected from all final beneficiaries • Report outlining the envisaged audit strategy, including a description of the audit work on payment claims 	
<p>Objectives of the measure:</p> <p>As provided in the CID, this measure establishes controls and audit procedures by (i) a signature of a circular by the Prime Minister of France, which outlines the roles and responsibilities of the coordinating body and ministries (ii) a report that describes the audit work on payment claims.</p>	
<p>Analysis:</p> <p>The evaluation of this measure consists of the review of the publication of the circular and the review of the reported audit strategy.</p> <p>i. <u>Circular (Circulaire PM n°6300-SG du 30 août 2021):</u></p> <p>The circular by the Prime minister sets out in part I the roles and responsibilities and in part II the procedure for collecting and storing data. The audit authority (CICC: Commission inter-ministérielle de coordination des contrôles) verified that the coordinating authority (SGPR) has been assigned the relevant functions as foreseen in the RRF regulation.</p> <p>CICC first conducted a desk review of the management system based on the circular and the description of the internal management and control system (DSGC) to identify the risks. Based on the risks analysis, the CICC performed in-depth on-site audits (interviews with staff of the main agencies and evaluation of the system operation) to conclude on the functioning of the authority's management and control system. CICC gave a positive opinion with reservation as some deficiencies were found (see suggested improvement points below). They concluded that the management and internal control system for both the coordination activity and the activity of preparing and signing the management declaration is broadly in place, in particular through the circular of 30 August 2021. In addition, the SGPR is headed by the two high-level officials with the necessary experience and outreach to the post. It is well identified by all the actors of the recovery and resilience plan. The circular provisions, while requiring adjustments, are overall relevant, effective and efficient.</p> <p>ii. <u>Review of the reported audit strategy:</u></p> <p>The envisaged audit strategy was already transmitted to the Commission services before the submission of the payment request and was analysed as being sufficiently well elaborated. Feed-back</p>	

on remaining points for potential improvements was given to the audit authority CICC. The audit work (summary of audits) delivered under this first payment request was exhaustive with respect to audit coverage and of good quality.

France has submitted the relevant documents, namely the circular with its annexes 1 and 2, which include the synthesis and summary of targets and milestones of the French plan. Furthermore, the review of the audit documentation, which consists of the audit strategy and summary of audits provide further assurance of the satisfactory fulfilment of the key requirements.

The CICC, in its annual summary of audits, has recognised some areas of improvement, notably the full rollout of the procedures for collecting and storing data; access of data of all types of final recipients; and data control.

In order to ensure continuous compliance with the milestone and the obligations under the Financing Agreement, it is necessary to continue developing the system to improve its functionalities by:

1. Developing further its data management system, in particular Propilot by strengthening its data collection, recording and storage systems. This in turn provides further assurance on the reliability, continuity, protection, and quality of the data provided. Additionally, this will facilitate the correct identification of the beneficiaries for each measure. The description of the data flows between the tools and the aggregation methods will also have to be improved.
2. 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.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 8-3	C8.R2 - Reform of short-time work schemes
Name of the Milestone: Short-time work scheme reform to boost economic activity through a gradual restriction of the generosity and stricter access conditions to the schemes	
Qualitative Indicator: Entry into force	Time: Q3 2021
Evidence Provided:	
In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:	
<ol style="list-style-type: none"> 1. Summary document duly justifying how the milestone was satisfactorily fulfilled with links to the publication of relevant legal texts in the Official Journal, clearly highlighting the relevant provisions and explaining how the legal texts address the requirements set out in the CID. 2. Relevant legal texts: <ul style="list-style-type: none"> • Decree no 2020-1316 of 30 October 2020 on partial activity and on the specific short-time work scheme in the event of a lasting reduction in economic activity • Decree 2021-221 of 26 February 2021 amending Decree no 2020-1316 of 30 October 2020 on partial activity and on the specific short-time work scheme in the event of a lasting reduction in economic activity • Decree no 2021-674 of 28 May 2021 on partial activity and on the specific short-time work scheme in the event of a lasting reduction in economic activity • Decree no 2021-671 of 28 May 2021 amending Decree no 2020-1316 of 30 October 2020 on partial activity and on the specific short-time work scheme in the event of a lasting reduction in economic activity 	
Objectives of the measure:	
As provided in the CID, the measure consists of a reform of the short-time work scheme, which was	

introduced in 2020 at the height of the COVID crisis to limit the impact on employment and income of the reduced economic activity during lockdown periods. In particular:

- Employees shall receive compensation of 60% (instead of currently 70%) of their previous gross earnings (around 72% of their net earnings).
- Employers shall receive a compensation of 36% of the previous gross earnings of employees who are in partial employment (instead of currently 60%). The authorisation period for the use of the JPA shall increase from 12 months to 3 months, renewable up to a maximum of 6 months, over a reference period of 12 months.
- Protected sectors directly hit by the restrictions and administratively closed companies shall in due course no longer benefit from increased support rates.

Analysis:

The relevant legal texts (*Decree 2021-674 of 28 May 2021, Decree 2021-671 of 28 May 2021, Decree 2020-1316 du 30 October 2020, Decree 2021-221 of 26 February 2021*) have been published in the Official Journal and entered into force the day after their publication. Some provisions of Decree 2021-674 entered into force on 1 June 2021 (cf. Article 5 of Decree 2021-674). These legal texts provide that:

- As of 1 July 2021, employers shall receive a compensation of 36% of the previous gross earnings of employees who are in partial employment (*Article 1 of Decree 2021-674 of 28 May 2021*).
- As of 1 July 2021 (*Decree 2021-671 of 28 May 2021*), employees shall receive a compensation of 60% of their previous gross earnings (*Article 1 of Decree 2020-1316 du 30 October 2020*).
- As of 1 July 2021 (*Decree 2021-671 of 28 May 2021*), the validity of authorisation period for recourse to short-time work scheme is decreased from 12 months to 3 months, renewable over a 12-month period (*Article 1 Decree 2020-1316 of 30 October 2020*).
- The support rate for protected sectors and administratively closed companies are being progressively phased out until the end of 2021 (*Article 1 of Decree 2021-674 of 28 May 2021, Article 1 of Decree 2021-671 of 28 May 2021*).

In this context, the adaptations described in the CID concerning:

- the decrease in levels of compensation for employers and employees,
- the decrease 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.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 8-4	C8.R3 - Reform of health and security at work
Name of the Milestone: Adoption of amendments to the law aiming at providing France with a more effective system of “health at work” actors, focusing on prevention on the one hand, and on the other hand reorganising the governance and functioning of the institutions responsible for “health at work”	
Qualitative Indicator: Entry into force	Time: Q4 2021
Evidence Provided: In line with the verification mechanisms set out in the Operational Arrangements, the following evidence was provided: 1. Summary document duly justifying how the milestone was satisfactorily fulfilled and providing an explanation of how the legal text addresses the requirements set out in the CID Annex.	

2. Consolidated version of the Law n° 2021-1018 of 2 August 2021 to strengthen health prevention at work.
3. Link to the website where the legislative act was published: Official Journal n° 178 of 3 August 2021, text 2/246.

Objectives of the measure:

As provided in the CID, the measure consists in the adoption of a series of amendments to an inter-professional agreement of 10 December 2020 “*on enhanced prevention and renewed supply of health at work and working conditions*” transposed into a law, which aims at increasing the focus of the “health at work” system on prevention, as well as reorganising the governance and functioning of the institutions responsible for “health at work”.

Analysis:

The law on health and security at work was published in the Official Journal on 3 August 2021 (Law n° 2021-1018). The law consolidates the various amendments adopted aiming at providing France with a more effective system of “health at work” actors, focusing on prevention on the one hand, and on the other hand reorganising the governance and functioning of the institutions responsible for “health at work”.

Several amendments have been adopted to reinforce the role of the National Committee for Prevention and Health at Work (*Comité National de Prévention et de Santé au Travail (CNPST)*), which is at the core of the reform. The Committee becomes a focal point for the actors involved in “health at work”, and will be central for guaranteeing an effective system focusing on prevention:

- **Amendment No 453** (adopted in the National Assembly’s Social Affairs Committee) clarifies that the list of tasks of the CNPST (mentioned in the new Article L. 4641-2-1 of the Labour Code) is no longer exhaustive.
- **Amendment No 499** (adopted at the public session of the National Assembly) makes the CNPST responsible for determining the methods of implementation for employers of the “prevention passport”, which will support the promotion of training on health and safety at work.
- **Amendment No 450** (adopted at the public session of the National Assembly) states that the CNPST will deliberate in a joint formation for the certification of the ‘Prevention and Health at Work Services’ (SPST). This certification is a key element of the reform to better steer these essential services.
- **Amendment No 177** (adopted in the Senate’s Social Affairs Committee) adds new tasks to the CNPST, notably (i) to participate in the development of the ‘occupational health plan’ (as such, the CNPST will be involved in the design of the health and safety at work *strategic framework*); (ii) contribute to the definition of indicators concerning the services provision of the ‘Prevention and Health at Work Services’ (SPSTs); (iii) monitor the deployment of the “prevention passport”.

The CNPST replaces the former Permanent Steering Group of the Working Conditions Guidance Council with a simplified governance. The reform of this Committee meets the health and security at work reform’s objective to reorganise the governance and the functioning of the institutions responsible for “health at work”. In particular, **Amendment No 452** (adopted in the National Assembly’s Social Affairs Committee) adds a representative of the State and a representative of the National Sickness Insurance Fund (CNAM) to the list of members of the new CNPST, in order to ensure that the body is tripartite and has political weight.

To allow for the prior adoption of relevant implementing decrees, the entry into force of the law on health and security at work is set to 31 March 2022 (Article 40 of Law n° 2021-1018). No additional legal steps are required before the entry into force.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 8-6	C8.R4 - Reform of the unemployment insurance
Name of the Milestone: Entry into force of several measures of the reform of the unemployment scheme	
Qualitative Indicator: Entry into force	Time: Q4 2021
<p>Evidence Provided:</p> <p>In line with the verification mechanisms set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> 1. Summary document justifying how the milestone was satisfactorily fulfilled. 2. Copy of the decrees, orders and Conseil d'Etat statements by which the measures listed in the CID came into force: <ul style="list-style-type: none"> • decree 2021-346 of 30 March 2021 laying down various measures relating to the unemployment insurance scheme, including the new rules for calculating the benchmark daily wage (SJR), which is the basis for determining the amount of the allowance; the sliding scale for reducing benefits awarded to high-income recipients after six months of compensation; the tightening of conditions of access to benefits (six months instead of four); the bonus-malus of employers' contributions to unemployment insurance to dis-incentivise excessive use of short-term contracts. This decree also sets that two of these measures (the sliding scale and the tightening of access conditions) will only apply once economic conditions have improved. • decree 2021-843 of 29 June 2021 postponing the entry into force of the new rules for calculating the benchmark daily wage, following the decision of the State Council to suspend them due to adverse economic conditions. • decree 2021-1251 of 29 September 2021 fixing the date of entry into force certain provisions of the unemployment insurance scheme. • order of 18 November 2021 establishing that the economic conditions are met allowing for the entry into force on 1.12.2021 of the "Sliding scale for reducing benefits of high-income recipients after six months (instead of 8 months); and of the restriction of conditions of access to benefits (contribution period of 6 months instead of 4). • Press release of 22 June 2021 announcing the suspension by the Conseil d'Etat of the new rules for the calculation of unemployment benefit entitlements. This suspension is motivated by the adverse economic conditions, and the disproportionate impact of the new rules on workers with very short contracts that are most affected by those poor economic conditions. • Press release of 22 October 2021 announcing that the Conseil d'Etat does not suspend the entry into force of the new rules for the calculation of unemployment benefit entitlements, foreseen for 1/10/2021 (by decree law 2021-1251-du-29-sept-2021). • Statement of the Conseil d'Etat n° 452209, first and fourth joint chambers, reading of 15 December 2021. The Conseil d'Etat rejected the appeals of several trade unions against the substance of the new rules to calculate the benchmark daily wage as in decrees 2021-1251 of 29.09.2021 and 2021-346 of 30 March 2021. • European Commission press release authorising the bonus malus scheme as compliant with State aid rules (15 December 2021) 3. Link to the website of the publication of the legislation in the Official Journal. 4. An indication of the date of entry into force (including a reference to the provision specifying the entry into force) in decree 2021-1251 of 29 September 2021. 	
<p>Objectives of the measure:</p> <p>As provided in the CID, the milestone refers to the entry into force by end 2021 of four measures of the reform of unemployment benefits: 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; a bonus-malus on employers'</p>	

contributions to dis-incentivise the use of very short-term contracts.

Analysis:

The summary document provides an explanation of how the legal provisions included in the various decrees correspond to the measures listed in the CID, and when these measures have entered into force. It also includes links to the website of the publication of the relevant decrees in the Official Journal.

- The new method for calculating the benchmark daily wage (SJR) which is the basis for determining the amount of the allowance is described in decree 2021-346 of 30 March 2021 laying down various measures relating to the unemployment insurance scheme and came into force on 1 October 2021 (Article 1 of decree 2021-1251 of 29.09.2021 fixing the date of entry into force certain provisions of the unemployment insurance scheme). The measure as detailed in Articles 2.11 and 2.3 of decree 2021-346 of 30 March 2021 consists in dividing the total remuneration received during a given period by all calendar days worked and non-worked during this reference period (instead of dividing it by 1.4 times the number of days worked).
- The sliding scale for reducing benefits awarded to high-income recipients after six months of compensation is described in Article 17bis of decree 2019-797 of 26 July 2019 and was suspended by decree 2021-346 on 30 March 2021 until conditions linked to improved economic conditions are met. The measure came into force on 1.12.2021 as per order of 18.11.2021 fixing the date on which the provisions of Articles 7-1 and 7-2 of Decree No 2020-425 of 14 April 2020, as amended, laying down emergency measures in respect of replacement income referred to in Article L. 5421-2 of the Labour Code cease to apply).
- Article 3 of decree 2019-797 of 26 July 2019 tightens the conditions of access to the benefits: workers have to contribute for a period of at least 6 months (130 working days) over 24 months, instead of previously 4 months over 22 months. Article 4 of decree 2021-346 on 30 March 2021 further specifies Articles 7.1 and 7.2 of Decree No 2020-425 of 14 April 2020 suspending the measure until the conditions linked to improved economic conditions are met. The measure came into force on 1 December 2021 on the basis of the order of 18 November 2021 taking stock that these conditions were met.
- The Bonus-malus of employers' contributions to unemployment insurance is described in decree 2021-346 on 30 March 2021. The measure is designed to dis-incentivise the excessive use of short-term contracts: the contribution rate increases/decreases if and when the separation rate of a given employer is significantly above/below the average separation rate of the sector. This measure came into force on 1 December 2021 ("order of 18 November 2021), date at which the law took effect. It also confirms that the observation period for the calculation of the bonus-malus rates started on 1 July 2021. The bonus-malus rates will start to be applied at the end of the observation period in September 2022. The government expects companies using very short-term contracts to already start changing their behaviour during the observation period so as to avoid too heavy maluses.
- On 15.12.2021 the Commission approved the bonus-malus scheme introduced by the reform of unemployment benefits as compliant with State Aid rules. This lifts the caveat related to that scheme mentioned in the summary document.
- On 15.12.2021 the Conseil d'Etat rejected the appeals of several trade unions against the substance of the new rules to calculate the benchmark daily wage as in decrees 2021-1251 of 29 September 2021 and 2021-346 of 30 March 2021. This confirms the legal regularity of the contested articles and the entry into force of the measure.

This confirms that all elements of the reform listed in the CID entered into force.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 8-10	C8.I3 - Hiring subsidy for apprenticeship contracts		
Name of the Target: Hiring subsidies paid for apprenticeship contracts			
Quantitative Indicator: Number	Baseline: 0	Target: 333374	Time: Q4 2021
Evidence Provided:			
<p>In line with the verification mechanisms set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> 1. Summary document duly justifying how the target (including all the constitutive elements) was satisfactorily fulfilled 2. Two decree laws granting the exceptional hiring subsidies to employers of apprentices and prolonging the scheme until end December 2021. <ul style="list-style-type: none"> • Decree No 2021-224 of 26 February 2021 granting exceptional aid employers of apprentices and employees on professionalisation contracts. • Decree No 2021-363 of 31 March 2021 amending and extending aid for the recruitment of young people under the age of 26, for frank jobs and for employers of apprentices and employees on a professional basis 3. The list of beneficiaries containing the following information showing that the contracts listed correspond to the description of the target as requested in the OA: <ul style="list-style-type: none"> • name and size of the company, • the age of the employee hired, • reference to the application file. 4. In the context of the sampling analysis, additional evidence provided for a sample of 60 units including: <ul style="list-style-type: none"> • An apprenticeship contract signed by both the employer and the partner training institution, and a proof of payment for all 60 units. • A document certifying that the company receiving the subsidy fulfils the additional criteria applying to companies above 250 employees (available for the 14 companies above 250 employees selected in the sample). 			
Objectives of the measure:			
As provided in the CID, the aim of this investment is to support apprenticeship by funding at least 333 374 hiring subsidies to employers for apprenticeship contracts.			
Analysis:			
<p>The provisions of the decree laws set out the terms under which employers can receive the subsidy. Decree n°2021-224 of 26 February 2021 sets the exceptional hiring subsidies for apprenticeship contracts and “professionalisation” contracts.</p> <p>Article 1 sets the amount of the aid to a maximum of EUR 5 000 for apprentices under 18, and to EUR 8 000 for apprentices of at least 18 years old. Article 4 sets additional requirements for undertakings with at least 250 employees. Decree n°2021-363 of 31 March 2021 entered into force on 1 April 2021. It modifies Decree n°2021-224 of 26 February 2021 and prolongs it until end December 2021.</p> <p>For each unit in the sample, the amount paid is in line with the age category of the apprentice and corresponds to the amount registered in the list of beneficiaries and does not go beyond the first year of the contract.</p> <p>The list of beneficiaries contains references to 535 719 contracts, above the target (333 374). The conclusion is that the sampling exercise was considered successful, and the target has been met.</p>			
Commission Preliminary Assessment: Satisfactorily fulfilled			

Number: 8-12	C8.I5 - Hiring subsidies for youth under 26		
Name of the Target: Hiring subsidies paid for contracts hiring youth under 26			
Quantitative Indicator: Number	Baseline: 0	Target: 337 000	Time: Q1 2021
Evidence Provided:			
<p>In line with the verification mechanisms set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> 1. Summary document duly justifying how the target (including all the constitutive elements) was satisfactorily fulfilled 2. A decree granting the exceptional hiring subsidies to employers hiring youth under 26. <ul style="list-style-type: none"> • Decree No 2020-982 of 5 August 2020 establishing aid on the recruitment of young people under the age of 26. 3. The list of beneficiaries containing the following information needed to check that the contracts listed correspond to the description of the target as requested in the OA: <ul style="list-style-type: none"> • Name and ID number of the company, • the age of the employee hired at the time of signature of the contract, • starting date and effective and/or expected duration of the contract (if short term), • the salary, • date at which the subsidy ended (showing that it never exceeds 1 year), • amount paid. 4. In the context of the sampling analysis, additional evidence provided for a sample of 60 units including: <ul style="list-style-type: none"> • a contract signed, • a proof of payment. 			
Objectives of the measure:			
<p>As provided in the CID, the aim of this investment is to support youth employment by funding at least 337 000 extraordinary subsidies to employers hiring young people aged below 26 paid at a rate below twice the minimum wage (to focus on young people with lower skills).</p>			
Analysis:			
<p>The provisions of the decree law set out the terms under which employers can receive the subsidy. “No 2020-982 of 5 August 2020” sets the exceptional hiring subsidies for employers hiring youth under 26. Article 1 defines that the person hired should be below 26 and be paid at a rate below twice the minimum wage, the contract should be permanent or short term with a duration of at least 3 months.</p> <p>The list of beneficiaries contains references to 359 770 contracts, above the target (337 000). Two third of the contracts are permanent contracts and all had an expected duration of at least 3 months (only one permanent contract ended after 47 days, for which the employer only received a limited and proportionate amount).</p> <p>For each unit in the sample, the evidence provided allows to confirm the information contained in the list of beneficiaries. It includes a signed contract, indicating the age of the employee, the wage level, the starting date and the end date (for the short-term contracts); and a proof of payment showing the amounts paid and the date of payment.</p> <p>The conclusion is that the sampling exercise was considered successful, and the target has been met.</p>			
Commission Preliminary Assessment: Satisfactorily fulfilled			

Number: 8-15	C8.I8 - “Roped together for success” (Cordées de la réussite)		
Name of the Target: Students participating in the « cordées de la réussite » programme			
Quantitative Indicator: Number	Baseline: 0	Target: 185 000	Time: Q3 2021
Evidence Provided:			

In line with the verification mechanisms set out in the Operational Arrangements, the following evidence was provided:

1. Summary document duly justifying how the target (including all the constitutive elements) was satisfactorily fulfilled
2. Copy of the Charter of the “Roped together for success” programme (*Charte des Cordées de la réussite*- May 2021) signed by the Minister for Education, Youth and Sports and by the Minister for Higher Education, Research and Innovation.
3. Copy of the description of the “Roped together for success” programme provided in the Plan.
4. The list of schools with, for each of them, the number of pupils participating in the “Roped together for success” programme counted towards the target.
5. In the context of the sampling analysis, 274 documents provided as piece of evidence for 70 units requested
6. Methodological note to guide the analysis of the documents provided for sampling.

Objectives of the measure:

As provided in the CID, the measure consists in the financing of the participation of students in the “Roped together for success” programme (*cordées de la réussite*), which is a long-term coaching set-up between higher education students (mentors) and secondary school pupils (mentees) from disadvantaged areas, with the aim to broaden the ambitions and horizons of the latter.

Analysis:

France provided the “Roped together for success” Charter, which describes the set-up of the programme.

The target set in the CID was to ensure that at least 185 000 students participate in the *cordées de la réussite* programme by Q3 2021. France provided a list of 185 236 students who participated in the programme for the academic year 2020/2021. The target is therefore met, confirmed by the sampling analysis explained below.

The selected sample concerned 70 schools for a total of 9 259 pupils participating in the programme for the academic year 2020/2021. France provided, for each selected school, several documents enabling to account for the number of pupils participating in the programme in 2020/2021 and 2021/2022, also accounting for potential double counting.

The conclusion is that the sampling exercise was considered successful, and the target has been met.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 8-19	C8.I12 - Plan for youth: higher education		
Name of the Target: Places in higher education created			
Quantitative Indicator: Number	Baseline: 0	Target: 16 000	Time: Q3 2021
Evidence Provided:			
In line with the verification mechanisms set out in the Operational Arrangements, the following evidence was provided:			
<ol style="list-style-type: none"> 1. Summary document duly justifying how the target (including all the constitutive elements) was satisfactorily fulfilled. 2. Copy of Programme n°364 “Cohesion” annexed to the Budget Bill 2021 n° 2020-1721 of 29 December 2020 providing a description of the measure “Plan for youth: higher education for post-baccalaureate students”. 3. Copy of the description of the measure “Plan for youth: higher education for post-baccalaureate students” provided in the French Recovery and Resilience Plan. 			

4. A description of the programme “three-year CAP” for the obtainment of the diploma ‘*Certificat d’Aptitude Professionnelle*’ (CAP) in three years instead of two.
5. Description of the programmes “two-year BTS”, “one-year CAP” and “local initiative training and other complementary trainings”.
6. The list of all *public* higher education institutions where places were created, including their location, with for each the number of places created, the field of study, the type (BTS, 1 year CAP, 3-year CAP, local initiative training) and length of the studies.
7. The list of all *private* higher education institutions where places were created, including their location, with for each the number of places created, the field of study, the type (BTS, 1 year CAP, 3-year CAP, local initiative training) and length of the studies.
8. In the context of the sampling analysis, 220 documents provided as pieces of evidence for 60 units requested.

Objectives of the measure: As provided in the CID, the measure is about the creation of places in higher education for post-baccalaureate students, in the following areas:

- places in two-year BTS (*‘Brevet de Technicien Supérieur’*).
- places in one-year CAP (*‘Certificat d’Aptitude Professionnelle’*).
- places for three-year CAP (*‘Certificat d’Aptitude Professionnelle’*).
- places open in local initiative training and other complementary trainings.

Analysis:

Programme n°364 “Cohesion” annexed to the Budget Bill 2021 n° 2020-1721 of 29 December 2020 provides for the opening up of additional places in the following programmes:

- places in two-year BTS.
- places in one-year CAP.
- places for three-year CAP.
- places open in local initiative training and other complementary trainings (FCIL *‘formation complémentaire d’initiative locale’*, MC *‘mentions complémentaires’* and CP *‘classes passerelles’*).

The target set in the CID was to create, by Q3 2021, at least 16 000 places for post-baccalaureate students in the programmes aforementioned. FR provided a list of 19 374 places that were created (17 196 in public higher education institutions and 2 178 in private higher education institutions). The target is therefore met (and exceeded at 121%), which is confirmed by the sampling analysis explained below.

The selected sample concerned 60 higher education institutions, for a total of 1649 additional places created. France provided, for each higher education institution selected, diverse documents enabling to account for the places created by type of programme (BTS, CAP, FCIL, MC and CP). In total, for this sample, France provided evidence for the creation of 1634 places in higher education relevant programmes. This accounts for 99.1% of the total number of places created expected for this sample. By extrapolating this result to the whole target and given that the total number of places created for the whole measure exceeded the set target (121% - see above), the statistical analysis shows that the results of the sampling analysis provide sufficient assurances that the total number of places created in higher education exceeds the target of 16 000.

The conclusion is that the sampling exercise was considered successful, and the target has been met.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 8-22	C8.I15 - Support to employers for hiring of persons with disabilities (AMEETH)		
Name of the Target: Subsidies paid			
Quantitative Indicator: Number	Baseline: 0	Target: 12 500	Time: Q2 2021
<p>Evidence Provided:</p> <p>In line with the verification mechanisms set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> 1. Summary document duly justifying how the target (including all the constitutive elements) was satisfactorily fulfilled. 2. Decree No. 2020-1223 of 6 October 2020 introducing hiring subsidies for disabled workers. 3. Decree No. 2021-864 of 30 June 2021 amending Decree No. 2020-1223 of 6 October 2020 introducing hiring subsidies for disabled workers. 4. The list of all hiring subsidies paid, specifying the name of the company, the duration of the contract (if fixed term), with reference to the individual file. 5. Management Agreement between the Ministry of Labour and the Services and Payment Agency (MTEI-ASP). 6. In the context of the sampling analysis, additional evidence provided for a sample of 60 units including: <ul style="list-style-type: none"> • Hiring contract between the employer and the employee with a disability: • Proof of subsidy payment: • Document from the departmental house for disabled people (Maisons départementales des personnes handicapées-MDPH) certifying the employee disability status or document from the Services and Payment Agency (Agence de Services et de Paiements - ASP) certifying that the disabled worker status has been systematically checked. 			
<p>Objectives of the measure:</p> <p>As provided in the CID, the aim of this investment is to incentivise employers to hire disabled workers for a fixed-term contract of minimum three months or an open-ended contract. The hiring subsidy is granted for jobs with salaries up to twice the minimum wage, and the maximum amount of the support is EUR 4 000 over a year.</p> <p>Analysis:</p> <p>Hiring contracts were initially to be concluded between 1 September 2020 and 30 June 2021. The time frame has been extended to 31 December 2021. The scheme was introduced by Decree No. 2020-1223 of 6 October 2020 setting up a subsidy for the recruitment of disabled workers. It was extended by decree No. 2021-864 of 30 June 2021.</p> <p>The target set in the CID Annex was to achieve at least 12 500 hiring subsidies for the recruitment of persons with disabilities. As of 21 November 2021, 12 843 hiring subsidies were paid to employers who have hired employees with a disability under this scheme by the Services and Payment Agency, according to the list of all hiring subsidies paid provided by France.</p> <p>The breakdown for the number of employees hired under this measure is the following: 11 900 employees have been hired by 30 June 2021 and 943 employees have been hired between the 1 July 2021 and 21 November 2021.</p> <p>As explained in the summary document provided by France, the timetable for the opening of the Payment Services Agency (ASP) platform where employers can submit their applications, was opened on 4 January 2021 for an aid whose eligibility period started on 1 September 2020. The initial under-utilisation of the measure was compensated for by the extension of the measure from 30 June 2021 to 31 December 2021.</p>			

The evidence provided for a sample of 60 units includes a contract signed between the employer and the employee and a proof of subsidy payment from the Services and Payment Agency for all 60 units. Documents from the departmental house for disabled people (MDPH) certifying the disabled worker status of the employee or a document from the Services and Payment Agency attesting that this status has been checked ahead of the subsidy payment have also been provided.

For each unit in the sample, criteria set in the CID Annex are fulfilled: the subsidy is paid to employers hiring between 1 September 2020 and 30 June 2021 an employee with a disability, for a fixed-term contract of minimum three months or an open-ended contract. The hiring subsidy is granted for jobs with salaries up to twice the minimum wage, and the maximum amount of the support is EUR 4 000 over a year.

The conclusion is that the sampling exercise was considered successful, and the target has been met.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 8-29	C8.I21 - Increase in the resources of France Compétences
Name of the Milestone: Signature of the agreement with France Compétences	
Qualitative Indicator: Signature of the agreement	Time: Q1 2021
<p>Evidence Provided: In line with the verification mechanism set out in the Operational Arrangement, the following evidence was provided:</p> <ol style="list-style-type: none"> 1. Summary document duly justifying how the milestone was satisfactory fulfilled and providing an explanation of how the Agreement signed on 25 March 2021 between the State and <i>France Compétences</i> addresses the requirements set out in the CID Annex. 2. A copy of the agreement signed on 25 March 2021 between the State and <i>France Compétences</i> on the transfer of EUR 750 million to <i>France Compétences</i>. 3. A copy of the amended agreement signed on 13 December 2021 between the State and <i>France Compétences</i> about the transfer of EUR 750 million to <i>France Compétences</i>. 	
<p>Objectives of the measure: As provided in the CID, the measure consists in the provision of a grant to <i>France Compétences</i> (the national authority responsible for the regulation and financing of apprenticeships and professional training) to enable <i>France Compétences</i> to respond to the highly increased demand in apprenticeships while having itself fewer resources linked to the economic crisis. The milestone concerns the signature of the agreement by the French State and <i>France Compétences</i> to increase the financial resources of <i>France Compétences</i> by EUR 750 million.</p> <p>Analysis: France provided evidence of the increase in the financial resources of <i>France Compétences</i> by EUR 750 million.</p> <p>In line with the verification mechanism set out in the Operational Arrangements, France shared the agreement signed on 25 March 2021 between the State and <i>France Compétences</i> on the payment of an exceptional allocation of EUR 750 million to <i>France Compétences</i>, to be paid in two instalments (EUR 375 million by 31 March 2021 and EUR 375 million by 15 December 2021). This agreement provides that it is conditional upon the vote, by the Board of Directors of <i>France Compétences</i> by 30 November 2021, of a balanced budget for 2022.</p> <p>On 25 November 2021, <i>France Compétences</i>' Board of Directors adopted a budget in deficit for 2022. The French authorities explained that <i>France Compétences</i> had suffered losses in revenue as a result of the economic crisis (more specifically, because of the contraction of the private wage bill, on which <i>France Compétences</i>' revenue is directly based, assessed at a total of EUR 2 billion</p>	

over the period 2020-2023). In that context, the Government decided to take responsibility for *France's Compétences'* deficit by providing the structure with an additional allocation of EUR 2 billion from the State budget.

The adoption of *France Compétences'* budget in deficit for 2022 was made possible by the abolition of the 'golden rule' laid down in Article 239 (A) (I) of Law No 2020-1721 of 29 December 2020 on the 2021 budget (requiring the vote of a balanced budget). The repeal of this provision is laid down in Article 12 of Law No 2021-1549 of 1 December 2021.

Against this background, the State and *France Compétences* signed an amended Agreement on 13 December 2021, which authorises the payment of the second instalment of the allocation provided for in the law on the 2021 budget (i.e., EUR 375 million paid before 15 December 2021).

In line with the description of the measure in the CID, the French authorities also confirmed in the supporting documents that the EUR 750 million allocation would finance apprenticeship contracts, and more generally the personal training account and alternance (apprenticeship contracts, professionalisation contracts) which are *France Compétences'* two most important budget items.

This confirms that the agreement has been signed in line with the CID description.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 9-1	C9.R1 - National Strategy for the Transformation of the Health System
Name of the Milestone: Vote and publication of the bill to improve the health system (simplification of the governance of hospitals)	
Qualitative Indicator: Entry into force	Time: Q4 2021
Evidence Provided: In line with the verification mechanisms set out in the Operational Arrangements, the following evidence was provided: <ul style="list-style-type: none"> • Law No 2021-502 of 26 April 2021 on improving the health system through confidence and simplification (<i>Loi n° 2021-502 du 26 avril 2021 visant à améliorer le système de santé par la confiance et la simplification</i>). • Link to the website where the Law was published. 	
Objectives of the measure: As provided in the CID, this measure aims at improving the health system by making it possible to give hospitals more flexibility in their organisation, to re-medicalise hospital governance, and to give the hospital service a more prominent role in decision-making. The milestone concerns the entry into force of the law on <i>improving the health system through confidence and simplification</i> .	
Analysis: France adopted in April 2021 the Law No 2021-502 of 26 April 2021 on improving the health system through confidence and simplification in order to improve the governance of hospitals. Provisions of the Law under its Chapter IV on simplifying governance in public health care institutions (Articles 22 to 36) reorganise the governance of hospitals, notably by involving health practitioners in the management and governance of hospitals and providing heads of hospital units with additional powers in terms of care organisation and workforce management (Article 22). The law also allows for increased cooperation between outpatient care and hospitals, in accessing unplanned care ('Services d'Accès aux Soins', Article 28). The Law entered into force on 28 April 2021, i.e., the day after publication in the Official Journal.	
Commission Preliminary Assessment: Satisfactorily fulfilled	

Number: 9-3	C9.R2 - Creation of a new branch of social security covering the risk of loss of autonomy
Name of the Milestone: Law for the creation of a new branch of social security dedicated to supporting the independence of the elderly and people with disabilities	
Qualitative Indicator: Entry into force	Time: Q4 2021
<p>Evidence Provided: In line with the verification mechanisms set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> • Summary document duly justifying how the milestone was satisfactorily fulfilled and providing an explanation of how the laws address the requirements set out in the CID Annex. • Law No 2020-991 of 7 August 2020 (Article 5) on social debt and autonomy. • Law No 2020-1576 of 14 December 2020 (Article 32) on the financing of social security for 2021. • Social Security Code (Articles L.111-1 and L.111-2-1 of Book I, Title I, Chapter 1 on the organisation of social security. • Links to the websites where the legislative acts were published. 	
<p>Objectives of the measure: As provided in the CID, the milestone concerns the entry into force of the law on social debt and autonomy, which provides for the creation of a new branch of social security dedicated to supporting the independence of the elderly and people with disabilities.</p>	
<p>Analysis: France adopted Law No 2020-991 of 7 August 2020 on social debt and autonomy and Law No 2020-1576 of 14 December 2020 on the financing of social security:</p> <ul style="list-style-type: none"> • Article 5 of Law No 2020-991 of 7 August 2020 on social debt and autonomy provides for establishing a new branch of social security (fifth branch) dedicated to support for dependent elderly people and persons with disabilities and entrusting the management of this new branch to the National Solidarity Fund for Independence (CNSA). • Article 32 of Law No 2020-1576 of 14 December 2020 on the financing of social security for 2021 implements the creation of this fifth branch of social security and reinforces the role of the National Solidarity Fund for Independence (CNSA), as the national fund managing this new branch. <p>Article 32 of this Law defines the first measures for organising the governance and financing of the fifth branch within the general social security system covering the risk of loss of autonomy in addition to the pre-existing branches.</p> <p>In particular, it defines the financial scope of the autonomous branch covering CNSA's existing expenditure, including the funding of medical and social institutions and services.</p> <p>Law No. 2020-992 of 7 August 2020 on social debt and autonomy was published in the Official Journal on 8 August 2020 and entered into force the day after its publication in the Official Journal</p> <p>Law No. 2020-1576 of 14 December 2020 on the financing of social security for 2021 was published in the Official Journal of 15 December 2020 and entered into force the day after publication. This confirms that the elements of the reform described in the CID entered into force.</p>	
Commission Preliminary Assessment: Satisfactorily fulfilled	

Number: 9-18	C9.I8 - PIA4 - Support to teaching, research, promotion and innovation ecosystems
Name of the Milestone: All three calls for projects launched ("ExcellencES", "Diversification of the resources of higher education and research institutions", and "Transformation of school education	

by promoting innovation and new forms of organization and management”)	
Qualitative Indicator: Publication of the calls on the website	Time: Q4 2021
<p>Evidence Provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> Summary document including links to the websites where the three calls for projects are published: <ul style="list-style-type: none"> ExcellencES; Diversification of the resources of higher education and research institutions (<i>“Accélération des stratégies de développement des établissements d’enseignement supérieur et de recherche”</i>); Transformation of school education by promoting innovation and new forms of organization and management (Caisse des dépôts website for the call <i>“Innovation dans la forme scolaire”</i>). Decision from 28 October 2021 by the Electronic Education, Research and Innovation Ecosystems Committee on the validation of the terms of reference for Diversification of the resources of higher education and research institutions (<i>“Accélération des stratégies de développement des établissements d’enseignement supérieur et de recherche”</i>). Decision from 2 November 2021 by the Electronic Education, Research and Innovation Ecosystems Committee on the validation of the terms of reference for Transformation of school education by promoting innovation and new forms of organization and management (<i>“Innovation dans la forme scolaire”</i>). Term of reference document for Transformation of school education by promoting innovation and new forms of organization and management (<i>“Innovation dans la forme scolaire”</i>) (not directly accessible from the website, registration needed). 	
<p>Objectives of the measure:</p> <p>As provided in the CID, in the context of the fourth future Investment program (Plan d’Investissement d’Avenir - PIA4), three calls for projects concerning the support to innovation in the fields of teaching (from kindergarten to university) and research had to be launched. The three calls are (1) ExcellencES, (2) Diversification of the resources of higher education and research institutions (<i>“Accélération des stratégies de développement des établissements d’enseignement supérieur et de recherche”</i>), and (3) Transformation of school education by promoting innovation and new forms of organization and management (<i>“Innovation dans la forme scolaire”</i>).</p>	
<p>Analysis:</p> <p>The milestone in the CID describes two parameters for achievement: (1) the launch of the calls and (2) the inclusion of environmental neutrality in the terms of reference.</p> <ol style="list-style-type: none"> <u>Launch of the calls</u>: the links to the relevant websites (Agence nationale de la recherche and Caisse des Dépôts et Consignations) provide evidence that the three concerned calls have been launched. <u>Environmental neutrality</u>: The terms of reference of the three calls for projects contain the explicit reference to DNSH and exclusion of projects harming the environment: “Are excluded the projects which would cause significant harm from an environmental point of view (application of the DNSH principle) within the meaning of Article 17 of the European regulation on taxonomy”. 	
This confirms that the elements of the milestone described in the CID are fulfilled.	
Commission Preliminary Assessment: Satisfactorily fulfilled	