

**28 February 2022**

**Positive preliminary assessment of the satisfactory fulfilment of milestones and targets related to the first payment request of 30 December 2021 submitted by Italy transmitted to the Economic and Financial Committee by the European Commission**

**Executive summary**

In accordance with Article 24 (paragraph 2) of Regulation (EU) 2021/241, on 30 of December 2021, Italy submitted a request for payment for the first instalment of the non-repayable support and the first instalment of the loan support. The payment request was accompanied by the required management declaration and summary of audits.

To support its payment request, Italy provided due justification of the satisfactory fulfilment of the 29 milestones and targets of the first instalment of the non-repayable support and the 22 milestones of the first instalment of the loan support, as set out in Section 2(1)(1.1) and Section 2(2)(2.1) of the Council Implementing Decision of 13 July 2021 the approval of the assessment of the recovery and resilience plan for Italy<sup>1</sup>.

For 2 targets covering a large number of beneficiaries, in addition to the summary documents and official listings provided by Italy, Commission services have assessed a statistically significant sample of individual files. The sample size has been uniformly set at 60, 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 Italy, the Commission has made a positive preliminary assessment of the satisfactory fulfilment of all 51 milestones and targets.

The milestones and targets positively assessed as part of this payment request demonstrate significant steps in the implementation of Italy's recovery and resilience plan. This includes, among others, the reforms of the justice system, concerning civil and criminal proceedings, as well as insolvency, and reforms of the education system. Further areas of intervention cover the reform of public procurement and the adoption of measures to improve the effectiveness of spending review and to fight tax evasion. The milestones and targets also confirm progress towards the completion of investment projects related to digitization of the production system, the energy efficiency requalification of private and public buildings, the fostering of administrative capacity, and the support to SMEs especially in the tourism sector.

By the transmission of this preliminary assessment and in accordance with Article 24 (paragraph 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.

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<sup>1</sup> (ST 10160/21; ST 10160/21 ADD 1 REV 2), not yet published.

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<b>Number:</b> M1C1-1	<b>M1C1.R1.1 - ICT Procurement</b>
<b>Name of the Milestone:</b> Entry into force of law decrees for reform 1.1 'ICT Procurement'	
<b>Qualitative Indicator:</b> Provision in the law indicating the entry into force of law decree for ICT procurement reform	<b>Time:</b> Q4 2021
<p><b>Evidence Provided:</b></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"> <li>1. Summary document duly justifying how the milestone was satisfactorily fulfilled in line with the requirements set out in the CID Annex</li> <li>2. Decree-Law n. 77 of 31 May 2021 "Governance of the National Recovery and Resilience Plan and first measures to strengthen administrative structures and speed up and streamline procedures" (published in the Official Journal n. 129 of 31 May 2021)</li> <li>3. Law n. 108 of 29 July 2021, converting Decree-Law n. 77 of 31 May 2021 into law "Conversione in legge, con modificazioni, del decreto-legge 31 maggio 2021, n. 77, recante governance del Piano nazionale di ripresa e resilienza e prime misure di rafforzamento delle strutture amministrative e di accelerazione e snellimento delle procedure" (published in the Official Journal n. 181 of 30 July 2021)</li> <li>4. Ministerial Decree n. 148 of 12 August 2021, adopting a Regulation laying down the procedures for digitizing public contract procedures, pursuant to Article 44 of the Legislative Decree n. 50 of 18 April 2016 ("Public Contracts Code"), (published in the Official Journal n. 256 of 26 October 2021)</li> </ol>	
<p><b>Objectives of the measure:</b></p> <p>As provided in the CID, this measure aims at ensuring that the public administration may procure Information and Communication Technologies (ICT) solutions in a more timely and more efficient way by streamlining and accelerating the procurement process for ICT services and assets. The milestone foresees three main lines of action, namely: (i) the adoption of a simplified approach to streamline ICT purchases for NRRP projects; (ii) fostering interoperability between the various databases used for verifying the grounds for exclusion from participation in procurement procedures; (iii) the establishment of a virtual file of economic operators in which are present the data for the verification of the absence of reasons for exclusion referred to in Article 80 of the Public Contracts Code, enabling the definition of a white list of economic operators for whom the verification has already been carried out.</p>	
<p><b>Analysis:</b></p> <p>The three constitutive elements specified in the description of the milestone in the CID have been fulfilled by the entry into force, on 31 July 2021, of the provisions contained in Decree-Law n. 77 of 31 May 2021, as converted into law by Law n. 108 of 29 July 2021.</p> <ul style="list-style-type: none"> <li>• The first line of action contained in the description of the milestone and related to the adoption of a simplified approach to streamline ICT purchases for projects under national recovery and resilience plan ('NRRP') is fulfilled by Article 53 (1) of Decree-Law n. 77/2021, which introduces the possibility for contracting authorities to use the provisions referred to in Article 48 (3) of the Public Contracts Code on "temporary groups and ordinary consortia of economic operators", also for contracts above the thresholds referred to in Article 35 of the Public Contracts Code for purchases of computer goods and services, in particular based on cloud technology, as well as connectivity services, financed in whole or in part with the resources provided for the implementation of NRRP projects.</li> <li>• The second line of action, related to the interoperability between the databases used for verifying the grounds for exclusion from participation in procurement procedures, is fulfilled</li> </ul>	

by Article 53, (5), points (a) and (d), of Decree-Law n. 77/2021, which introduce amendments to Articles 29 and 81 of the Public Contracts Code aimed at encouraging interoperability between the databases in use for verifying the grounds for exclusion from participation in procurement procedures and at facilitating such procedures by enabling checks carried out electronically.

- The third line of action, related to the establishment of a virtual file of economic operators, is fulfilled by Article 53, (5), point (d), of Decree-Law n. 77/2021, which introduces amendments to the Public Contracts Code to set up a virtual file of economic operators containing *inter alia* the data for the verification of the absence of reasons for exclusion referred to in Article 80 of the Public Contracts Code, thereby enabling the definition of a white list of economic operators, including suppliers, for whom the verification has already been carried out.

In addition, the three constitutive elements specified in the description of the reform in the CID are also fulfilled.

- First, as mentioned above, amendments to the Public Contracts Code are introduced to set up a virtual file of economic operators containing *inter alia* the data for the verification of the absence of reasons for exclusion referred to in Article 80 of the Public Contracts Code, thereby enabling the definition of a whitelist of economic operators for whom the verification has already been carried out. This allows a more streamlined process for the verification of the absence of reasons for exclusion of economic operators, including suppliers.
- Second, as mentioned above, a simplified approach ("fast track") to streamline ICT purchases for NRRP projects is also introduced by Article 53 of Decree-Law n. 77/2021.
- Third, the 'E-Procurement National Service' managed by Italy's central purchasing body CONSIP on behalf of the Ministry of Economy and Finance, makes available a number of digital purchasing and trading tools for the procurement of ICT products and services by public authorities, available on the 'AcquistinretePA' portal ([www.acquistinretePA.it](http://www.acquistinretePA.it)). The authorities indicate that in the context of CONSIP's calls for tenders relating to the three-year plan for IT in the public administration, framework agreements have been drawn up providing for the use of a configurator enabling the suppliers for whom the verification has already been carried out, to be selected on the basis of the convenience of the various services. This mechanism will be used for new NRRP tenders, in particular for Software as a Service ('SaaS') services.

The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M1C1-2	<b>M1C1.R1.3</b> - Cloud First and Interoperability		
<b>Name of the Milestone:</b> Entry into force of law decrees for reform 1.3 ‘Cloud First and Interoperability’			
<b>Qualitative Indicator:</b> Provision in the law indicating the entry into force of law decree for cloud first and interoperability reform			<b>Time:</b> Q4 2021
<b>Evidence Provided:</b> In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided: <ol style="list-style-type: none"><li>1. Summary document duly justifying how the milestone was satisfactorily fulfilled in line with the requirements set out in the CID Annex</li><li>2. Agency for Digital Italy (Agenzia per l'Italia digitale, AgID) Regulation on National Strategic Hub (Polo Strategico Nazionale - PSN); “Regulation laying down minimum levels of security, computing capacity, energy savings and reliability of digital infrastructure for public</li></ol>			

administrations and quality, security, performance and scalability characteristics, portability of cloud services for public administrations, migration arrangements and how cloud services are qualified for public administration” (provided for in Article 33-septies of Decree-Law n. 179/2012)

3. AgID Guidelines on interoperability; “Guidelines on technological infrastructure of the Digital National Data Platform for the interoperability of information systems and databases”, provided for in Article 50-ter (2) of the Code of the Digital Administration (Codice dell'Amministrazione Digitale, CAD)
4. Decree-Law n. 77 of 31 May 2021 (published in the Official Journal n. 129 of 31 May 2021), on the NRRP governance and simplification of administrative procedures
5. Law n. 108 of 29 July 2021, converting Decree-Law n. 77 of 31 May 2021 into law (published in the Official Journal n. 181 of 30 July 2021)
6. Law n. 109 of 4 August 2021, converting Decree-Law n. 82 of 14 June 2021 into law (published in the Official Journal n.185 of 4 August 2021) creating the National Cybersecurity Agency (Agenzia per la Cybersicurezza Nazionale)
7. Decree-Law n. 152 of 6 November 2021 (published in the Official Journal n. 265 of 6 November 2021) on "urgent provisions for the implementation of the NRRP and for the prevention of mafia infiltration"
8. The eTranslation of Law n. 233 of 29 December 2021 converting Decree-Law n. 152 of 6 November 2021 into law
9. AgID decision n. 627/2021 of 15 December 2021 on the adoption of the Guidelines on interoperability
10. AgID decision n. 628/2021 of 15 December 2021 on the adoption of the Regulation on PSN

The authorities also provided:

11. “The Cloud First strategy”

#### **Objectives of the measure:**

As provided in CID, this measure aims at removing the obstacles to cloud adoption and streamlining the bureaucracy that slows down the data exchange processes between public administrations by introducing a set of incentives and obligations aimed at facilitating the migration to cloud and removing procedural constraints to the broad adoption of digital services. The reform has three constitutive elements. First, after a predefined “grace period” (i.e. three-years after the launch of the transformation), administrations that did not adhere to the cloud transformation shall see a restriction in their ICT spending budget. Second, the current public accounting rules for expenses related to cloud services shall be revised in order not to disincentivize cloud migration for public administrations. Third, norms related to data interoperability rules shall be simplified to streamline procedural aspects and speed up the implementation of interoperability between public administration databases. In this context, M1C1-2 (being the only milestone related to this measure) consists in the adoption of four legislative and regulatory provisions, functional to the achievement of the purpose of the measure outlined above.

#### **Analysis:**

The four necessary legal acts set out in the description of the milestone in the CID have entered into force and comply with the requirements of the milestone. In particular:

- The implementing regulatory acts concerning (i) AgID Regulation on PSN and (ii) AgID Guidelines on interoperability, have been adopted on 15 December 2021 and have entered into force on 3 January 2022. The Regulation on PSN (i) sets out the minimum levels of security, computing capacity, energy savings and reliability of digital infrastructures for public administrations, (ii) defines the characteristics in terms of quality, security, performance, scalability, interoperability and portability of cloud services for public administrations, (iii) identifies the terms and means by which administrations must carry out migrations and (iv) identifies the process and modalities

for the classification of cloud services for public administrations. AgID Guidelines on interoperability define in particular (i) the accreditation, identification and authorisation processes ensured by the interoperability infrastructure of the Digital National Data Platform (Piattaforma Digitale Nazionale Dati, PDND), (ii) how the parties concerned follow up on each other's transactions through the PDND interoperability infrastructure, (iii) the arrangements for collecting and storing information on accesses and transactions carried out through the PDND Interoperability Infrastructure;

- Article 39 (2), point (a) of Decree-Law n. 77 of 31 May 2021, converted into law by Law n. 108 of 29 July 2021, which entered into force on 31 July 2021 has introduced amendments to Article 50 of the Code of the Digital Administration (CAD). These amendments (i) abolish the obligation to enter into framework agreements for administrations accessing the national digital data platform, with the aim of streamlining and encouraging the sharing and the use of public information assets; (ii) clarify the issue of privacy: the transfer of data from one information system to another does not change the ownership of the data and processing;
- Article 39 (5) of Decree-Law n. 77 of 31 May 2021, converted into law by Law n. 108 of 29 July 2021 has introduced amendments to the Decree of the President of the Republic (DPR) 445/2000 regarding access to data, and concerning (i) repeal of the authorization required for direct access to data; (ii) removal of reference to framework agreements in Article 72;
- Article 41 (2), point (a) of Decree-Law n. 77 of 31 May 2021 has introduced amendments to Article 33-septies of Decree-Law 179/2012, providing for: (i) the possibility for AgID to regulate with the Centri Elaborazione Dati (CED) and Cloud Regulations the terms and methods with which public administrations must carry out CED migrations; (ii) sanctions for failure to comply with obligations to migrate to the cloud. Article 16 (3) of Decree Law n. 82 of 14 June 2021, converted into law by Law n. 109 of 4 August 2021, has subsequently transferred the possibility to regulate data centers migrations to the new National Cybersecurity Agency, which will be better equipped to manage migrations in a safe and effective way, ensuring the objective of the milestone is fulfilled.

In addition, the three requirements set out in the description of the reform in the CID have also been fulfilled. In particular:

- Restrictions in ICT spending budgets for administrations that will not adhere to the cloud transformation after a predefined "grace period" have been introduced by Article 41 (2), point (b) of Decree-Law n. 77/2021, by introducing penalties to be imposed in the event of failure by public authorities to comply with their obligations under the law;
- An amendment to Article 27 of Decree-Law n. 152/2021 has been added in the conversion Law n. 233 of 29 December 2021, which entered into force on 1 January 2022 (Article 1 of Law n. 233/2021), according to which, by way of derogation from the normal accounting rules, for the period of the NRRP it shall be possible for administrations to make compensatory budgetary changes between chapters for ICT investments in equipment, such as servers and other IT equipment and those relating to the acquisition of infrastructure cloud services;
- Norms related to data interoperability rules have been revised through the adoption of AgID 'Guidelines on interoperability'. The procedures for data exchange between public administrations have been simplified by Article 39 (2), points (a) and (b), numbers 1, 2, 3 and 4-*bis*; Article 39 (5) and Article 41 (2), point (a), of Decree-Law n. 77/2021. Finally, Article 27 (1) of Decree-Law n. 152 of 6 November 2021 expressly provides (a) the possibility of electing a digital domicile directly from the national resident registry (ANPR), as well as from the INAD Index managed by AGID; (b) the constant alignment of the digital domiciles of natural persons registered in the ANPR managed by the Ministry of Interior and the INAD Index managed by AgID.

The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.

**Commission Preliminary Assessment: Satisfactorily fulfilled**

<b>Number:</b> M1C1-29	<b>M1C1.R1.4 - Reform of the civil justice</b>
<b>Name of the Milestone:</b> Entry into force of enabling legislation for the civil Justice reform	
<b>Qualitative Indicator:</b> Provision in the law indicating the entry into force of the enabling legislation	<b>Time:</b> Q4 2021
<p><b>Evidence Provided:</b></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"> <li>1. Summary document duly justifying how the milestone was satisfactorily fulfilled in line with the requirements set out in the CID Annex</li> <li>2. Law n. 206 of 26 November 2021, published in the Official Journal (n. 292 of 9 December 2021)</li> <li>3. A series of additional acts related to the introduction of a monitoring system at court level and the increase of productivity of civil courts. Those acts complement the provisions of Law n. 206/2021 and are:             <ol style="list-style-type: none"> <li>4. Decree Law n. 152 of 23 December 2021, as converted by Law n. 233 of 29 December 2021 and published in the Official Journal (n. 310 of 31 December 2021) whose Article 35 introduces a system of monitoring the performance of civil courts;</li> <li>5. The Circular of the Chief of Department for judicial organization of 22 December 2021, which sets the start of the continuous monitoring of civil courts performance;</li> <li>6. The Circular of the Department of judicial organization of 12 November 2021, which sets the indicators to monitor the objectives of the NRRP;</li> <li>7. The Circular of the Chief of Department for judicial organization of 03 November 2021, which outlines the criteria on the organizational activities necessary to implement the “trial office” (<i>ufficio per il processo</i>);</li> <li>8. The Circular of the Chief of Department for judicial organization of 02 December 2021 that gives the general guidelines for the adoption of the organisational projects as per Article 12 (paragraph 3) of Decree Law n. 80 of 9 June 2021;</li> <li>9. The Memorandum of Understanding among the Ministry of Justice, the School of Judiciary and the High Council of Judiciary, which establishes training courses for magistrates in managerial positions;</li> <li>10. The Ministry of Justice Decree of 27 December 2021 that sets the criteria for allocating the magistrates of the flexible organigram (<i>pianta organica flessibile</i>).</li> </ol> </li> </ol> <p>The authorities also provided:</p> <ol style="list-style-type: none"> <li>11. Draft of a Ministry of Justice Decree concerning the quantification of legal fees.</li> </ol>	
<p><b>Objectives of the measure:</b></p> <p>As provided in CID, the measure aims at reducing the length of civil proceedings by identifying a wide range of actions to reduce the number of incoming cases in courts, by simplifying existing procedures, by reducing the backlogs and by increasing the productivity of courts. The reduction of number of incoming cases in courts is achieved through strengthening mediation, alternative dispute resolution and arbitration and reviewing the current system of quantification and recoverability of legal fees. The simplification is pursued by strengthening ‘filtering procedures’ at the appeal level, extending the cases where a single judge is competent to adjudicate, securing the actual implementation of binding timeframes for procedures. Higher productivity of courts is to be achieved through a monitoring system and incentives to accomplish standard performance across courts.</p>	
<b>Analysis:</b>	



The milestone concerns the entry into force of enabling legislation whose full implementation (through delegated acts) is related to an additional milestone due by Q4 2022 (M1C1-36 entry into force of delegated acts for the civil justice reforms). The reform entered into force on 24/12/2021 through Law n. 206/2021. The law enables the Government to adopt, within a year from its entry into force, one or more legislative decrees to reorganise formally and substantially the civil justice system by modifying the procedural civil code and special processual laws in compliance with the criteria and objectives set by Law 206/2021.

The milestone sets the basis for achieving the targets set out in the CID to reduce by 40% the 2019 disposition time (M1C1-45 due by Q4 2026) and case backlog. The first targets to reduce the number of pending cases are due by Q4 2024 (M1C1-43 for first instance and M1C1-44 for appeal) and the others by Q4 2026 (M1C1-47 for first instance and M1C1-48 for appeal).

The first constitutive element of the milestone addresses **the length of proceedings and rationalisation of procedures**. Article 1 (paragraphs 5, 6, 7, 8, 17 and 23) of Law n. 206/2021 introduces various elements in relation to procedural simplification. For instance, Article 1 (paragraph 5) makes the existing summary procedure (now called '*procedimento semplificato di cognizione*') compulsory for any dispute, including those falling within the jurisdiction of the court in collegiate composition, (1) when the facts of the case are uncontroversial, (2) when the case is based on documentary evidence or (3) requires non-complex evidentiary activity and in providing for shorter procedural terms in comparison to those of ordinary proceedings. This enables the judge to adjudicate the case already in the first hearing. Article 1 (paragraph 5) also envisages the introduction of a simplified procedure to adjudicate cases on an interim basis when the claim is manifestly unfounded. Moreover, procedural efficiency is increased, *inter alia*, by reducing the number of instances where the rulings have to be delivered by a panel of judges (article 1, paragraph 6) and by expanding justice of the peace (*giudice di pace*) competencies in order to move less complex cases (or of less economic importance) outside the ordinary courts (article 1, paragraph 7). Law n. 206/2021 also introduces filtering measures in appeal proceedings (Article 1, paragraph 8) such as the possibility to declare manifestly unfounded appeals that do not have a reasonable likelihood of being upheld and to take the decision of manifest unfoundedness following the oral hearing in accordance with the brief judgement procedure. Supreme Court' (*Corte di Cassazione*) proceedings are also simplified by introducing an accelerated procedure to declare appeals inadmissible or manifestly unfounded and allowing lower judges to request its preliminary ruling on questions of law on which the parties have already been heard (Article 1 paragraph 9, letters e and g) .

Regarding the second constitutive element of the milestone to secure the **implementation of binding timeframes for procedures and a calendar for gathering of evidence**, Law n. 206/2021 addresses the inefficiencies linked to the lengths of civil proceedings by introducing specific controls over the schedule of the proceedings as regards the setting of hearings and the collection of evidence. The novelties of Article 1 (paragraphs 5, 17 and 21) require the judge to prepare the schedule for the proceedings (*calendario del processo*) at the end of the first hearing, suppress dispensable hearings and establish time limits between first hearing and the one for gathering evidence and for the public administration to transmit any requested information.

Article 1 (paragraph 17) of Law n. 206/2021 also enhances digitalisation by allowing to submit and request documents electronically and to take part in trials remotely under specific conditions that do not cause prejudice to the parties.

As regards the third constitutive element, Law n. 206/2021 reinforces the use of **alternative dispute resolution** mechanisms to reduce the recourse to the civil justice system and lead to a decrease of actively pending proceedings. Specifically, Article 1 (paragraph 4) of Law n. 206/2021 extends the scope of mandatory mediation, improves the training of mediators and reforms their professional requirements, strengthens tax incentives and the provision of legal support in relation to out-of-

court dispute resolution procedures and encourages the active participation of the parties. Judge-ordered mediation is also enhanced by simplifying the assisted negotiated procedure and extending it to family disputes, establishing training course in mediation for judges and creating an inter-institutional cooperation between judicial offices and external stakeholders such as universities and lawyers in order to achieve stable training of operators and monitor results. Further, Article 1 (paragraph 15) of n. Law 206/2021 tackles arbitration by strengthening the guarantees of impartiality and independence of the arbitrator and enhancing, subject to specific conditions, the enforceability of arbitrators' decrees and interim measures.

With reference to the fourth constitutive element of the milestone, Law n. 206/2021 also tackles the inefficiencies of the civil justice system with regard to the **cost and length of forced execution proceedings**. *Inter alia*, novelties relate to the introduction of the private sale procedure organised by the debtor and of a stricter control by the judge on the work of the sale officer (*delegato alla vendita*), limiting the time the sale officer has to proceed to any subsequent attempts at sale (Article 1 (paragraph 12) of Law n. 206/2021).

Concerning the **quantification and recoverability of legal fees to reduce frivolous litigations**, Article 1 (paragraphs 5, 7, 8 and 17) of Law n. 206/2021 includes specific measures to reduce the tendency to engage in frivolous litigation, ultimately achieving the same goal of the reform of legal fees' quantification. These initiatives include, *inter alia*, the introduction of a simplified procedure to adjudicate cases on an interim basis when the claim is manifestly unfounded (Article 1, paragraph 5). In this case, the judge may also condemn the succumbing part to the payment of legal fees and of an additional amount for damage compensation.

In relation to the fifth constitutive element of the milestone, the Ministry of Justice has set up a system for **monitoring the performance at court level**, which according to Articles 35 and 35 *bis* of Decree Law 152/2021, has the objectives of tackling the reduction of disposition time and backlog. The Circular adopted on 12 November 2021 by the Department of judicial organization has defined the indicators and baseline to monitor the objectives of the NRRP. The Circular of the Chief of Department for judicial organization of 22 December 2021 indicates to the civil courts a set of support measures to implement the continuous monitoring of their performance, including training, and requests the creation of a system at court level responsible for gathering and processing data. In view of strengthening courts' capacity and supporting the activities of the judges and of the entire court, the Circular of the Chief of Department for judicial organization of 3 November 2021 has established the "trial office" (*ufficio per il processo*) giving application to Article 12 (paragraph 3) of Decree Law n. 80/2021. The Circular sets the general guidelines for the adoption of the organisational projects of the trial office. In addition, Article 1 of Law n. 206/2021 includes specific measures to monitor and incentivise the productivity of civil courts such as tasking the trial office of analysing and preparing data on the judicial offices' workload. Moreover, the Ministry of Justice Decree of 27 December 2021 sets the criteria for allocating magistrates to a flexible organigram (*pianta organica flessibile*) established at district level, which makes them available to provide support to courts within the judicial district in case of need. As result, the aforementioned legal acts set up a system of effective monitoring that starts from setting uniform performance standards or benchmarks depending on the specific characteristic of the court, defining objectives consistent with the CID targets underpinning the reform and establishing accompanying support measures for courts that perform below average.

Lastly, the Ministry of Justice has signed a Memorandum of Understanding with the School of Judiciary and the High Council of Judiciary, which establishes training courses for magistrates in managerial positions in order to strengthen the managerial and digital skills for Head and Deputy of Offices. These are considered as incentives to increase the managerial and administrative skills of magistrates in top positions and to improve their efficiencies as their performance would be monitored and evaluated as part of the performance of the court. The monitoring system together with the incentives above mentioned fulfil the requirements of the sub-part of the milestone.

Beyond the requirement of the milestone, in the summary document, the Italian authorities committed to include additional incentives in the context of the reform of the Judiciary that is expected to take place in 2022.

In addition, on the specific issue of quantification and recoverability of legal fees to reduce frivolous litigations, the Italian authorities have also provided a draft ministerial decree that intervenes directly to reducing the margins of discretion in quantifying legal fees. This draft ministerial decree builds on what is done under the milestone (enabling legislation) and represents implementing legislation. Given the specific subject of the decree, an extended procedure is required for its entry into force, including several rounds of consultations with various stakeholders: associations of lawyers, Council of State and Parliamentary Committees. At the time of the payment request, its *iter* of approval is well-advanced with the Council of State having provided its opinion after the preliminary agreement on the draft reached with the lawyers' association. Moreover, in the summary document duly justifying how the milestone is satisfactorily fulfilled, the Italian authorities committed to adopt additional initiatives to strengthen the principles of sincere cooperation between the parties to the proceedings and to introduce further simplifications in the recoverability of legal fees in the above-mentioned implementing legislation.

The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.

**Commission Preliminary Assessment: Satisfactorily fulfilled**

<b>Number:</b> M1C1-30	<b>M1C1.R1.5 - Reform of the criminal justice</b>
<b>Name of the Milestone:</b> Entry into force of enabling legislation for the criminal Justice reform	
<b>Qualitative Indicator:</b> Provision in the law indicating the entry into force of the enabling legislation	<b>Time:</b> Q4 2021
<p><b>Evidence Provided:</b></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"> <li>1. Summary document duly justifying how the milestone was satisfactorily fulfilled in line with the requirements set out in the CID Annex;</li> <li>2. Copy of the publication in the Official Journal n. 237 of 2021 for Law n. 134/2021 concerning the enabling legislation for the criminal justice reform;</li> </ol> <p>A series of additional acts related to the introduction of a monitoring system at court level and the increase of productivity of criminal courts in order to ensure reasonable length of proceedings and uniform performances across courts. These acts complement Law 134/2021 provisions and are:</p> <ol style="list-style-type: none"> <li>3. Copy of the publication in the Official Journal for Decree-Law n. 152/2021, converted with modifications in law n. 233/2021, including measures for strengthening the effective monitoring and organisational arrangements to reduce the length of criminal justice proceedings;</li> <li>4. Circular of the Head of Department for judiciary organisation dated 3 November 2021 providing guidance for the implementation of the reform;</li> <li>5. Circular of the Department of judicial organization of 12 November 2021, which sets the indicators to monitor the objectives of the NRRP;</li> <li>6. Circular of the Head of Department for judiciary organisation dated 2 December 2021 adopting organisational arrangements to improve the effectiveness of the system;</li> <li>7. Circular of the Head of Department for judiciary organisation dated 22 December 2021 setting up the continuous monitoring;</li> </ol>	

8. A memorandum of Understanding (MoU), dated 22 December, between the Ministry of Justice, the High Council of Judiciary and the High School of Judiciary to organise managerial training courses for magistrates to be promoted to top positions;
9. Ministerial decision dated 27 December 2021 to implement a provision already established in the 2020 budget law to deploy judges in a flexible manner to fill in temporary gaps or critical situation under certain criteria including the need to guarantee the goals of the NRRP;

**Objectives of the measure:** As provided in the CID, this milestone aims at reducing the length of criminal proceedings by simplifying existing procedures and increasing the productivity of courts. The simplification is pursued by extending the application of simplified procedures, broadening the use of digital technology, defining time limits for the duration of preliminary investigation, reviewing the notification system to make it more effective. Higher productivity of courts is achieved through a monitoring system and incentives to accomplish standard performance across courts.

**Analysis:** The milestone concerns the adoption of enabling legislation whose full implementation (through delegated acts) is related to an additional milestone due by Q4 2022 (M1C1-36 entry into force of delegated acts for the criminal justice reforms). The milestone should be also assessed against the target to reduce by 25% the 2019 disposition time related to criminal cases in Q2 2026 (M1C1-46 reduction in the length of criminal proceedings). Note that the scope of the legislated reform goes beyond the specific elements of the milestone (indicated below) as article 1, paragraph 2, letter a of Law 134/2021 introduces the principle of ‘non-prosecution’ that prevents the possibility to further proceed with the trial once time limits for the trial are reached. Time limits are 2 years for the appeal and one year for the Court of Cassation. The principle of ‘non-prosecution’ is an additional tool that aims to reduce the length of criminal proceedings.

As regards the milestone, Law n. 134/2021 enables the Government to adopt, within a year from its entry into force on 19 October 2021, one or more legislative decrees to reorganise formally the criminal justice system by modifying the procedural criminal code and special processual laws in compliance with the criteria and objectives set by Law n. 134/2021. Law 134/2021 covers the first six constitutive elements of the milestone and is complemented by a series of additional acts related to seventh constitutive element on the introduction of a monitoring system at Court level and increase of criminal courts productivity through incentives to ensure reasonable length of proceedings and uniform performances across courts. The Law entered into force on 19 October 2021

The enabling legislation passed with Law n. 134/2021 includes the following provisions:

- Article 1 (paragraphs 5 and 8) establishes the general mandatory use of electronic notification with the aim at speeding up the procedures and the possibility to hold remote hearings/single act procedure with the agreement of the parties
- Article 1 (paragraphs 9 and 10) introduces incentives to extend the use of plea bargains, immediate proceeding and abbreviated proceedings if the defendant gives up lodging an appeal. Article 1 (paragraphs 9 and 12) also introduces a new rule of decision which would end the preliminary investigations, apply simplified procedures and filter the appeal in absence of “reasonable expectation of conviction”.
- Article 1 (paragraphs 5 and 8) introduces a general mandatory use of electronic notification with the aim at speeding up the procedures.
- Article 1 (paragraphs 9 and 11), provides for simplified rules on evidence including dismissal to be requested when the evidence gathered does not allow a conviction reasonably, the use of the video recorded evidence to avoid lengthy procedures when the judge changes.
- Article 1 (paragraph 9) provides a certain degree of rationalisation of procedures to address the stagnation of the investigative phase.

- A provision aimed to extinguish the crime if damages have been repaid is already in place but limited to private Lawsuits. The reform extends the number of cases where crimes to be prosecuted require the submission of a private Lawsuit (*reati procedibili a querela*) including not particularly serious crimes against goods owned by individuals. In addition, Article 1, (paragraph 22) sets out measures linked to the implementation of restorative conducts pursuing the objective of reducing pressure on the justice system.

As for organisational measures aiming at introducing a monitoring system and increasing the productivity of courts, the circular of the Head of Department of judicial organization adopted on 12 November 2021 by the Department of judicial organization, defines the **indicators and baseline to monitor the objectives of the NRRP including the abovementioned CID targets**.

- Article 35-bis of Decree-Law n. 152/2021 introduces the obligation for the Head of Courts to **prepare the yearly work plan** to operationalise progress towards the achievement of the CID targets envisaged for 2026. Decree-Law n. 152/2021 was converted with modifications in Law n. 233/2021, which entered into force on 1 January 2022 (Article 1 of Law 233/2021).
- In parallel, the Ministry of Justice with a circular of the Head of Department for judiciary organisation dated 22 December 2021 has set up a **system of monitoring the performance at court level** in line the objectives of tackling the reduction of disposition time and case backlog.

In view of strengthening the judicial capacity and achieving the CID targets, the circular of the Chief of Department for judicial organization of 3 November 2021 has reorganised the “trial office” (*ufficio per il processo*) supporting the activities of the judges and of the entire court. Moreover, to converge towards uniform performances across courts, the Ministry of Justice adopted a decision on 27 December 2021 to set criteria for allocating magistrates to a flexible organigram (*pianta organica flessibile*) established at district level, which makes them available in case of underperformance or of unforeseeable or extraordinary events.

As result, an effective monitoring has been structured along a process that starts from setting credible objectives consistent with the CID targets underpinning the reform to establishing accompanying support measures for courts that perform below average. Lastly, the Ministry of Justice has signed a Memorandum of Understanding with the School of Judiciary and the High Council of Judiciary, which establishes training courses for magistrates in managerial positions. Those training activities are set to strengthen the managerial and digital skills for Head and Deputy of Offices. They represent incentives to improve the efficiency of courts by monitoring the performance of the top managers. The monitoring system together with the incentives above mentioned fulfil the requirements of the sub-part of the milestone.

In the summary document, the Italian Authorities committed to include additional incentives in the context of the reform of the Judiciary in 2022.

In conclusion, all constitutive elements specified in the CID have been satisfactorily fulfilled.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M1C1-31	<b>M1C1.R1.6</b> - Reform of insolvency framework
<b>Name of the Milestone:</b> Entry into force of enabling legislation for insolvency reform framework	

<b>Qualitative Indicator :</b> Provision in the law indicating the entry into force of the enabling legislation	<b>Time:</b> Q4 2021
<p><b>Evidence Provided:</b></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"> <li>1. Summary document duly justifying how the milestone was satisfactorily fulfilled in line with the requirements set out in the CID Annex;</li> <li>2. Copy of the publication in the Official Journal n. 202/2021 of Decree-Law n. 118 of 24 August 2021, converted with modifications in law n. 147/2021, which includes urgent measures relating to insolvency;</li> <li>3. Ministerial Decision 22 April 2021 establishing a Committee to complete the transposition of Directive (EU) 2019/1023;</li> <li>4. Ministerial Decision 25 May 2021 setting a register for non-possessory security right;</li> <li>5. Ministerial circular dated 3 November 2021 establishing the Trial Office for courts dealing with insolvency;</li> <li>6. Decision of the High Council of Judiciary dated 7 December 2021 providing preferential access to courts dealing with procedures concerning restructuring and insolvency to magistrates with specific economic background and skills;</li> <li>7. Ministerial decision dated 27 December 2021 concerns the deployment of judges in a flexible manner to fill in temporary gaps or critical situation under certain criteria including the need to guarantee the goals of the NRRP.</li> <li>8. Copy of the publication in the Official Journal for Decree-Law n. 152 of 6 November 2021, converted with modifications in law n. 233/2021, including measures for implementing: 1. the interoperability of the IT platform for the out-of-court settlement arrangement called '<i>composizione negoziata</i>'; 2. A software that businesses could use to carry out an initial screening and diagnosis which results in the main points of an action plan and defines the next step(s) in the rescue operation; 3. Alert mechanisms; 4. Mandatory training courses and incentives for specialisation of magistrates dealing with procedures concerning restructuring and insolvency.</li> </ol> <p>The authorities also provided:</p> <ol style="list-style-type: none"> <li>9. Decree of Director General in Ministry of Justice dated 28 September 2021 providing guidance on the implementation of the Decree-Law n. 118/2021;</li> <li>10. Note of the Justice Minister's Cabinet dated 16 November 2021 to carry out an overview of specialisation of courts across the country identifying gaps and weaknesses.</li> </ol>	
<p><b>Objectives of the measure:</b></p> <p>As provided in the CID, the milestone consists of the entry into force of enabling legislation aimed at digitalising and enhancing insolvency proceedings, reviewing out-of-court settlement arrangements, introducing early warning mechanisms prior to insolvency, allow secured creditors to be paid first (before tax claims and employee claims), allow businesses to grant a non-possessory security right, fostering the specialisation of courts and pre-courts institutions to manage all phases of insolvency proceedings more effectively including through training courses and specialisation for members of the judicial and administrative authorities. The entry into force of implementing legislation is related to an additional milestone due by Q4 2022 (M1C1-36).</p> <p><b>Analysis:</b></p> <p>The Italian Authorities have put in place a wide range of legislative and organisational measures to fulfil this milestone following a multi-phase staggered approach. First Decree-Law n. 118/2021 postponed the entry into force of the insolvency reform legislated in 2019 as this was considered inadequate to face the challenges induced by the pandemic and introduced a new out-of-court settlement arrangement, the so called "<i>Composizione negoziata</i>". The latter introduces the</p>	

possibility for the entrepreneur to use an independent expert to propose a negotiated procedure with creditors. Decree-law n. 152/2021 was converted with modifications in Law n. 233/2021, which entered into force on 1 January 2022 (Article 1 of Law 233/2021). Moreover, between August and December 2021, Italy took various legislative and administrative decisions to flank the new out-of-court settlement arrangement.

More specifically, following elements included in the description of the milestone in the CID:

1. Articles 2 to 19 of Decree-Law n. 118/2021 **reviews the out-of-court settlement arrangements** by introducing the so called “Composizione negoziata” effective as of 15 November 2021 while deferring the existing out-of-court settlements legislated in 2019 (strumenti negoziali stragiudiziali, procedure di composizione delle crisi da sovraindebitamento, etc.) to 16 May 2022.
2. Articles 30-*quater* and 30-*quinqies* of Decree-Law n. 152/2021, effective 1 January 2022, introduce both new **early warning mechanisms** to warn the debtor about insolvency risks (i.e. automatic alerts for missing payments to the tax or social security authorities) and deploys a software that businesses could use to carry out an initial screening and diagnosis of potential insolvency situations. The results set out the main points of an action plan and define the next step(s) in the rescue operation.
3. The Note of the Justice Minister’s Cabinet, dated 16 November 2021, fosters the **specialisation of courts** commencing a stock taking exercise aimed at identifying gaps and weaknesses. The gap analysis allows to identify additional measures, including organisational measures, to achieve efficiency gains and shift towards court specialisation.
4. Regarding the provision to **allow secured creditors to be paid first** (before tax claims) and employee claims, the Italian authorities explained that according to the Italian law, secured creditors are paid as soon as the goods used as collateral are liquidated, while tax and employee claims are secured with a general collateral on enterprise’s movable assets. In addition, the Italian Authorities clarified that the Italian legislation distinguishes between secured claims where the collateral is immovable property and secured claims where the collateral is movable property or cash. Italy also confirmed that secured claims have priority over claims which are secured with a general collateral on enterprise’s movable assets.
5. In order to **allow businesses to grant a non-possessory security right**, the Ministerial Decision of 25 May 2021 implements the registration of pledges and makes the register fully operational at the end of January 2022.

Specialisation of courts in insolvency proceedings has also been strengthened through various flanking organisational measures:

1. Article 35-*bis* of Decree-Law n. 152/2021 sets up the organisation of specific training courses on insolvency by the High School of Judiciary;
2. The Decision of the High Council of Judiciary dated 7 December 2021 gives priority to magistrates with economic background or with specific skills for appointment positions concerning restructuring and insolvency;
3. Article 35-*ter* of Decree-Law n. 152/2021 establishes mandatory training courses in insolvency and incentives to keep magistrates for longer period in courts dealing with procedures concerning restructuring and insolvency and favour their specialisation;
4. The ministerial decision dated 27 December 2021 allows the deployment of judges in a flexible manner to fill in temporary gaps or critical situation under certain criteria including the need to guarantee the achievement of the objectives of the NRRP.

The online platform for the out-of-court resolution of disputes, established by the Decree-Law n. 59/2016, became operational as of 15 November 2021 and allows exchanges of documents between debtors and creditors. With the recent Decree-Law n. 152/2021, the interoperability of the platform

has been further expanded. As part of the milestone, pre-approved automated restructuring procedures and resolutions have been introduced for debts below EUR 30.000.

The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.

**Commission Preliminary Assessment:** Satisfactorily fulfilled



<b>Number:</b> M1C1-32	<b>M1C1 - I1.8:</b> Recruitment procedures for civil, criminal and administrative courts
<b>Name of the Milestone:</b> Entry into force of special legislation governing National Recovery and Resilience Plan recruitment	
<b>Qualitative Indicator:</b> Provision in the law indicating the entry into force of the special legislation governing National Recovery and Resilience Plan recruitment	<b>Time:</b> Q4 2021
<p><b>Evidence Provided:</b></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"> <li>1. A summary document duly justifying how the milestone, including all the constitutive elements, was satisfactorily fulfilled</li> <li>2. Copy of the publication in the Official Journal n. 136 for Decree-Law n. 80 of 9 June 2021, converted with modifications in Law n. 113 of 6 August 2021 published in the Official Journal n. 188 of 7 August 2021, which introduces a new organizational tool, named 'office of the trial' and authorises fixed-term contracts for the office of trial for civil, criminal and administrative courts;</li> <li>3. Copy of the Ministerial Decision dated 26 July 2021 which assigns the number of fixed-term contracts to the various appeal courts;</li> <li>4. Copy of the Ministerial Decision dated 26 July 2021 detailing the recruitment procedures;</li> <li>5. Copy of the notices of competition dated 6 August 2021;</li> <li>6. Copy of the Ministerial Decision dated 28 September 2021 which assigns the number of fixed-term contracts to the various courts that are not appeal courts;</li> <li>7. Circular of the Department of judicial organization of 12 November 2021, which sets the indicators to monitor the objectives of the NRRP;</li> <li>8. Circular of the Head of Department for judiciary organisation dated 2 December 2021 adopting organisational arrangements to improve the effectiveness of the system;</li> <li>9. Circular of the Head of Department for judiciary organisation dated 21 December 2021 providing tasks and training courses for the first tranche of fixed-term contracts.</li> <li>10. Circular of the Head of Department for judiciary organisation dated 22 December 2021 setting up the continuous monitoring.</li> </ol>	
<p><b>Objectives of the measure:</b></p> <p>The milestone concerns the entry into force of special legislation for as an enabling factor for implementing the investment related to the recruitment for the 'office of the trial'. The investment consists of the establishment (or where already existing the strengthening) of support teams for the magistrates (through fixed-term temporary hiring), with the aim of reducing the backlog of cases and the courts disposition time in Italy. The limited (in time) duration of these contracts is justified by the need to comply with the nature of the RRF, which should not substitute recurring national budgetary expenditure. This measure should also improve the quality of justice by supporting the magistrates in the normal activities of study, legal research, drafting of acts, organization of the files and thereby enabling the judges to focus on the more complex tasks.</p> <p>The investment should be also read in view of the targets to hire fixed-term contracts in two waves by Q4 2022 (recruitment of at least 8 764 units of personnel) and Q2 2024 (additional 8 764 units of personnel). The fixed-term contracts are also related to targets to reduce by 40% and 25%, respectively for civil and criminal justice, the 2019 disposition time and by 90% the backlog of first instance and appeal proceedings. These targets are due in Q2 2026.</p> <p><b>Analysis:</b> The Decree-Law n. 80/2021 deals with the 'office of the trial' and authorises fixed-term contracts for civil, criminal and administrative courts. The secondary legislation details the implementing measures to bring forward organisational arrangements and recruitment procedures. The notices of competitions were issued. With the issuance of the notices of competitions the milestone is satisfactory fulfilled. The Italian Authorities have also moved towards the implementation phase given that hiring procedures are ongoing.</p>	

Decree-Law n. 80/2021 was converted with modifications in Law n. 113/2021, which entered into force on 08/08/2021.

The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M1C1-51	<b>M1C1 – R1.9:</b> Reform of the public administration
<b>Name of the Milestone:</b> Entry into force of primary legislation on the governance of the Italian recovery and resilience plan	
<b>Qualitative Indicator:</b> Provision in the law indicating the entry into force of the law	<b>Time:</b> Q2 2021
<p><b>Evidence Provided:</b> In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>1. A summary document duly justifying how the milestone, including all the constitutive elements, was satisfactorily fulfilled;</li> <li>2. Decree-Law n. 77 of 31 May 2021 published in the Official Journal n. 129 of 31 May 2021, converted into Law n. 108 of 29 July 2021 published in the Official Journal n. 181 of 30 July 2021 on the NRRP governance and simplification of administrative procedures;</li> <li>3. Law n. 178 of 30 December 2020 published in the Official Journal n. 322 of 30 December 2020 on the Budget Law and including preliminary measures on the NRRP governance;</li> <li>4. Decree-Law n. 80 of 9 June 2021 published in the Official Journal n. 136 of 9 June 2021, converted into Law n. 113 of 6 August 2021 published in the Official Journal n. 188 of 7 August 2021 on the strengthening of administrative capacity of public administrations.</li> </ol> <p>The authorities also provided:</p> <ol style="list-style-type: none"> <li>5. Decree of the Presidency of Council of Ministers of 15 September 2021 on monitoring;</li> <li>6. Ministerial Decree of 11 October 2021 published in the Official Journal n. 279 of 23 November 2021 on financial procedures;</li> <li>7. Act (<i>circolare</i>) n. 21 of 14 November 2021 on the selection of NRRP projects;</li> <li>8. Act (<i>circolare</i>) n. 25 of 29 November 2021 on implementation of investments.</li> </ol>	
<p><b>Objectives of the measure:</b></p> <p>As provided in the CID, the measure concerns the adoption of the governance framework for the NRRP and the introduction of organisational reforms and a human resources strategy aimed at a transformational change for the public administration as a whole. The milestone converts the governance framework of the NRRP and sets out a number of key minimum features, including: 1) coordination and monitoring at central level of the NRRP implementation, 2) clear definition of structures and mandates, 3) early detection system for implementation issues, 4) ex-ante resolution of conflicts mechanisms, 5) identification of staff to be deployed, 6) definition of technical assistance for the implementation while ensuring the build-up of administrative capacity, 7) fast-track procedures to ensure timely absorption of funds, and 8) set up of a system for audit and control.</p> <p><b>Analysis:</b></p> <p>In line with the requirement of the CID, Decree-Law n. 77 of 31 May 2021 on the NRRP governance, converted into Law n. 108 of 29 July 2021, envisages a system of coordination and monitoring of the NRRP at central level. At technical level, a dedicated structure for the NRRP coordination and monitoring has been established at the Ministry of Economy and Finance (Article 6). At political level, a steering committee has been established at the Presidency of the Council of Ministers (Article 2). The legislation also provides for the creation of NRRP coordination units within each Ministry based</p>	

on their policy fields, with clear mandates and separation of functions for the structures that have been set up (Articles 2-8), including as regards audit and control through the creation of an independent Audit Body (Article 7).

The governance structure, together with the new unitary IT system for monitoring the implementation of the Plan and the organisational guidelines included in the approved administrative acts, complies with the CID requirement to define a system for the early detection of implementation issues. Decree-Law n. 77 of 31 May 2021, converted into Law n. 108 of 29 July 2021, on the NRRP governance also provides for a dedicated mechanism for the ex-ante resolution of conflict, with the activation of substitution powers of central administrations vis-à-vis other levels and entities with the aim to avoid delays and tackle bottlenecks (Articles 12-13). Additional staff for the new governance structures has been identified in terms of quantitative needs and profiles, allowing for the recruitment thereof (Decree-Law n. 80 of 9 June 2021, converted into Law n. 113 of 6 August 2021, Articles 7-10).

On technical assistance, a number of actions have been envisaged to support administrations involved in the implementation of the NRRP including at local level, in particular through the provision of technical support by publicly owned and other qualified entities (Decree-Law n.77 of 31 May 2021, converted into Law n. 108 of 29 July 2021, Articles 9-10). The contextual requirement of ensuring the build-up of capacity within the administrations and thus retain competence has been tackled by facilitating the recruitment of experts working on the NRRP in future public competitions (Decree-Law n. 80 of 9 June 2021, converted into Law n. 113 of 6 August 2021, Article 1). In order to ensure a timely absorption of the funds, the legislation has strengthened the administrative capacity of contracting authorities (*stazioni appaltanti*) in particular through the provision of specific technical support and definition of framework contracts by CONSIP Spa (Decree-Law n. 77 of 31 May 2021, converted into Law n. 108 of 29 July 2021, Article 11), and a number of fast-track procedures for the implementation of the NRRP have been introduced by simplifying administrative procedures, including in relation to public contracts, environmental, construction and urbanistic matters, e.g. accelerated environmental impact evaluation, strengthened silence-consent and substitution powers (Articles 17-66). More details are included in milestone M1C1-52 which further specifies the simplification of administrative procedures.

Finally, a system for audit and control has been set up including through the creation of a new IT unitary system (Regis) (Law n. 178 of 30 December 2020, Article 1) and the set-up of an independent Audit Body (Decree-Law n. 77 of 31 May 2021, converted into Law n. 108 of 29 July 2021, Article 7). Additional details are included in the analysis of milestone M1C1-68.

The primary legislation including provisions to comply with the requirements of the CID consists of Decree-Law n. 77 of 31 May 2021, converted into Law n. 108 of 29 July 2021; Decree-Law n. 80 of 9 June 2021, converted into Law n. 113 of 6 August 2021; and Law n. 178 of 30 December 2020. The Laws entered into force on 31 July 2021 (Article 1), 8 August 2021 (Article 1), and 1 January 2021 (Article 20), respectively.

The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M1C1-52	<b>M1C1 – R1.9b:</b> Reform of the public administration
<b>Name of the Milestone:</b> Entry into force of primary legislation on simplification of administrative procedures for the implementation of the Italian recovery and resilience plan.	

<b>Qualitative Indicator:</b> Provision in the law indicating the entry into force of the law	<b>Time:</b> Q2 2021
<p><b>Evidence Provided:</b></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"> <li>1. Summary document duly justifying how the milestone was satisfactorily fulfilled in line with the requirements set out in the CID Annex;</li> <li>2. Copy of the publication in the Official Journal (<i>Gazzetta Ufficiale</i>) of the Decree-Law n. 77 of 31 May 2021 on the Governance of the National Recovery and Resilience Plan as amended by the Law n. 108 of 29 July 2021.</li> </ol>	
<p><b>Objectives of the measure:</b></p> <p>As provided in the CID, the reform of public administration (reform 1.9) contains a range of measures to simplify administrative procedures to the benefit of businesses and citizens, while also ensuring the smooth implementation of the NRRP. The simplification reform eliminates authorizations not justified by imperative reasons of general interest, implements the adoption of silent consent mechanism, introduces principles of simple communication, and allows for the adoption of uniform regimes shared with Regions and municipalities.</p> <p>In this context, M1C1-52 relates to the entry into force of primary legislation on simplification of administrative procedures for the implementation of the Italian recovery and resilience plan.</p> <p><b>Analysis:</b></p> <p>Decree-Law n. 77 of 31 May 2021 on the Governance of the National Recovery and Resilience Plan as amended by Law n. 108 of 29 July 2021 entered into force on 31 of July 2021 (Article 1 of Law 108/2021). It removes the critical bottlenecks for :</p> <ul style="list-style-type: none"> <li>• state and regional Environmental Impact Evaluation (Articles 17, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28);</li> <li>• authorisations of new waste and recycling plants (Articles 34 and 35);</li> <li>• authorisation procedures for renewable energy (Articles 30, 31, 31 <i>bis</i>, 31 <i>ter</i>, 31 <i>quater</i>, 31 <i>quinquies</i>, 32, 32 <i>bis</i>, 32 <i>ter</i>, 32 <i>quater</i>);</li> <li>• authorisation procedures to achieve energy efficiency of buildings, in the Superbonus (Articles 33, 33 <i>bis</i>);</li> <li>• urban regeneration (Articles 33, 33 <i>bis</i>, 37).</li> </ul> <p>The Decree-Law of 31 May 2021 on the Governance of the National Recovery and Resilience Plan as amended by the Law of 29 July 2021, n°108 also provides for specific actions devoted to simplify procedures within the “<i>Conferenza dei Servizi</i>”, a formal agreement amongst two or more public administrations (18 <i>bis</i>, 22, 23, 24, 36 <i>ter</i>, 37, 40, 44, 48, 57)</p> <p>The Italian authorities have indicated that the simplification measures are confined to shorten the duration of the various administrative procedures and have no consequences on participation to the procedures or on the exercise of administrative discretion. The simplification measures do not interfere with the fundamental principles of the Convention on the access of information, citizen participation or access to justice in the environmental area. Additionally, the simplification measures have no impact on the quality of Environmental Impact Evaluations, which are based on an <i>ad hoc</i> technical commission, are limited to measures under the NRRP and take into account Article 6 (paragraph 7) of Directive 2014/52/EU.</p> <p>The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.</p>	
<b>Commission Preliminary Assessment:</b> Satisfactorily fulfilled	

<b>Number:</b> M1C1-53	<b>M1C1 – I1.9:</b> Provide technical assistance and strengthen capacity building for the implementation of the Italian recovery and resilience plan	
<b>Name of the Milestone:</b> Entry into force of primary legislation to provide technical assistance and strengthen capacity building for the implementation of the Italian recovery and resilience plan		
<b>Qualitative Indicator:</b> Provision in the law indicating the entry into force of the law		<b>Time:</b> Q2 2021
<b>Evidence Provided:</b> In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided: <ol style="list-style-type: none"><li>1. A summary document duly justifying how the milestone, including all the constitutive elements, was satisfactorily fulfilled;</li><li>2. Law n. 178 of 30 December 2020 published in the Official Journal n. 322 of 30 December 2020 on the Budget Law and including provisions on the recruitment of 2 800 technical profiles for the South;</li><li>3. Decree-Law n. 44 of 1 April 2021 published in the Official Journal n. 79 of 1 April 2021, converted into Law n. 76 of 28 May 2021 published in the Official Journal n. 128 of 31 May 2021 including provisions on the implementation of public competitions;</li><li>4. Decree-Law n. 80 of 9 June 2021 published in the Official Journal n. 136 of 9 June 2021, converted into Law n. 113 of 6 August 2021 published in the Official Journal n. 181 of 30 July 2021 including provisions on the recruitment of 2 022 technical profiles for the South and the pool of 1 000 experts to support administrations in the management of the new procedures providing technical assistance;</li><li>5. Public competition for 2 800 people by Cohesion Agency published in the Official Journal n. 27 of 6 April 2021;</li><li>6. Public competition for 2 022 people by Cohesion Agency published in the Official Journal n. 82 of 15 October 2021;</li><li>7. Ministerial Decree of 14 October 2021 published in the Official Journal n. 268 of 10 November 2021 on the modalities to create lists of highly skilled professionals for the implementation of the NRRP;</li><li>8. Decree of the President of the Council of Ministers of 12 November 2021 published in the Official Journal n. 284 of 29 November 2021 on the repartitioning of resources among Regions and Autonomous Provinces and the governance of the project;</li><li>9. 30 public calls for the selection of the 1 000 experts, based on their profile, to support administrations in the management of the new procedures providing technical assistance.</li></ol>		
<b>Objectives of the measure:</b> As provided in the CID, the measure consists of temporary recruitments for the strengthening of administrative capacity to support the implementation of the NRRP. In particular, the milestone concerns the entry into force of primary legislation with provisions to recruit (i) 2 800 technical profiles to strengthen public administrations in the South of Italy, and (ii) a pool of 1 000 experts to be deployed on a need basis for three years to support administrations in the management of procedures providing technical assistance.		
<b>Analysis:</b> Italy provided evidence that provisions have been included in primary legislation allowing the recruitment of 2 800 technical profiles for the South of Italy and a pool of 1 000 experts (respectively, Law n. 178 of 30 December 2020, Article 1, and Decree-Law n. 80 of 9 June 2021 converted into Law n. 113 of 6 August 2021, Article 9) and those provisions have entered into force (respectively, on 1		

January 2021 - Article 20, and on 8 August 2021 - Article 1). On this basis, public calls have been launched.

As regards the 2 800 technical profiles, Law n. 178 of 30 December 2020, Article 1 specifies the need to possess relevant professional requirements, their temporary recruitment and territorial destination in the South of Italy (Abruzzo, Basilicata, Calabria, Campania, Molise, Puglia, Sardegna and Sicilia). The first public competition for the recruitment of 2 800 technical profiles was launched in April with the call published in the Official Journal n. 27 of 6 April 2021, which details the profiles concerned which correspond to technical profiles (e.g. public tenders specialists, technical designers, ITC experts). Following a first batch of recruitments, a new call was published in October 2021 to solicit additional suitable candidatures for 2022 (call published in the Official Journal n. 82 of 15 October 2021).

As regards the 1 000 experts to support administrations in the management of the new procedures providing technical assistance, the enacted legislation includes provisions specifying: (i) the authorisation to recruit 1 000 units indicating the qualification of experts based on relevant legislation (Decree-Law n. 80 of 9 June 2021 converted into Law n. 113 of 6 August 2021, Article 9 and further specified by Ministerial Decree of 14 October 2021, Article 1) with profiles subsequently identified based on a needs analysis and eventually concerning 30 types of technical experts (engineers, chemists, architects, etc.) as identified in the relevant public calls, (ii) their temporary nature and scope of activities, with a focus on the simplification of complex administrative procedures (Decree-Law n. 80 of 9 June 2021 converted into Law n. 113 of 6 August 2021, Article 9 including references to applicable ordinary legislation and Decree of the President of the Council of Ministers of 12 November 2021, Article 1). The experts have been allocated at regional level to provide assistance to local entities based on an agreement between the central and regional levels of government on the repartitioning of resources which has been embedded into the Decree of the President of the Council of Ministers of 12 November 2021. A needs analysis has been performed and territorial plans (defining *inter alia* organisational aspects and monitoring of results) have been prepared by the Regions in dialogue with the relevant municipalities. Territorial plans will be subject to a periodic revision under the supervision of the Department of Public Administration through a dedicated task force, to ensure that resources keep being deployed on a need basis.

The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M1C1-54	<b>M1C1 – I1.9b:</b> Provide technical assistance and strengthen capacity building for the implementation of the Italian recovery and resilience plan		
<b>Name of the Target:</b> Completed recruitment of experts for the implementation of the Italian recovery and resilience plan			
<b>Quantitative Indicator:</b> Number	<b>Baseline:</b> 0	<b>Target:</b> 1 000	<b>Time:</b> Q4 2021
<b>Evidence Provided:</b> 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, complemented by a list of contracts signed with indications of inter alia profiles, functions and contracts timeframe;			

2. Decree of the President of the Council of Ministers of 12 November 2021 published in the Official Journal n. 284 of 29 November 2021 on the distribution of resources among Regions and Autonomous Provinces and the governance of the project of the pool of experts;
3. Agreement of the Unified Conference (regions and local entities) on the above-mentioned decree;
4. Letter of the Head of Public Administration Department creating a Coordinating Body for the implementation of the measure;
5. Territorial plans defined at regional/autonomous provinces level and ministerial decree approving these plans;
6. Ministerial Decree of 14 October 2021 published in the Official Journal n. 268 of 10 November 2021 on the modalities to create lists of highly skilled professionals for the implementation of the NRRP.

The authorities also provided:

7. 30 public calls for the selection of the experts based on their profile;
8. Template of the contracts.

In the context of the sampling analysis, additional evidence provided for a sample of 60 units including:

9. Contracts signed and supporting evidence.

**Objectives of the measure:**

As provided in the CID, the measure consists of the temporary recruitment of a pool of experts to provide technical assistance to the administrations and strengthen administrative capacity. The target consists of completing the recruitment procedures for the experts on the basis of milestone M1C1-53, described above.

**Analysis:**

Italy provided a list of contracts for all the 1 000 experts indicating that all contracts have been signed, with the territorial allocation reflecting the repartitioning of resources defined in the context of milestone M1C1-53. The contracts have a duration of one year that can be extended up to three years. The template of the contracts includes the relevant commitments for the experts and provides for the terms of reference to measure results.

The evidence provided for a sample of 60 units confirmed that the contracts have been signed by both the relevant administrations and the experts. The contracts included references to the measure and the legislation that entered into force for the purpose of implementing milestone M1C1-53 (which sets out the relevant requirements including in relation to the scope of activity and the temporary nature). Finally, the profiles indicated in the contracts, or in relevant supporting evidence, confirmed the expert status provided in the list of contracts.

The conclusion of the preliminary assessment is that the target is satisfactorily fulfilled.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M1C1-55	<b>M1C1 – R1.9c:</b> Reform of the public administration		
<b>Name of the Milestone:</b> Extending the methodology applied to the Italian recovery and resilience plan to national budget to increase absorption of investment			
<b>Qualitative Indicator :</b> Provision in the law indicating the entry into force of the extension of the methodology			<b>Time:</b> Q4 2021
<b>Evidence Provided:</b>			

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 milestone, including all the constitutive elements, was satisfactorily fulfilled;
2. Copy of the publication in the Official Journal for Decree-Law n. 77 of 31 May 2021, converted with modifications in Law n. 108/2021, setting up a simplified system of milestones and targets for the planning, execution and financing of projects under the Complementary Investment Fund (EUR 30,5 bn);
3. Ministerial decision, dated 15 July 2021, implementing the provisions of Decree-Law n. 77/2021.

**Objectives of the measure:** As provided in the CID, the milestone aims at improving the absorption of investments beyond the interventions funded through the RRF. Through Article 1 of Decree-Law n. 77/2021, the Italian Authorities have set up the so called 'Complementary Investment Fund' whose amount is EUR 30,5 billion of national funding earmarked for additional investments. For this purpose, the milestone introduces a system of milestones and targets to improve the planning, execution and financing of projects under the Complementary Investment Fund, similar to the implementation system of Regulation (EU) 2021/241.

**Analysis:** The system set up by the Italian authorities with the Ministerial Decision of 15 July 2021, is characterised by pre-financing of the projects to ensure that implementing bodies have resources available to activate the interventions. Before the preparation of the Decree-Law, the implementing bodies had to identify milestones and targets for each intervention. To ensure absorption, the simplified system entails a monitoring system for each project and a recovery of the disbursed amounts in case of milestones not fulfilled or targets missed. In addition, recovery takes place in case the relevant entities do not comply with the duty to report.

The primary legislation including provisions to comply with the requirements of the CID consists of Decree-Law n. 77 of 31 May 2021, converted into Law n. 108 of 29 July 2021, which entered into force on 31 July 2021 (article 1).

The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M1C1-68	<b>M1C1 – R1.9d:</b> Reform of the public administration		
<b>Name of the Milestone:</b> Repository system for Audit and Controls: information for monitoring implementation of RRF			
<b>Qualitative Indicator:</b> Audit report confirming repository system functionalities			<b>Time:</b> Q4 2021
<b>Evidence Provided:</b> In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:  1. System audit report ( <i>Rapporto Audit Sistema Informativo PNRR definitivo</i> ).  The authorities also provided:			



2. Summary document duly justifying how the milestone was satisfactorily fulfilled in line with the requirements set out in the CID;
3. Article 1 (paragraph 1043) of Law n. 178 of 30 December 2020 published in the Official Journal n. 322 of 30 December 2020 attesting the development of an IT system to support the activities of management, monitoring, accountability and control of the Next EU Generation components;
4. Decree of the President of the Council of Ministers (DPCM) of 15 September 2021, defining the arrangements, timetables and tools for collecting financial, physical and procedural implementation data for each project financed under the NRRP as well as the milestones and targets for investments and reforms;
5. Masterplan and IT system main functionalities for the NRRP;
6. User Manual including also indications for the progress monitoring of milestones and targets.

### Objective of the measure

The milestone aims at providing a repository system for monitoring the implementation of the RRP, allowing as a minimum to (a) collect data and monitor the achievement of milestones and targets and (b) collect, store and ensure access to the data as required by Article 22(2)(d)(i) to (iii) of the RRF Regulation.

### Analysis:

The audit report on the system provided by the authorities covered the compliance of the information system (ReGis) with the functionalities described in the milestone, as further specified in the Operational Arrangements. In the audit report, the Italian Audit body provides a description of the audit work done, based on the analysis of the general principles of data quality: a) reliability; b) precision; c) timeliness; d) accuracy; e) completeness; f) integrity; g) confidentiality; h) accessibility. Moreover, it contains an audit opinion and a follow up in which it is required to define a detailed plan of the ReGis functionalities before 30th June 2022.

In the conclusions of the audit report, the Italian Audit body expressed an opinion on the correct functioning of ReGis. The audit opinion released corresponds to "Category 2: System works. Some improvements are needed".

Additional meetings with the Italian Authorities were held virtually in order to obtain further explanations on the functionalities of ReGis and data already stored in it. The Italian authorities demonstrated how ReGis works, how data are collected, which documents/information have been uploaded so far and what has still to be improved in the near future.

With regard the data required by Article 22(2)(d)(i) to (iii) of the RRF Regulation, the ReGis system was uploaded with data from two measures, target *IT-C[M1C2]-I[I5.1]-T[M1C2-27] - SMEs that received support from Fund 394/8* and milestone *IT-C[M1C3]-I[I4.1]-M[M1C3-8] - Award of the contracts for the development of the Digital Tourism Portal*.

For target *IT-C[M1C2]-I[I5.1]-T[M1C2-27] - SMEs that received support from Fund 394/8*, the Commission confirmed the collection, storage and access to data required by Article 22(2)(d)(i) to (iii), including the availability of data on beneficial owners (including for foreign companies) for a sample of SMEs. The information provided by the implementing body (SIMEST), is retained, accurate, complete and available in the Implementing body IT system, and will be later completely uploaded in the ReGis system.

For milestone *IT-C[M1C3]-I[I4.1]-M[M1C3-8] - Award of the contracts for the development of the Digital Tourism Portal*, the Commission confirmed the collection, storage and access to data required by Article 22(2)(d)(i) to (iii) with the exception of contracts where the contractor (or the

beneficial owner of the contractor) is a foreign company, where Italy was still in the process of collecting this data.

In order to ensure continuous compliance with the milestone and its obligations under the Financing Agreement, as attested to through the summary document justifying how the milestone was satisfactory fulfilled, Italy has committed to continue to develop the system to improve its functionalities and efficiency by:

- Ensuring the collection and storing of data on beneficial owners of national and foreign companies, both for already concluded contracts, as well as for future contracts, independent of the implementing bodies. This shall be achieved by the connection of ReGis to a series of databases that would prevent cases of double funding, fraud, conflict of interest and corruption namely:
  - BORIS – Beneficial Ownership Registers Interconnection developed by the EU Commission that allows beneficial ownership (BO) registers to exchange information;
  - PIAF - Integrated Anti-Fraud Gco-funded by the Commission and OLAF under the Hercule III programme and managed by the Italian Financial Police (*Guardia di Finanza*);
  - *Banca Dati Unitaria di monitoraggio* (BDU) – Unique database managed by Italian General Accounting office that collects information and data about projects funded directly or indirectly by EU.
  - *Banca dati delle pubbliche amministrazioni* (BDAP) - Database for public administrations.

The Central Service for the NRRP will start to use databases such as Arachne and ORBIS in data collection and verification in order to correctly identify the beneficial ownership of national and international companies. The Central Service for the NRRP will also put at the disposal of the implementing bodies, tools such as Arachne and/or Orbis.

The Central Service for the NRRP commits to adopt through an internal document, specific guidelines that are common for all implementing bodies involved, establishing the control methods and the correct input of data in the ReGis system, regarding the double funding, beneficial owners, and conflict of interest.

The guidelines that the Central Service for the NRRP will provide to the implementing bodies concern the verifications to avoid double funding and to prevent and detect conflicts of interest and includes:

- a) The explicit provision for the clause of absence of conflict of interest and prohibition of double funding to be included in the awards for the selection of projects and/or implementing bodies;
  - b) The explicit provision for the clause of absence of conflict of interest to be included in the calls for tender.
- Implementing measures to prevent and detect conflict of interest and double funding, which include:
    - For ex-ante controls: (a) The submission of self-declaration of absence of conflict of interest and double funding for the applicants of the projects to receive the funds in the Facility (both officials of public administration and both participants to call for proposal and call for tender) that will be 100% checked before the signature of any contracts or award; (b) based on the risk assessment of the measures being implemented, the

Central Service for the NRRP verifies the conflict interest by using the data on beneficial ownership of the final recipients and contractors (including foreign companies) collected and stored in ReGis, using the risk scoring tool Arachne, before the EU funding is awarded or ultimately at the award of the contracts;

- For ex-post controls: (a) Checks carried out by the implementing bodies on a sample basis (according to the risk assessment); (b) based on the risk assessment of the measures being implemented, the Central Service for the NRRP will establish a procedure describing when, how and by whom, data on beneficial ownership of the final recipients and contractors (including foreign companies) will be collected, verified and updated in ReGis and implement this procedure in the checks of conflict of interest and double funding during the life cycle of the projects, using the risk scoring tool Arachne.

Moreover, to further ensure the effective use of the functionalities of the ReGis system, the Central Service of NRRP will train the users of the system, including the Audit body.

Italy has committed that these procedures, functionalities and databases shall be in place in the next nine months.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M1C1-69	<b>M1C1 – R1.10:</b> Reform of the public procurement legislative framework		
<b>Name of the Milestone:</b> Entry into force of the Decree on simplification of the public procurement system.			
<b>Qualitative Indicator:</b> Provision in the law indicating the entry into force of the law-decree to simplify the public procurement system.			<b>Time:</b> Q2 2021
<b>Evidence Provided:</b> In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided: <ol style="list-style-type: none"><li>1. Summary document duly justifying how the milestone was satisfactorily fulfilled in line with the requirements set out in the CID Annex;</li><li>2. a copy of Decree-Law n. 77/2021 on urgent measures, simplification and speeding up of public procurement, adopted on 31 May 2021 which has been converted into Law n. 108 of 29 July 2021 (published in the Official Journal, general series, 181 of 30 July 2021);</li><li>3. a copy of the decree of the Prime’s Minister Office 148 of 12 August 2021, which complements Decree-Law n. 77/2021 and sets the procedures and requirements for digitalizing the award procedures governed by the Public Procurement Code;</li><li>4. a letter of the Secretary General of Prime Minister’s Office, dated 10 November 2021 and addressed to Ministries, Regions and Metropolitan cities setting the deadline for creating or identifying a procurement office;</li><li>5. a list provided by ANAC which identifies the personnel in charge of the procurement offices.</li></ol>			
<b>Objectives of the measure:</b> <p>As provided in the CID, the measure is aimed at simplifying public procurement rules and shortening the timing for the award of public contracts and execution of the works, while maintaining procedural guarantees in terms of transparency and equal treatment. The reform supports the</p>			

timely realization of the infrastructures and projects financed by the Plan. Decree-Law n. 77/2021, as converted into law by Law n. 108/2021, has entered into force on 31 July 2021 (Article 1 of Law 108/2021) and has introduced a first, comprehensive set of procurement related measures considered the most urgent for kick-starting the implementation of RRF projects. This set of measure constitutes the basis for the future more structural reform of the Public Procurement Code (as per related Milestones M1C1-70 and M1C1-73).

#### **Analysis:**

The provisions contained in Decree-Law n. 77/2021 are aimed at addressing the constitutive elements of the milestone as follows:

1. The first constitutive element to “set up targets to reduce the time between the publication and the contract award” has been addressed by Article 44 of Decree-Law n. 77/2021. This sets, for works of particular complexity, a maximum time of 90 days (which is below the 100-day target to be achieved in 2023 and 2024 through M1C1-84 and M1C1-96) for launching the procedure for the award of the works. Secondly, the procedural simplification foreseen in Article 44 provides for the possibility of intervention by the central administration (Presidency of the Council of Ministers) and substitution powers in case of inaction or delay that might jeopardize the compliance with the 90-day target by the contracting authorities entrusted with the tendering out of the NRRP-related projects. Articles 48, 51 and 52 of Decree-Law n. 77/2021 also introduce a set of new measures to streamline and shorten the administrative steps related to tender and award procedures. Article 48 extends the possibility of using the negotiated procedure to the event of unforeseeable situations that may compromise the achievement of the objectives and timetables of the NRRP. Furthermore, Article 48 introduces new rules on the powers for administrative courts to block and/or declare ineffective the awards to speed up the procedures during administrative litigation, thus avoiding long suspensions in case of lack of minor formal requirements (and where the award of damage repayment can be used instead of the freezing of the contract). The possibility for contracting authorities to tender out jointly the project and the execution of works on the basis of a technical and economic feasibility is also introduced (Article 48). Articles 51 and 52 of Decree-Law n. 77/2021 extend the temporal scope of simplification measures introduced during the Covid-19 pandemic (through Decree-Law n. 76/2020 for the award of public contracts below the EU threshold) to significantly shorten the maximum allowed timing for the award of public contracts (and intermediate steps) and reduce the number of formal requirements, in order to stimulate public investment in infrastructures and public services.
2. As concerns the second constitutive element of the milestone (“Sets up targets and a monitoring system to reduce the time between the contract award and the completion of the infrastructure (“fase esecutiva”)”), Articles 49 and 53 of Decree-Law n. 77/2021 increase the obligations for contracting authorities to collect and transmit, in a timely manner, all information relating to the procurement cycle to the National Database of Public Contracts managed by ANAC (the anti-corruption and public procurement regulatory authority). The changes introduced by Decree-Law n. 77/2021 (Article 53) enable an effective system of continuous monitoring to be put in place to identify delays, including in the phase between the award and the project implementation. The Database of Public Contracts is in fact a key tool at ANAC’s disposal for monitoring public contracts, giving immediate evidence by means of computerised processing of the data communicated by the individual contracting authorities (which will have stricter communication obligations vis-à-vis ANAC). The combination of such measures and of the overall simplification of the Public Procurement framework are adequate at achieving the reduction target for the execution phase (i.e. a reduction by 15%, as set in the targets M1C1-85 and M1C1-97).

3. With respect to the third constitutive element of the milestone that *“the data of all contracts is registered in the anti-corruption database of the national anti-corruption authority (ANAC)”*, as seen above Article 53 of Decree-Law n. 77 introduces more stringent obligations for all contracting authorities to transmit all information regarding the tenders, the contracts and contract winners/executors to ANAC to populate the National Database of Public Contracts.
4. In relation to the fourth constitutive element concerning implementation and incentives for *“alternative dispute resolution mechanisms in the execution phase of public contracts”*, Article 51 of Decree-Law n. 77/2021 makes the creation and use of the Technical Advisory Committee mandatory for works above the EU thresholds and sets short deadlines for the Committee’s decisions. The Technical Advisory Committee ensures that disputes on technical aspects, on the one hand, avoid being assigned directly to civil courts, where long (and unspecialized) proceedings might significantly delay the decision, on the other hand, the matter are handled by experts who are much more familiar with and competent on the subject matter, thus achieving a quicker and more effective resolution of the controversy (before escalating to litigation, if still necessary).
5. With reference to the fifth constitutive element on setting up *“dedicated offices in charge of public procurement procedures at Ministries, Regions and Metropolitan Cities”*, ANAC has drawn up the list of persons responsible for the register of contracting authorities in Ministries, Regions and Metropolitan Cities. The Prime Minister’s Office (*Cabina di Regia*) adopted a decision formally appointing the procurement offices in each of the Ministries, Regions and Metropolitan Cities in its meeting of 3/12/2021 (the legal act has been uploaded under M1C1-71)

Finally, milestone M1C1-69 also contains further specifications:

1. *“simplification and digitalization of the procedures of central purchasing bodies (“centrali di committenza”)*”,
2. *“implement[ation of] articles 41 and 44 of the current Public Procurement Code”, “defin[ition of] how procedures should be digitalized for all public contracts and concessions and define interoperability and interconnectivity requirements”* ,
3. *“Implement[ation of] article 44 of the current Public Procurement Code”*.

Those requirements are addressed by Article 53 of Decree-Law n. 77/2021 on the strengthening of the obligations for all contracting authorities to transmit (digitally) to ANAC all information regarding the tenders and the awards. With respect to the third and fourth point, the Decree of the Presidency of the Council of Ministers n. 148 of 12 August 2021 implementing Article 44 of the Public Procurement Code, lays down the procedures for digitising award procedures, including through enhanced interoperability of public administrations’ data. In particular, the Decree regulates the digital management of purchasing and negotiation procedures.

The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.

**Commission Preliminary Assessment: Satisfactorily fulfilled**

<b>Number:</b> M1C1-71	<b>M1C1 – R1.10b</b> Reform of the public procurement legislative framework		
<b>Name of the Milestone:</b> Entry into force of all necessary legislation, regulations and implementing acts (including secondary legislation) for the public procurement system			
<b>Qualitative Indicator:</b> Provision in the law indicating the entry into force of the law-decree to simplify the public procurement system.			<b>Time:</b> 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 milestone was satisfactorily fulfilled in line with the requirements set out in the CID Annex;
2. a copy of Decree-Law n. 77/2021 on urgent measures, simplification and speeding up of public procurement, adopted on 31 May 2021, which has been converted into Law n. 108 of 29 July 2021 (published in the Official Journal, general series, 181 of 30 July 2021);
3. a copy of the decree adopted by the Presidency of the Council of Ministers on 5 November 2021 that identifies the human and financial resources of the Single Coordination Body for public procurement (s.c. *Cabina di Regia*) within the Presidency of the Council of Ministers;
4. the professionalization strategy for public procurement, approved by the *Cabina di Regia* on 3 December 2021;
5. a report prepared by CONSIP on the state of play of the dynamic purchasing system for public administration (SDAPA), which was approved by the *Cabina di Regia* on 3 December 2021;
6. a copy of a Memorandum of Understanding (s.c. '*Protocollo d'Intesa*') between the Prime's Minister Office and ANAC signed on 17 December 2021 defining the criteria and the process to rationalise and identify the contracting authorities as required by Article 38 of the Public Procurement Code;
7. a report issued by CONSIP on the functioning of the National database for public contracts, which was approved by the *Cabina di Regia* on 3 December 2021;
8. a list provided by ANAC which identifies the procurement offices in Ministries, Regions and Metropolitan cities;
9. a copy of the draft Mandate Law for the overall reform of the Public Procurement Framework in 2022/23;
10. a note on the impact of the first measures introduced by the Decree-Law 77/2021 to simplify the public procurement system and speed up the tendering of public contracts.

**Objectives of the measure:**

As provided in the CID, the measure is aimed at increasing the level of professionalization and administrative capacity of contracting authorities, as well as at achieving a more efficient and effective management of public procurement procedures across the country, also through a more extensive use of dynamic purchasing system and digitalization (and transmission to ANAC) of tender-related information. Decree-Law 77/2021, as converted into law by Law 108/2021, has entered into force on 31 July 2021 (Article 1 of Law 108/2021) and has introduced a first, comprehensive set of measures considered the most urgent for kick-starting the RRF projects. This set of measures constitutes the basis for the more structural reform of the Public Procurement Code (as per related Milestones M1C1-70 and M1C1-73) – including measures aimed at implementing the rationalization and professionalization of contracting authorities and the enhancing of ANAC's central database on all public tenders and contracts.

**Analysis:**

Decree-Law 77/2021 is complemented by the set of additional acts. More specifically, the constitutive elements of the milestone are addressed as follows.

1. As regards the adequate level of staffing and financial resources for the Single Coordination Body for public procurement policy, the Article 1 of Decree adopted by the Presidency of the Council of Ministers of 05 November 2021 appoints the representatives of the Coordination Body ("*Cabina di Regia*") within the Presidency and defining the structures and resources for its operation. The *Cabina di Regia* has already met on 9 November 2021 and 3 November 2021 and is fully functional. To this extent the *Cabina di Regia* is supported by ANAC's '*Task Force to support the Cabina di Regia*', set up by decision of ANAC's President of 28 October 2021.

2. With regard to the second constitutive element requiring the adoption of a professionalising strategy on public procurement, the *Cabina di Regia* developed a strategy in conjunction with all main authorities involved in public contracts (ANAC, CONSIP, the National School of Administration (SNA), the Ministry of Infrastructures (MIMS), the Conference Regions-Autonomous Provinces, the unions of Italian Municipalities and Provinces) and approved this on 3 December 2021. The Strategy contains a detailed assessment of the training needs of the officials and employees of both central public administrations and local authorities, responsible for the management and tendering of public contracts at different levels, identifying different training curricula for each specific professional category, with different degrees of education. The Strategy also provides for the launch of several specialised mentoring initiatives to support public officials/employees, through the development of operational guidelines and a monitoring and control system.
3. As regards the availability of dynamic purchasing systems and their compliance with the Public Procurement Directives, the *Cabina di Regia* reviewed and approved (on 3 December 2021) the report provided by CONSIP. The report describes the actions undertaken by CONSIP to deploy the new system in line with the Public Procurement Directives, including the implementation of the new platform. The platform also features more functionalities to set up the calls for tender, manage administrative steps more easily and digitally, provide for specific tools based on the markets/sectors to simplify the recurrent purchasing of contracting authorities. CONSIP also provides for trainings and technical support to public administrations and economic operators on how to best use the dynamic system. Based on the detailed description of the functioning of the system, it can be concluded that the measure introduced is suitable for satisfying Milestone M1C1-71. The system also provides the basis for achieving the target of 15 % of the use of the dynamic purchasing system by the central government laid down for Q4 2023 (Milestone M1C1-87).
4. With regard to qualification of contracting authorities, Article 38 of the Public Procurement Code (Legislative Decree 50/2016) provides specific requirements for the contracting authorities to ensure sufficient professionalization, staffing and adequate administrative capacity, but has never been implemented due to the difficulties in finding an agreement between the State, the Regions and other local authorities on the way in which realising the merging of smaller contracting authorities and the qualification criteria to be adopted. The aggregation (and reduction in the number) of contracting authorities mandated by Decree-Law 77/2021 (Article 52) is fundamental for giving application to the principles of qualification of contracting authorities as it avoids excessive fragmentation and lack of sufficient administrative capacity and technical know-how of purchasing bodies. In addition, the Memorandum of Understanding between the Presidency of the Council of Ministers and ANAC signed in December 2021 sets in detail the principles for ANAC's Guidelines to achieve the immediate application of Article 38 of the Public Procurement Code, in particular on the criteria and stages for completing the qualification exercise, and to increase the requirements all purchasing authorities will have to fulfil to show their administrative capacity and capability to absorb EU funds.
5. In relation to the creation of the "monitoring system for the time between the contract award and the completion of infrastructure works", ANAC's National Database of Public Contracts has been set up and is already operational. Article 53 of Decree-Law 77/2021 has also increased the obligations for contracting authorities to collect and transmit, in a timely manner, all digital information relating to the procurement cycles. The Database allows ANAC to monitor public contracts and provide immediate evidence by means of computerised processing of the data communicated by the individual contracting authorities.
6. With regard to the requirement that "data of all contracts is registered in the anti-corruption database of the national anti-corruption authority (ANAC)", the system is already operational. Article 53 of Decree-Law 77/2021 provides that all information relating to contracting authorities and the tenders shall be transmitted digitally to ANAC's database. ANAC's report on

the operation of the National Database of Public Contracts (approved by the *Cabina di Regia* on 3 December 2021) confirmed that all procurement contracts are recorded in the database.

7. Finally, concerning the last constitutive element, it has been met as all offices in charge for public procurement procedures in Ministries, Regions and Metropolitan Cities have been set up. The *Cabina di Regia* adopted a decision identifying such procurement bodies in its meeting of 3/12/2021.

The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.

**Commission Preliminary Assessment: Satisfactorily fulfilled**

<b>Number:</b> M1C1-100	<b>M1C1 – R1.13:</b> Reform of the spending review framework
<b>Name of the Milestone:</b> Entry into force of legislative provisions improving the effectiveness of the spending review - Reinforcement of Finance Ministry	
<b>Qualitative Indicator:</b> Provision in the law indicating the entry into force of the law	<b>Time:</b> Q4 2021
<p><b>Evidence Provided:</b> In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>1. Summary document duly justifying how the milestone was satisfactorily fulfilled in line with the requirements set out in the CID Annex;</li> <li>2. Decree-Law n. 152 of 6 November 2021 (published in the Official Journal n. 265 of 6 November 2021) on "urgent provisions for the implementation of the NRRP and for the prevention of mafia infiltration" and converted with modifications in law n. 233/2021.</li> </ol>	
<p><b>Objectives of the measure:</b></p> <p>The milestone M1C1-100 is part of Reform 1.13 which aims at reforming the spending review framework in order to improve its effectiveness. The milestone M1C1-100 concerns the entry into force of legislative provisions improving the effectiveness of the spending review by reinforcing the role of the Finance Ministry. In particular, it shall provide for a reinforced role of the Finance Ministry in the ex-ante evaluation, monitoring processes and ex-post evaluation of the spending review, allowing to enforce the execution of the reviews and the achievement of the intended goals.</p> <p><b>Analysis:</b></p> <p>The Decree-Law 152/2021, converted with modifications in Law n. 233/2021, at Article 9 (paragraphs 8-11), includes several provisions on spending review, among which, in particular, the following:</p> <ul style="list-style-type: none"> <li>• The creation of a Scientific Committee to support the spending review process, including for requesting the application of the respective law. The Committee shall set criteria and methodologies for achieving savings and establish the corresponding objectives. It shall be headed by the General State Accountant (Finance Ministry) and shall include managers from the Finance Ministry as well as one representative from the Bank of Italy, the National Statistical Institute and the Court of Audit. Its meetings can involve also external experts and managers from selected public administrations.</li> <li>• The creation of a specific unit for spending reviews in the Finance Ministry.</li> <li>• The hiring of additional 40 employees in the Finance Ministry, in order to staff the new unit and provide support to public administrations on spending reviews. The new staff shall also support</li> </ul>	



the gender and environmental budgeting. In addition, up to 10 external experts can be temporarily hired for the same purposes.

Overall, the adopted provisions on spending reviews strengthen the capacity of the Finance Ministry to enforce the execution of the spending reviews and the achievement of the intended goals. In particular, the allocation of dedicated staff resources and the creation of a Scientific Committee are expected to strengthen the analytical capacity of the Finance Ministry with respect to the definition of saving strategies and objectives, as well as its ability to effectively support and coordinate other ministries for a thorough implementation of spending reviews.

Decree-Law n. 152/2021 was modified and converted into law by Law n. 233/2021, which entered into force on 1 January 2022 (Article 1 of Law 233/2021).

The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M1C1-101	<b>M1C1 – R1.12:</b> Reform of the tax administration
<b>Name of the Milestone:</b> Adoption of a review of possible actions to reduce tax evasion	
<b>Qualitative Indicator:</b> Publication of the review	<b>Time:</b> Q4 2021
<p><b>Evidence provided:</b> In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>1. Summary document duly justifying how the milestone, including all the constitutive elements, was satisfactorily fulfilled</li> <li>2. Report of the Finance Ministry dated 20 December 2021, reviewing possible actions for reducing tax evasion from omitted invoicing, especially in the sectors most exposed to tax evasion (“Relazione per orientare le azioni del governo volte a ridurre l’evasione fiscale derivante da omessa fatturazione”).</li> </ol>	
<p><b>Objectives of the measure:</b></p> <p>The milestone M1C1-101 is part of Reform 1.12, which aims at reforming the tax administration through several measures in order to encourage tax compliance and improve the effectiveness of the targeting of audits and controls. The milestone M1C1-101 requires the publication of a report to inform government actions for reducing tax evasion from omitted invoicing, especially in the sectors most exposed to tax evasion, including through targeted incentives to consumers.</p> <p><b>Analysis:</b></p> <p>The report submitted by the Finance Ministry and published on the website “Italia Domani” (at the following link: <a href="#">Documenti - Italia Domani</a>), is expected to guide the actions of the government in the adoption of measures to reduce tax evasion from omitted invoicing. It includes a description of past measures against tax evasion and the assessment of incentives to consumers to pay electronically, including the “cashback scheme”, a scheme introduced by the Italian authorities in 2020 which provided financial incentives to reward consumers who pay electronically. The report also includes the description of possible interventions aimed at reducing tax evasion from omitted invoicing. These actions are mostly additional compared to the commitments already specified in the milestone M1C1-103 due by Q2 2022. These actions include: 1) an improvement of the existing</p>	

“lottery of receipts”, which provides incentives to consumers for asking receipts and invoices; 2) better targeting of audits and controls by the tax administration through several measures, including the definition of a legislative framework for risk analysis performed by the tax administration, the use of data scraping techniques and the extension of compulsory electronic invoicing also to taxpayers in simplified flat-rate regimes; and 3) additional general measures, such as the introduction of the concept of "normal value" in customs, which would support countering over- or under-evaluations fraud/abuses, and the improvement of the rules on the tracking of goods, through the use of IT instruments.

Overall, the actions outlined by the review can be considered as sufficiently ambitious and, if thoroughly implemented, are expected to positively contribute to reduce tax evasion, including from omitted invoicing.

The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M1C2-1	<b>M1C2 – I1:</b> Transition 4.0
<b>Name of the Milestone:</b> Entry into force of legal acts to make Transition 4.0 tax credits available to potential beneficiaries and establishment of the Scientific Committee	
<b>Qualitative Indicator:</b> Provision in the law indicating the entry into force of the budgetary law enabling the tax credits and provision in the related implementing acts indicating their entry into force	<b>Time:</b> Q4 2021
<b>Evidence Provided:</b> In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided: <ol style="list-style-type: none"> <li>1. A summary document duly justifying how the milestone, including all the constitutive elements, was satisfactorily fulfilled;</li> <li>2. Law n. 178 of 30 December 2020 published in the Official Journal n. 322 of 30 December 2020 concerning the Budget Law 2021, and Law n. 160 of 27 December 2019 published in the Official Journal n. 304 of 30 December 2020 concerning the Budget Law 2020;</li> <li>3. Resolution of the Revenues Agency 68/E of 30 November 2021 on the tax codes;</li> <li>4. Ministerial Decree of 23 November 2021 on the set-up of the Scientific Committee.</li> </ol>	
<b>Objectives of the measure:</b> As provided in the CID, the measure consists of a tax credit scheme to incentivise the digitalisation of companies. The milestone envisages the entry into force of legal acts to make the tax credits available to potential beneficiaries, identify the relevant tax codes by the Revenues Agency and set up a Scientific Committee to assess the economic impact of tax credits.	
<b>Analysis:</b> Law n. 178 of 30 December 2020, which entered into force on 1 January 2021 (Article 20) extends until the end of 2022 the Transition 4.0 tax credits already defined in the context of Law n. 160 of 27 December 2019 entered into force on 1 January 2020 (Article 19), thus making them available to companies for expenses to be claimed in the tax returns presented in the period between 1 January 2021 and 31 December 2023 (which is extended until at least 30 November 2024 for firms whose tax year does not correspond to the calendar year based on existing administrative practice). In line with the description of the investment in the CID, the tax credits defined by Article 1 of the enacted legislation (paragraphs 1053-1068 of Law n. 178 of 30 December 2020 and paragraphs 189-217 of Law n. 160 of 27 December 2019) consist of five categories, namely (i) 4.0 (i.e. technologically advanced) tangible capital goods, (ii) 4.0 intangible capital goods, (iii) standard intangible capital goods, (iv) research, development and innovation activities, and (v) training activities.	

The definition of the tax codes to allow beneficiaries to use the tax credits with the payment model known as F24 model has occurred through a resolution of the Revenues Agency (Resolution of the Revenues Agency 68/E of 30 November 2021).

Finally, the Scientific Committee including experts from the Ministry of Economy and Finance, the Ministry of Economic Development and the Bank of Italy has been established by Ministerial Decree of the Minister of Economy and Finance of 23 November 2021, with the task of, *inter alia*, assessing the economic impact of the Transition 4.0 tax credits in their implementation (Articles 1-2).

The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M1C2-26	<b>M1C2 – IS.1:</b> Refinancing and remodelling of Fund 394/81 managed by SIMEST	
<b>Name of the Milestone:</b> Entry into force of the refinancing of Fund 394/81 and adoption of the investment policy		
<b>Qualitative Indicator:</b> Provision in the law indicating the entry into force of the Law Decree(s) refinancing the grant and loan component of Fund 394/81		<b>Time:</b> Q3 2021
<b>Evidence Provided:</b> In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided: <ul style="list-style-type: none"><li>1. A summary document duly justifying how the milestone, including all the constitutive elements, was satisfactorily fulfilled;</li><li>2. Decree-Law n. 121 of 10 September 2021 published in the Official Journal n. 217 of 10 September 2021, converted into Law n. 156 of 9 November 2021 published in the Official Journal n. 267 of 9 November 2021 on the re-financing of loan and grant component of Fund 394/81;</li><li>3. Decision (<i>delibera</i>) of 30 September 2021 by the Board establishing the investment policy with the relevant certification of the approval;</li><li>4. Decision (<i>delibera</i>) of 20 December 2021 by the Board integrating the established investment policy with the relevant certification of the approval;</li><li>5. Agreement between Italy (Ministry of Foreign Affairs) and the entrusted entity (SIMEST) of 27 December 2021 on the implementation of the measure;</li><li>6. Administrative acts (<i>circolari</i>) of December 2021 by SIMEST on the specific requirements for the three investment lines identified.</li></ul>		
<b>Objectives of the measure:</b> <p>As provided in the CID, the measure consists of the refinancing of an existing Fund currently managed by the public agency SIMEST (Fund 394/81), providing financial support to firms, notably SMEs, to support their internationalisation through various tools such as programs to access foreign markets and development of e-commerce. In particular, the milestones envisages the refinancing of the Fund and the adoption of the investment policy including key requirements such as the respect of the DNSH principle.</p>		
<b>Analysis:</b> <p>Italy provided evidence that (i) the Decree-Law providing for the refinancing of both the grant and loan component of Fund 394/81 (Decree-Law n. 121 of 10 September 2021, Article 11) entered into force on 11 September 2021 (Article 17), and was then converted into Law n. 156 of 9 November</p>		

2021 which entered into force on 10 November 2021 (Article 1), and (ii) that the Board of the Fund has established an investment policy in line with the requirements of the CID. The investment policy defines the nature and scope of the projects to be supported (specifying they have to be in line with the objectives of the RRF Regulation), which concern the internationalisation and digitalisation of companies with three main investment chapters in line with the description of the investment (concerning in particular the participation in international fairs, the development of e-commerce and the deployment of digital and green technologies). The investment policy also defines the type of operations supported and the targeted beneficiaries which are SMEs, including their eligibility criteria.

Both the investment policy and the agreement between the State (Ministry of Foreign Affairs) and the entrusted entity include the specifications concerning the respect of the DNSH principle (Commission Technical Guidance (2021/C58/01)) in terms of eligibility criteria as these are described in the CID, in particular concerning the application of the Commission's guidance on sustainability proofing for the InvestEU Fund, the exclusion list of assets and activities, and compliance of all projects with the relevant EU and national environmental legislation. Finally, the investment policy includes provisions to re-invest potential reflows for similar policy objectives in case not used to repay interest rates of loans stemming from the RRF Regulation as required under the CID.

The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.

**Commission Preliminary Assessment: Satisfactorily fulfilled**

<b>Number:</b> M1C2-27	<b>M1C2 – I5.1b</b> Refinancing and remodelling of Fund 394/81 managed by SIMEST		
<b>Name of the Target:</b> SMEs that received support from Fund 394/81			
<b>Quantitative Indicator:</b> Number	<b>Baseline:</b> 0	<b>Target:</b> 4 000	<b>Time:</b> Q4 2021
<b>Evidence Provided:</b>  In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:  <ol style="list-style-type: none"><li>1. A summary document duly justifying how the target, including all the constitutive elements, was satisfactorily fulfilled containing a justification of compliance with the description of the investment and the target the CID and where relevant the aggregate characteristics of the projects;</li><li>2. Decision (<i>delibera</i>) of 29 December 2021 by the Board of Fund 394/81 approving the financing requests submitted by 5 224 SMEs with the relevant certification of approval;</li><li>3. Annex to the Decision (<i>delibera</i>) of 29 December 2021 by the Board of Fund 394/81 containing the list of the 5 224 SMEs whose financing requests were approved.</li><li>4. Decision (<i>delibera</i>) of 30 September 2021 by the Board of Fund 394/81 establishing the investment policy with the relevant certification of approval;</li><li>5. Administrative acts (<i>circolari</i>) of December 2021 by SIMEST on the specific requirements for the three investment lines identified.</li></ol> The authorities also provided:  <ol style="list-style-type: none"><li>6. State Aid decision of the European Commission of 29 November 2021 SA.100597 (2021/N) – Italy, COVID-19: Direct grants to SMEs engaging in international activities and operations for the digital and green transitions (RRF);</li></ol>			

7. Summary documents explaining the process and timeline for the material disbursement of funds.

In the context of the sampling analysis, additional evidence provided for a sample of 60 units including:

8. Notification of the award of financial support including the contract signed by SIMEST;
9. Data on companies' staff headcount, turnover and balance sheet to demonstrate they are SMEs.

**Objectives of the measure:**

As provided in the CID, the target follows the fulfilment of milestone M1C2-26, part of the present instalment of the loan support, and concerns an investment related to supporting SMEs in their internationalisation and digitalisation. The target envisages in particular that, starting from 1 January 2021, at least additional 4 000 SMEs shall have received support from the Fund 394/81 (which is managed by public agency SIMEST).

**Analysis:**

The Decision of the Board of Fund 394/81 dated 29 December 2021 approved the financing requests of 5 224 SMEs, following the receipt of a total of 6 256 requests. The investment policy and the administrative acts (*circolari*) submitted by Italy define the scope of the investment projects in line with the requirements of milestone M1C2-26. The list of companies annexed to the above-mentioned Decision of the Board identifies the aggregate characteristics of all projects through the corresponding investment line, as defined in the investment policy and the administrative acts (*circolari*).

On 20 January 2022, SIMEST completed the notifications to all 5 224 SMEs selected of the award of financial support and transmitted the signed contracts by SIMEST, where SMEs are in the process of signing and returning the contracts. The notification of the award creates a legal commitment for SIMEST to disburse the funds, which may be enforced by the SME before an administrative court. Disbursements to SMEs have started and will continue as SMEs return the contracts. Notwithstanding the wording of the CID that the SMEs shall receive the support, taking into account (i) the binding nature of such commitment, (ii) the fact that a far greater number of SMEs have been approved for financing than the target requires receive funds (which provides assurance that at least the number required by the target will swiftly receive such funding), and (iii) that the process is now substantially on the SME to return the signed contract, this constitutive element of the target can be considered as satisfactorily fulfilled.

The evidence provided for a sample of 60 units confirmed that the notification of the award of financial support, including the contract, were signed by SIMEST. The notifications of the award include references to the measure and the Decision of the Board dated 29 December 2021, which is based on the acts approved for the purpose of implementing milestone M1C2-26. Moreover, the evidence demonstrated that companies receiving financial support are SMEs (based on data on the number of employees, turnover and balance sheet) in all cases, except for one where the company withdrew its application and the necessary checks on the data could not be performed. On this basis, a statistical analysis has been carried out comparing the reported 5 224 records and the target of 4 000, with the 60 samples, out of which 59 have been considered as successful. This analysis concluded that the target has been over-achieved.

The conclusion of the preliminary assessment is that the target is satisfactorily fulfilled.

**Commission Preliminary Assessment: Satisfactorily fulfilled**

<b>Number:</b> M1C3-8	<b>M1C3 – I4.1: Digital Tourism Hub</b>
<b>Name of the Milestone:</b> Award of the contracts for the development of the Digital Tourism Portal	
<b>Qualitative Indicator:</b> Notification of the award of all public contracts for the development of the Digital Tourism Portal	<b>Time:</b> Q4 2021
<p><b>Evidence Provided:</b></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"> <li>1. A summary document duly justifying how the milestone, including all the constitutive elements, was satisfactorily fulfilled.</li> <li>2. The notification of all the contract awards</li> <li>3. Link to the portal website “Italia.it”</li> <li>4. In-depth technical analysis and infographics of the new features of the website. This includes examples of data analytics for the tourism ecosystem and a technical explanation of the website functioning.</li> <li>5. The document “Link to <i>determine a contrarre</i>”. The contract awards were published on the website of the Ministry of Tourism. The document provides the link to the section of the Ministry of Tourism’s website, where official documents are published (“<i>Amministrazione Trasparente</i>”). This section includes the publication of the award of contracts “<i>determine a contrarre</i>” for the development of the Digital Tourism Portal.</li> <li>6. Two declarations of DNSH compliance from the Ministry of Tourism and from Consip (Central Purchasing Authority).</li> <li>7. Declaration of the Ministry of Tourism that the Framework contract for cloud services will be amended to include DNSH specifications.</li> <li>8. Integrative declaration of the Ministry of Tourism confirming compliance of the contracts signed with the DNSH exclusion list.</li> </ol>	
<p><b>Objectives of the measure:</b></p> <p>The milestone M1C3-8 is part of Investment 4.1 which aims at creating a “<i>Digital Tourism Hub</i>” accessible through a dedicated web platform, connecting all the stakeholders in the tourism ecosystem enhancing, integrating and promoting the touristic offer.</p> <p>The milestone M1C3-8 concerns the Digital Tourism Portal, a sub-measure of the Digital Tourism Hub. This is realised through the upgrade of the website Italia.it through the implementation of a cloud and open architecture, favouring interconnection with the ecosystem. The upgraded Portal includes: the creation of a new front-end interface and navigation tree; the review of the layout, structure and functionalities of the sections, pages and articles; the introduction of maps and multilingual management.</p> <p><b>Analysis:</b></p> <p>The updated version of the Digital Tourism Portal “<i>Portale Italia.it</i>” (available in Italian and English) was completed and launched on 30 November 2021. The authorities provided an in-depth technical analysis which covers all technical specifications detailed in the milestone. All awards of contracts for the development of the Digital Tourism Portal were notified and published on the Ministry of Tourism’s website. In line with the legal framework, purchases have been conducted through the centralised purchasing body (CONSIP) via framework contracts (FWCs) and agreements signed by CONSIP or through MEPA (eProcurement tool managed by CONSIP for purchases below the threshold values of EU Public Procurement Directives).</p> <p>The compliance with the DNSH principles was demonstrated by the declarations of the Ministry of Tourism and of CONSIP. This ex-post assurance strategy was justified and adequate because the</p>	

framework contracts predate the Commission DNSH technical guidance and the risk of DNSH breach was significantly low.

The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.

**Commission Preliminary Assessment: Satisfactorily fulfilled**

<b>Number:</b> M1C3- 22	<b>M1C3 – I4.2:</b> Funds for the competitiveness of tourism enterprises
<b>Name of the Milestone:</b> Investment policy for the European Investment Bank, Thematic Fund	
<b>Qualitative Indicator:</b> Adoption of the investment policy	<b>Time:</b> Q4 2021
<p><b>Evidence Provided:</b></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"> <li>1. Summary document duly justifying how the milestone was satisfactorily fulfilled in line with the requirements set out in the CID Annex;</li> <li>2. Decree-Law n. 152 “Disposizioni urgenti per l'attuazione del Piano nazionale di ripresa e resilienza (PNRR) e per la prevenzione delle infiltrazioni mafiose” of 6 November 2021, which enables the Ministry of Finance to establish the fund and to negotiate the investment policy. The Decree-Law was subsequently converted into law by Conversion Law n. 233/2021 on 29 December 2021.</li> <li>3. A copy of the adopted investment policy which is part of the Funding Agreement between the Republic of Italy and the European Investment Bank. The Agreement was adopted on 22 December 2021 and concerns the EIB Fund of Funds.</li> </ol>	
<p><b>Objectives of the measure:</b></p> <p>The Thematic Fund for Tourism is a compartment of the European Investment Bank Fund of Funds (FoF), designed as a dedicated sectoral Fund aimed at providing financial support for projects and investments promoted by tourism enterprises in Italy and sustaining the overall efforts toward the climate transition of the tourism sector.</p>	
<p><b>Analysis:</b></p> <p>The milestone envisages the adoption of the investment policy for the EIB Tourism Thematic Fund. The policy is part of the Funding Agreement, which was adopted on 22 December 2021.</p> <p>The investment policy defines the scope of the projects to be supported which concern the digitization and the green transition in the tourism sector, the type of operations supported and the targeted beneficiaries which are firms operating in the tourism sector. The investment policy also contains the eligibility criteria for the financial beneficiaries, and a reference that they will be selected through a call for expression of interest.</p> <p>The investment policy includes the selection criteria and specifications concerning the respect of the DNSH principle (Commission Technical Guidance (2021/C58/01)) as described in the CID, in particular concerning the application of the Commission’s guidance on sustainability proofing for the InvestEU Fund, the exclusion list of assets and activities, and verification of legal compliance with the relevant EU and national environmental legislation (paragraph C1 of the investment policy). Finally, the investment policy includes provisions to re-invest potential reflows for the same policy objectives and provisions, envisaging that 50% of the fund is dedicated to energy efficiency measures, as required by the CID (paragraph C2 of the investment policy).</p>	



The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.

**Commission Preliminary Assessment: Satisfactorily fulfilled**

<b>Number:</b> M1C3-23	<b>M1C3 – I4.2b:</b> Funds for the competitiveness of tourism enterprises
<b>Name of the Milestone:</b> Investment policy for the National Tourism Fund	
<b>Qualitative Indicator:</b> Adoption of the investment policy	<b>Time:</b> Q4 2021
<p><b>Evidence Provided:</b></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"> <li>1. A summary document duly justifying how the milestone, including all the constitutive elements, was satisfactorily fulfilled.</li> <li>2. A copy of the adopted investment policy for the National Tourism Fund, which is part of the regulation for the National Tourism Fund (<i>Regolamento Fondo Nazionale del Turismo_23 Dicembre2021</i>). The Board of Directors approved both documents on 30 November 2021.</li> <li>3. The mail exchanges between the Cassa Depositi e Prestiti and the Ministry of Tourism confirming the adoption of the policy.</li> </ol> <p>Additional evidence provided:</p> <ol style="list-style-type: none"> <li>4. Minutes of the meeting of the Fund Assembly of 24 February 2022 on the adoption of the amendment to investment policy for the National Tourism Fund.</li> </ol>	
<p><b>Objectives of the measure:</b></p> <p>The National Tourism Fund is a real estate fund for the redevelopment of properties with high tourism potential. The fund is managed by Cassa Depositi e Prestiti and will support the development of the areas most affected by the pandemic crisis or marginal areas (coastal areas, minor islands, ultra-peripheral regions and rural and mountainous areas).</p> <p><b>Analysis:</b></p> <p>The Board of Directors adopted the investment policy for the National Tourism Fund on 30 November 2021. This document defines the scope of the projects to be supported, the nature of the intervention and the target beneficiaries.</p> <p>The justification and substantiating evidence provided by the Italian authorities cover all constitutive elements of the milestone.</p> <p>In particular:</p> <ul style="list-style-type: none"> <li>• Section 16 of the Regulation of the Fund clearly defines the scope and the activities that will be financed. This section makes a clear reference to the areas most affected by the crisis, marginal areas and ultra-peripheral regions as specified in the CID.</li> <li>• Section 16 of the Regulation of the Fund defines the eligibility criteria for the investment. It comprises a detailed DNSH specification that includes the three necessary requirements (i.e. legal compliance with the relevant EU and national environmental legislation; application of the Commission's technical guidance on sustainability proofing for the Invest EU Fund; the exclusion list).</li> </ul>	



The investment policy was amended on 24 February 2022 to include a clause that reflows until 2026 be used for the same policy objective. Beyond 2026, the authorities confirmed in the summary document that any reflows will be used either for the same policy objectives or for the repayment of RRF loans. This was supported by a statement in the minutes of the meeting of the Fund Assembly, which requested the Board to submit an additional amendment to the investment policy.

Furthermore, the use of an open call to select financial beneficiaries has been confirmed by the Fund Assembly. Beyond the requirement of the milestone, Italy has confirmed that it intends to amend the investment policy to explicitly reflect its intention of selecting financial beneficiaries via an open call.

The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M1C3-24	<b>M1C3 – I4.2c:</b> Funds for the competitiveness of tourism enterprises
<b>Name of the Milestone:</b> Investment policy for the SME Guarantee Fund	
<b>Qualitative Indicator:</b> Adoption of the investment policy	<b>Time:</b> Q4 2021
<p><b>Evidence Provided:</b></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"> <li>1. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.</li> <li>2. An official agreement between the Ministry of Tourism and the Ministry of Economic Development which adopts the investment policy.</li> <li>3. A copy of the adopted Investment Policy for the SMEs Guarantee Fund (Fondo di Garanzia PMI).</li> <li>4. Decree-Law n. 152 “Disposizioni urgenti per l'attuazione del Piano nazionale di ripresa e resilienza (PNRR) e per la prevenzione delle infiltrazioni mafiose” of 6 November 2021, which set up a dedicated section to tourism for the SMEs Guarantee Fund. The Decree-Law was subsequently converted into law by Conversion Law n. 233/2021 on 29 December 2021.</li> </ol>	
<p><b>Objectives of the measure:</b></p> <p>The milestone M1C3-24 belongs to the measure “<i>Funds for the competitiveness of tourism enterprises</i>”, which aims at supporting firms operating in the tourism sector. Specifically, this milestone sets up a guarantee fund to facilitate access to credit for firms in the sector (through a dedicated section of the SMEs Guarantee Fund). An amount of 50% of the Fund should be dedicated to energy efficiency measures and the three DNSH conditions (sustainability proofing, the exclusion list, and the requirement of compliance with the relevant EU and national environmental legislation) should ensure compliance with the ‘Do no significant harm’ Technical Guidance (2021/C58/01) of supported transactions under this measure.</p>	
<p><b>Analysis:</b></p>	

The justification and substantiating evidence provided by the Italian authorities cover all constitutive elements of the milestone. In particular:

- According to the further specifications included in Annex I to the Operational Arrangements, a dedicated section for tourism shall be activated for the SMEs guarantee fund. This section has been activated for the SMEs Guarantee Fund by Article 2 of Decree Law 152/2021 “*Disposizioni urgenti per l'attuazione del Piano nazionale di ripresa e resilienza (PNRR) e per la prevenzione delle infiltrazioni mafiose*” as converted into law by Conversion Law n.233/2021.
- The SMEs Guarantee Fund is dedicated to SMEs in the tourism sector and to people up to 35 years old (from 18 to 40 years old for the agritourism sector) willing to start a new business in the tourism sector,
- 50% of the fund is dedicated to energy efficiency measures,

The investment policy defines the eligibility criteria for the investment. It comprises a detailed DNSH specification which includes the three necessary requirements (i.e. compliance with the relevant EU and national environmental legislation; application of the Commission’s technical guidance on sustainability proofing for the Invest EU Fund; the exclusion list).

The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M1C3-25	<b>M1C3 – I4.2d:</b> Funds for competitiveness of tourism enterprises
<b>Name of the Milestone:</b> Investment policy for the Fondo Rotativo (the Revolving Fund)	
<b>Qualitative Indicator:</b> Adoption of the investment policy	<b>Time:</b> Q4 2021
<p><b>Evidence Provided:</b></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"> <li>1. A summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled,</li> <li>2. Decree-Law n. 152 “Disposizioni urgenti per l'attuazione del Piano nazionale di ripresa e resilienza (PNRR) e per la prevenzione delle infiltrazioni mafiose” of 6 November 2021 as converted into law by Conversion Law n. 233/2021 on 29 December 2021</li> <li>3. A copy of the inter-ministerial decree “Decreto Fondo Rotativo” adopted on 28 December 2021, implementing the Decree Law 152/2021 and approved by the Ministry of Tourism and by the Ministry of Economy and Finance,</li> </ol> <p><b>Additional documentation:</b></p> <ol style="list-style-type: none"> <li>4. A clarification note explaining the functioning of the Financial Instrument and the inapplicability of the reflows clause.</li> <li>5. A copy of Cassa Depositi e Prestiti investment strategy for the Revolving Fund (Fondo Rotativo).</li> </ol>	
<p><b>Objectives of the measure:</b></p> <p>The objective of the measure is to support mid- to large-sized investments for the upgrading of accommodation facilities and to support new investments in the tourism and in the fair sector. The intervention includes: (i) capital grants provided by the Ministry of Tourism, (ii) subsidised loans granted by Cassa Depositi e Prestiti (CDP) and (iii) bank loans under market conditions.</p>	
<b>Analysis:</b>	

The justification and substantiating evidence provided by the Italian authorities cover all constitutive elements of the milestone.

In particular:

- Decree Law n. 152/2021 and Article 2 of the inter-ministerial implementing decree “Decreto Fondo Rotativo” defines the role of the Ministry of Tourism as management and implementing body and its responsibility for creditworthiness assessment of the grants’ beneficiaries;
- Decree Law n. 152/2021, and the inter-ministerial implementing decree adopt the investment policy, and define the functioning of the financial instrument, its nature, its scope, the operations supported, and the targeted beneficiaries. In addition, firms can apply for loans to any of the financial intermediary who chose to ratify the agreement between the Ministry of Tourism, Cassa Depositi e Prestiti and the Italian Banking Association (ABI). The agreement “Convenzione” is open to all Italian banks as specified in the Operational Arrangement.
- The clarification note explains the technical functioning of the financial instrument and the inapplicability of the reflow clause. The Ministry of Tourism will support companies with non-repayable expenditure contributions in the form of capital grants. The type of intervention justifies the inapplicability of the clause as no reflow is envisaged.
- The Decree Law n. 152/2021 and the inter-ministerial implementing decree clearly specify the scope of the investment and the eligibility criteria for the investment. Article 5 of the inter-ministerial implementing decree lays down the eligibility criteria for the investment. It comprises a detailed DNSH specification which includes the three necessary requirements (i.e. verification of compliance with the relevant EU and national environmental legislation; application of the Commission’s technical guidance on sustainability proofing for the Invest EU Fund; exclusion list.)
- Article 2 of the implementing decree introduces a 50% reserve for energy efficiency interventions.

The documentation of Cassa Depositi e Prestiti’s strategy further complements the content of the implementing decree and clarifies the role of Cassa Depositi e Prestiti.

The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M1C3-26	<b>M1C3 – I4.2e:</b> Funds for the competitiveness of tourism enterprises	
<b>Name of the Milestone:</b> Entry into force of the implementing decree for the tax credit for the redevelopment of accommodation facilities		
<b>Qualitative Indicator:</b> Provision in the law indicating the entry into force of the budgetary law enabling the tax credits and provision in the related implementing acts indicating their entry into force.		<b>Time:</b> Q4 2021
<b>Evidence Provided:</b> In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided: <ol style="list-style-type: none"><li>1. A summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled,</li><li>2. Decree Law n. 152 of 23 December 2021, as converted by Law n. 233 of 29 December 2021 and published in the Official Journal (n. 310 of 31 December 2021)</li></ol>		

3. A copy of the public notice “*Avviso Pubblico*” implementing the Decree-Law and published on 23 December 2021.

Additional evidence provided:

4. A copy of implementing decree for the Digitalization of travel agencies and tour operators.

**Objectives of the measure:**

The tax credit is a sub-part of the measure “Funds for competitiveness enterprises”. Its objective is to increase the quality of accommodation, with investments aimed at fostering environmental sustainability and redeveloping accommodation facilities. In particular, the milestone requires the adoption and the entry into force of the implementing legislation for the tax credit for the redevelopment of accommodation facilities.

**Analysis:**

The justification and substantiating evidence provided by the Italian authorities cover all constitutive elements of the milestone.

In particular:

- The Decree Law establishing the tax credit for the redevelopment of tourism accommodation entered into force on 6 November 2021.
- The implementing public notice “*Avviso Pubblico*” was published and operational since December 23, 2021.
- Article 2 of the “*Avviso Pubblico*” clearly specifies the scope of the tax credit which is in line with the requirements of the Council Implementing Decision.
- Article 4 of the “*Avviso Pubblico*” lays down the eligibility criteria for the investment. It comprises a detailed DNSH specification which includes the three necessary requirements (i.e. compliance with the relevant EU and national environmental legislation; application of the Commission’s technical guidance on sustainability proofing for the Invest EU Fund; exclusion list).

The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M2C1-14	<b>M2C1 – I1.1:</b> Implementation of new waste management plants and modernization of existing plants		
<b>Name of the Milestone:</b> Entry into force of the Ministerial Decree			
<b>Qualitative Indicator:</b> Publication in the Gazzetta Ufficiale			<b>Time:</b> Q3 2021
<b>Evidence Provided:</b> In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided: <ol style="list-style-type: none"><li>1. Summary document duly justifying how the milestone was satisfactorily fulfilled in line with the requirements set out in the CID Annex</li><li>2. Copy of the publication in the Official Journal (<i>Gazzetta Ufficiale</i>) on 15 October 2021 of the Ministerial Decree n. 396 of 28 September 2021 laying down the selection criteria for projects</li></ol>			

implementing the intervention lines under investment 1.1 of Mission 2 Component 1 of the NRRP

3. Copy of the publication in the Official Journal (*Gazzetta Ufficiale*) on 16 October 2021 of the Ministerial Decree n°397 of 28 September 2021 laying down the selection criteria for projects implementing the intervention lines under investment 1.2 of Mission 2 Component 1 of the NRRP
4. Self-assessment duly justifying how the milestone, including all the constitutive elements, was satisfactorily fulfilled

Additional evidence provided:

5. Notice of intervention line A investment 1.1 of Mission 2 Component 1, including the link to the page in the website of the Ministry of Ecological Transition
6. Notice of intervention line B investment 1.1 of Mission 2 Component 1, including the link to the page in the website of the Ministry of Ecological Transition
7. Notice of intervention line C investment 1.1 of Mission 2 Component 1, including the link to the page in the website of the Ministry of Ecological Transition
8. Notice of intervention line A investment 1.2 of Mission 2 Component 1, including the link to the page in the website of the Ministry of Ecological Transition
9. Notice of intervention line B investment 1.2 of Mission 2 Component 1 including the link to the page in the website of the Ministry of Ecological Transition
10. Notice of intervention line C investment 1.2 of Mission 2 Component 1 including the link to the page in the website of the Ministry of Ecological Transition
11. Notice of intervention line D investment 1.2 of Mission 2 Component 1 including the link to the page in the website of the Ministry of Ecological Transition

#### **Objectives of the measure:**

This measure consists of financial support to local authorities and municipalities to build new waste management plants and modernise existing waste management plants. The measure sets out various intervention lines to support local authorities and municipalities. Each intervention line has a certain number of selection and award criteria for the various projects requesting grants.

As provided in the CID, investment 1.1 consists of improving and mechanising of the separated waste collection networks of municipalities, building new treatment/recycling plants for organic waste, multi-material, glass and paper packaging and innovative treatment/recycling plants addressing personal adsorbent disposal (PAD), wastewater sludge, leather waste and textile waste.

Investment 1.2 consists of supporting the improvement of separate waste collection networks of municipalities, including through digitalisation of the processes and/or logistics, and treatment/recycle plants for waste electrical and electronic equipment (WEEE), paper/paperboard industry, plastic waste recycling and textile.

In this context, M2C1-14 consists in the adoption of the Ministerial Decree for the approval of the selection criteria of the projects proposed by Municipalities for investments 1.1 and 1.2.

#### **Analysis:**

The detailed analysis of the Ministerial Decrees n.396 and n.397 of 28 September 2021, which underpin respectively investments 1.1 and 1.2 demonstrate that the selection and award criteria of the various intervention lines fulfil each of the conditions of the milestone.

#### *Investment 1.1*

Article 2 of the Ministerial Decree n.396 of 28 September 2021 establishes three intervention lines for investment 1.1 of mission 2 component 1 and their respective selection criteria (Annex I):

- Intervention line A – improvement and mechanisation of separate collection network of urban waste:
- Intervention line B – building new plants and modernising existing plants for the treatment and recycling of waste coming from separation collection
- Intervention line C - building new plants and innovative treatment/recycling of waste from personal adsorbents disposal (PAD), wastewater sludge, leather and textiles

Projects will be selected taking into account their compliance with EU and national legislation and the European Action Plan on Circular Economy pursuant to:

- Annex I to the Ministerial Decree n.396 of 28 September 2021 (selection criteria – point iv)
- Art. 15 (1), K) of the notice of intervention line A
- Art. 15 (1), K) of the notice of intervention line B
- Art. 15 (1), K) of the notice of intervention line C

Projects will be selected taking into account their expected improvement of recycle objectives pursuant to:

- Annex I to the Ministerial Decree n.396 of 28 September 2021, establishing award criteria: A3 (“rate of separate collection”) in intervention line A; B3 (“treated quantity”) and B4 (“deficit of plants”) in intervention line B; C3 (“treated quantity”) in intervention line C
- Annex I to notice of intervention line A - Selection criteria A3 (“rate of separate collection”)
- Annex I to notice of intervention line B - Selection criteria B3 (“treated quantity”) and B4 (“deficit of plants”) of
- Annex I to notice of intervention line C - Selection criteria C3 (“treated quantity”)

Projects will be selected taking into account consistency with regional and national planning instruments pursuant to:

- Annex I to the Ministerial Decree n.396 of 28 September 2021 (selection criteria – point iv)
- Art. 6 (1), e) of the notice of intervention line A
- Art. 6 (1), e) of the notice of intervention line B
- Art. 6 (1), e) of the notice of intervention line C

Projects will be selected taking into account their contribution to address issues identified in ongoing EU infringement procedure against Italy, synergies with other sectoral planning (e.g. PNIEC) and other components of the plan and innovative technologies basing on full-scale alternatives pursuant to:

- Annex I to the Ministerial Decree n.396 of 28 September 2021, establishing the “resolution of infringements” award criteria A5 in intervention line A, B6 in intervention line B, C6 in intervention line C
- Award criteria A5 of Annex I to the notice of intervention line A on “resolution of infringements”
- Award criteria B6 of Annex I to the notice of intervention line B on “resolution of infringements”
- Award criteria C6 of Annex I to the notice of intervention line C on “resolution of infringements”

Projects will be selected with regard to their technical quality pursuant to:

- Annex I to the Ministerial Decree n.396 of 28 September 2021, establishing award criteria A4 in intervention line A, B5 in intervention line B, C5 in intervention line C on “technological development”

- Award criteria A4 of Annex I to the notice of intervention line A on “technological development”
- Award criteria B5 of Annex I to the notice of intervention line B on “technological development”
- Award criteria C5 of Annex I to the notice of intervention line C on “technological development”

Projects will be selected taking into account their consistency and complementarity with cohesion policy programmes and similar projects funded through other EU and other instruments pursuant to:

- Annex I to the Ministerial Decree n.396 of 28 September 2021 (selection criteria – point ii)
- Art. 6 (1), c) of the notice of intervention line A
- Art. 6 (1), c) of the notice of intervention line B
- Art. 6 (1), c) of the notice of intervention line C

The interventions shall not include investments in landfills, disposal facilities and Mechanical Biological Treatment/Mechanical Treatment plants or incinerators, in accordance with the DNSH principle pursuant to:

- Annex I to the Ministerial Decree n.396 of 28 September 2021 (selection criteria – point iii)
- Art. 6 (1), d) of the notice of intervention line A
- Art. 6 (1), d) of the notice of intervention line B
- Art. 6 (1), d) of the notice of intervention line C

Additionally, the Italian authorities have confirmed that all disposal operations (D1 to D15) laid down in Annex I to Directive (EU) 2008/98 as last amended by Directive (EU) 2018/851 on waste are excluded from the projects proposed, pursuant to:

- Annex I to the Ministerial Decree n.396 of 28 September 2021 (§ 2)
- Art. 5 (3), d) of the notice of intervention line A
- Art. 5 (3), d) of the notice of intervention line B
- Art. 5 (3), d) of the notice of intervention line C

### *Investment 1.2*

Article 3 of the Ministerial Decree n.397 of 28 September 2021 establishes four intervention lines for investment 1.2 of mission 2 component 1 and their respective selection criteria:

- Intervention line A – improvement of separate waste collection networks of municipalities, including through digitalisation of the processes and/or logistics, and treatment/recycle plants for Waste Electrical and Electronic Equipment (WEEE), including wind turbine blades and photovoltaic panels
- Intervention line B – improvement of separate waste collection networks of municipalities, including through digitalisation of the processes and/or logistics, and treatment/recycle plants for paper/paperboard industry
- Intervention line C - improvement of separate waste collection networks of municipalities, including through digitalisation of the processes and/or logistics, and treatment/recycle plants for plastic waste recycling (mechanical, chemical recycling, “Plastic Hubs”) including Marine Plastic Litter.
- Intervention line D - improvement of separate waste collection networks of municipalities, including through digitalisation of the processes and/or logistics, and treatment/recycle plants for textiles (“Textile Hubs”)

Projects will be selected taking into account their compliance with EU and national legislation and the European Action Plan on Circular Economy pursuant to:

- Annex I to the Ministerial Decree n.397 of 28 September 2021 (selection criteria – point iv)
- Art. 16 (1), K) of the notice of intervention line A
- Art. 16 (1), K) of the notice of intervention line B
- Art. 16 (1), K) of the notice of intervention line C
- Art. 16 (1), K) of the notice of intervention line D

Projects will be selected taking into account their expected improvement of recycle objectives pursuant to:

- Annex I to the Ministerial Decree n.397 of 28 September 2021 establishing award criteria – points 1 and 3 on respectively “Quantity of Recycling/Reuse” and “enhancement of existing waste collection systems”)
- Award criteria under Points 1 and 3 of Annex I to the notice of intervention line A on respectively “Quantity of Recycling/Reuse” and “enhancement of existing waste collection systems”
- Award criteria under Points 1 and 3 of Annex I to the notice of intervention line B on respectively “Quantity of Recycling/Reuse” and “enhancement of existing waste collection systems”
- Award criteria under Points 1 and 3 of Annex I to the notice of intervention line C on respectively “Quantity of Recycling/Reuse” and “enhancement of existing waste collection systems”
- Award criteria under Points 1 and 3 of Annex I to the notice of intervention line D on respectively “Quantity of Recycling/Reuse” and “enhancement of existing waste collection systems”

Projects will be selected taking into account consistency with regional and national planning instruments pursuant to:

- Annex I to the Ministerial Decree n.397 of 28 September 2021 (selection criteria – point iv)
- Art. 16 (1), K) of the notice of intervention line A
- Art. 16 (1), K) of the notice of intervention line B
- Art. 16 (1), K) of the notice of intervention line C
- Art. 16 (1), K) of the notice of intervention line D

Projects will be selected taking into account their contribution to addressing issues identified in ongoing infringement procedures against Italy, , synergies with other sectoral planning (e.g. PNIEC) and other components of the plan and innovative technologies basing on full-scale alternatives pursuant to:

- Annex I to the Ministerial Decree n.397 of 28 September 2021 establishing award criteria points 2, 3 and 4 on respectively “Environmental impact”, “Enhancement of existing waste collection systems”, “Innovation”))
- Award criteria under Points 2, 3 and 4 of Annex I to the notice of intervention line A on respectively “Environmental impact”, “Enhancement of existing waste collection systems”, “Innovation”
- Award criteria under Points 2, 3 and 4 of Annex I to the notice of intervention line B on respectively “Environmental impact”, “Enhancement of existing waste collection systems”, “Innovation”
- Award criteria under Points 2, 3 and 4 of Annex I to the notice of intervention line C on respectively “Environmental impact”, “Enhancement of existing waste collection systems”, “Innovation”



- Award criteria under Points 2, 3 and 4 of Annex I to the notice of intervention line D on respectively “Environmental impact”, “Enhancement of existing waste collection systems”, “Innovation”

Projects will be selected taking into account their technical quality pursuant to:

- Annex I to the Ministerial Decree n.397 of 28 September 2021 establishing award criteria point 4 “Innovation”
- Award criteria under Point 4 of Annex I to the notice of intervention line A on “Innovation”
- Award criteria under Point 4 of Annex I to the notice of intervention line B on “Innovation”
- Award criteria under Point 4 of Annex I to the notice of intervention line C on “Innovation”
- Award criteria under Point 4 of Annex I to the notice of intervention line D on “Innovation”

Projects will be selected taking into account their consistency and complementarity with cohesion policy programmes and similar projects funded through other EU and other instruments pursuant to:

- Annex I to the Ministerial Decree n.397 of 28 September 2021 (selection criteria – point ii)
- Art. 6 (1), c) of the notice of intervention line A
- Art. 6 (1), c) of the notice of intervention line B
- Art. 6 (1), c) of the notice of intervention line C
- Art. 6 (1), c) of the notice of intervention line D

The interventions shall not include investments in landfills, disposal facilities and Mechanical Biological Treatment/Mechanical Treatment plants or incinerators, in accordance with the DNSH principle, pursuant to:

- Annex I to the Ministerial Decree n.397 of 28 September 2021 (selection criteria – point iii)
- Art. 6 (1), d) of the notice of intervention line A
- Art. 6 (1), d) of the notice of intervention line B
- Art. 6 (1), d) of the notice of intervention line C
- Art. 6 (1), d) of the notice of intervention line D

Additionally, the Italian authorities have confirmed that all disposal operations (D1 to D15) laid down in Annex I of Directive (EU) 2008/98 as last amended by Directive (EU) 2018/851 on waste are excluded from the projects proposed, pursuant to:

- Annex I to the Ministerial Decree n.397 of 28 September 2021 (§ 2)
- Art. 5 (4) of the notice of intervention line A
- Art. 5 (4) of the notice of intervention line B
- Art. 5 (4) of the notice of intervention line C
- Art. 5 (4) of the notice of intervention line D

The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.

**Commission Preliminary Assessment: Satisfactorily fulfilled**

<b>Number:</b> M2C2-7	<b>M2C2 – R1.2:</b> New legislation to promote renewable gas production and consumption
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<b>Name of the Milestone:</b> Entry into force of a Legislative Decree to promote the use of renewable gas for the use of biomethane in the transport, industrial and residential sectors and an Implementing Decree setting out the conditions and criteria in relation to its use and the new incentive system	
<b>Qualitative Indicator:</b> Provision in the law indicating the entry into force of the Ministerial Decree	<b>Time:</b> Q3/2021
<b>Evidence Provided:</b> In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided: <ol style="list-style-type: none"> <li>1. Summary document duly justifying how the milestone was satisfactorily fulfilled in line with the requirements set out in the CID Annex;</li> <li>2. Publication in the Official Journal (<i>Gazzetta Ufficiale</i>) of the Legislative Decree n. 199 of 8 November 2021 transposing Directive 2018/2001 on Renewables (RED II)</li> <li>3. Self-assessment duly justifying how the milestone, including all the constitutive elements, was satisfactorily fulfilled</li> </ol>	
<b>Objectives of the measure:</b> As provided in the CID, Reform 2 of Mission 2 Component 2 consists of reinforcing support for clean bio-methane by adopting legislation to increase the scope of bio-methane projects eligible for support and extend the period of time for the availability of grants. The bio-methane shall comply with criteria set out in Renewable Energy Directive 2018/2001/EU (REDII) in order to allow the measure to comply with DNSH principle and with the relevant requirements of footnote 8 of Annex VI of the Regulation (EU) 2021/241.  In this context, milestone M2C2-7 provides for the entry into force of a Legislative Decree to promote the use of renewable gas for the use of biomethane in the transport, industrial and residential sectors and an Implementing Decree setting out the conditions and criteria in relation to its use and the new incentive system.	
<b>Analysis</b> The Legislative Decree of 8 November 2021 simplifies authorisation procedures for the construction or repurposing of bio-methane plants (Article 24), extends the period for introducing bio-methane projects (Article 11 (4)) and reviews the definition of applicants to widen the eligibility perimeter and provides for the feed in tariff mechanism (Article 11 (1)). Article 46 defines the role of <i>Gestore dei Servizi Energetici SpA</i> , the manager of the incentive mechanism, and the objectives, validity and conditions of issuance of the guarantee of origin for renewable gas. The Legislative decree transposes Directive 2018/2001 on renewable energy and confirms the central coordinating role of the Ministry of Ecological Transition (Article 39) which is supported by the Ministry of Agriculture, the Ministry of Economics and Finance and <i>Gestore dei Servizi Energetici SpA</i> , the manager of the incentive mechanism. The Implementing Decree implementing Article 11 (paragraph 1) with regard to conditions of combination with other forms of support and the extension of the scope to the production of non-biological renewables, has been first notified to the Commission on 19 November 2021 in accordance with State aid rules.  The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.	
<b>Commission Preliminary Assessment:</b> Satisfactorily fulfilled	

<b>Number:</b> M2C2-37	<b>M2C2 – R4.1:</b> Smarter procedures for project evaluation in the local public transport systems sector with fixed installations and in the rapid mass transport sector	
<b>Name of the Milestone:</b> Entry into force of a Decree Law		
<b>Qualitative Indicator :</b> Provision in the Law indicating the entry into force of the Decree Law		<b>Time:</b> Q4 2021
<b>Evidence Provided:</b> In line with the verification mechanisms set out in the Operational Arrangements, the following evidence was provided: <ol style="list-style-type: none"><li>1. Summary document duly justifying how the milestone, including all the constitutive elements, was satisfactorily fulfilled</li><li>2. Copy of the publication on 30 July 2021 in the Official Journal (<i>Gazzetta Ufficiale</i>) of Decree-Law n. 77/2021 on the governance of the Italian National Recovery and Resilience Plan and the first measures to reinforce of administrative structures and acceleration of procedures converted into law by Law n. 108 of 29 July 2021.</li></ol>		
<b>Objectives of the measure:</b> As provided in the CID, Reform 5 of Mission 2 Component 2 consists of adopting a legislation assigning clear responsibilities in the approval of local public transport projects and a simplification of the payment procedure.  In this context, M2C2-37 consists of the entry into force of a Decree Law establishing smarter procedures for project evaluation in the local public transport systems sector with fixed installations and in the rapid mass transport sector.		
<b>Analysis:</b>  Article 44 of the Decree-Law 77/2021 simplifies the procedures for projects by clearly assigning to the Ministry of Sustainable Mobility the sole responsibility for the evaluation of projects in local public transport for projects whose value is below 100 million EUR, therefore not requiring the opinion of the <i>Consiglio Superiore dei Lavori Pubblici</i> , which evaluates technical, structural, geological, geotechnical and seismic aspects of projects. Article 44 of Decree-Law n. 77/2021 on the governance of the Italian National Recovery and Resilience entered into force on 1 of August 2021 further to its publication in the Official Journal ( <i>Gazzetta Ufficiale</i> ) on 31 July 2021 by virtue of Article 67.  The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.		
<b>Commission Preliminary Assessment:</b> Satisfactorily fulfilled		

Number: M2C2-41	M2C2 – I5.3: Electric buses	
Name of the Milestone: Entry into force of a Ministerial Decree which identifies the amount of available resources for reaching the purpose of intervention (buses supply chain)		
Qualitative Indicator : Provision in the Ministerial Decree indicating the 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 in line with the requirements set out in the CID Annex;
2. Copy of the Ministerial Decree n. 478/2021 on measure M2C2-investment 5.3 of the Italian Resilience and Recovery Plan for the support of the green and digital transformation of the industry of buses to produce electric and connected vehicles published in the Ministry of Transport website at the following URL: D.M. MIMS n.478 del 29 nov 2021.pdf (mit.gov.it)

The authorities also provided:

3. Copy of the Ministerial Decree n. 478/2021 on measure M2C2-investment 5.3 of the Italian Resilience and Recovery Plan for the support of the green and digital transformation of the industry of buses to produce electric and connected vehicles published in the Official Journal (*Gazzetta Ufficiale*) on 10 January 2022.

**Objective of the measure:**

As provided in the CID, Investment 5.3 support about 45 projects that promote the digital and green transformation of the bus industry by increasing the production of electric and connected buses. This investment is also expected to support investments aimed at the renewal of the electric bus fleet (without covering hybrid buses).

In this context, milestone M2C2-41 provides for the entry into force of a Ministerial Decree which identifies the amount of available resources for reaching the purpose of intervention.

**Analysis:**

The Ministerial Decree 478/2021 was signed on 29 November 2021 and was published on the website of the Ministry. The Ministerial Decree 478/2021 entered into force further to its registration by the Italian Court of Auditors on 27 December 2021 and its publication in the Official Journal (*Gazzetta Ufficiale*) on 10 January 2022.

Article 1 of the Ministerial Decree 478/2021 establishes that EUR 300 million shall be devoted to implement approximately 45 industrial projects for electric and connected buses through development contracts. It also establishes that projects shall respect the DNSH principle.

The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.

**Commission Preliminary Assessment: Satisfactorily fulfilled**

<b>Number:</b> M2C3-1	<b>M2C3 – I2.1:</b> Strengthening of the Ecobonus and Sismabonus for energy efficiency and building safety		
<b>Name of the Milestone:</b> Entry into force of the extension of the Superbonus			
<b>Qualitative Indicator:</b> Provision in the legal act(s) indicating the entry into force			<b>Time: Q4 2021</b>
<b>Evidence Provided:</b> In line with the verification mechanisms set out in the Operational Arrangements, the following evidence was provided: <ol style="list-style-type: none"><li>1. Summary document duly justifying how the milestone, including all the constitutive elements, was satisfactorily fulfilled;</li><li>2. Law n. 101 of 1 July 2021 converting into law the Decree-Law n.59 of 6 May 2021 containing urgent measures relating to the complementary fund to the Recovery and Resilience Plan and other urgent investment measures published in the Official Journal n°160 of 6 July 2021.</li></ol>			

- The authorities also provided:
3. A report from the Energy Department of the Ministry on the state of implementation of the Superbonus (13 December 2021);
  4. Report by the National Association of Buildings Construction of September 2021, including a section on the uptake of the Superbonus.

#### **Objectives of the measure**

As provided in the CID, this measure supports the energy and seismic renovation of residential buildings to make a significant contribution to the achievement of the energy saving and emission reduction targets set by the Integrated National Plan for Energy and Climate of Italy (PNIEC) for 2030, and to provide counter-cyclical support to the construction sector and to private demand to offset the effects of economic downturn. The support is provided in the form of a tax deduction over five years. In this context, the targets M2C3-2 and M2C3-3 also associated to this measure require to complete building renovation for a minimum number of square meters and resulting in energy savings of at least 40%.

This milestone extends the period of eligibility of the interventions both for apartment buildings and for social housing.

#### **Analysis**

Law n. 101/2021 of 6 July 2021 containing urgent measures relating to the complementary Fund to the National Recovery Plan and resilience and other urgent investment measures has extended the Ecobonus and Sismabonus benefits until 31 December 2022 for apartment buildings in case at least 60% of the works have already been carried out and until 30 June 2023 for social housing (Article 1, paragraph 3, in all cases) in line with the requirements of the CID and has preserved the original obligations in terms of energy savings (i.e. improving at least by two categories the Energy Performance Certificate because of the energy efficiency interventions) to be able to benefit from the tax incentive.

Law n. 101 of 1 July 2021 converting the Decree-Law n. 59 of 6 May 2021 has entered into force on 6 July 2021 (Article 1 of Law 101/2021).

The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M2C4-3	<b>M2C4 – R4.2:</b> Measures to ensure full managerial capacities for Integrated water services”		
<b>Name of the Milestone:</b> Reform of the legal framework for a better management and a sustainable use of water			
<b>Qualitative Indicator:</b> Entry into force of the Memoranda of Understanding (MoU)			<b>Time:</b> Q4 2021
<b>Evidence Provided:</b> In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided: <ol style="list-style-type: none"><li>1. Summary document duly justifying how the milestone, including all the constitutive elements, was satisfactorily fulfilled</li><li>2. The Copy of the 8 adopted Memoranda of Understanding signed between the Ministry of Ecological Transition and the local authorities and the link to the Ministry’s website where they can be accessed (<a href="https://mettiamociinriga.mite.gov.it/component/icagenda/233-mettiamoci-">https://mettiamociinriga.mite.gov.it/component/icagenda/233-mettiamoci-</a></li></ol>			

in-riga-l7-sottoscritti-tra-dicembre-2020-e-febbraio2021-otto-protocolli-di-intesa), with a reference to the relevant provisions indicating the entry into force.

3. An explanatory report by the Ministry of Ecological Transition demonstrating how the actions foreseen in the Memoranda contribute to achieving the objectives of the reform.

The authorities have also provided,

4. Law n. 233/2021 published in the Official Journal on 31 December 2021, converting into law the Decree-Law n. 152/2021 on “Disposizioni Urgenti per l’attuazione del Piano Nazionale di ripresa e resilienza e la prevenzione delle infiltrazioni mafiose”.

#### **Objectives of the measure**

As provided in the CID, this measure aims to address major problems in the management of water resources and make the system more efficient.

A first step towards that objective, which is represented by this milestone, was the entry into force of Memoranda of Understanding with the regions in which there are a significant number of ongoing infringement procedures for non-compliance with Council Directive 91/271/EEC with the view to reducing the number of operators and achieving economies by establishing single operators for at least each 40 000 inhabitants.

#### **Analysis:**

The Italian authorities provided the copy of the eight Memoranda of Understanding signed in the four regions concerned by the milestone (Campania, Calabria, Molise and Sicilia). Article 6 of every MoU sets out that those enter into force at the moment of their signature: Calabria, 28 December 2020; Molise, 11 January 2021; Messina, 15 January 2021; Campania, 21 January 2021; Catania, 21 January 2021; Siracusa, 21 January 2021; Trapani, 25 January 2021 and Agrigento, 2 February 2021. The Italian authorities accompany the copy of the Memoranda with an explanatory report providing a summary of the activities carried out and outputs produced in the four regions.

As required by the milestone, the Memoranda of Understanding signed with the regions list a number of steps aimed at reducing fragmentation in the number of operators providing water services. These steps include the support for conducting data analysis on the current and future demand for the water service and availability of the resource; support to the regions for the drafting of the program of interventions; support for the preparation of the management and organizational model; and assistance for the definition of the economic-financial plan and the tariff plan. They also include support in identifying safeguard clauses when required and assistance in the choice of the form of management and in starting the assignment process. Some actions are unique to some Memoranda as they reflect the specific problems, weaknesses and needs of every area related to the management of water resources. All MoUs set the objective to award the contract to an integrated water service with the threshold of a single operator for at least 40 000 inhabitants and thus achieving economies of scale.

All Memoranda contain timetable with details on the various steps to be undertaken and the respective deadlines for their achievement. The award of the contract to a single operator for at least every 40 000 inhabitants is expected to take place within the following two years.

The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.

**Commission Preliminary Assessment: Satisfactorily fulfilled**

<b>Number:</b> M2C4-7	<b>M2C4 – R3.1:</b> Adoption of national programs on air pollution control
<b>Name of the Milestone:</b> Entry into force of a national air pollution control programme	
<b>Qualitative Indicator:</b> Provision in the DPCM indicating the entry into force	<b>Time:</b> Q4 2021
<p><b>Evidence Provided:</b></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"> <li>1. Summary document duly justifying how the milestone, including all the constitutive elements, was satisfactorily fulfilled;</li> <li>2. Copy of the Decree of the President of the Council of Ministers (DPCM) of 23 December 2021 which establishes the Air Pollution Control Programme and which has been published in the Official Journal.</li> <li>3. The full text of the Air Pollution Control Programme</li> </ol>	
<p><b>Objectives of the measure:</b></p> <p>As provided in the CID, this measure aims to reduce the emissions of air pollutants in accordance with targets set by Directive 2016/2284 on national emission ceilings and altering climate gases. This milestone sets out an Air Pollution Control Programme to achieve that objective.</p> <p><b>Analysis:</b></p> <p>The Air Pollution Control Programme adopted by the President of the Council of Ministers envisages a set of appropriate measures for the reduction of air pollution. They address the main pollutants; in particular, particulate matter, sulphur oxides, nitrogen oxides, non-methane volatile organic compounds and ammonia in line with the Legislative Decree 81/2018 that transposes the Council Directive (EU) 2016/2284.</p> <p>The Air Pollution Control programme which entered into force as approved by the DPCM of 23 December 2021 specifically:</p> <ol style="list-style-type: none"> <li>1. Establishes a general framework as regards the international, European and national context, and its relationship with the Integrated National Energy and Climate Plan;</li> <li>2. Identifies responsibilities for the preparation and implementation of the Air Pollution Control Programme;</li> <li>3. Summarises the analysis of the policies so far adopted and the results achieved in terms of reducing pollutant emissions and improving air quality in general;</li> <li>4. Describes the methodology applied for the development of the scenarios that underpin the process of identifying air pollution reduction measures;</li> <li>5. Describes the various results of the possible future trends of the energy situation in Italy i.e. energy and activity levels, emission and air quality, both on the basis of the trend evolution and on the assumption of additional measures;</li> <li>6. Describes the measures identified in order to achieve the 2030 reduction targets (33% of greenhouse gas emissions, 30% share from energy renewable sources, 125.1 Mtoe for Primary Energy Consumption / 103.8 Mtoe for Final Energy Consumption)</li> </ol>	

7. Sets out a focus on ammonia emissions considering its importance as a polluter and sets out a breakdown of the national target by allocating a partial reduction target to each region, through a 'burden sharing' mechanism;
8. Sets out the procedure for updating and implementing the national air pollution control programme.

The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.

**Commission Preliminary Assessment:** Satisfactorily fulfilled



<b>Number:</b> M2C4-8	<b>M2C4 – I1.1:</b> Implementation of an advanced and integrated monitoring and forecasting system	
<b>Name of the Milestone:</b> Operational Plan for an advanced and integrated monitoring and forecast system to identify hydrological risks		
<b>Qualitative Indicator:</b> Provision in the Ministerial Decree indicating the entry into force		<b>Time:</b> Q4/2021
<b>Evidence Provided:</b> In line with the verification mechanisms set out in the Operational Arrangements, the following evidence was provided: <ol style="list-style-type: none"><li>1. Summary document duly justifying how the milestone was satisfactorily fulfilled in line with the requirements set out in the CID Annex</li><li>2. A copy of the operational plan that can be accessed at the following link: <a href="https://www.mite.gov.it/sites/default/files/archivio/allegati/PNRR/DEC%20398_29_9_2021%20(1).pdf">https://www.mite.gov.it/sites/default/files/archivio/allegati/PNRR/DEC%20398_29_9_2021%20(1).pdf</a></li><li>3. A copy of the publication of the Ministerial Decree 398/2021 of 29 September 2021 in the website of the Ministry of Ecological Transition.</li></ol>		
<b>Objectives of the measure:</b> As provided in the CID, this measure aims to set out and develop a monitoring system to identify and predict risks as a result of climate change and inadequate spatial planning through the use of advanced technologies. This milestone sets the framework for those interventions by adopting an Operational Plan for an advanced and integrated monitoring system and forecast to identify hydrological risks.		
<b>Analysis:</b> The three requirements of the operational plan specified in the milestone (1. Envisage remote sensing applications and data field sensors; 2. Develop a communication system which allows coordinator and interoperability between the various operators in the Control Rooms and 3. Set up Central and Regional Control Rooms Develop Cyber-security systems and services) are satisfactorily addressed in Annex 1 to the Ministerial Decree 398/2021 of 29 September 2021 setting out the Operational Plan for the advanced and integrated monitoring and forecast system to identify hydrological risks.  Requirement 1 is met by Chapter 3, paragraph 1 of the Annex. “Aerospace remote sensing and on-site sensorism — remote sensoristic applications and field sensors for detecting data”. It provides for the collection and homogenization of data relating to the geological context and hydrogeological, marine and coastal, agroforestry and urban areas exploiting the systems of satellite observation, unmanned aircraft systems, ground sensors and information, environmental and infrastructural systems present on the territory, integrating all the cartographic assets on the national databases of very high resolution orthophotos.  Requirement 2 is met by Chapter 3, paragraph 2 of the Annex. “Telecommunications system — development of a communication system enabling coordination and interoperability between the various operators in control rooms”. It provides for the construction or enhancement of telecommunication and transmission systems data in real time (voice and data), with the most advanced security requirements to guarantee protection of the overall information acquired and processed.		

Requirement 3 is met by Chapter 3, paragraph 4 of the Annex. "IT security systems and services develop components for cybersecurity". It is dedicated to protection from attacks specific IT systems and provides for the security adaptation of information systems existing communication.

The Operational Plan also envisages the access by the operators to the information collected by remote and field through a highly sophisticated Command and Control system. It will be built on heterogeneous and diversified information sources and integrates different vertical systems, each oriented to a specific function, providing a synthetic vision of the situation.

The Operational Plan describes in detail the various components and timing for the operationalisation of the monitoring system, the authorities and bodies responsible for each of them and a timeline with the various steps until the full operationalisation of the advanced and integrated monitoring forecast system.

The Operational Plan entered into force on 29 September 2021, the same day of publication of the Ministerial Decree n. 398/2021 of 29 September 2021 at the website of the Ministry (last paragraph of the Decree).

The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M2C4-12	<b>M2C4 – I1.2b:</b> Measures for flood and hydrogeological risk reduction		
<b>Name of the Milestone:</b> Entry into force of the revised legal framework for interventions against flood and hydrogeological risks			
<b>Qualitative Indicator:</b> Provisions in the Decrees indicating the entry into force			<b>Time:</b> Q4 2021
<b>Evidence Provided:</b> In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided, Summary document duly justifying how the milestone, including all the constitutive elements, was satisfactorily fulfilled;A copy of the link at the Ministry’s website of all approval acts of intervention (one per region/province) envisaged to fight against flood and hydrogeological risks: <a href="https://rischi.protezionecivile.gov.it/it/">https://rischi.protezionecivile.gov.it/it/</a> The authorities also provided: <ol style="list-style-type: none"><li>1. Decree-Law n. 152 of 6 November 2021 on urgent measures for the implementation of the National Recovery and Resilience Plan (NRRP) and for the prevention of mafia infiltration;</li><li>2. Law n. 233/2021 published in the Official Journal on 31 December 2021, converting into law the Decree Law n. 152/2021 on “Disposizioni Urgenti per l’attuazione del Piano Nazionale di ripresa e resilienza e la prevenzione delle infiltrazioni mafiose”;</li><li>3. A report on the process of conversion by the Parliament.</li></ol>			
<b>Objectives of the measure:</b> As provided in the CID, this measure aims to reduce the risks associated with the significant degree of hydrogeological instability that characterises some parts of the Italian territory. It will be achieved through a set of broad and comprehensive interventions combining structural measures such as securing landslides or reducing the risk of flooding in metropolitan areas with others focussed on requalification, monitoring and prevention of emerging risks. This milestone sets out the revised legal framework for those interventions.			
<b>Analysis:</b>			

The investment plans and interventions for flood and hydrogeological risk reduction are broken down per region and aim to restore the original conditions and ensure the resilience of the territories to natural disasters. They have been adopted through the various approval acts of intervention sent to every region/province, which are published in the following link: <http://rischi.protezionecivile.gov.it/it/meteo-idro/pnrr>.

The eligible interventions are on one hand structural actions to make the territory safe from landslides or reduce the risk of flooding, and on the other hand non-structural measures related to the water and flood risk management plans for the protection of the territory, monitoring and prevention of risks. They will be concentrated in the areas most at risk for the reduction of hydrogeological risks and in those affected by natural disasters for the restoration of damaged infrastructures.

There is a forthcoming milestone for the same measure due by the end of 2023 (M2C4-10). It requires that all public contracts for interventions on risk management and reduction of hydrogeological risks give priority to 'nature-based solutions in the contracts.

The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.

**Commission Preliminary Assessment: Satisfactorily fulfilled**

<b>Number:</b> M2C4-18	<b>M2C4 – I3.1:</b> Protection and enhancement of urban and peri-urban forests
<b>Name of the Milestone:</b> Entry into force of the revised legal changes for the protection and valorisation of urban and peri-urban green areas	
<b>Qualitative Indicator:</b> Provision in the relevant pieces of legislation indicating the adoption of the urban forestation plan	<b>Time:</b> Q4 2021
<p><b>Evidence Provided:</b></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"> <li>1. Summary document duly justifying how the milestone, including all the constitutive elements, was satisfactorily fulfilled; Copy of the publication of the Ministerial Decree 493/2021 of 30 November 2021 published in the website of the Ministry of Ecological Transition (<a href="https://www.mite.gov.it/sites/default/files/archivio/allegati/PNRR/dm_493_30_11_2021.pdf">https://www.mite.gov.it/sites/default/files/archivio/allegati/PNRR/dm_493_30_11_2021.pdf</a>)</li> <li>2. The reforestation plan as published in the Official Journal Year 162 Number 294 of 11 December 2021.</li> </ol> <p>The authorities also provided:</p> <ol style="list-style-type: none"> <li>3. The Reforestation agreement concluded between the Ministry of Ecological Transition and the “Istituto Superiore per la Protezione e la Ricerca Ambientale” (ISPRA), “l’Arma dei Carabinieri, Comando unità forestali ambientali e Agroalimentari” (CUFA), “Istituto nazionale di statistica” – (ISTAT) and Centro Interuniversitario di Ricerca “Biodiversità, Servizi Ecosistemici e Sostenibilità” (CIRBISES) of 24 November 2021.</li> </ol>	
<p><b>Objectives of the measure:</b></p> <p>As provided in the CID, this measure aims to protect green areas and increase their number with the objective of both preserving and enhancing biodiversity and increasing quality of life in the 14 metropolitan areas. The actions concentrate on those which are the most exposed to environmental problems like air pollution, loss of biodiversity or to the effects of climate change. This milestone sets out the necessary revisions of the legal framework for those future forthcoming actions.</p> <p><b>Analysis:</b></p> <p>The Plan as adopted by the Ministerial Decree 493/2021 of 30 November 2021 is focused on strategies and actions needed to implement reforestation of urban areas and takes into account the environmental factors that characterize the 14 metropolitan areas, with a detailed analysis of the individual contexts in Chapter 2. The detail of the actions is reported in paragraph 3.3 of the plan. They are expected to:</p> <ul style="list-style-type: none"> <li>• Preserve and enhance biodiversity by strengthening protected areas which are next to metropolitan areas; redeveloping degraded vegetation through the recovery and the requalification of the fluvial areas and by planting 6.6 million trees.</li> <li>• Reduce air pollution in metropolitan areas by a set of measures such as the creation and development of urban forests which are expected to help to absorb and remove atmospheric pollutants in metropolitan areas.</li> <li>• Tackle the air quality infringement procedures that were opened against Italy on air pollution.</li> </ul> <p>Each metropolitan city has drawn up a planning phase and selected the projects, taking into account the requirements of admissibility pursuant to art. 3 of the Ministerial Decree of 9 October 2020, including the environmental and social value of the area, the state and use of the area subject to the intervention and the existing levels of air pollution.</p> <p>The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.</p>	

<b>Commission Preliminary Assessment:</b> Satisfactorily fulfilled

<b>Number:</b> M3C1-1	<b>M3C1 – R1.1:</b> Acceleration of the approval process of the Contract between the MIT and RFI	
<b>Name of the Milestone:</b> Entry into force of a legislative amendment on the approval process of the Contratti di Programma (CdP)		
<b>Qualitative Indicator:</b> Provision in the law indicating the entry into force of the legislative amendment on the approval process of Contratti di Programma		<b>Time:</b> Q4/2021
<b>Evidence Provided:</b> In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided: <ol style="list-style-type: none"><li>1. Summary document duly justifying how the milestone, including all the constitutive elements, was satisfactorily fulfilled;</li><li>2. Law n. 233 of 29 December 2021 published in the Official Journal n. 310 of 31 December 2021, converting into Law the Decree- Law n. 152 of 6 November 2021 on urgent provisions for the implementation of the National Recovery and Resilience Plan and the prevention of mafia infiltration (“Disposizioni Urgenti per l’attuazione del Piano Nazionale di ripresa e resilienza e la prevenzione delle infiltrazioni mafiose”).</li></ol> The authorities also provided: <ol style="list-style-type: none"><li>3. Decree- Law n. 152 of 6 November/2021 on urgent provisions for the implementation of the National Recovery and Resilience Plan and the prevention of mafia infiltration, (“Disposizioni Urgenti per l’attuazione del Piano Nazionale di ripresa e resilienza e la prevenzione delle infiltrazioni mafiose”) as published in the Official Journal n. 162 of 6 November 2021.</li></ol>		
<b>Objectives of the measure:</b> As provided in the CID, the aim of this measure is to reduce the time required for the approval of the Contratti di Programma (CdP) by removing the requirement that Parliamentary committees express an opinion on the whole list of investments of the CdP of the railway infrastructure manager Rete Ferroviaria Italiana. The milestone introduces a legal change by which these committees will express an opinion just for the whole strategy. The CdP is the instrument which governs the planning of infrastructural investments related to safety and compliance with legal obligations, efficiency, the performance of existing lines, and the construction and modernisation of new works for the development of the rail network.		
<b>Analysis:</b> The summary document provides an explanation on which relevant provisions in the legal acts are considered to be relevant for the fulfilment of the conditions of this milestone. In particular Article 5 of Decree Law n. 152/2021, as converted into Law n. 233/2021 and entered into force on 1 January 2021 (Article 1 of Law 233/2021), provides the following: <ol style="list-style-type: none"><li>1. The cases in which parliamentary committees will not give anymore an opinion on the list of investments on the Programme Contracts (CdP) of the rail infrastructure manager, Rete Ferroviaria Italiana. Instead,the parliamentary committees will express an opinion just on the whole strategic programme of investments;</li><li>2. The required steps, which will result in a reduction of the time taken to approve the CdP of the rail infrastructure manager Rete Ferroviaria Italiana.</li></ol> The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.		

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M3C1-2	<b>M3C1 – R1.2:</b> Reform 1.2 - Acceleration of the authorization process of projects	
<b>Name of the Milestone:</b> Entry into force of a regulatory change that reduces the authorisation time of projects from 11 to six months		
<b>Qualitative Indicator:</b> Provision in the law indicating the entry into force of the regulatory change that reduces the authorisation time from 11 to six months.		<b>Time:</b> Q4 2021
<b>Evidence Provided:</b> In line with the verification mechanisms set out in the Operational Arrangements, the following evidence was provided: <div><div>1. Summary document duly justifying how the milestone, including all the constitutive elements, was satisfactorily fulfilled;</div><div>2. Copy of the publication in the Official Journal n. 181 of 30 July of Law n. 108/2021 of 29 July converting the Decree-Law n. 77/2021 of 31 May governing the national recovery and resilience plan and first measures of strengthening of administrative structures and acceleration and streamlining of procedures;</div><div>3. The Law n. 233 of 29 December 2021 published in the Official Journal n. 310 of 31 December 2021, converting into Law the Decree- Law n. 152 of 6 November 2021 on urgent provisions for the implementation of the National Recovery and Resilience Plan and the prevention of mafia infiltration (“Disposizioni Urgenti per l’attuazione del Piano Nazionale di ripresa e resilienza e la prevenzione delle infiltrazioni mafiose).</div></div> The Italian authorities also provided: <div><div>4. Decree-Law n. 77/2021 of 31 May governing the national recovery and resilience plan and first measures of strengthening of administrative structures and acceleration and streamlining of procedures;</div><div>5. The report on the process of conversion of the Decree Law at the Parliament;</div><div>6. The guidelines of the Superior Council of Public Works on the contents of the technical and economic feasibility project.</div></div>		
<b>Objectives of the measure:</b> As provided in the CID, this measure introduces some legislative changes in the process of authorisation of railway infrastructure projects to reduce the time required from 11 to 6 months.		
<b>Analysis:</b> The summary document provides an explanation on which provisions in the legal acts are considered to be relevant for the fulfilment of the conditions of this milestone. In particular, Annex IV to Decree-Law n. 77 of 2021 as then converted into the Law n. 108/2021. Article 6 of Law n. 233 of 2021, sets out that the provisions apply to all funded railway projects, not only those under the NRRP. With these regulatory interventions, the following objectives have been achieved, as envisaged by the PNRR: <div><div>1. All the observations from the various Administrations and Bodies are integrated at the Project of Economic and Technical Feasibility (PFTE);</div><div>2. The territory affected by the work is bound from an urban planning point of view, removing the building activity by third parties with an economic saving for expropriations in the implementation phase;</div><div>3. The overall time for the authorization process for projects is reduced from the current 11 months to 6 months (equal to 45% of the total time) following the Decree Law 77/2021 which</div></div>		



entered into force on 7 November 2021 (Article 52) and which was then converted to Law n. 108/2021]. This is obtained mostly thanks to:

- a. The reengineering mechanisms of the administrative procedures provided for by Article. 44 of the Decree Law;
- b. the possibility for the contracting authority to omit the final project, passing directly to the executive design (as permitted by Article. 23, paragraph 4 of the Code of Contracts, referred to in the Guidelines approved by the Superior Council of Public Works in August 2021);
- c. the application of the halving of the times provided for the Environmental Impact Assessment,;
- d. The declaration of public utility linked to the final decision of the conference of services, which is the negotiation framework between the various public administrations to discuss issues of common interest.

The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.

**Commission Preliminary Assessment: Satisfactorily fulfilled**

<b>Number:</b> M3C1-21	<b>M3C1 – R2.1:</b> Implementation of the recent “Decree Simplification” (converted into Law n.120 dated 11 September 2020) by issuing a decree concerning the adoption of “Guidelines for the classification and management of risks, the evaluation of security and the monitoring of existing bridges”
<b>Name of the Milestone:</b> Entry into force of “Guidelines for the classification and management of risks, the evaluation of security and the monitoring of existing bridges”	
<b>Qualitative Indicator:</b> Publication on Ministry’s institutional website of the Ministerial Decree that adopts the Guidelines and reference to the relevant provisions indicating the entry into force, accompanied by a document duly justifying how the milestone, including all the constitutive elements, was satisfactorily fulfilled	<b>Time:</b> Q4 2021
<p><b>Evidence Provided:</b></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"> <li>1. Summary document duly justifying how the milestone, including all the constitutive elements, was satisfactorily fulfilled;</li> <li>2. Copy of the publication of the Ministerial Decree n. 493/2021 of 3 December 2021 at the link of the Ministry of Infrastructure and Sustainable Mobility ( <a href="https://www.mit.gov.it/normativa/decreto-ministeriale-numero-493-del-03122021">https://www.mit.gov.it/normativa/decreto-ministeriale-numero-493-del-03122021</a> ) setting out the Guidelines for the risk classification and management and for the assessment of the safety and monitoring of the existing bridges. Ministerial Decree 493/2021 of 03.12.2</li> </ol> <p>The Italian authorities also provided:</p> <ol style="list-style-type: none"> <li>3. The positive Opinion of the Higher Council of Public Works of 10 November 2021.</li> </ol>	
<p><b>Objectives of the measure:</b></p> <p>The aim of this measure is the improvement in the management of risks and the evaluation of security and the monitoring of existing bridges. For that purpose, the milestone sets the entry into force of the "Guidelines" with the aim of setting common standards and methodologies on the entire national road network.</p> <p><b>Analysis:</b></p> <p>The “Guidelines” adopted by the Ministerial Decree n. 493/2021 set common standards and methodologies on the entire national road network for the classification and management of risks, the evaluation of security and the monitoring of existing bridges. They extend the common conditions to the whole national network by setting out provisions for the census of the works, for the risk analysis and classification of risks, for the preliminary assessment of the works to be carried out and for the verification and inspection of bridges and identification of the weaknesses.</p> <p>The Ministerial Decree that adopts the Guidelines was published on the Ministry’s institutional website on 3 December 2021 and entered into force on 4 December 2021 (article 6).</p> <p>The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.</p>	
<b>Commission Preliminary Assessment:</b> Satisfactorily fulfilled	

<b>Number:</b> M3C1-22	<b>M3C1 – R2.2:</b> Transfer the property of the bridges and viaducts from the lower level ranking roads to the higher ranking ones		
<b>Name of the Milestone:</b> Transfer the ownership of the bridges, viaducts and overpasses from the lower level ranking roads to the higher ranking ones (highways and main national roads)			
<b>Qualitative Indicator:</b> Provision in the relevant legal act referring to the entry into force of the transfer of ownership of the bridges, viaducts and overpasses from the lower level ranking roads to the higher ranking ones (highways and main national roads)			<b>Time:</b> Q4 2021
<b>Evidence Provided:</b> In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided: <ol style="list-style-type: none"><li>1. Summary document duly justifying how the milestone was satisfactorily fulfilled in line with the requirements set out in the CID Annex;</li><li>2. Copy of the publication in the Official Journal n. 162 of 9 November of Law n. 156/2021 on urgent provisions on investment and safety of infrastructure, of transport and road traffic by the Ministry of Sustainable Infrastructure and Mobility, the Higher Council of Public Works and the National Agency for the safety of road and motorway infrastructures (conversion of Decree-Law n. 121/2021) as converted from the Decree Law 121/2021 of 10 September 2021.</li><li>3. Copy of the publication of the Ministerial Decree n. 485/2021 of 30 November at the website of the Ministry of Infrastructure and sustainable mobility (<a href="https://www.mit.gov.it/nfsmitgov/files/media/normativa/2021-12/DM%20485%20del%2030-11-2021i.pdf">https://www.mit.gov.it/nfsmitgov/files/media/normativa/2021-12/DM%20485%20del%2030-11-2021i.pdf</a> ) setting out the list of infrastructures and identification of the related owners.</li></ol>			
<b>Objectives of the measure:</b> This measure aims to transfer the ownership of the bridges, viaducts and overpasses from the lower type roads to the higher type roads (motorways and main suburban roads) to increase the overall safety of the road network.			
<b>Analysis:</b> The provisions, which ensure the satisfactory fulfilment of the requirements of this milestone are the following: <ul style="list-style-type: none"><li>• Article 1 (1-<i>bis</i>) of Decree-Law n. 121 of 10 September 2021, as converted into Law n. 156/2021 of 9 November 2021 and entered into force on 10 November 2021 (Article 1 of Law 156/2021), provides for the transfer of ownership of bridges, viaducts and streets from second-level roads to first-level roads. This transfer has taken place within the six months following the adoption of the Council Implementing Decision for Italy.</li><li>• Article 1 of Ministerial Decree n. 485/2021 of the Minister for Infrastructure and Sustainable Mobility n. of 2021 provides for the list of structures in subways and overpasses, including safety barriers in overpasses, with an indication of the entities holding them, in accordance with and for the purposes of Article 25 (1-<i>bis</i>) and (1-<i>ter</i>) of the Highway Code as adopted by the Legislative Decree 285/1992 of 30 April 1992. The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.</li></ul>			
The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.			
Commission Preliminary Assessment: Satisfactorily fulfilled			

<b>Number:</b> M3C2-3	<b>M3C2 – R2.1:</b> Implementation of a Single Customs Window (“Sportello Unico Doganale”)
<b>Name of the Milestone:</b> Entry into force of the Decree on the Single Customs Desk (Sportello Unico Doganale)	
<b>Qualitative Indicator :</b> Provision in the Decree indicating the entry into force of the Decree on the Single Customs Desk (Sportello Unico Doganale)	<b>Time:</b> Q4 2021
<b>Evidence Provided:</b> In line with the verification mechanisms set out in the Operational Arrangements, the following evidence was provided: <ol style="list-style-type: none"> <li>1. Summary document duly justifying how the milestone was satisfactorily fulfilled in line with the requirements set out in the CID Annex</li> <li>2. Copy of the publication in the Official Journal (Gazzetta Ufficiale) of the Decree on the Single Customs Desk (Sportello Unico Doganale) on 31<sup>st</sup> December 2021.</li> </ol> <p>The authorities also provided:</p> <ol style="list-style-type: none"> <li>3. Copy of the Departmental Decree (<i>Determinazione Direttoriale</i>) of the Agency of the Customs, Excise Duties and Monopolies (<i>Agenzia delle Accise, Dogane e Monopoli</i>) of the 22 January 2022</li> </ol>	
<b>Objective of the measure:</b> As provided in the CID, Reform 2.1 on Single Customs Window (“Sportello Unico Doganale”) consists of creating a dedicated portal for the Single Control Desk, which shall enable interoperability with national databases and coordination of control activities by customs. <p>In this context, M3C2-3 consists of the provision in the Decree indicating the entry into force of the Decree on the Single Customs Desk (Sportello Unico Doganale).</p> <b>Analysis:</b> The methods and specifications of the Single Customs Windows are provided in Article 14 <i>bis</i> of the Decree, which lays down the Single Customs Window in compliance with Regulation (EU) 1239/2019 on the implementation of the European Maritime Single Window and with Regulation (EU) 2020/1056 on electronic freight information (eFTI). The Decree on the Single Customs Desk (Sportello Unico Doganale) entered into force on 29 December 2021. <p>The Departmental Decree (<i>Determinazione Direttoriale</i>) of the Agency of the Customs, Excise Duties and Monopolies (<i>Agenzia delle Accise, Dogane e Monopoli</i>) of the 22 January 2022 defines the IT architecture of the Single Customs Window, which is composed of a business-to-government (B2G) interface and a government-to-government (G2G) interface. Article 5 of the Departmental Decree establishes that the IT systems of the G2G interface must be interoperable with the European Maritime Single Window for both the reception and submission of documents by the Agency of the Customs, Excise Duties and Monopolies.</p> <p>The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.</p>	
<b>Commission Preliminary Assessment:</b> Satisfactorily fulfilled	

<b>Number:</b> M4C1-1	<b>M4C1 – R1.5:</b> University degree groups reform
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<b>Name of the Milestone:</b> Entry into force of the reforms of the tertiary education system to improve educational outcomes (primary legislation) on: a) enabling university degrees; b) university degree groups; c) reform of PhD programs	
<b>Qualitative Indicator:</b> Provision in the law indicating the entry into force of the reforms	<b>Time:</b> Q4 2021
<b>Evidence Provided:</b>  In line with the verification mechanisms set out in the Operational Arrangements, the following evidence was provided: <ol style="list-style-type: none"> <li>1. Summary document duly justifying how the milestone, including all the constitutive elements, was satisfactorily fulfilled;</li> <li>2. Law n. 233 of 29 December 2021 published in the Official Journal on 31 December 2021, converting into Law the Decree-Law n. 152 of 6 November 2021 on urgent provisions for the implementation of the National Recovery and Resilience Plan and the prevention of mafia infiltration, (Disposizioni Urgenti per l'attuazione del Piano Nazionale di ripresa e resilienza e la prevenzione delle infiltrazioni mafiose),</li> <li>3. Decree-Law n.152 of 6 November 2021 published in the Official Journal on 6 November 2021;</li> <li>4. Law n.113 of 6 August 2021 converting into Law the Decree-Law n. 80 of 9 June 2021 published on the Official Journal on 7 August 2021 on urgent measures to strengthen the administrative capacity of public administrations for the implementation of the NRRP and for the efficiency of justice ("Misure urgenti per il rafforzamento della capacità amministrativa delle pubbliche amministrazioni funzionale all'attuazione del Piano nazionale di ripresa e resilienza (PNRR) e per l'efficienza della giustizia")</li> <li>5. Law n. 163 of 8 November 2021 published in the Official Journal on 19 November 2021 concerning enabling university degrees;</li> <li>6. Ministerial Decree of the Ministry of University and Research n. 1315 of 14 December 2021 on the accreditation of doctoral courses and criteria for establishing PhDs programmes.</li> </ol>	
<b>Objective of the measure:</b> As provided in the CID, the milestone M4C1-1 refers to the reforms of the tertiary education aimed at improving educational outcomes. Reform 1.6 aims at reforming the enabling university degrees to simplify and harmonize the procedure for accessing professions which required the enrolment on professional orders through a professional exam. Reform 1.5 aims at reforming the university degree groups to update university curricula, reduce the existing boundaries which limit the possibility of creating cross-disciplinary paths. Reform 4.1 aims at reforming the PhD programs to simplify the procedures for the involvement of companies and research centres in Ph.D. programs and strengthening applied research.	
<b>Analysis:</b> The justification and substantiating evidence provided by the Italian authorities cover all constitutive elements of the milestone. In particular: <ul style="list-style-type: none"> <li>• Article 14 of the Law 233/2021 encourages the creation of cross-disciplinary paths and the development of innovative professional profiles. It promotes a higher degree of flexibility to meet the evolving skills demand of the labour through the acquisition of training credits with</li> </ul>	

activities outside the main field of study and aimed at gaining a broader range of knowledge and skills linked to the cultural and professional profile identified by the course of study. The interdisciplinarity of courses and the development of innovative professional profiles contribute to the overall flexibility and interdisciplinarity of university degree groups, to the update of university curricula and to strengthen the links and possible transitions with professional degrees.

- Article 1 to Article. 8 of the Law 163/2021 reforms the legislation on enabling university degrees in order to simplify and speed up access to some professions. The Law extends the list of professions whose degree grants automatic access to the profession, and it ensures the participation of professional bodies in the identification of the course's contents, and in the degree's final examination. The law also envisages a procedure to introduce enabling degree for an additional number of professions, on the top of those mentioned in the reform. The procedure involves relevant professional associations and Ministry supervising the profession.
- Article 3, Article10, Article11 and Article17 of the Ministerial Decree D.M.1315 increase the involvement of business and stimulates applied research in PhDs program by establishing new procedures for the accreditation of doctoral sites and courses, and criteria for the establishment of doctoral courses by accredited bodies.

Art. 14 of the Law 233/202 entered into force on 1 January 2022 (Article 1 of Law 233/2021).

Law 163/2021 entered into force on 4 December 2021.

The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M4C1-2	<b>M4C1 – R1.7:</b> Scholarships for University access
<b>Name of the Milestone:</b> Entry into force of ministerial decrees for reform on scholarships to enhance access to tertiary education	
<b>Qualitative Indicator:</b> Provision in the law indicating the entry into force of the reform	<b>Time:</b> Q4 2021
<b>Evidence Provided:</b>  In line with the verification mechanisms set out in the Operational Arrangements, the following evidence was provided: <ol style="list-style-type: none"> <li>1. Summary document duly justifying how the milestone, including all the constitutive elements, was satisfactorily fulfilled</li> <li>2. Law n. 233 of 29 December 2021 published in the Official Journal on 31 December 2021, converting into Law the Decree-Law n.152 of 6 November2021 on urgent provisions for the implementation of the National Recovery and Resilience Plan and the prevention of mafia infiltration, (“Disposizioni Urgenti per l’attuazione del Piano Nazionale di ripresa e resilienza e la prevenzione delle infiltrazioni mafiose”);</li> <li>3. Decree-Law n.152 of 6 November2021 published in the Official Journal on 6 November 2021;</li> </ol>	

4. Ministerial Decree of the Ministry of University and Research n.1320 of the 17 December 2021.

**Objective of the measure:**

As provided in the CID, the milestone M4C1-2 belongs to the investment 1.7 “Scholarships for University access”. The measure aims at to simplify access to tertiary education for talented students in socio-economic difficulties. In particular: (a) scholarships increase by 700 euros, up to 4 000 euros (on average) per student; (b) scholarships funding for a larger number of students, to also reduce the gap with the EU average share of students with a grant.

**Analysis:**

The justification and substantiating evidence provided by the Italian authorities cover all constitutive elements of the milestone.

In particular:

- Article 12(1) of Law 233/2021 identifies the Ministry of University and Research (MUR) as the body responsible of the implementation of the milestone M4C1-2 and it gives the power to the MUR to issue the Ministerial Decree defining the amounts of the scholarships and the scholarships’ eligibility requirements.
- Article 3(2) of DM 1320 of 17 December 2021 defines the increments in the scholarships’ amounts granted. In particular, the amount of the scholarship referred to in the decree of the Minister of University and Research of 12 February 2021, n. 157 is increased differentiating by the status of student’s housing situation: for non-resident students and independent students the current amount of 5,257.74 euros is increased by 900.00 euros, for commuter students, the amount of 2,898.51 euros is increased by 700.00 euros for on-site students, the amount of 1,981.75 euros is increased by 500.00 euros. On average, the provision increases the scholarships amount by 700 euros per student.
- Article 3(3) and article 3(4) of Ministerial Decree 1320 of 17 December 2021 establish a prize for students in socio-economic difficulties, in particular those facing financial difficulties or affected by disabilities. A reward for female students in order to reduce the gender gap is also established. These provisions enhance access to tertiary education for talented students in socioeconomic difficulties.
- Article 4 and Article 5 of DM 1320 of 17 December 2021 outline the eligibility requirements for a scholarship according to the student’s economic situation based on the ISEE - Indicatore della Situazione Economica Equivalente. The procedures to award scholarships and the criteria for determining merit are also established.
- Article 4(2) of DM 1320 of 17 December 2021 establishes the ceiling to of the ISEE to be eligible of a scholarship.

Art 12(1) of Law of 29 December 2021 entered into force on 01 January 2022 (Article 1 of Law 233/2021).

The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M4C1-27	<b>M4C1 – R1.7:</b> Reform of student housing regulation and investment in student housing		
<b>Name of the Milestone:</b> Entry into force of legislation to amend the current rules for student housing			
<b>Qualitative Indicator:</b> Provision in the law indicating the entry into force of the legislation			<b>Time:</b> Q4 2021
<b>Evidence Provided:</b>  In line with the verification mechanisms set out in the Operational Arrangements, the following evidence was provided:  <ol style="list-style-type: none"><li>1. Summary document duly justifying how the milestone, including all the constitutive elements, was satisfactorily fulfilled;</li><li>2. Law n.233 of 29 December 2021 republished in the Official Journal on 14 of January 2022, converting into Law the Decree-Law n.152 of 6 November 2021 on urgent provisions for the implementation of the National Recovery and Resilience Plan and the prevention of mafia infiltration, (“Disposizioni Urgenti per l’attuazione del Piano Nazionale di ripresa e resilienza e la prevenzione delle infiltrazioni mafiose”);</li><li>3. Decree-Law n.152 of 6 November 2021 published in the Official Journal on 06 November 2021;</li><li>4. Law 108 of 29 July 2021 published on the Official Journal on 30 July 2021 converting into Law with modifications the Decree-Law n.77 of 31 May 2021 on the governance of the NRRP and measures to strengthening administrations, and accelerating and streamlining procedures.</li><li>5. Ministerial Decree of the Ministry of University and Research n.1256 of the 30 November 2021 on the dimensional and quality standards as well as the guidelines relating to technical and economic parameters concerning the construction of student housing and residences for university students;</li><li>6. Annex A of the Ministerial Decree of the Ministry of University and Research n.1256 of the 30 November 2021.</li></ol>			
<b>Objective of the measure:</b>  As provided in the CID, the milestone M4C1-27 belongs to the Reform 1.7 “Reform of student housing regulation and investment in student housing”. The reform aims at updating the legal framework to define the rules for student housing and encouraging private entities to set up student accommodation facilities, fostering the restructuring and renovation of structures, simplifying procedures and increasing co-financing rates.			
<b>Analysis:</b>  The justification and substantiating evidence provided by the Italian authorities cover all constitutive elements of the milestone.  In particular:  <ul style="list-style-type: none"><li>• Article 15 (paragraph 1) of Law n. 233 of 29 December 2021, amends Article 1 (paragraph 4) of Law No 338 of 14 November 2000. It facilitates restructuring and renovation of facilities and</li></ul>			



ensure the respect of high-environmental standard by the projects presented. This is achieved by the promotion of interventions of demolition, restrictions and purchase of structure and existing facilities with the aim of pursuing high environmental standards in construction and intervention management.

- Article 15 (paragraph 1) of Law n. 233 of 29 December 2021 states that the procedures related to presentation and selection of projects are carried out exclusively with digital methods. This will simplify the presentation and selection of projects and the implementation timing.
- Article 64 (paragraph 8) of Law n. 108 of 29 July 2021 provides for the increase in the co-financing rate from 50 % to 75%.
- Article 5 of the Annex A to the Ministerial Decree n. 1256 provides for the minimum quality standards and guidelines related to technical and economic parameters concerning the construction of student housing and residences for university students. It specifies that the procurement of natural gas boilers will not be allowed.

In addition to the elements assessed above, the milestone description includes also specifications on the reform on the Italian regulatory framework for student housing financing. However, these specifications are not required for milestone M4C1-27 but refer to the description of the milestone M4C1-29, which is a subsequent milestone to M4C1-27. Both milestones, M4C1-27 and M4C1-29 concern the implementation of the same reform: "Reform of student housing regulation and investment in student housing". The deadline for the implementation of the milestone M4C1-29 is set by Q4 2022. Therefore, the assessment of the milestone M4C1-27 does not cover the constitutive elements of the milestone M4C1-29 which will be assessed in due time, during the assessment of the third instalment.

Article 15 (paragraph 1) of Law 233 of 29 December 2021, entered into force on 01 January 2022 (Article 1 of Law 233/2021).

Article 64 (paragraph 8) of Law 108 of the 29 July 2021 entered into force on 31 July 2021 (Article 1 of Law 108/2021).

The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

**Number:** M4C2-10

**M4C2 – I2.1:** Important Project of Common European Interest (IPCEI)

**Name of the Milestone:** Launch of the call for expression of interest for the identification of the national projects, including projects on IPCEI microelectronic

**Qualitative Indicator:** The call for expression of interest is published

**Time:** Q2 2021

**Evidence Provided:**

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

1. Summary document sent on 27 January 2022 duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled including the justification that the

technical specifications and terms of the call are fully aligned with the description, criteria and conditions as set out in the milestone and of the description of the investment in the CID.

2. Call for expression of interest for the IPCEI on hydrogen launched on 5 February 2021 with deadline 12 February 2021. Successive integration on DNSH conditions introduced on 23 December 2021.
3. Call for expression of interest for the IPCEI on microelectronics launched on 22 February 2021 with deadline 5 March 2021. Successive integration on DNSH conditions introduced on 23 December 2021.
4. Call for expression of interest for the IPCEI on Next Generation Cloud Infrastructure and Services was launched on 30 March 2021 with deadline 14 May 2021. Successive integration on DNSH conditions introduced on 23 December 2021.

**Objectives of the measure:** As provided in CID, this measure aims at strengthening the financial endowment of an existing "IPCEI Fund", for the implementation of IPCEIs in the field of research, development, innovation and first industrial deployment. In this context, M4C2-10 consists in the publication of expression of interest for IPCEI projects.

**Analysis:**

The justification and substantiating evidence provided by the Italian authorities cover all constitutive elements of the milestone.

In particular:

- The three calls have been launched and closed prior to the submission of the NRRP and are publicly available on the Ministry of Economic Development's website:
  - The call on hydrogen covers projects of the following types: the production of hydrogen and related equipment (electrolysers, storage equipment, transport), the use of hydrogen in the mobility ecosystem, or in industry (especially in energy-intensive sectors).
  - The call on microelectronics covers projects leading to applications in the following areas: technology platforms, design (e.g. chips, machine learning), manufacturing (e.g. Industry 4.0) and integration/ packaging (e.g. smart system integration) which should led to applications in the following fields: data/communication, smart mobility, energy efficiency and environmental sustainability, industrial automation, aerospace/defence, others.
  - The call on Next Generation Cloud Infrastructure and Services covers projects aiming at developing new advanced data processing infrastructures, cloud platforms, services and applications to be developed along the cloud edge continuum, embedding ultra-fast data processing/communications, data protection, cybersecurity and threat intelligence, and to be tested in the fields of smart home/office/mobility, energy efficiency and environment sustainability, industrial automation, aerospace/defence, finance, manufacturing, healthcare, others).
- The IPCEIs are in the field of hydrogen, microelectronics and cloud and are in line with the strategic value chains in view of the achievement of the twin green and digital transitions.
- Since the calls predate the CID adoption, they have been subsequently integrated with DNSH requirements set out in the CID, in particular concerning the compliance with exclusion list, the technical guidelines on the application of DNSH principle (2021/C58/01) and applicable national and European environmental legislation. This solution was found adequate for the purpose, given the timing issue and also considering that in the summary document the national

authorities have committed to insert compliance with such requirements in all subsequent procedural steps.

- The summary document contains the commitment to update the list of supported projects based on the progress of the state aid notification procedure. The summary document also contains the commitment to report to the Commission on the implementation of the measure halfway through the life of the scheme and at the end of the scheme. As the calls predated the CID publication, in the summary document Italy has also provided commitments specifying that the climate and digital contributions will account for respectively 40% and 60% of the cost of the investment and, in the context of the reporting requirement set out in the milestone, the Commission will verify that these commitments will be ensured.
- The supported projects of the IPCEI calls on hydrogen, microelectronics and cloud are in line with intervention fields displaying either a 100% climate tagging or a 100% digital tagging as per Annex VI and Annex VII of the RRF Regulation.

The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M5C1-1	<b>M5C1 – R1:</b> Active Labour Market Policies and Vocational training	
<b>Name of the Milestone:</b> Entry into force of the Inter-Ministerial Decree establishing a National programme for the Guaranteed Employability of Workers (GOL) and an Inter-Ministerial Decree establishing a National Plan for New Skills		
<b>Qualitative Indicator:</b> Provision in the inter-ministerial Decrees indicating the entry into force of the two inter-ministerial decrees, following agreements at the State Regions Conference on the Programme GOL and National Plan for New Skills		<b>Time:</b> 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, including all the constitutive elements, was satisfactorily fulfilled.
2. Inter-ministerial Decree of 5 November 2021, adopting a National programme for the Guaranteed Employability of Workers (GOL) (Official Journal: GU n. 306 of 27 December 2021).
3. Annex A ("Allegato A") to the inter-ministerial decree of 5 November 2021, which describes the GOL programme (Official Journal: GU n. 306 of 27 December 2021).
4. Annex B ("Allegato B") to the inter-ministerial decree of 5 November 2021 which provides technical details on the regional allocation of funds and targeted beneficiaries and the criteria used for such allocation (Official Journal: GU n. 306 of 27 December 2021).
5. Document attesting the agreement by the Permanent Conference for the relations between the State and the Regions and Autonomous Provinces regarding the GOL programme of 21 October 2021.
6. Inter-ministerial Decree of 14 December 2021 adopting the National Plan for New Skills (Official Journal: GU n. 307 of 28 December 2021).
7. Annex A ("Allegato A") to the inter-ministerial decree of 14 December 2021, which describes the National Plan for New Skills (Official Journal: GU n. 307 of 28 December 2021).
8. Document attesting the agreement by the Permanent Conference for the relations between the State and the Regions and Autonomous Provinces of 2 December 2021.

**Objectives of the measure:**

The milestone is the first step in the reform process of Active Labour Market Policies to promote more effective and efficient employment services. The reform aims to provide more individualised labour market activation plans integrating training policies and following national minimum standards of services to reduce territorial heterogeneity of service provision. Minimum services are universally offered to all beneficiaries, including information and assessment of needs and services tailored to the individuals within different activation pathways depending on their proximity to the labour market. The milestone consists of two main elements that are complementary and interlinked: firstly, the establishment of the Guaranteed Employability of Workers (GOL) which is a new national programme providing individualised services to foster employability; and secondly, the adoption of the National Plan for New Skills to revise and reorganise training provision, for both employed and unemployed persons.

**Analysis:**

The **acts establishing the GOL**, which entered into force as of 27 December 2021, after agreement by the State Regions conference of 21 October 2021, include all the elements listed in the CID:

- define the essential elements and standards of Public Employment Services (PES) to ensure the effective provision of personalised employment services, including skills forecasting, personalised training plans, guidance and job coaching, according to common and uniform standards throughout the national territory. All these elements are laid out in the description of the objectives and actions of the GOL programme (Annex A to the Decree of 5 November 2021, paragraphs 3 and 6). Common standards for service provision are described and linked with the different possible activation pathways depending on individuals' needs, including support to reintegrate into the labour market and/or upskilling and reskilling. Information on the implementation on the ground throughout the national territory is provided (Annex A, paragraph 7). See also the second and the last bullet points on GOL here below. Improved

digital and physical access to services across the national territory is also described (Annex A, paragraph 4).

- ensure that upskilling and reskilling training activities provided by PES are fully in line with the National Plan for New Skills, including digital skills: consistency and integration with the National Plan for New Skills is ensured (see in particular, p.31, Annex A to the Decree of 5 November 2021), whereby the National Plan for New Skills will define in more details the training content of skilling pathways and, most notably, essential levels of training to be provided under GOL. Regarding digital skills, the assessment process will cover the individuals' digital skills and training needs as well, and the minimum target of beneficiaries receiving training in digital skills is set (Annex A, pp. 45-46). Moreover, the Decree of 5 November 2021 (Article 3) refers to the objectives to which local authorities committed in order to achieve the 2022 target of beneficiaries, including concerning digital skills training (Annex B to the Decree of 5 November 2021, Table 2). Digital skills are also a cross-cutting dimension in all employability and skilling pathways (Annex A, paragraph 6).
- ensure that PES are targeted to the needs of recipients: to identify the most adequate activation pathway for each person, the GOL programme introduces an improved profiling and assessment process, which considers both the individuals' characteristics, skills and social circumstances, and the labour market needs. The pathway can include support to re-integrate the labour market and/or upskilling and reskilling programmes depending on the individual case and his/her degree of removal from the labour market. Annex A to the Decree of 5 November 2021 (paragraph 8) provides all these elements, including information on the assessment analytical framework.
- ensure that PES target as priority the most vulnerable: the individuals' assessment process mentioned above will also attest existing vulnerabilities and their severity, and consequently, the level of priority and characteristics of the intervention (including the integration of other services such as social and health services when necessary). The most vulnerable categories to be prioritised are explicitly mentioned (Article 3, Decree of 5 November 2021), consistently with the future target M5C1-3 for Q4 2025.
- set up a target of a minimum of 25% of beneficiaries of the Guaranteed Employability of Workers programmes as recipients of relevant training, with a particular focus on digital skills and with a priority for the most vulnerable: a target of 800.000 people out of the 3 million total beneficiaries accessing vocational training is set (slightly above the required 25%), out of which at least 300.000 in the field of digital skills (Annex A to the Decree of 5 November 2021, paragraph 2). On digital skills, see also the second bullet point above. On prioritising vulnerable groups, see also the forth bullet point above.
- set new mechanisms which strengthen and make structural the cooperation between public and private systems, including in relation to the identification of the relevant skill needs and the provision of job offers: to enhance the effectiveness of services, cooperation between key existing private and public actors on the ground is expected to become more structured and systematic (Annex A to the Decree of 5 November 2021, paragraph3), by applying national guidelines and related regional plans (as explained in the document provided duly justifying how the milestone was satisfactorily fulfilled). See also the third bullet point below in the section on the National Plan for New Skills.

The Decree of 5 November 2021 (Article 3) establishes that recipients of social safety nets shall access the services provided under the GOL programme within 4 months after their rights become effective. The summary document clarifies roll-out details to reach full coverage of all recipients of income support (point 2.7).

The **acts establishing the National Plan for New Skills**, which entered into force as of 28 December 2021, after agreement by the State Regions conference of 2 December 2021, include all the elements listed in the CID:

- define common standards and essential levels of vocational training throughout the national territory, which are described and include individualisation of training offers, accessibility, skills recognition, and relevance for the labour market (Annex A to the Decree of 14 December 2021, paragraphs 3 and 9). The aim of homogenous application of such standards in the whole territory is also laid out (Annex A, paragraph 8).
- target both employed and unemployed persons with the goal to enhance their digital skills and encourage lifelong learning, as provided in the description of the beneficiaries, with a clear link with the GOL programme and references to improving digital training and lifelong learning (Annex A to the Decree of 14 December 2021, paragraph 5 and 8).
- identify skills and relevant standards based on a cooperation between the public and private systems: structured public/private cooperation is mentioned as means to improve labour market matching. Firms are expected to play an active role in better identifying skills gaps (Annex A to the Decree of 14 December 2021, paragraph 3) and make the best use of their infrastructure and knowledge for training opportunities within firms themselves, strengthening the dual transition system (Annex A, paragraph 6).
- take into account the different needs of the target groups considered which, as a minimum, shall include the most vulnerable: the plan aims at better tailoring interventions, especially when targeting the most vulnerable individuals (Annex A to the Decree of 14 December 2021, paragraphs 6 and 8).
- encompass sectoral strategies as to have a comprehensive approach, including the national strategic plan for adult competencies, with which coherence and complementarity are mentioned (Annex A to the Decree of 14 December 2021, paragraph 4, in particular p. 27, also paragraph 3).
- incorporate the provision for the development of a forecasting system for new competencies needed in the short-medium term within the labour market: fostered analytical capacity for skills forecasting and labour market intelligence, including via improved tools (such as integrated data sources and statistical techniques) and enhanced use and dissemination of results, is described in a dedicated section (Annex A to the Decree of 14 December 2021, paragraph 9).

The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M5C1-17	<b>M5C1 – I5:</b> Creation of women's enterprises
<b>Name of the Milestone:</b> The Fund to support women's entrepreneurship is adopted	
<b>Qualitative Indicator:</b> Ministerial Decree for the establishment of the "Fondo Impresa Donna" is approved	<b>Time:</b> 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, including all the constitutive elements, was satisfactorily fulfilled.
2. The inter-ministerial decree of 30 September 2021 and the Official Journal issue containing the publication of such decree (Official Journal: GU n.296 of 14 December 2021).
3. The inter-ministerial decree of 24 November 2021 and the Official Journal issue containing the publication of such decree (Official Journal: GU n. 26 of 1 February 2022).
4. The Law 178 of 30 December 2020 which defines the state budget for 2021 (Official Journal: GU n. 322 of 30 December 2020).

**Objectives of the measure:**

The milestone consists in the establishment of a fund that will support women's entrepreneurship, both in creating and expanding businesses, and accompanying monitoring and communication measures. The milestone includes the establishment of eligibility criteria defining women's enterprises entitled to receive support.

**Analysis:**

The **inter-ministerial decrees of 30 September 2021 and of 24 November 2021** establishing The Fund to support women's entrepreneurship entered into force as of 14 December 2021 and 1 February 2021 respectively and include all the elements listed in the CID described below.

- Eligible beneficiaries are described (Article 8(2), Decree 30 September 2021) along with the set of criteria to clearly identify women's enterprises (Article 1(1), Decree 30 September 2021).
- Article 4 of Decree 24 November 2021 ties eligibility for funding to the respect of the DNSH principle.
- The signature of a funding agreement with the managing authority, defined in the same Decree as the Agency for investment attraction and business development Invitalia ("Agenzia per l'attrazione degli investimenti e lo sviluppo d'impresa S.p.a. – Invitalia"), is laid out in Article 3 of Decree of 24 November 2021.
- Article 3 of Decree 24 November 2021 lays out the provisions detailing the allocation of financial resources to each of the constitutive elements of the milestone, namely:
  - The injection into NITO-ON and Smart&Start Italia respectively.
  - The top-up for the Female Entrepreneurship Fund directed to two types of measures, to support the creation of new firms and the growth of existing firms respectively.
  - Accompanying measures, monitoring and communication. A share of the resources is earmarked to multi-year information and communication campaigns to promote female entrepreneurship carried out by the Department of Equal Opportunities of the Presidency of the Council of Ministers.

The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

**Number:** M5C2-1

**M5C2 – R1:** Framework law for disability

<b>Name of the Milestone:</b> Entry into force of the Framework Law to strengthen the autonomy of people with disabilities	
<b>Qualitative Indicator:</b> Provision in the law indicating the entry into force of the Framework Law	<b>Time:</b> Q4 2021
<b>Evidence Provided:</b>  In line with the verification mechanisms set out in the Operational Arrangements, the following evidence was provided: <ol style="list-style-type: none"> <li>1. Summary document duly justifying how the milestone, including all the constitutive elements, was satisfactorily fulfilled.</li> <li>2. Law n. 227 of 22 December 2021, (Official Journal: GU n. 309 of 30 December 2021).</li> </ol>	
<b>Objectives of the measure:</b>  The milestone, which consists in the entry into force of a law delegating government to legislate in this policy field, is the first step of a reform to review disability assessment, notably in a more multidisciplinary manner, to promote de-institutionalization (i.e., favouring family-based or community-based housing solutions) and autonomy of people with disabilities, to improve access to social and health services.	
<b>Analysis:</b>  The <b>Law of 22 December 2021</b> , which entered into force on 31 December 2021 (Article 5 of Law 227/2021), includes all the elements listed in the CID. It refers explicitly to its consistency with the United Nations Convention on the Rights of Persons with Disabilities (Article 2 and, in particular, paragraph 2 for the link with the Convention's concept of "reasonable accommodation"). It is also consistent in substance with the principles of the European Strategy 2021-2030 of promoting equality, autonomy and non-discrimination as laid out in the objectives of the Law (Article 1). <p>Article 1 (paragraph 5) of the Law of 22 December 2021 outlines the areas of intervention of government, further described under Article 2, which include a revision of the definition and assessment process of disabilities, overcoming outdated definitions of "handicap" and simplifying procedures (as further specified under Article 2 (letter b), notably via the introduction of one single procedure to attest disability and invalidity, managed by one single public body).</p> <p>Another area of intervention will be the introduction of an effective more comprehensive multidisciplinary evaluation of each person's conditions in the framework of a life-project, which is individualised and co-created with the person, recognising his/her right to have an active role and promoting autonomy (Article 1 and 2, in particular paragraph 2, of the Law of 22 December 2021). The summary document provides further details about the current assessment process, its shortcomings, and the expected results of the new policies within the new framework.</p> <p>Article 1 (paragraph 5) of the Law of 22 December 2021 defines the areas of intervention of the legislative decrees that will follow, which include all the relevant aspects of the milestone: the redevelopment of comprehensive services for inclusion and accessibility (point e) and digitalisation of services (point d). Article 1 (paragraph 2) of the Law of 22 December 2021 provides details on the legislative process including the involvement of local authorities. Further details on each element are also provided (Article 2 (paragraph 2), letter e) on actions to reorganise local services; point h) on the expected steps towards the definition of minimum standards of service provision; point d) on ICT and data access services). This is being followed up on by the Italian authorities since the relevant legislative decrees shall be implemented within 20 months from the entry into force of the Law of 22 December 2021 as per Article 1 (paragraphs 1 and 2) of the aforementioned</p>	



Law, and form part of the implementation of milestone M5C2-2, which relates to the adoption of the provisions set out by the Law of 22 December 2021 to strengthen the autonomy of people with disability.

The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M5C2-5	<b>M5C2 – I1:</b> Entry into force of the Operational Plan
<b>Name of the Milestone:</b> Entry into force of the Operational Plan	
<b>Qualitative Indicator:</b> Provisions in the law indicating the entry into force of the Operational Plan of interventions	<b>Time:</b> Q4 2021
<p><b>Evidence Provided:</b></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"> <li>1. Summary document duly justifying how the milestone, including all the constitutive elements, was satisfactorily fulfilled.</li> <li>2. The Directorial Decree n.450 of 9 December 2021 by the Ministry of Labour and Social Policies adopting the Operational Plan. The Operational Plan is included as Annex.</li> <li>3. Letter confirming the adoption of the Operational Plan by the competent authority, the Ministry of Labour and Social Policies, including a link to the website where the Operational Plan can be accessed (<a href="https://www.lavoro.gov.it/documenti-e-norme/normative/Documents/2021/DD-450-del-09122021-PNRR-Adozione-piano-operativo-presentazione-proposte.pdf">https://www.lavoro.gov.it/documenti-e-norme/normative/Documents/2021/DD-450-del-09122021-PNRR-Adozione-piano-operativo-presentazione-proposte.pdf</a>).</li> <li>4. National guidelines currently in force in three social policy fields (Intervention for vulnerable families and children, Severe exclusion and, Disability).</li> <li>5. National Social Actions and Services Programme 2021-23.</li> </ol>	
<p><b>Objectives of the measure:</b></p> <p>The objective of the measure is to provide effective support to vulnerable people and prevent institutionalisation. This milestone consists in establishing an Operational Plan which will frame local interventions to support vulnerable families and children, to support elderly people's de-institutionalisation and de-hospitalization and reinforce home-based services, to strengthen social services and prevent burnout among social workers.</p> <p><b>Analysis:</b></p> <p>The <b>Operational Plan</b> (the Plan), which entered into force on 9 December 2021 in accordance with the Directorial Decree n. 450 of 9 December 2021, defines the requirements of projects that may be presented by local entities, in all four areas mentioned in the milestone description. It builds on national guidelines in the relevant social policy areas in force, which are important to the reading of the Plan itself.</p> <p>On support to parents in vulnerable situations, the Plan (Annex to the Decree of 9 December 2021, paragraph 5.1, letter a, point 1) describes actions aimed at supporting parental skills and prevent children's removal from their families of origin, including requirements in terms of minimum services to be provided. The Operational Plan builds on the "National Guidelines on the intervention for vulnerable families" and (as per paragraph 3.2 of the Annex to the Decree of 9</p>	

December 2021) on the “National Social Actions and Services Programme 2021-23”: in particular, technical form 2.7.4 (pages 64-69), which lay out the characteristics of effective interventions, including the assessment process and the provision of the services.

On support to elderly people’s autonomy, the Plan (Annex to the Decree of 09 December 2021, paragraph 5.1, letter a, point 2) describes eligible projects and mentions all the elements in the milestone, including aspects related to reconversion of facilities and telemedicine.

On strengthening social services provided via homecare and training of specialised multidisciplinary teams of staff, the Plan (Annex to the Decree of 9 December 2021, paragraph 5.1, letter a, point 3) describes the interventions and refers to training in the National Social Actions and Services Programme 2021-23 (in particular, technical form 2.7.3, about professional staff see page 62).

On supporting social workers, the Plan (Annex to the Decree of 9 December 2021, paragraph 5.1, letter a, point 4) describes actions pertaining to all the elements in the milestone, including strengthened supervision and burnout prevention, and highlights their relevance for social workers’ effectiveness (referring to the National Social Actions and Services Programme 2021-23, technical form 2.7.2 for more details).

The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M5C3-10	<b>M5C3 – R1:</b> Simplification of the procedures and strengthening of the Commissioner in the Special Economic Zones	
<b>Name of the Milestone:</b> Entry into force of the regulation to simply the procedures and strengthen the role of the Commissioner in the Special Economic Zones		
<b>Qualitative Indicator:</b> Provision in the regulation for the entry into force of the regulation to simplify the procedures and strengthen the role of the Commissioner in the Special Economic Zones		<b>Time:</b> Q4 2021
<b>Evidence Provided:</b>  In line with the verification mechanisms set out in the Operational Arrangements, the following evidence was provided:  <ol style="list-style-type: none"><li>1. Summary document duly justifying how the milestone, including all the constitutive elements, was satisfactorily fulfilled;</li><li>2. Law n. 108 of 29 July 2021 published in the Official Journal on 30 July 2021 converting into law with modifications the Decree-Law n. 77 of 31 May 2021 on the governance of the NRRP and measures to strengthening administrations, and accelerating and streamlining procedures;</li><li>3. Law n. 233 of 29 December 2021 published in the Official Journal on 31 December 2021, converting into law the Decree-Law n. 152 of 6 November 2021 on urgent provisions for the implementation of the National Recovery and Resilience Plan and the prevention of mafia infiltration, (<i>“Disposizioni Urgenti per l’attuazione del Piano Nazionale di ripresa e resilienza e la prevenzione delle infiltrazioni mafiose”</i>);</li><li>4. Decree-Law n. 152 of 6 November 2021 published in the Official Journal on 6 November 2021.</li></ol>		

**Objective of the measure:**

The milestone M5C3-10 belongs to the Reform 1: “Simplification of the procedures and strengthening of the Commissioner in the Special Economic Zones”. The reform has the objective to contribute to the simplification of the governance system and streamline the implementation time of interventions in the Special Economic Zones. In this context, the milestone aims establishing a Digital One Stop Shop for the Special Economic Zones and strengthening the role of Commissioners.

**Analysis:**

The justification and substantiating evidence provided by the Italian authorities cover all constitutive elements of the milestone.

In particular:

- Article 57 of Law n. 108/2021 introduces measures to strengthen the role of the Commissioner in SEZs. The role of Commissioner is reinforced as the main interlocutor for economic actors interested in investing in SEZs. Article 57 also envisages a simplified procedure for the implementation of projects concerning the establishment of industrial, productive and logistical activities within the SEZs, which ends with a single authorisation under the responsibility of the Commissioner.
- Article 11 of Law n. 233/2021 provides for the establishment of a Digital One Stop Shop for the Special Economic Zones to support the simplification of procedures.

Law 108/2021 entered into force on 31 July 2021 (Article 1 of Law 108/2021). Law 233/2021 entered into force on 1 January 2022 (Article 1 of Law 233/2021).

The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M5C3-11	<b>M5C3 – I1.4:</b> Infrastructural investments for the Special Economic Zones
<b>Name of the Milestone:</b> Entry into force of Ministry Decrees approving the operational plans for all eight Special Economic Zones	
<b>Qualitative Indicator:</b> Provision in the law of indicating the entry into force the Ministry decrees	<b>Time:</b> Q4 2021
<b>Evidence Provided:</b>  In line with the verification mechanisms set out in the Operational Arrangements, the following evidence was provided: <ol style="list-style-type: none"> <li>1. A summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;</li> <li>2. Ministerial Decree n. 492 of 03 December 2021, together with its three annexes that complement the information concerning identification of interventions and implementing bodies, allocation of resources and compliance with the requirements of the “Do no significant harm” guidance;</li> </ol>	

3. An additional act integrating the Ministry of Economy and Finance Circular of 30 December 2021, which outlines DNSH guidelines for interventions on Special Economic Zones.

**Objective of the measure:**

Milestone M5C3-11 belongs to Investment 4 “Infrastructural investments for the Special Economic Zones (SEZ)”, which is aimed at ensuring the effectiveness of the reform that has introduced the Special Economic Zones (SEZs), by avoiding further lags in economic development in Southern areas with already a weak productive base. In this context, M5C3-11 provides for the entry into force of Ministry Decrees approving the operational plans for all eight Special Economic Zones and allocating resources to the implementing bodies in compliance with the with the ‘Do no significant harm’ Technical Guidance (2021/C58/01).

**Analysis:**

The justification and substantiating evidence provided by the Italian authorities cover all constitutive elements of the milestone. In particular:

- Ministerial decree n. 492/2021 entered into force on the day of publication on the Ministry of Infrastructures website, on 3 December 2021.
- Article 1 (paragraphs 2 and 3) of Ministerial Decree n. 492/2021 and Annex I and Annex II to the Ministerial Decree identify which projects, and their exact number, will be financed over the course of the investment.
- Article 2 of Ministerial Decree n. 492/2021 and Annex I and Annex II to the Ministerial Decree identifies the implementing bodies (*soggetti attuatori*) to which it allocates resources.
- Article 3 (paragraph 1) of Ministerial Decree n. 492/2021 while defining the obligations of the implementing bodies, refers to Annex III to Ministerial Decree which constitutes a preliminary DNSH assessment of the projects. According to Article 3 (paragraph 2), by 31 March 2022 the implementing bodies shall send to the responsible Directorate General an environmental analysis of the assigned projects in line with the DNSH principle as per the criteria set by the DNSH Technical Guidance (2021/C58/01) and the DNSH preliminary assessment of the milestone (Annex III of the Ministerial Decree). The above is complemented by DNSH guidelines for interventions on Special Economic Zones which group the investment projects into categories including reference to the exclusion list.
- Article 7 of the Ministerial Decree n. 492/2021 provides for the entry into force of the provisions of the decree which take effect upon publication on the website of the Ministry of Infrastructures and the Ministry of the South, while also being published in the Official Journal.

The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M6C2-4	<b>M6C2 – I1.1:</b> Digital update of hospitals’ technological equipment
<b>Name of the Milestone:</b> Reorganisation plan approved by Ministry of Health/Italian regions	
<b>Qualitative Indicator:</b> Notification of the approval	<b>Time:</b> Q4 2021
<b>Evidence Provided:</b>	

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 in line with the requirements set out in the CID Annex
2. Directorial Decree of Ministry of Health approving the reorganisation plan dated 22 October 2021;
3. Reorganisation plan;

The authorities also provided:

4. Transmission of approval for Registration with Court of Auditors dated 25 October 2021
5. Decree-Law n. 34 of 19 May 2020, (Official Journal reference: GU n.128 of 19May 2020);
6. Circular n. 11254 by the Ministry of Health dated 29 May 2020;
7. User manual for regional healthcare authorities;
8. Template tables annexed to circular n.11254;
9. Transmission note to Regions of Circular n. 11524 (document 6 above);
10. Registration of approval with Court of Auditors dated 25 November 2021

**Objective of the measure:** The measure aims at strengthening the capacity of National Health System hospitals to deal with pandemic emergencies through a structural increase in the number of beds in intensive and semi-intensive care by 3 500 units and 4 200 units respectively. In this context, M6C2-4 consists in the approval of reorganization plan of intensive and semi-intensive care.

**Analysis:**

Article 2 of Decree Law n. 34 of 19 May 2020 establishes the conditions and requirements of the reorganization plan, further detailed in the circular n. 11254 (*"Linee di indirizzo organizzative per il potenziamento della rete ospedaliera per emergenza COVID-19"*) issued by the Ministry of Health on 29 May 2020, which also provides an indication of the situation of Intensive Care Units (ICU). The reorganisation plan details the increase in intensive care/semi-intensive care beds at regional level, guaranteeing a homogeneous degree of ICU coverage per population. The aforementioned Directorial Decree was sent to the competent control body (Court of Auditors) on 25 October 2021.

The conclusion of the preliminary assessment is that the milestone is satisfactorily fulfilled.

**Commission Preliminary Assessment:** Satisfactorily fulfilled