

Positive preliminary assessment of the satisfactory fulfilment of milestones and targets related to the sixth payment request submitted by Italy on 28 June 2024, transmitted to the Economic and Financial Committee by the European Commission

Executive summary

In accordance with Article 24(2) of Regulation (EU) 2021/241, on 28 June 2024, Italy submitted a request for payment for the sixth instalment of the non-repayable support and the sixth 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 27 milestones and targets of the sixth instalment of the non-repayable support and the 12 milestones and targets of the sixth instalment of the loan support, as set out in Section 2(1)(1.6) and Section 2(2)(2.6) of the Council Implementing Decision of 13 July 2021 on the approval of the assessment of the recovery and resilience plan for Italy¹.

For 7 targets covering a large number of recipients, 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.

In its payment request, Italy has confirmed that measures related to previously satisfactorily fulfilled milestones and targets have not been reversed. The Commission does not have evidence of the contrary.

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 39 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. They cover several reforms in the areas of public procurement, late payments, undeclared work and social inclusion as well as follow-up measures to keep up the implementation efforts concerning the already adopted reforms in the areas of justice, public administration and public accounting rules. The main investments covered by this payment request refer to companies' digitalization, security of gas supply and rail connections.

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

¹ ST10160/21, ST 10155/61 ADD 1

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Non-repayable support

M1C1-14bis: Entry into force of the national legislation for accelerating the implementation of cohesion policy

Related Measure: M1C1.R1.9bis Reform for accelerating the implementation of cohesion policy

Qualitative Indicator: Provision in the law indicating the entry into force of the national legislation for accelerating the implementation of cohesion policy.

Time: Q1 2024

1. Context:

Reform 1.9.1 aims to accelerating the implementation and efficiency of cohesion policy in complementarity with the NRRP.

Milestone M1C1-14bis envisages the entry into force of national legislation that identifies, within the framework of the Partnership Agreement and for all the current Programmes, the arrangements necessary to accelerate and improve the implementation of cohesion policy.

In order to ensure the institutional dialogue and cooperation, as well as a shared understanding of the necessary actions, milestone M1C1-14bis requires that the Government, by 31 December 2023, sets up a technical working group with the managing authorities of all regional and national programmes within the Cabina di regia PNRR, without prejudice to national legislation on the Unified Conference.

Milestone M1C1-14bis specifies that the legislation shall set out the arrangements necessary to prioritise interventions in the following strategic sectors, in strict coherence with the planning documents defined for the relevant enabling conditions and to concretely implement them, including intervening specifically to strengthen administrative capacity, in these sectors: Water; Infrastructures for hydrogeological risk and environmental protection; Waste; Transport and sustainable mobility; Energy; Support to business development and attractiveness, also for the digital and green transitions. The legislation shall also foresee the date of the approval of the strategic plan of the single special economic zone.

Milestone M1C1-14bis is the only milestone of this reform, related to the acceleration of cohesion policy in complementarity with the NRRP.

2. Evidence provided:

1. Summary document duly justifying how the target, including all the constitutive elements, was satisfactorily fulfilled.
2. Decree Law n.60 of 7 May 2024, which has entered into force on 8 May 2024, the day following its publication in the Official Journal N. 105 of 7 May 2024, contains urgent provisions on cohesion policy.
3. Ministerial Decree of Minister of EU Affairs, the South, cohesion policy and NRPP of 29 December 2023, sets up the technical working group with the managing authorities of regional and national programmes within the "Cabina di regia NRPP".
4. Act 68/CU with the opinion of the Conference of regions and autonomous provinces, in line with Art. 9(3) of Decree Law n. 281 of 28 August 1997, on the conversion into law of Decree Law n.60 of 7 May 2024.
5. Agenda of ordinary meeting of 14 June 2024 of Unified Conference.
6. Schedule, invitations, replies to the questionnaire and minutes of the meetings with the technical working group gathering managing authorities of all regional and national programmes within the "Cabina di regia PNRR" (meeting dates: 22 February 2024, 26 February 2024, 29 February 2024, 29 April 2024).
7. Law n. 95 of 4 July 2024, which has entered into force on 7 July 2024, the day following its publication in the Official Journal N. 157 of 6 July 2024.

3. Analysis:

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

Entry into force of national legislation that identifies, within the framework of the Partnership Agreement and for all the current Programmes, the arrangements necessary to accelerate and improve the implementation of cohesion policy.

In line with the requirements of the Council Implementing Decision, Decree Law n. 60 of 7 May 2024 was published in the Official Journal n. 105 of 7 May 2024 and entered into force on 8 May 2024 (the Decree Law was then converted into Law n. 95 of 4 July 2024). The Decree Law provides a framework that is expected to accelerate and improve the implementation of cohesion policy, specifically for the programming period 2021-27, by:

- i) Strengthening the steering committee (Art. 3(2)) (the “Cabina di Regia”), which had been already established by Art.1(703c) of Law n. 190 of 23 December 2014 (Art.1, comma 703).

The steering committee is responsible for ensuring coordination between interventions financed with European cohesion policy resources at both regional and national levels, while also promoting complementarity and synergy with investments planned under the National Recovery and Resilience Plan (NRRP) and Cohesion Agreements.

The Decree integrates the existing committee with the Minister of Economy and Finance and relevant ministries involved in the implementation of projects in the field of this reform. Moreover, the steering committee is now supported by the Department for Cohesion Policy and the South of the Presidency of the Council of Ministries (Art. 3(3)).

- ii) Identifying a list of priority interventions in strategic sectors as defined by the milestone (see above), among the interventions already selected for financing or in planning phase (Art. 4(1)). The list of priority interventions is identified by the Managing Authorities responsible for EU cohesion policy programs for 2021-2027 and is complemented with a detailed action plan that is then approved by the steering committee.
- iii) Introducing a system of reinforced monitoring for the identified priority interventions, in which Managing Authorities submit to the steering committee reports twice a year on the procedural and financial progress of priority interventions. If there are delays, the administration should explain the reasons and outline corrective actions (Art. 5).
- iv) Introducing a system of rewards and sanctions related to the implementation of the list of projects. Managing Authorities that, based on the monitoring mechanism described under point iii), achieve the monitoring steps and target as set out in the action plans as described in point ii) can benefit from additional financial resources (Art. 7(1)). In case of inaction or delays the Department for Cohesion Policies and the South within the Presidency of the Council of Ministers asks the implementing bodies to take corrective actions and, in case of persisting inaction, the steering committee could ask the exercise of substitutive powers for implementing bodies (Art.7(3)).

In line with the requirements of the Council Implementing Decision, Decree Law n. 60 of 7 May 2024 applies to all current Programmes within the framework of the Partnership Agreement. More specifically:

- Art.1 of Decree Law n. 60 of 7 May 2024 states that the legislative reform applies to national and regional programmes of 2021-2027 cohesion policy approved in line with EU Regulation 2021/1060 and within the Partnership Agreement between the European Commission and Italy of 15 July 2022.
- Art.1, comma 2-bis of Law n. 95 of 4 July 2024 adds that the legislative reform is without prejudice to the procedures envisaged by EU Regulation 2021/1060 and the specific regulations governing EU cohesion policy, with specific reference in terms of eligibility for financing and selection of interventions, as well as to the tasks and functions of Managing Authorities and of the Monitoring Committee of each programme, in line with EU Regulation 2021/1060 also with respect to possible amendments and updates of programmes when necessary.
- Art.3 of Decree Law n. 60 of 7 May 2024, as modified by Law n. 95 of 4 July 2024, adds that the steering committee acts in compliance with the activities of the Committee for monitoring and support to the implementation of programs, envisaged by the Partnership Agreement 2021-2027 and subsequent provisions.

Furthermore, in line with the description of the measure, the reform shall foresee the date of the approval of the strategic plan of the single special economic zone.

In line with the requirements of the Council Implementing Decision, the Decree Law n. 60 of 7 May 2024 (Art. 4(7)) requires the adoption of the strategic plan of the special economic zone by 31 July 2024 (which is further defined by Decree Law 124/2023).

Furthermore, in line with the description of the measure, the national legislation requires the opinion of the Unified Conference before its conversion into Law as provided for in the Legislative Decree n°281/1997.

In line with the requirements of the Council Implementing Decision and national legislation, the Unified Conference was consulted before the conversion into law. More specifically, the Unified conference convened on 14 June 2024 to provide its opinion on the Decree Law 60/2024 before its conversion into Law 95/2024, in line with Legislative Decree n°281/1997. Act 68/CU reports the opinion of the Unified Conference and its proposals for amendments to Decree Law 60/2024.

In order to ensure the institutional dialogue and cooperation, as well as a shared understanding of the necessary actions, by 31 December 2023, the Government shall set up a technical working group with the managing authorities of all regional and national programmes within the “Cabina di regia PNRR”, without prejudice to national legislation on the Unified Conference.

In line with the requirements of the Council Implementing Decision, the Italian authorities, by ministerial decree of 29 December 2023, set up a technical working group within the “Cabina di regia PNRR” to ensure interinstitutional dialogue and cooperation. The technical working group included the managing authorities of cohesion policy regional and national programmes.

The technical working group gathered on 22 February 2024, 26 February 2024, 29 February 2024 and 29 April 2024. A questionnaire on matters related to the implementation of cohesion policy was circulated to the members of the working group.

This working group did not replace the requirements of the national legislation on the Unified Conference, which was indeed consulted on the conversion into law of the decree as explained above.

The legislation shall set out the arrangements necessary to prioritise interventions in the following strategic sectors, in strict coherence with the planning documents defined for the relevant enabling conditions and to concretely implement them, including intervening specifically to strengthen administrative capacity, in these sectors:

- **Water;**
- **Infrastructures for hydrogeological risk and environmental protection;**
- **Waste;**
- **Transport and sustainable mobility;**
- **Energy;**
- **Support to business development and attractiveness, also for the digital and green transitions.**

In line with the requirements of the Council Implementing Decision, Art. 2 of Decree Law n. 60 of 7 May 2024 sets out the arrangements necessary to prioritize interventions in the following strategic sectors: water resources; infrastructure for hydrogeological risk and environmental protection; waste, transport and sustainable mobility; energy; support to sustainable development and attractiveness of firms, also for the digital and green transition. The Decree Law n. 60 of 7 May 2024 requires managing authorities to identify by 30 June 2024 the projects within these strategic sectors from those already selected for financing under selection and eligibility criteria of cohesion policy and included in their respective planning documents. Managing authorities are also required to specify roadmaps for the implementation of these projects.

According to Art. 5 of Decree Law n. 60 of 7 May 2024, the implementation of the priority projects as identified above will be followed by a dedicated reinforced monitoring system. The reinforced monitoring, which includes the system of rewards and sanctions referred to under point iii) above, involves bi-annual reporting to assess progress against the

roadmaps and aims to improve coordination between regional and national programs. This system of reinforced monitoring does not replace the national monitoring system already established under cohesion policy regulations.

In addition, and in line with the Council Implementing Decision, Decree Law n. 60 of 7 May 2024 as converted into Law n. 94 of 4 July 2024 introduces specific provisions to strengthen administrative capacity in order to support the priority interventions as identified by Managing Authorities in line with Art. 4 of the Decree Law, and in the strategic sectors identified by Art. 2 of the same Decree Law. In particular, the Decree Law outlines several actions:

- i) Digitalization of processes, funded with resources from the Complementary Operational Program linked to the National Operational Program Governance and Institutional Capacity (2014-2020);
- ii) Speeding up the recruitment of personnel needed for the priority projects in strategic sectors by allowing Managing and implementing Authorities to directly select and contract staff;
- iii) Organizing dedicated administrative capacity-building activities, particularly in less developed regions, together with in-house companies. These activities include providing information, support, and mentoring for managing EU cohesion programs.

Moreover, as part of the National Technical Assistance Program for Cohesion (2021-2027), Italy will provide dedicated technical support to those managing and implementing authorities that are responsible for carrying out priority projects.

Decree Law n. 60 of 7 May 2024 includes other articles, notably Art. 8 and Art. 10-35, which go beyond the scope of this milestone.

The assessment of the entry into force of Decree Law n. 60 of 7 May 2024 for the purposes of payments from the Recovery and Resilience Facility does not prejudice future evaluations and monitoring by the Commission in any other proceedings regarding the implementation and effective impact of the reform over the Cohesion Policy programming period 2021-2027.

4. Commission Preliminary Assessment:

Satisfactorily fulfilled

Non-repayable support

M1C1-15: Finance Police - Purchase of professional data science services T2

Related Measure: M1C1.I1.6.6. Digitization of the Finance Police

Quantitative Indicator: Number

Baseline: 5

Target: 10

Time: Q1 2024

1. Context:

The objective of this investment is to re-engineer and digitize a set of priority processes, activities and services within main Central Administrations to increase their efficiency and simplify procedures. This part of the measure focuses on the digitization of the Finance Police and aims notably at reorganising the Finance Police's databases and introducing Data Science within its operational and decision-making processes.

Target M1C1-15 concerns the purchase by the Finance Police of professional data science services by contracting with a consulting service provider involving five additional human resources (ten in total), responsible both for designing the data architecture and for writing the algorithms of the Big Data Analysis unit. It also concerns the publication of the awarded contract for the purchase of data science services.

Target M1C1-15 is the second target for Investment 1.6.6, and it follows the completion of target M1C1-11 related to the purchase of professional data science services by contracting with a consulting service provider involving five human resources, and the publication of awarded contract. It will be followed by milestone M1C1-25 related to the progressive release (on a yearly basis) of new functionalities of the operational information systems in order to ensure their topicality in accordance with rapidly changing law scenarios, also related to pandemic situation.

2. Evidence provided:

1. Summary document duly justifying how the target, including all the constitutive elements, was satisfactorily fulfilled;
2. Executive contract of 17 November 2022 between the General Command of the Finance Police and Accenture Technology Solutions S.r.l. (acting as authorized representative of a temporary grouping of enterprises also formed by Engineering Ingegneria Informatica S.p.A., Sofiter Tech S.r.l., IFM S.r.l., HSPI S.p.A. and Expleo Italia S.p.A.), for the acquisition of professional "data science" services applied to the info-operational assets of the Finance Police, entitled "Assignment of application services from Cloud to PMO through the supply order within the scope of the framework agreement for application services for public administrations stipulated by CONSIP – Lot 3";
3. The related direct order of purchase No. 7030149 of 18 November 2022 uploaded on the "AcquistinretePA" portal on 18 November 2022 and associated material;
4. The Decree by the General Command of the Finance Police of 19 December 2022 approving direct order of purchase No. 7030149;
5. The set-up and the operational plans related to the implementation of the executive contract of 17 November 2022;
6. Contract No. 1565 of 26 May 2022 between the General Command of the Finance Police and Gartner Italia S.r.l. for the provision of professional services concerning the knowledge support service on technological innovation and access to databases in the information & communication technology sector;

7. Declaration of compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01) and with the relevant EU and national environmental legislation by Accenture Technology Solutions S.r.l. dated 23 March 2023;
8. Declaration of compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01) and with the relevant EU and national environmental legislation by Gartner S.r.l. dated 22 March 2023;
9. Addendum to the Agreement between General Command of the Finance Police and Accenture Technology Solutions S.r.l. of 16 January 2024;
10. Reply by the General Command of the Finance Police to the request for additional information on the compliance of awarded contracts with the 'Do no significant harm' Technical Guidance (2021/C58/01) and with the relevant EU and national environmental legislation dated 20 November 2023;
11. Contract No. 1694 of 23 October 2023 between the General Command of the Finance Police and SO.GE.I S.p.A on evolutionary maintenance of IT platforms (amendment to the Executive Contract No. 356 dated 27 December 2010);
12. Agreement between the General Command of the Finance Police and SO.GE.I of 19 October 2023;
13. Note No. 98781/2024 of 28 March 2024 by the General Command of the Finance Police on compliance with the 'Do No Significant Harm' principle;
14. Circular No. 97498/2024 of 28 March 2024 of the General Command of the Finance Police on the release of the "Analysis Module" on the IT backbone;
15. Circular No. 99073/2024 of 29 March 2024 of the General Command of the Finance Police to the Central Organized Crime Investigation Service (*Servizio Centrale Investigazione Criminalità Organizzata, SCICO*) and to the Organized Crime Investigation Groups (*Gruppi Investigazione Criminalità Organizzata, GICO*) of Milan, Florence and Catanzaro on the release of the new IT tool "Memento" on the IT backbone;
16. Circular No. 247884/2024 of 22 August 2024 of the General Command of the Finance Police to the Central Organized Crime Investigation Service (*Servizio Centrale Investigazione Criminalità Organizzata, SCICO*) and to the Organized Crime Investigation Groups (*Gruppi Investigazione Criminalità Organizzata, GICO*) on the release of the new IT tool "Memento" on the IT backbone;
17. Note by Accenture Technology Solutions S.r.l. dated 14 March 2024 presenting the list of data scientists actively working for Accenture Technology Solutions S.r.l. since March 2023 to April 2024;
18. Declaration of compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01) and with the relevant EU and national environmental legislation by SO.GE.I dated 26 October 2023;
19. List of data scientists actively working for Accenture Technology Solutions S.r.l. between March 2023 and May 2024 addressed by Accenture Technology Solutions S.r.l. on 6 June 2024 to the Director in charge for the execution of the contract within the General Command of the Finance Police and registered under protocol No. 170434;
20. Executive contract of 17 November 2022 between the General Command of the Finance Police and Accenture Technology Solutions S.r.l. (acting as authorized representative of a temporary grouping of enterprises also formed by Engineering Ingegneria Informatica S.p.A., Sofiter Tech S.r.l., IFM S.r.l., HSPI S.p.A. and Expleo Italia S.p.A.), for the acquisition of professional "data science" services applied to the info-operational assets of the Finance Police, entitled "Assignment of application services from Cloud to PMO through the supply order within the scope of the framework agreement for application services for public administrations stipulated by CONSIP – Lot 3";
21. The operating plan of investment 1.6.6. on the Digitization of the Finance Police;
22. The related direct order of purchase No. 7030149 of 18 November 2022 uploaded on the "AcquistinretePA" portal on 18 November 2022 and associated material;
23. The Decree by the General Command of the Finance Police of 19 December 2022 approving direct order of purchase No. 7030149;
24. Contract No. 1565 of 26 May 2022 between the General Command of the Finance Police and Gartner S.r.l. for the provision of professional services concerning the knowledge support service on technological innovation and access to databases in the information & communication technology sector;

25. A link to a webpage in the section of the institutional website of the Finance Police entitled "Transparent Administration" where the executive contract of 17 November 2022 for the purchase of data science services between the General Command of the Finance Police and Accenture Technology Solutions S.r.l. has been published: <https://www.gdf.gov.it/it/stazioni-appaltanti/bandi-di-gara/archivio/anno-2023/comando-generale/febbraio/acquisizione-di-servizi-professionali-di-201cdata-science201d>;
26. A link to a webpage in the section of the institutional website of the Finance Police entitled "Transparent Administration" where the addendum contract No. 1694 of 23 October 2023 between the General Command of the Finance Police and SO.GE.I has been published: <https://www.gdf.gov.it/it/gdf-comunica/altri-contenuti/progetti-e-finanziamenti-comunitari/piano-nazionale-di-ripresa-e-resilienza-pnrr/missione-1-2013-componente-1-2013-sub-investimento-1-6-6-201cdigitalizzazione-guardia-di-finanza201d/procedure-1-6-6/c-1694-sogei>.
27. A link to a webpage in the section of the institutional website of the Finance Police entitled "Transparent Administration" containing the material related to all contracts related to investment 1.6.6. "Digitization of the Finance Police": <https://www.gdf.gov.it/it/gdf-comunica/altri-contenuti/progetti-e-finanziamenti-comunitari/piano-nazionale-di-ripresa-e-resilienza-pnrr/missione-1-2013-componente-1-2013-sub-investimento-1-6-6-201cdigitalizzazione-guardia-di-finanza201d>;

3. Analysis:

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

Purchase of professional data science services by contracting with a consulting service provider involving five additional human resources (ten in total) responsible both for designing the data architecture and for writing the algorithms of the Big Data Analysis unit.

The Finance Police purchased professional data science services by contracting with the consulting service provider Accenture Technology Solutions S.r.l (acting as authorized representative of a temporary grouping of enterprises also formed by Engineering Ingegneria Informatica S.p.A., Sofiter Tech S.r.l., IFM S.r.l., HSPI S.p.A. and Expleo Italia S.p.A.), as evidenced by the executive contract of 17 November 2022 (evidence no. 2).

Italy also provided the operating plan of investment 1.6.6. on the Digitization of the Finance Police (evidence no. 21) which is integral part of the executive contract of 17 November 2022 (evidence no. 2), as indicated in section 2 of the contract, and which indicates that the implementation of the investment involves in particular the following activities: a) design of the data architecture and writing of the algorithms of the Big Data Analysis unit, through the acquisition of: i) 5 resources of Data Scientist in the first 12 months of supply; ii) 10 resources, or a further 5, Data Scientist in the following 16 months of supply; b) development of new software components to support data analysis. On 16 January 2024, the Finance Police and Accenture signed an addendum to the executive contract of 17 November 2022 (evidence no. 9) with amends the operating plan to anticipate the hiring of five additional human resources from March 2024 to January 2024.

The Italian authorities provided evidence from the external provider Accenture Technology Solutions S.r.l. that five additional human resources (resulting to ten in total) responsible both for designing the data architecture and for writing the algorithms of the Big Data Analysis unit have been hired and were actively working as of 14 March 2024 (evidence no. 17). Italy also shared the list of data scientists actively working for Accenture since March 2023 to April 2024, sent by certified email by Accenture to the Director in charge for the execution of the contract on 6 June 2024 (evidence no. 19) showing that the total number of personnel responsible both for designing the data architecture and for writing the algorithms of the Big Data Analysis unit corresponds to the one foreseen in the CID.

Publication of awarded contract for the purchase of data science services in compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation.

Italy provided links to three webpages in the section of the institutional website of the Finance Police entitled "Transparent Administration" (evidence no. 25, 26 and 27). The Commission services accessed the first link provided by the authorities (evidence n. 25) on 4 October 2024 to verify the publication of the awarded contract for the purchase of data science services. This check was completed successfully, confirming that on this webpage, on 27 February 2023, the following elements have been published: (i) the awarded executive contract of 17 November 2022 between the General Command of the Finance Police and Accenture Technology Solutions S.r.l. for the acquisition of professional "data science" services applied to the infooperational assets of the Finance Police (evidence no. 2); (ii) the related direct order of purchase No. 7030149 of 18 November 2022 uploaded on the "AcquistinretePA" portal on 18 November 2022 (evidence no. 3); (iii) The Decree by the General Command of the Finance Police of 19 December 2022 approving direct order of purchase No. 7030149 of 18 November 2022 (evidence no. 4). The Commission services accessed the second link provided by the authorities (evidence no. 26) on 4 October 2024 to verify the publication of the awarded addendum contract No. 1694 of 23 October 2023 between the General Command of the Finance Police and SO.GE.I S.p.A *"for the maintenance, the development and the management of the tax information system containing the provisions for the implementation of the project "development of operational information systems use to combat economic crime – "Analysis Module""* (evidence no. 26). This check was completed successfully, confirming that on this webpage, the addendum contract No. 1694 of 23 October 2023 (evidence no. 11) has been published together with the associated approval decree dated 28 November 2023 and the resolution to stipulate dated 27 June 2023. The Commission services also accessed the third link provided by the authorities (evidence n. 27) on 4 October 2024, which contains a summary table presenting links to the material related to all contracts pertaining to investment 1.6.6. "Digitization of the Finance Police".

The Council Implementing Decision required the publication of the awarded contract for the purchase of data science services in compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation. The executive contract of 17 November 2022 between the Finance Police and Accenture Technology Solutions S.r.l. and the related direct order of purchase No. 7030149 of 18 November 2022 did not include any provisions in relation to compliance with DNSH requirements. The contract between the Finance Police and SO.GE.I does not contain any provisions in this respect. However, the Italian authorities have provided an assessment by the Finance Police (evidence no. 13) demonstrating that the contract with SO.GE.I complies with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list and comply with the relevant EU and national environmental legislation. In addition, the Italian authorities further provided a declaration by SO.GE.I (evidence no. 18) confirming that the activities for the provision of professional data science services are to be implemented in compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list and in compliance with the relevant EU and national environmental legislation.

Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, the ex-post assessment of 28 March 2024 (evidence no. 13) following the assessment of 20 November 2023 by the Finance Police explains that the services provided by SO.GE.I, as well as the ones by Accenture Technology Solutions S.r.l. and Gartner S.r.l. assessed under target M1C1-11, ensure compliance with the DNSH requirement. In particular, the activities (IT services) are in line with the 'Do no significant harm' Technical Guidance (2021/C58/01).

As of this, this minimal deviation does not change the nature of the measure and does not affect the progress towards achieving the investment that this target represents. On this basis, it is considered that this constitutive element of the target is satisfactorily fulfilled.

Release on a nationwide scale of new tools on the first analysis module (IT backbone).

The Italian authorities provided the circulars of the General Command of the Finance Police of 29 March 2024 (evidence no. 15) and of 22 August 2024 (evidence no. 16) related to the release on the "Analysis Module" of a new IT tool called "Memento", which aims at identifying stakeholders that may have violated the obligation to communicate changes in assets. The new tool "Memento" The release of the new tool "Memento" took place on a nationwide scale

since the two circulars indicate that its access and visibility was provided to the Central Organized Crime Investigation Service (*Servizio Centrale Investigazione Criminalità Organizzata, SCICO*), which has national jurisdiction over the fight against organized crime, to the Organized Crime Investigation Groups (*Gruppi Investigazione Criminalità Organizzata, GICO*) of Milan, Florence and Catanzaro and subsequently also to all Economic and Financial Police Units throughout the national territory (*Nuclei di Polizia Economico-Finanziaria*). The Italian authorities also provided the circular of the General Command of the Finance Police of 28 March 2024 (evidence no. 14) related to the release of a new “Analysis Module” functional area, which consists in a platform available on the IT backbone (i.e. the information technology infrastructure) of the Finance Police providing to the users a business intelligence environment allowing to perform activities complementary to data analysis in a visual and dynamic fashion and which is meant to host a number of use cases and tools such as “Memento”.

Furthermore, in line with the description of the measure, as regards the Finance Police, the project aims notably at (i) reorganising databases; (ii) introducing Data Science within the operational and decision-making processes (Investment 1.6.6 - Digitization of the Finance Police, financed on the basis of non-repayable financial support).

In line with the operating plan of investment 1.6.6. on the Digitization of the Finance Police (evidence no. 21), the project ensures that the different databases are reorganised and can interact among each other and introduces new tools on the first analysis module (such as “Memento”, presented with evidence no. 15 and 16). The analysis module and the database are available through an online IT service and unique digital credentials. In addition, data scientists are employed in the implementation of projects integrating different databases relating to the monitoring of public contracts and anti-fraud systems allowing interoperability among databases of the finance policy and other databases. The release of the new IT tools and the interoperability among databases contribute to the operational and decision-making processes of the Finance Police in the prevention and fight against illicit activities in the field of public spending, for example by enabling the possibility of better calibrating repressive actions against economic/financial crimes.

Non-repayable support

M1C1-37bis: Entry into force of measures aimed at reducing backlog

Related Measure: M1C1.R1.4 Reform of civil justice

Qualitative Indicator: Provision in the law indicating the entry into force of primary legislation and secondary acts to reduce backlog

Time: Q1 2024

1. Context:

Milestone M1C1-37bis refers to the reform of the civil justice (M1C1.R1.4), which is aimed at reducing the length of civil proceedings by simplifying existing procedures and increasing the productivity of courts, and at reducing the backlog in civil courts through temporary hirings and targeted actions, including incentive schemes to reduce the number of pending cases.

Milestone M1C1-37bis concerns the entry into force of primary legislation and secondary acts to reduce the backlog, through the strengthening of the trial offices, including by means of incentives, in order to attract and retain the units of personnel hired on the basis of the recruitment scheme for the National Recovery and Resilience Plan (hereinafter referred to as "NRRP") provided by Decree-Law n. 80/2021, in line with previous milestone M1C1-32. Milestone M1C1-37bis also concerns the creation of incentives, which are aimed at supporting less efficient courts in reducing the civil justice backlog and at rewarding judicial offices that achieve the specific annual objectives of decreasing the number of pending cases in the civil justice system.

Milestone M1C1-37bis is the fourth milestone of the civil justice reform, and it follows the completion of milestones M1C1-29 on the adoption of the enabling legislation for the civil justice reform, M1C1-36 on the entry into force of the delegated acts necessary for the implementation of the civil and criminal justice reforms and of the insolvency reform, and M1C1-37 on the adoption of all regulations and secondary sources of legislation necessary for the effective application of the enabling laws for the civil and criminal justice reforms. It will be followed by targets M1C1-43, M1C1-44, M1C1-47 and M1C1-48 on the reduction of backlogs for civil courts, and target M1C1-45 related to the reduction in the length of civil proceedings.

2. Evidence provided:

1. Link to Law Decree No. 80 of 9 June 2021, converted into Law No. 113 of 6 August 2021, published in the Official Journal No. 28 of 7 August 2021, foreseeing the recruitment of personnel for the offices of the trial and implementing the NRRP;
2. Link to Law No. 113 of 6 August 2021, published in the Official Journal No. 188 of 7 August 2021, converting Law Decree No. 80/2021 into law;
3. Link to Law Decree No. 215 of 30 December 2023, converted into Law No. 18 of 23 February 2024, published in the Official Journal No. 303 of 30 December 2023, extending the contracts of the personnel hired for the implementation of the NRRP;
4. Link to Law No. No. 18 of 23 February 2024, published in the Official Journal No. 49 of 28 February 2024, converting Law Decree No. 215/2023 into law;
5. Link of the Decree adopted by the Director-General of the Personnel and Training of 25 March 2024 as published on the website of the Ministry of Justice, extending until 30 June 2026 the temporary contracts of the personnel hired by the Ministry of Justice for the implementation of the NRRP;
6. Link to Law Decree No. 19 of 2 March 2024, as converted into Law No. 56 of 29 April 2024, published in the Official Journal No. 52 of 2 March 2024 providing incentives to the personnel hired for the implementation of the NRRP, to support less efficient courts and to reward judicial offices;

7. Link to Law No. 56 of 29 April 2024 published in the Official Journal No. 100 of 30 April 2024, converting Law Decree No. 19/2024 into law;
8. Superior Council of the Judiciary Deliberation of 12 June 2024, containing the notice of competition of the extraordinary territorial application;
9. CSM Deliberation of 24 July 2024, containing the final ranking of magistrates for the extraordinary territorial application;
10. Circular of the Ministry of Justice Directorate-General of the Personnel and Training of 25 September 2024, identifying the methodology for the allocation of the incentives for 2024;
11. Directive of the Ministry of Justice of 2 October 2024 defining the annual targets to reward judicial offices.

3. Analysis:

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

Provision in the law indicating the entry into force of primary legislation and secondary acts to reduce backlog.

In line with the Council Implementing Decision qualitative indicator of the milestone, the primary legislation and secondary acts for the reduction of the backlog in civil courts have entered into force as detailed in the section below. In particular, all acts have been either published in the Official Journal, in the Official Bulletin of the Ministry of Justice or on the website of the Ministry of Justice and entered into force in line with the national legal framework.

Entry into force of primary legislation and secondary sources of legislation to allow for the:

(i.) Strengthening of the trial offices, including by means of incentives, to attract and retain the units of personnel hired on the basis of the recruitment scheme for the National Recovery and Resilience Plan;

In line with the requirements of the Council Implementing Decision, the Italian authorities have adopted primary and secondary sources of legislation to strengthen the trial offices, including by means of incentives, to attract and retain the units of personnel hired on the basis of the special legislation regulating recruitment as part of the National Recovery and Resilience Plan (hereinafter referred to as “NRRP”), namely under Articles 11 and 13 of the Decree-Law No. 80/2021, which was assessed in the context of the first payment request (milestone M1C1-32). Both Articles 11 and 13 provide for the recruitment of fixed-term units of personnel. Article 11 of Decree-Law No. 80/2021 concerns the recruitment of personnel for the office of the trial to support magistrates in studying dossiers, conducting legal research, drafting acts and organising files. Article 13 provides for the recruitment of personnel among candidates with a technical and administrative profile to broadly assist the Ministry of Justice in the implementation of NRRP objectives. Specifically, the Italian authorities have adopted the following primary and secondary sources of legislation to strengthen the trial offices:

- Law Decree No. 215 of 30 December 2023, converted into Law No. 18 of 23 February 2024, has entered into force on 31 December 2023, the day following its publication in the Official Journal No. 303 of 30 December 2023. Article 1(9) paragraphs b) e c) of Law Decree No. 215/2023 has extended until 30 June 2026 the temporary contracts of the personnel hired and placed into service for the implementation of the NRRP under the conditions laid out by Decree-Law No. 80/2021. Such extension ensures that the personnel, temporarily hired under the above-mentioned scheme that initially envisaged a 3-years contract duration, have a professional horizon which is aligned with the implementation horizon of the Recovery and Resilience Facility.
- Decree of the Director-General of the Personnel and Training of 25 March 2024, which has entered into force the same day of its publication on the website of the Ministry of Justice, has given application to Article 1(9) paragraphs b) and c) of Law Decree No. 215/2023, by extending until 30 June 2026 the temporary contracts of the personnel hired by the Ministry of Justice on the basis of the special legislation regulating the recruitment for the NRRP.
- Law Decree No. 19 of 2 March 2024, converted into Law No. 56 of 29 April 2024, has entered into force on 2 March 2024 as envisaged by its Article 46, the same day of its publication in the Official Journal No. 52 of 2

March 2024. Law Decree No. 19/2024 lists the following incentives for the personnel hired by the Ministry of Justice under the conditions laid out by Articles 11 and 13 of Decree-Law No. 80/2021:

- Article 22(1) paragraph b) number 2 of Law Decree No. 19/2024 provides that such units of personnel temporarily hired that would win a selection procedure for a permanent contract in another public administration, could exceptionally postpone the entry into service until 30 June 2026;
- Article 22(1) paragraph a) of Law Decree No. 19/2024 provides that the service for two consecutive years under the conditions laid out by Decree-Law No. 80/2021 grants priority in public selection procedures. It also envisages that undergraduates who successfully passed their last exam could apply for the selection procedure for temporary contracts of the Ministry of Justice to implement the NRRP, provided that they obtain their degree within 60 days of the publication of the competition notice;
- Article 22(1) paragraph c) of Law Decree No. 19/2024 provides that the personnel in service for at least two consecutive years on 30 June 2026 could be permanently hired as of 1 July 2026 by the Ministry of Justice, upon a comparative selection procedure and in line with the available posts in the organigram of the Ministry of Justice.
- Ministry of Justice Decree of 6 March 2024, which has entered into force the same day of publication on the website of the Ministry of Justice, has redefined the quotas of the temporary staff to be allocated to each court of appeal district and increased the units of personnel based on the results of the monitoring exercise of NRRP objectives. Such measure is aimed at supporting the courts that display more issues in reducing the disposition time and/or the backlog or more potential for improvement.

The abovementioned incentives and the latter initiative have the objective to strengthen the trial offices and the services of Ministry of Justice responsible for the implementation of the NRRP by helping (1) to retain the competences of the staff already trained and into service, (2) to attract new human resources for the recruitment procedures launched to increase the number of temporarily hired personnel working for the implementation of the NRRP and (3) to ensure the business continuity, aiming to contain at the same time the turnover of the personnel, especially tackling the issue of resignations for the prospect of permanent contracts in the public sector.

(ii.) Creation of incentives to: (1) support less efficient courts in reducing the civil justice backlog;

In line with the requirements of the Council Implementing Decision, the Italian authorities have adopted a temporary incentive for magistrates to support less efficient courts in reducing the civil justice backlog. The related parameters are defined by the Superior Council of the Judiciary (hereinafter referred to as “CSM”), in line with the principle of independence of the judiciary, and within the framework provided by the newly adopted legislation detailed below. The Italian authorities have introduced two incentives linked to the voluntary enrolment of a defined number of magistrates in a selection procedure to support, until 30 June 2026, less efficient courts outside their districts of origin. In order to encourage the temporarily relocation to a court in need, magistrates would receive a monetary incentive under the form of an indemnity and a non-monetary incentive linked to career progression considering the service in the assigned temporary judicial district.

Specifically, the Italian authorities have adopted the following primary and secondary sources of legislation to support less efficient courts in reducing the backlog in civil courts:

- Article 23*bis* of Law Decree No. 19/2024, as converted with modifications into Law No. 56/2024, has provided for the extraordinary assignment of magistrates to courts outside their district of origin (hereinafter referred to as “extraordinary application”). The Article grants the CSM the authority to define the judicial offices that would benefit from the extraordinary application, the areas of assignment and the number of magistrates to be reassigned, which has been capped at 60;
- CSM Deliberation of 12 June 2024, which entered into force on 12 June 2024 on the same day of its adoption, has identified the 34 judicial offices that had been less efficient in reducing the civil justice backlog and determined the fields and the number of magistrates for each of the targeted judicial offices in accordance with Article 23*bis* of Law Decree No. 19/2024. The CSM Deliberation contained the Notice of the application procedure (*procedura di interpello*) for the selection of 60 magistrates until the 30 June 2026;

- CSM Deliberation of 24 July 2024, which entered into force on 24 July 2024 on the same day of its adoption, contains the final ranking of magistrates for the extraordinary territorial application. Based on the results of the selection procedures, the CSM has provided for the extraordinary territorial application of 19 magistrates to 16 judicial districts taking place between 9 September 2024 and 30 June 2026.

(2) to reward judicial offices that achieve the specific annual objectives of reducing the number of pending cases in the civil justice system.

In line with the requirements of the Council Implementing Decision, the Italian authorities have adopted primary and secondary sources of legislation to reward judicial offices that achieve the annual objectives, set by the Ministry of Justice, of reducing the number of pending cases in the civil justice system. The monetary reward is addressed to the entire personnel of such judicial offices in order to increase the administrative efforts and the staff cohesion towards the achievement of the objectives of the NRRP and an overall increased efficiency of the civil justice system. It is set to be applied for 2024 and 2025 and it is linked solely to the performance of the judicial office in reducing the number of pending cases in civil courts.

Specifically, the Italian authorities have adopted the following acts:

- Law Decree No. 19 of 2 March 2024, converted into Law No. 56 of 29 April 2024, has entered into force on 2 March 2024 as envisaged by its Article 46, the same day of its publication in the Official Journal No. 52 of 2 March 2024. Article 23 of Law Decree No. 19/2024 has introduced a monetary incentive for judicial offices that achieve the annual objectives of reducing the number of pending cases in the civil justice system;
- Circular of the Ministry of Justice Directorate-General of the Personnel and Training of 25 September 2024, which as internal administrative act, has produced legal effect since the day of its adoption. The Circular has identified the methodology for the allocation of the incentives for 2024;
- Ministry of Justice Directive of 2 October 2024, which has entered into force on 2 October 2024, the same day of its signature by the Ministry of Justice, has defined the annual targets to reward judicial offices for 2024. On the basis of the aforementioned Circular, the Directive has quantified the amount of the incentives for the year 2024 and provided for its allocation to the entire personnel belonging to the Tribunals, Courts of Appeal and Supreme Court of Cassation that meet the annual objectives indicated in the Annex to the Directive.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Non-repayable support

M1C1-39: Conclusion of the recruitment procedures for civil and criminal courts and territorial and central services of the Ministry of Justice responsible for the implementation of the RRP

Related Measure: M1C1.1.8 Recruitment procedures for civil, criminal and administrative courts

Quantitative Indicator: Number

Baseline: 0

Target: 10000

Time: Q2 2024

1. Context:

Target M1C1-39 is part of Investment 1.8, which aims at improving the efficiency of civil, criminal and administrative courts, through temporary hiring, ultimately reducing the backlog and the disposition time in these courts. The investment includes staff hired for the “office of the trial” (support teams for magistrates), technical and administrative personnel in territorial and central services of the Ministry of Justice which are responsible for the implementation of the National Recovery and Resilience Plan (hereinafter referred to as “NRRP”). The trial office staff provides support to magistrates’ activities, by carrying, for example studying activities, legal research, drafting of acts and organising files, leaving judges more time to focus on more complex tasks. The technical and administrative personnel broadly assist the Ministry of Justice in the implementation of NRRP objectives. The contracts of the staff of the office of the trial and of the technical and administrative personnel have a duration of up to 3 years that can be extended until 30 June 2026.

Target M1C1-39 concerns the completion of the recruitment or the extension procedures of at least 10 000 units of personnel for the office of the trial” (support teams) in civil and criminal courts and territorial and central services of the Ministry of Justice responsible for the implementation of the NRRP. The units of personnel are also placed into service with the aim of improving the quality of the justice system by providing support in reducing the backlog and the disposition time in Italy.

Target M1C1-39 is the fourth step of the implementation of Investment 1.8. It follows the completion of milestone M1C1-32 on the entry into force of special legislation regulating recruitment as part of the NRRP, of target M1C1-33 related to the recruitment of at least 168 units of personnel in the “office of the trial” within administrative courts and of target M1C1-34 related to the recruitment of at least 8 764 units of personnel for the office of trial for civil and criminal courts. It is accompanied by target M1-C1-40, related to the recruitment or the extension procedures of at least 158 units of personnel in the office of the trial within administrative courts, target M1C1-41, related to the reduction in the number of pending cases by 25% in Administrative Regional Courts, and target M1C1-42, related to the reduction in the number of pending cases by 35% in the Council of State. It will be followed by targets M1C1-49 and M1C1-50, related to the reduction by 70% of the number of pending cases for respectively Administrative Regional Courts and Council of State in Q2 2026.

2. Evidence provided:

1. A summary document duly justifying how the target, including all the constitutive elements, was satisfactorily fulfilled;
2. Link to Law Decree No. 80 of 9 June 2021, converted into Law No. 113 of 6 August 2021, as published in the Official Journal No. 28 of 7 August 2021, foreseeing the recruitment of personnel for the offices of the trial and implementing the NRRP;
3. Law No. 113 of 6 August 2021, published in the Official Journal No. 188 of 7 August 2021, converting Law Decree No. 80/2021 into law;

4. Link to Law Decree No. 215 of 30 December 2023, converted into Law No. 18 of 23 February 2024, as published in the Official Journal No. 303 of 30 December 2023, extending the contracts of the personnel hired for the implementation of the NRRP;
5. Law No. 18 of 23 February 2024, published in the Official Journal No. 49 of 28 February 2024, converting Law Decree No. 215/2023 into law;
6. Link of the Decision adopted by the Director-General of the Personnel and Training of 25 March 2024 as published on the website of the Ministry of Justice, extending, by virtue of law, until 30 June 2026 the temporary contracts of the personnel hired by the Ministry of Justice for the implementation of the NRRP;
7. Link to Public Notice of 5 April 2024, as published on the website of the Ministry of Justice, for the selection of 3 946 units of personnel for the office of the trial;
8. Link to the list of selected candidates, as published on the website of the Ministry of Justice, for the public competition of 5 April 2024 for 3 946 units of personnel for the office of the trial;
9. List of the units in service as of 30 June 2024 for the office of trial and the technical administrative personnel;
10. Link to Ministry of Justice Decree of 6 March 2024, as published on the website of the Ministry of Justice, increasing and reassigning the fixed-term personnel quotas for the trial offices;
11. Link to Ministry of Justice Decree of 1 June 2024, as published on the Ministry of Justice Journal No. 11 of 15 June 2024, reallocating the fixed-term personnel for the trial offices;
12. Circular of the Director of the Department for the Organization of the Judicial System, Human Resources and Services of 21 December 2023 on the monitoring of the office of the trial.

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

13. Signed employment contracts;
14. Signed addendum to the employment contracts providing for the extensions.

3. Analysis:

The justification and substantiating evidence provided by the Italy authorities cover all constitutive elements of the target.

- **Complete the recruitment or the extension procedures of at least 10 000 units of personnel for the office of trial and the technical administrative personnel and place them in service.**

In line with the requirements of the Council Implementing Decision, the Italian authorities have completed the recruitment or the extension procedures of 11 999 units of personnel for the trial office and technical administrative posts and placed into service. The units of personnel have been hired on the basis of the special legislation regulating recruitment as part of the National Recovery and Resilience Plan (hereinafter referred to as “NRRP”), namely under Articles 11 and 13 of the Decree-Law No. 80/2021, which was assessed in the context of the first payment request (milestone M1C1-32). Articles 11 and 13 of Decree-Law No. 80/2021 concerns the recruitment of personnel for the office of the trial, whereas Article 13 envisages the recruitment of technical administrative profiles to support the NRRP objectives of the Ministry of Justice. Specifically:

- the Italian authorities have adopted Law Decree No. 215 of 30 December 2023, converted into Law No. 18 of 23 February 2024, which has entered into force on 31 December 2023, the day following its publication in the Official Journal No. 303 of 30 December 2023 in accordance with its Article 20. Article 1(9) paragraphs b) and c) of Law Decree No. 215/2023 has extended until 30 June 2026 the temporary contracts of the personnel hired and placed into service for the implementation of the NRRP under the conditions laid out by Decree-Law No. 80/2021 by amending the above-mentioned Articles 11 and 13 of Decree-Law No. 80/2021. Such extension ensures that the personnel, temporarily hired under the above-mentioned scheme that initially envisaged a 3-years contract duration, have a professional horizon which is aligned with the implementation horizon of the Recovery and Resilience Facility.
- the Director-General responsible for Personnel and Training of the Ministry of Justice has adopted the Decision of 25 March 2024, which has entered into force the same day of publication on the website of the Ministry of

Justice in accordance with the national legal framework. The Decision has given application to Article 1(9) paragraphs b) and c) of Law Decree No. 215/2023, by extending until 30 June 2026 the temporary contracts of the personnel hired by the Ministry of Justice on the basis of the special legislation regulating the recruitment for the NRRP. Hence 8 230 contracts have been extended through an addendum to the original contract.

- The Italian authorities have also launched the Public Notice of 5 April 2024 for the selection of 3 946 units of personnel for the office of the trial to be hired with fixed-term contracts ending on 30 June 2026. The final ranking of the selection procedure has been published on Ministry of Justice website on 26 August 2024 and the personnel has been placed into service.
 - Italy has provided a list of contracts of temporary personnel, hired for the purpose of Investment 1.8 of the NRRP, and in service on 30 June 2024. The list and the supporting evidence indicate that 11 999 units have been recruited and placed into service, which is above the target goal of 10 0000 required by the Council Implementing Decision. The abovementioned data refer to units of staff who have signed a fixed-term contract of up to three years or an addendum to the contract extending the original duration until 30 June 2026 and who are placed in service.
 - Following the selection of a random sample of 60 units of personnel, Italy submitted the related employment contracts and, where applicable, the addendum to the contract providing for the extension until 30 June 2026, which confirmed that 60 units of personnel for the trial office and technical administrative profiles were recruited or their contracts extended and placed in service. Following the resignation of two units of personnel, as precautionary measure, the Commission has considered the two units as not compliant. A statistical analysis was carried out to verify that there were additional units recruited or extended and placed in service, taking into account the significant overachievement of the target of 11 999 units of personnel for a required 10 000 units of personnel. The conclusion is that there is statistical assurance that the target for the recruitment, or the extension procedures, of 10 000 units of personnel and their placing into service is satisfactorily fulfilled. On this basis, it is considered that this constitutive element of the target is satisfactory fulfilled[.
- **Only recruitments or extension procedures that have been completed since 1 January 2022 shall count towards this target.**

In line with the requirements of the Council Implementing Decision, the Italian authorities have launched five selection procedures for the recruitment of personnel for the trial office and technical administrative profiles. Prior to the abovementioned Public Notice of 5 April 2024, four other competitions had been launched and completed, namely:

- Public Notice of 6 August 2021 for the recruitment of 8 171 units of personnel for the office of the trial;
- Public Notice of 10 December 2021 for the recruitment of 79 units of personnel for the trial office of Trento court district;
- Two Public Notices of 1 April 2022 for the recruitment of 1 660 and 3 750 units of personnel having a technical administrative profile.

As mentioned above, the units of personnel recruited on the basis of these four selection procedures, which have been assessed in the context of the third payment request (milestone M1C1-34), have been extended until 30 June 2026. Moreover, as evidenced by the link to the publication on the website of the Ministry of Justice of the aforementioned selection procedures and by the list of personnel whose contract has been extended, the recruitment procedures have provided for the hiring of personnel as of 1 January 2022. Thus, as also indicated by the Italian authorities in the summary document, only recruitments or extension procedures that have been completed have as of 1 January 2022 count towards the achievement of this target.

In line with the description of the measure, the establishment of trial offices have the ultimate goal of reducing disposition time in the Italian judicial system.

Article 11 of Decree Law No. 80/2021 and Article 2 of the Legislative Decree No. 151/2022 (hereinafter referred to as D.Lgs No. 151/2022), as published in the Official Journal No. 243 of 17 October 2022, define the office of the trial as an organisational tool aimed at speeding up the disposition of cases and ensuring a fair duration of trials, in line with the objectives set out by the description of the Investment 1.8 of the NRRP. As provided for Articles 5 to 11 of the D.Lgs No. 151/2022, the role of the trial office staff is to support magistrates in studying dossiers, conducting legal research, drafting acts and organising files. Such support teams are established, or strengthened if already existing, to produce an organisational change in judicial offices and to enable judges to focus on more complex tasks, which would ultimately improve the quality and efficiency of the justice system.

Moreover, the Ministry of Justice has adopted two Ministerial Decrees, one of 6 March 2024, which has entered into force the same day of publication on the website of the Ministry of Justice, and one of 1 June 2024, which has entered into force on 1 June 2024 as published on the Ministry of Justice Journal No. 11 of 15 June 2024. They have increased and reassigned the quotas of fixed-term personnel for the trial offices across the national territory in light of the results of the monitoring exercise of the indicators related to the NRRP targets on the reduction of backlog and disposition time.

Furthermore, in line with the description of the measure, the investments shall also include hiring of technical and administrative personnel supporting the implementation of RRP objectives. The staff of the office of the trial and the technical administrative personnel shall support civil, criminal Courts and territorial and central services of the Ministry of Justice responsible for the implementation of the RRP. The contracts of the unit of personnel have a duration of up to 3 years that can be extended until 30 June 2026.

Article 13 of the Decree Law. No. 80/2021 provides for the recruitment of fixed-term units of personnel among candidates with a “technical profile”. The technical and administrative personnel broadly assist the Ministry of Justice in the implementation of NRRP objectives as provided by Article 13 (paragraph 1).

Moreover, the staff of the office of the trial and the technical and administrative personnel hired and placed into service in accordance with Articles 11 and 13 of the D.L. No. 80/2021, provide support not only to the civil and criminal Courts, but also to the territorial and central services of the Ministry of Justice responsible for the implementation of the RRP, such as the central departments of the Ministry of Justice and the territorial offices of the External Criminal Execution as evidenced by the allocation of the personnel hired for the purpose of Investment 1.8 of the NRRP and in service on 30 June 2024.

As mentioned above, Article 1(9) paragraphs b) e c) of Decree Law No. 215/2023 has extended until 30 June 2026 the temporary contracts of the personnel hired and placed into service for the implementation of the NRRP under the conditions laid out by Decree Law No. 80/2021. The evidence provided for a sample of 60 units confirmed that contracts of the abovementioned staff and their addendum, where applicable, have a duration of up to 3 years that can be extended until 30 June 2026.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Non-repayable support

M1C1-40: Conclusion of recruitment procedures for administrative courts

Related Measure: M1C1.I1.8 Recruitment procedures for civil, criminal and administrative courts

Quantitative Indicator: Number

Baseline: 0

Target: 158

Time: Q2 2024

1. Context:

The measure concerns the establishment (or where already existing the strengthening) of support teams, named “office of the trial”, for civil, criminal and administrative courts magistrates (through temporary hiring), with the aim of reducing the backlog and the disposition time in Italy. This measure would 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.

In particular, target M1C1-40 is the second step in the implementation of the measure for administrative courts, and follows the completion of target M1C1-33. It concerns the temporary recruitments or extensions procedures of at least 158 units of personnel for the Trial office and Administrative Courts occurred after 1 January 2022 and the placement of these units into service. The remaining targets (M1C1-41, M1C1-42, M1C1-49 and M1C1-50) concern the reduction of the backlog of cases for Administrative Regional Courts and for the Council of State. The investment has a final expected date for implementation in 30 June 2026.

2. Evidence provided: The following evidence was provided:

1. A summary document duly justifying how the target, including all the constitutive elements, was satisfactorily fulfilled;
2. Link to Directorial Decree by the Director General for Human Resources of Administrative Justice n. 86 of 19 April 2024 authorising the extension of 117 temporary contracts;
3. Link to Annex to the Directorial Decree by the Director General for Human Resources of Administrative Justice n. 86 of 19 April 2024, listing the personnel benefitting from an extension of the contract;
3. Link to Decree by the Secretary General of the Administrative Justice n. 42 of 5 April 2024 issuing a public competition for 41 units of personnel to support the trial office for administrative courts;
4. Link to Decree by the Secretary General of the Administrative Justice n. 67 of 3 June 2024 issuing an extension of the scope of the public competition issued by the Decree n. 42 of 5 April 2024 from 41 to 46 units of personnel to support the trial office for administrative courts;
5. Link to Decree by the Secretary General of the Administrative Justice n. 69 of 4 June 2024 approving the results of the public competition issued by the Decree n. 42 of 5 April 2024 and updated by the Decree n. 67 of 3 June 2024;
6. Link to Decree by the Secretary General of the Administrative Justice n. 76 of 20 June 2023 issuing a public competition for 28 units of personnel to support the trial office for administrative courts;
7. Link to Decree by the Secretary General of the Administrative Justice n. 31 of 29 February 2024 issuing an additional competition for the participants to the competition issued by Decree by the Secretary General of the Administrative Justice n. 76 of 20 June 2023;
8. Public competition by the Secretary General of the Administrative Justice as published in the Official Journal n. 53 of 6 July 2021 for 168 units to support the trial office for administrative courts (GA100 for 120 administrative

functionaries, GA200 for 7 informatics functionaries, GA300 for 3 statistics functionaries and GA400 for 38 informatics assistants);

9. Link to Decree by the Secretary General of the Administrative Justice n. 236 of 07 December 2023 on the progression of the ranking list of the competition by the Secretary General of the Administrative Justice as published in the Official Journal n. 53 of 6 July 2021 for 168 units to support the trial office for administrative courts;
10. List of 178 units of personnel including: 102 units whose contract was extended; 76 new units.
11. In the context of the sampling analysis, additional evidence provided for a sample of 60 units including:
 - a. Contracts signed;
 - b. Signed addenda to the contracts extending the original duration until 30 June 2026.

3. Analysis:

The justification and substantiating evidence provided by the Italy authorities cover all constitutive elements of the target.

Complete the recruitment or the extension procedures of at least 158 units of personnel for the Trial office and Administrative Courts and place units into service.

The Italian Authorities provided evidence that as of 19 September 2024, 178 units of personnel were in service in the Trial office and Administrative Courts as a result of the completion of recruitment procedures or the extensions of the contracts.

As of 19 September 2024, 102 of personnel units were into service as a result of extensions procedures. Specifically, the extension of 117 contracts was authorised via the Directorial Decree by the Director General for Human Resources of Administrative Justice n. 86 of 19 April 2024 (evidence 2); the names and position of the 117 units of personnel benefiting from the extensions were listed in the annex to the said decree (evidence 3). 102 of the units already into service and benefitting from an extension of the contract were still into service as of 19 September 2024 and are counted towards this target. Moreover, as of 19 September 2024, 76 new units of personnel had been recruited and had entered into service as a result of the following public competitions:

- The recruitment of 59 units of personnel occurred as a result of a public competition issued by the Decree by the Secretary General of the Administrative Justice n. 42 of 5 April 2024 (evidence 3).
- The recruitment of 13 units of personnel occurred as a result of a public competition issued by the Decree by the Secretary General of the Administrative Justice n. 76 of 20 June 2023 (evidence 6).
- The recruitment of three units of personnel occurred as a result of a public competition issued by the Decree by the Secretary General of the Administrative Justice n. 31 of 29 February 2024 issuing an additional competition for the participants to the competition issued by Decree by the Secretary General of the Administrative Justice n. 76 of 20 June 2023 (evidence 7).
- The recruitment of one unit of personnel occurred as a result of public competition by the Secretary General of the Administrative Justice as published in the Official Journal n. 53 of 6 July 2021 (evidence 8).

The public calls for competitions identified (i) the type of profiles to provide administrative, informatics and statistic support for the trial office of administrative courts and their territorial distribution to judicial and central offices, (ii) their temporary nature (non-exceeding 30 months). The recruitment of the abovementioned fixed-term staff aims at reducing the backlog and the disposition time of administrative courts by establishing and/or reinforcing the trial office.

Italy provided a list of contracts of temporary personnel, hired for the purpose of Investment 1.8 of the NRRP, and in service on 19 September 2024 in the Trial office and Administrative Courts. The list and the relative supporting evidence indicate that 178 units have been recruited and placed into service, which is above the target goal of 158

required by the Council Implementing Decision. The abovementioned data refer to units of staff who have signed a fixed-term contract of up to three years (76 units) or an addendum to the contract extending the original duration until 30 June 2026 (102 units) and who are placed into service, as outlined above. Following the selection of a random sample of 60 staff units Italy submitted for each sampled unit the signed contract or the relevant addendum to the contract extending the original duration until 30 June 2026. For each unit, it was checked that the relevant contract or addendum was signed, as well as that the duration was not more than three years for new contracts and not beyond 30 June 2026 for extended contracts, the date of entry into service and that the recruitment or extension procedure was completed after 1 January 2022. The evidence submitted by IT confirms that the contracts and addenda to the contracts extending the original duration until 30 June 2026 have been signed by both the relevant administrations and the recruited experts. The contracts included references to the NRRP measure, the legislation that entered into force for the purpose of implementing the target (which sets out the relevant requirements including in relation to the scope of activity and the temporary nature) and the date of entry into service of the relevant unit.

Only recruitments or extension procedures that have been completed since 1 January 2022 shall count towards this target.

Italy provided evidence that all the extension procedures have been completed after 1 January 2022, as the extension procedures were authorised in April 2024 by the Directorial Decree by the Director General for Human Resources of Administrative Justice n. 86 of 19 April 2024 (evidence 2).

All the new recruitments have been completed after 1 January 2022, as the public competitions resulting in the entry into service of 75 out of 76 of the new personnel units were issued in 2023 and 2024 (evidence 3, evidence 6, evidence 7). The recruitment of the only new personnel unit whose relevant competition was issued before 1 January 2022, started as a result of the publication of the Decree by the Secretary General of the Administrative Justice n. 236 of 07 December 2023 on the progression of the ranking list of the competition by the Secretary General of the Administrative Justice as published in the Official Journal n. 53 of 6 July 2021 for 168 units to support the trial office for administrative courts (evidence 9). As such, the recruitment process for this one personnel unit started after 7 December 2023. The evidence provided for a sample of 60 units, as outlined above, confirmed that the contracts and the acts of prolongation of the contract have been signed after 1 January 2022.

Furthermore, in line with the description of the measure, **the investments shall also include hiring of technical and administrative personnel supporting the implementation of RRP objectives. The staff of the office of the trial and the technical administrative personnel shall support administrative[...] Courts [...]. The contracts of the unit of personnel have a duration of up to 3 years that can be extended until 30 June 2026.**

The hiring of personnel units required by this target supports the RRP objectives in the field of administrative justice. The public competition by the Secretary General of the Administrative Justice as published in the Official Journal n. 53 of 6 July 2021 (evidence 8) identified in its Article 1 (i) the type of profiles of the candidate to be hired to provide administrative, informatics and statistic support, (ii) the temporary nature of the employment contracts and (iii) the objective of the personnel units, that is to support the trial office of administrative courts and their territorial distribution to judicial and central offices to reduce the backlog of cases. The reduction of the backlog of cases constitutes the RRP objective for administrative justice, as defined in targets M1C1-41, M1C1-42, M1C1-49 and M1C1-50 of the Council Implementing Decision Annex. The public competition launched by the Secretary General of the Administrative Justice, as published in the Official Journal n. 53 of 6 July 2021 (evidence 8), was the first public competition with regard to the hiring of personnel units for administrative justice and is referred to in all the subsequent calls for public competitions.

Article 3 of the said public competition, also provided that the duration of the contracts is of maximum 30 months. Moreover, the Directorial Decree by the Director General for Human Resources of Administrative Justice n. 86 of 19 April 2024 authorising the extension of 117 temporary contracts (evidence 2) provides that the extensions of the contracts are made until 30 June 2026 (page 3).

The evidence provided for a sample of 60 units, as outlined above, confirmed that the new contracts have a duration of maximum 30 months and that the acts of prolongation of the contracts are valid until 30 June 2026 at the latest.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Non-repayable support

M1C1-41: Reduction of backlog cases for Administrative Regional Courts

Related Measure: M1C1.I1.8 Recruitment procedures for civil, criminal and administrative courts

Quantitative Indicator: Percentage

Baseline: 100

Target: 75

Time: Q2 2024

1. Context:

Investment 1.8 focuses on improving the judicial system by establishing or strengthening support teams for magistrates to reduce backlog and disposition time. These teams assist with research, drafting, and file organization, allowing judges to focus on complex tasks. Additionally, the investment includes hiring technical and administrative personnel supporting the implementation of RRP objectives and providing training for the digital transition in the justice system.

Target M1C1-41 concerns the reduction by 25% of the number of pending cases in 2019 (109 029) in Administrative Regional Courts (administrative courts of first instance).

Target M1C1-41 follows milestones that strengthened the capacity of the administrative courts: with M1C1-32, Italy approved by Q4 2021 special legislation governing specific recruitment to enable the implementation of the Recovery and Resilience Plan. That milestone allowed for the recruitment of personnel of administrative courts by Q2 2022 (target M1C1-33) and Q2 2024 (target M1C1-40).

Target M1C1-41 is assessed together with M1C1-42, which requires reduction of backlog cases for the Council of State and will be followed by M1C1-49. The investment has a final expected date for implementation on 30 June 2026.

2. Evidence provided:

1. A summary document duly justifying how the target, including all the constitutive elements, was satisfactorily fulfilled.
2. The database with all pending cases in 2019 that were closed by 30 June 2024. The database is extracted from the portal dedicated to administrative courts (<https://www.giustizia-amministrativa.it/>), which includes all information about cases opened, closed and still pending in each Administrative Regional Courts.
3. The database with a summary of the pending cases opened between 1 January 2020 and 30 June 2024, and that were closed by 30 June 2024.
4. A letter from the Secretariat-General of Administrative Justice (Unit for the coordination, support and monitoring of the PNRR implementation) to the Prime Minister Office summarising how the data are collected and input on the portal of <https://www.giustizia-amministrativa.it/>.
5. Instructions by the Secretariat General of the Administrative Justice explaining how to access the database via the portal and search for cases.
6. Decree of the Secretariat General of the Administrative Justice (published on the Official Journal no. 36 of 12 February 2022) providing guidelines for handling the backlog of cases in administrative courts.

3. Analysis:

The justification and substantiating evidence provided by the Italy authorities cover all constitutive elements of the target.

Reduce by 25% the number of pending cases in 2019 (109 029) in Administrative Regional Courts (administrative courts of first instance).

The Italian authorities provided evidence that out of the 109 029 pending cases in 2019, 103 969 were closed, representing a 95% decrease. Italy has moreover provided summary evidence showing that out of the 140 666 cases

that were filed between 1 January 2020 and 30 June 2024, 88 568 were closed by 30 June 2024. Even considering the cases opened between 1 January 2020 and 30 June 2024, Italy has reduced the number of pending cases in Administrative Regional Courts by 48% compared to the 2019 baseline.

The evidence consists of a database with all pending cases in 2019 that were closed between 1 January 2020 and 30 June 2024. The database includes all 103 969 cases that were pending as of 2019 and were closed between 1 January 2020 and 30 June 2024. For each case, the database also provides the final ruling and a unique protocol number that allows tracking all related documents and phases of the administrative process on a public portal.

The Secretariat-General of Administrative Justice extracted the database from the public portal <https://www.giustizia-amministrativa.it/>, and in particular from the sections of the portal dedicated to the regional administrative courts targeted by this investment. The public portal is the centralized repository for all cases in regional administrative courts. It allows for the free retrieval of information about all cases that have been opened, closed and are still pending by administrative tribunal.

The portal is governed by the back-end system “Sistema Informativo della Giustizia Amministrativa” (S.I.G.A.). The S.I.G.A manages the digital lifecycle of all cases in the regional administrative courts, from initial filing to final decisions; it automatically assigns protocol numbers and timestamps for each stage of the administrative trial, including case deposits and final rulings, which are digitally signed and published online. The data is updated in real-time and can be extracted for statistical purposes.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Non-repayable support

M1C1-42: Reduction of backlog cases for Council of State

Related Measure: M1C1.I1.8 Recruitment procedures for civil, criminal and administrative courts

Quantitative Indicator: Percentage

Baseline: 100

Target: 35

Time: Q2 2024

1. Context:

Investment 1.8 focuses on improving the judicial system by establishing or strengthening support teams for magistrates to reduce backlog and disposition time. These teams assist with research, drafting, and file organization, allowing judges to focus on complex tasks. Additionally, the investment includes hiring technical and administrative personnel supporting the implementation of RRP objectives and providing training for the digital transition in the justice system.

Target M1C1-42 concerns the reduction by 35% of the number of pending cases in 2019 (24 010) at the Council of State (administrative courts of second instance).

Target M1C1-42 follows milestones that strengthened the capacity of the administrative courts: with M1C1-32, Italy approved by Q4 2021 special legislation governing specific recruitment to enable the implementation of the Recovery and Resilience Plan. That milestone allowed for the recruitment of personnel of administrative courts by Q2 2022 (target M1C1-33) and Q2 2024 (target M1C1-40).

Target M1C1-42 is assessed together with M1C1-41, which requires reduction of backlog cases for the Council of State and will be followed by M1C1-50.

2. Evidence provided:

- 1) A summary document duly justifying how the target, including all the constitutive elements, was satisfactorily fulfilled.
- 2) The database with all pending cases in 2019 that were closed by 30 June 2024. The database is extracted from the portal dedicated to administrative courts (<https://www.giustizia-amministrativa.it/>), which includes all information about cases opened, closed and still pending in the Council of State.
- 3) The database with a summary of the pending cases opened between 1 January 2020 and 30 June 2024, and that were closed by 30 June 2024.
- 4) A letter from the Secretariat-General of Administrative Justice (Unit for the coordination, support and monitoring of the PNRR implementation) to the Prime Minister Office summarising how the data are collected and input on the portal of <https://www.giustizia-amministrativa.it/>.
- 5) Instructions by the Secretariat General of the Administrative Justice explaining how to access the database via the portal and search for cases.
- 6) Decree of the Secretariat General of the Administrative Justice (published on the Official Journal no. 36 of 12 February 2022) providing guidelines for handling the backlog of cases in administrative courts.

3. Analysis:

The justification and substantiating evidence provided by the Italy authorities cover all constitutive elements of the target.

Reduce by 35% the number of pending cases in 2019 (24 010) at the Council of State (administrative courts of second instance).

The Italian authorities provided evidence that out of the 24 010 pending cases in 2019, 23 773 were closed, representing a 99% decrease. Italy has moreover provided summary evidence showing that out of the 46 694 cases

that were filed between 1 January 2020 and 30 June 2024, 34 680 were closed by 30 June 2024. Even considering the cases opened between 1 January 2020 and 30 June 2024, Italy has reduced the number of pending cases in Administrative Regional Courts by 49% compared to the 2019 baseline.

The evidence consists of a database with all pending cases in 2019 that were closed between 1 January 2020 and 30 June 2024. The database includes all 23 773 cases that were pending as of 2019 and were closed between 1 January 2020 and 30 June 2024. For each case, the database also provides the final ruling and a unique protocol number that allows tracking all related documents and phases of the administrative process on a public portal.

The Secretariat-General of Administrative Justice extracted the database from the public portal <https://www.giustizia-amministrativa.it/>, and in particular from the section of the portal dedicated to the Council of State. The public portal is the centralized repository for all cases in regional administrative courts. It allows for the free retrieval of information about all cases that have been opened, closed and are still pending by administrative tribunal.

The portal is governed by the back-end system “Sistema Informativo della Giustizia Amministrativa” (S.I.G.A.). The S.I.G.A manages the digital lifecycle of all cases in the Council of State, from initial filing to final decisions; it automatically assigns protocol numbers and timestamps for each stage, of the administrative trial, including case deposits and final rulings, which are digitally signed and published online. The data is updated in real-time and can be extracted for statistical purposes.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Non-repayable support

M1C1-59bis: Implementation of strategic human resource management in the Public Administration

Related Measure: M1C1.R1.9 Reform of the public administration

Qualitative Indicator: Publication of the first semi-annual report on KPIs.

Time: Q2 2024

1. Context:

The main objective of the public employment reform is to improve the effectiveness of the public administration at central and local levels by enhancing human capital management (selection, competences, horizontal and vertical mobility), providing support with technical experts, simplifying administrative procedures and digitalising public services.

Milestone M1C1-59bis requires the publication of the first semi-annual report on KPIs. It follows milestone M1C1-59 which required the entry into force of the legislation and the delegated acts for the introduction of strategic human resource management in the Public Administration, including the definition of HR strategic plans in the context of the Integrated Activity and Organisation Plan (PIAO) for all central and regional administrations.

Milestone M1C1-59bis follows the implementation of the reform of public employment, which was initiated with the enabling legislation assessed under milestone M1C1-56 and fully implemented through secondary acts under milestone M1C1-58 and M1C1-59. Milestone M1C1-59bis will be followed by Milestone M1C1-59ter due in Q2 2026, which requires the full operability and interoperability of the HR management toolkit.

2. Evidence provided:

1. Summary document duly justifying how the milestone was satisfactorily fulfilled;
2. The first semi-annual report on KPIs for the strategic implementation of human resources, by the Department of the Public Function of the Presidency of the Council of Ministers of June 2024, published on the ministerial website <https://www.funzionepubblica.gov.it/attuazione-delle-misure-pnrr>.
3. Methodological note on the selection of key performance indicators by the Department of the Public Function of the Presidency of the Council of Ministers of June 2024 including relevant annexes (i.e. the methodological note on the first and second set of KPIs and related detailed analysis of the six pillars, the methodological note on the evolutive KPIs and the analysis on KPI correlation).
4. The lists of administrations involved in the sample for the KPI measurement:
 - a. List of 52 administrations involved for pillars D1-D2-D3-D4-D5.
 - b. List of 51 administrations involved for pillar D6.
5. Copy of the Decree of the Head of Department of the Department of Public Administration of the Presidency of the Council of Ministers envisaging the semestral publication of the report and the creation of a framework of benchmarks, published on the ministerial website (<https://www.funzionepubblica.gov.it/milestone-e-target#59BIS>)

3. Analysis:

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

The first semi-annual report on KPIs shall be published.

Following the entry into force of the enabling legislation, in line with milestone M1C1-59 (positively assessed under the fourth payment request), Italy has published the KPI report described below.

The first semi-annual report on KPIs of June 2024 on the implementation of strategic management of human resources has been published on the ministerial website of the Department of Public Function of the Presidency of the Council of Ministers.

The KPI report envisage the first definition of key performance indicators to evaluate progress and effectiveness of the actions envisaged for the achievement of established targets, in the context of the implementation of strategic management of human resources.

The report identifies six pillars for the measurement of the strategic management of human resources, based on a competency-based model and in relation to capacity building. These are:

D1. Identification and classification of professional occupations and competences;

D2. Planning of staff needs;

D3. Recruiting;

D4. Professional development;

D5. Rewarding and career development;

D6. Capacity building and organisational performance.

Each pillar includes a set of KPIs as illustrated in the following table:

D1. RILEVAZIONE E CLASSIFICAZIONE DI PROFESSIONI E COMPETENZE (<i>Identification and classification of professional occupations and competences</i>)	D1.1 - Percentage of administrations that have adopted a competency-based Professional System
	D1.2 – Percentage of administrations that have adopted a process <i>library</i>
	D1.3 - Percentage of administrations that have adopted a competence dictionary
D2. PROGRAMMAZIONE DEL FABBISOGNO DI PERSONALE (<i>planning of staff needs</i>)	D2.1 - Percentage of hires determined by turnover for each administration
	D2.2 – Percentage of EQ/EP profiles hired
	D2.3 - Percentage of administrations that have conducted a competence assessment in the last three years
D3. RECRUITING	D3.1 - Percentage of recruitment competitions that include the evaluation of transversal competences (soft skills)
	D3.2 - Percentage of administrations that provide for onboarding actions
	D3.3 - Percentage of administrations that have used apprenticeship contracts
D4. SVILUPPO PERSONALE (<i>personal development</i>)	D4.1 - Percentage of administrations that use tools to assess training needs following the identification of skill gaps (competence assessment)
	D4.2 - Percentage of training dedicated to transversal competences (soft skills)
D5. REWARDING E SVILUPPO DI CARRIERA (<i>rewarding and career development</i>)	D5.1 - Percentage of administrations that provide for integration between the performance evaluation system and the competency-based Professional System
	D5.2 - Percentage of administrations that implement non-monetary incentive and recognition models
	D5.3 - Number of agreements with universities and higher education centers aimed at the professional development of administration staff
D6. CAPACITY BUILDING E PERFORMANCE ORGANIZZATIVA (<i>capacity building and organisational performance</i>)	D6.1 - Simplification and/or digitization of processes D6.2 - Composition of workers by gender D6.3 - Composition of workers by age D6.4 - Vacancy rate for non-executive personnel D6.5 - Vacancy rate for executive personnel D6.6 - Overall turnover rate D6.7 - Progression rate within job areas D6.8 - Progression rate between job areas D6.9 - Flexible work arrangements D6.10 - Remote work and organizational optimization

	D6.11 - Human resources in remote work D6.12 - Women in remote work D6.13 - Technological innovation in the HR field
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The authorities also provided a methodological note that: i) describes the methodology, principles and rationalities used to identify and valuing the proposed indicators; ii) provides a clear framework to measure the track the actions undertaken to strengthen administrative capacity as part of the reform of the Public Administration; and iii) the impact of these actions on the performance of public administration.

For each pillar, the report includes a table identifying the measurable KPIs of the administrations who take part in the pilot for the two projects actions.

The first action, as explained in the methodological note (section 2.2 on p. 4-5), is aimed at transforming the human resource model within public administrations. This initiative represents a significant paradigm shift, moving toward a more competency-based approach. The authorities clarified that the action is developed in close cooperation with Formez PA (a stakeholders identified by the Department of Public Administration) which implements the reform through the project "Strategic Human Resource Management for Creating Public Value" (RiVa).

The second action, as explained in the methodological note (section 2.1 on p. 5), focuses on the "development of Capabilities in Workforce Planning, Organization, and Strategic Training", is aimed strengthen the capacity for strategic workforce management in the public sector. This initiative supports the ongoing administrative transformation through processes of simplification and re-engineering, as well as organizational changes related to staffing needs, recruitment, training, and human capital development, along with the adoption of new work models and digital tools. During the first phase, the program targets municipalities with populations between 25,000 and 250,000. The implementation has been carried out with Formez PA that supports the reform through the "Organizational Innovation and Human Resource Management Strategies" (GRU) project.

In particular, for the D1-D2-D3-D4-D5 pillars, the first panel of 52 administrations that joined the RiVa project, which deals with the reform of the job market in the public administration.

For pillar D6, the first panel of 51 administrations joined the testing phase of the GRU project, dealing with the investment on the development of planning, organisational capacity and training of the workforce.

The methodological notes further specifies that the list of the administrations included in the panel will be enlarged in the context of the next KPI reports (p. 24 of the methodological note).

Furthermore, in line with the description of the measure, **the simplification reform includes the following elements: [...] the definition of a set of Key Performance Indicators (KPIs) to steer organizational change in administrations. The publication of the first report on KPIs shall be followed by the publication of subsequent reports every six months.**

The report illustrates a common set of indicators measured through KPIs connected to them which are linked to effective organizational change of the administration. For example, KPI D1.1 measuring the "percentage of administrations which have adopted a competency based Professional system" aims at steering organizational change in the context of identification and classification of professional occupations and competences. Similarly, KPI D6.1 on the "simplification and/or digitalisation of processes" aims at measuring capacity building and organizational performance, measuring organisational change in the administration.

The methodological note clarifies, at p. 2, that the report will be updated every six months. Additionally, the authorities have provided the Decree of the Head of Department of the Department of Public Administration, published in the official Ministry website (<https://www.funzionepubblica.gov.it/milestone-e-target#59BIS>) that in its Article 1 envisages the semestral publication of the report, namely in Q4 2024, Q2 2025, Q4 2025, and Q2 2026.

4. Commission Preliminary Assessment: Satisfactory fulfilled.

Non-repayable support

M1C1-72bis: Legislative and specific actions to reduce late payments at central/local levels

Related Measure: M1C1.R1.11 Reduction of late payments by public administrations and health authorities

Qualitative Indicator: Provision in the legislation indicating the entry into force, circulars adopted and measures taken to reduce late payments from the public administration to businesses

Time: Q1 2024

1. Context:

The main objective of the reform is to reduce the payment times of central and local administrations, as well as of health authorities. In particular, the reform aims at ensuring that by 2025 (i) public administrations at central, regional and local level pay within 30 days, and (ii) health authorities pay within 60 days. The reform also envisages the adoption, as of 2024, of a set of measures, including of legislative nature, aimed at structurally improving payment performance of Italian public administrations.

Milestone M1C1-72bis is the second milestone of this reform, and it follows milestone M1C1-72, which provides for the entry into force of rules meant to reduce late payments to businesses by the Italian public administration. Milestone M1C1-72bis requires the adoption of several further measures aimed at improving the payment performance of the Italian public administrations at the central and local level, including legislation and circulars.

Milestone M1C1-72bis is followed by: milestone M1C1-72ter, which provides for the increase of the human resources dealing with late payments; milestone M1C1-72quater, which provides for the adoption of the Audit Plan; target M1C1-76, which sets the weighted average payment time for central public authorities to business to 30 days (or below); target M1C1-77, which sets the weighted average payment time for regional authorities to business to 30 days (or below); target M1C1-78, which sets the weighted average payment time for local public authorities to business to 30 days (or below); target M1C1-79, which sets the weighted average payment time for health authorities to business to 60 days (or below); targets M1C1-80, M1C1-81, M1C1-82 M1C1-83, which set the weighted average payment delay for central, regional, local and health authorities to zero; milestone M1C1-72quinquies, which provides for the operationalisation of the InIT system for the execution of payments and of the platform providing information on commercial credits; milestone M1C1-72sixies, which provides for the adoption of the final audit report of the Audit Plan; target M1C1-88, which sets to maintain the weighted average payment time for central public authorities to business at 30 days (or below); target M1C1-89, which sets to maintain the weighted average payment time for regional authorities to business at 30 days (or below); target M1C1-90, which sets to maintain the weighted average payment time for local public authorities to business at 30 days (or below); target M1C1-91, which sets to maintain the weighted average payment time for health authorities to business at 60 days (or below); targets M1C1-92, M1C1-93, M1C1-94 M1C1-95, which set to maintain at zero the weighted average payment delay for central, regional, local and health authorities.

2. Evidence provided:

1. A summary document duly justifying how the target, including all the constitutive elements, was satisfactorily fulfilled;
2. Decree-Law No. 19 of 2 March 2024, converted, with amendments, into Law No. 56 of 29 April 2024, as published in the Official Journal No. 52 of 2 March 2024, containing “additional urgent provisions on the implementation of the National Recovery and Resilience Plan”;
3. Law No. 56 of 29 April 2024, as published in the Official Journal No. 52 of 2 March 2024, which converted Decree-Law No. 19/ 2024;
4. Decree-Law No. 155 of 19 October 2024, as published in the Official Journal No. 246 of 19 October 2024, containing urgent measures on fiscal and economic matters and on local entities;
5. Law-Decree No. 13 of 24 February 2023, converted, with amendments, into Law No. 41 of 21 April 2023, as published in the Official Journal No. 47 of 24 February 2023, containing “urgent provisions on the implementation of the National Recovery and Resilience Plan”;

6. Law No. 41 of 21 April 2023 as published in the Official Journal No. 94 of 21 April 2023, which converted Decree-Law No. 13/ 2023;
7. Circular No. 36 of 8 November 2024 of the Ministry of Economy and Finance, clarifying the scope of commercial and non-commercial transactions and of Article 4(6) of the Late Payments Directive;
8. Ministry of Economy and Finance list of 15 November 2024 on the measures adopted to ensure payments by Ministries within the 30-days deadline;
9. Link to the website of the Presidency of the Council of Ministers for the publication of data on the stock of arrears by Ministries and local authorities.

3. Analysis:

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

Provision in the legislation indicating the entry into force, circulars adopted and measures taken to reduce late payments from the public administration to businesses

In line with the Council Implementing Decision qualitative indicator of the milestone, the required legislation has entered into force. Namely Decree-Law No. 19 of 2 March 2024 as converted, with amendments, into Law No. 56 of 29 April 2024 has entered into force the same day of publication in the Official Journal No. 52 of 2 March 2024, and Law No. 56 of 29 April 2024 has entered into force on 1 May 2024, the following day of publication in the Official Journal No. 100 of 30 April 2024. Decree-Law No. 155 of 19 October 2024 has entered into force the following day of publication in the Official Journal No. 246 of 19 October 2024. Law-Decree No. 13 of 24 February 2023, converted, with amendments, into Law No. 41 of 21 April 2023, has entered into force on 25 February 2023 in accordance with its Article 58 and conversion Law No. 41 of 21 April 2023 has entered into force on 22 April 2023 in accordance with its Article 1(4).

As detailed in the section below, the Italian authorities have adopted the circular and measures to reduce late payments from the public administration to businesses. In particular, the Italian Authorities have adopted Circular No. 36 of 8 November 2024, which produces effects from its publication on the website of the Ministry of Economy and Finance (hereinafter referred to as “MEF”) on 8 November 2024.

The following acts shall enter into force:

- A circular clarifying the scope of commercial and non-commercial transactions in line with the Late Payments Directive;
- A circular clarifying the scope of Article 4(6) of the Late Payments Directive in line with the latter;

The Italian authorities adopted Circular No. 36 of 8 November 2024 (hereafter referred to as the “Circular”), which – in its second paragraph, titled “The notion of commercial transaction” – provides clarifications on the objective and subjective scope of commercial and non-commercial transactions in line with Directive 2011/7/EU (hereafter referred to as the “Late Payments Directive” or the “Directive”). For what concerns the objective scope, the Circular clarifies that contracts between enterprises or between enterprises and public administrations that involve, exclusively or prevalently, the provision of goods or services, in exchange for a price, qualify as commercial transactions according to Article 2, paragraph 1, letter a) of Legislative Decree No. 231 of 2002 (which transposes the Late Payments Directive into the Italian legal system). The Circular also makes it clear that the above-mentioned contracts constitute commercial transactions regardless of their characterisation under domestic law. For what concerns the subjective scope of the notion of commercial transaction, the above-mentioned Circular No. 36 provides clarifications on the definition of “entrepreneur” for the purposes of determining a commercial transaction. Specifically, it clarifies that the term “entrepreneur” includes any entity or individual engaging in an organised economic activity or a liberal profession (*libera professione*), as specified in Article 2, paragraph 1, letter c) of Legislative Decree No. 231 of 2002, thus encompassing autonomous workers and professionals. For what concerns the definition of the scope of non-commercial transactions, the Circular clarifies that the object of a transaction is not relevant to determine its nature of commercial or non-commercial transaction, while identifying as the most indicative criteria in this regard the

presence of a contract, however called, and of an enterprise as the counterpart of the public administration. The Circular, in line with the Late Payments Directive as transposed in Article 1, paragraph 2 of Legislative Decree No. 231 of 2002, provides examples of non-commercial transactions, such as payments intervened as a reimbursement for damage or debts stemming from insolvency procedures.

The above-mentioned Circular No. 36 of 8 November 2024 also provides clarifications on the scope of Article 4(6) of the Late Payments Directive in its third paragraph, titled "Use of the possibility foreseen by Article 4, paragraph 4, of Legislative Decree 9 October 2002, No. 231". In particular, the Circular recalls the provisions of Article 4(6) of Directive 2011/7/EU, namely that the period for payment fixed in the contract cannot exceed the time limits provided for in art. 4(3) of the Directive itself, unless otherwise expressly agreed in the contract and provided it is objectively justified in the light of the particular nature or features of the contract, and that it in any event does not exceed 60 calendar days. The Circular therefore clarifies that any potential extension of up to the maximum of 60 days must be duly justified in line with what required by the Late Payments Directive and that, in commercial transactions where the debtor is a public administration, payment times cannot, in any case, exceed 60 days. Finally, the Circular also makes it clear that, if an enterprise issues an invoice with an indication of a payment time above 30 days but the criteria for such an extension, based on the Directive, are not met, the receiving public administration must nonetheless reduce the time for payment to 30 days.

The assessment of the aforementioned Circular No. 36 of 8 November 2024 for the purposes of payments from the Recovery and Resilience Facility does not prejudice evaluations and monitoring by the Commission in any ongoing or future proceedings regarding the Directive 2011/7/EU or other relevant Union Law.

Legislation to ensure that Ordinary regions and local authorities receive funds to face their invoices on time from the central level;

The Italian authorities adopted Decree-Law No. 19 of 2 March 2024, which contains urgent provisions on the implementation of the National Recovery and Resilience Plan, including on late payments. Article 40(2) of the Decree-Law reduces the timeframe for the disbursement of funds from the central level to Ordinary regions and local authorities, previously foreseen in 60 days by Article 44 of Decree-Law No. 66 of 24 April 2014. Decree-Law No. 19/2024 provides for a significant shortening of the transfers timeframe, from 60 to 30 days, which allows their reception from the central level in half the time compared to the previous legislation, hence allowing Ordinary regions and local authorities to swiftly obtain the resources to face their invoices on time.

Legislation to require public authorities to adopt yearly cash-flow plans ensuring the respect of the legal payment deadlines;

The Italian authorities adopted Decree-Law No. 155 of 19 October 2024, which, in Article 6, paragraph 1, requires the public authorities listed in Article 1(2) of Legislative Decree No. 165 of 30 March 2001, including the administrations of the State, Regions, Provinces, Municipalities and National Health Service authorities, to adopt yearly cash-flow plans. Article 6, paragraphs 1 and 2, of the aforementioned Decree-Law enhances and unifies the existing legal framework on the adoption of yearly cash-flow plans, as it introduces new requirements compared to the pre-existing fragmented legislation, such as: i) defining a single deadline, applicable to all public administrations, for the setting up of their yearly cash-flow plans (set at 28 February each year); ii) ensuring standardisation and consistency in reporting through the use of templates prepared by the State's General National Accounting Office (*Dipartimento della Ragioneria Generale dello Stato*); iii) requiring the Administrative and Financial Regularity Control Body (*Organo di Controllo di Regolarità Amministrativa e Contabile*) to verify the respect of the obligation to set up yearly cash-flow plans. The establishment of a standardised process for adopting yearly cash-flow plans is aimed at ensuring that public authorities respect their legal payment deadlines, being also subject to the aforementioned administrative control.

The Decree envisages a postponement of its applicability for the abovementioned provisions to the 2025 financial year, establishing that the public administrations must adopt the yearly cash-flows plans in compliance with the aforementioned Decree-Law 155/2024 by 28 February each year, which means the first time by 28 February 2025. Whilst this constitutes a minimal temporal deviation from the requirement of the Council Implementing Decision, the delay between the entry into force of Decree-Law 155/2024 and the actual application of the requirements included

therein is considered both limited and proportional, notably because the delay in applicability is of a short duration and it is proportional to the need to align the newly-introduced requirement to the financial cycle of public administration. No further legal act is necessary for the obligation to set up yearly cash-flow plans as foreseen in Decree-Law 155/2024 to become fully applicable, and as such there is legal certainty that the public administrations mentioned in Article 6 of Decree-Law 155/2024 will need to fulfil the requirements of Decree-Law 155/2024 by the first occurrence, following the entry into force of Decree-Law 155/2024, of the yearly deadline set therein, namely 28 February 2025. Therefore, the delay in applicability enables the public administrations to have enough time to familiarise with the updated legal framework and allows for a smooth deployment of the requirements introduced by Decree-Law 155/2024 compatibly with the financial cycle of public administrations. Moreover, Decree-Law 155/2024 has already entered into force, as such ensuring the production of legal effects. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

Legislation introducing provisions to allow credit assignment to third parties after 30 days of silence/inaction by the public administrations;

Article 40(1) of the above-mentioned Decree-Law No. 19/2024 amends Article 6 of Annex II.14, Part 1 “Execution of contracts for works” of Legislative Decree No. 36 of 31 March 2023 (hereinafter referred to as “Public Procurement Code”), which provides for the credit assignment to third parties in the event of silence and/or inaction by the public administration. By corroborating the provisions of Articles 6, as amended, and 39 of Annex II.14 of the Public Procurement Code, which extends the provisions of the aforementioned Article 6 to supplies and services, the amendment effectively shortens the timeframe for the credit assignment from 45 to 30 days and it applies to all contracts for the acquisition of works, supplies or services.

The following actions shall be taken at central level:

- **Entry into force of legislation identifying the late payers at central level and requiring the adoption of measures to ensure that they pay within the 30 days limits;**
- **Setting up of task forces where required by legislation;**

The above-mentioned Decree-Law No. 19/2024 sets out the criteria for the identification of late payers at central level and defines the measures that such late payers are required to adopt in order to ensure payment times within the 30 days limit, including the setting up of task forces. Specifically, Article 40(4) of Decree-Law No. 19/2024, provides for the criterion to identify late payers amongst the Ministries at central level, which is calculated on the basis of the methodology set in Article 1, paragraph 859, letter b) of Law No. 145 of 30 December 2018, namely a positive value of the indicator of delay in payment times based on the data at 31 December 2023. Article 40(4) of such Decree-Law No. 19/2024 then provides that the Ministries identified by such criterion adopt measures aimed to ensure payment times within the 30-day limit, namely: i) Carrying out an analysis of the causes, including of organisational nature, that hinder the respect of the legal payment deadlines; and ii) Preparing a plan of the interventions necessary to overcome delays and transmitting it to the Ministry of Economy and Finance. The Ministries identified as late payers by the aforementioned methodology have adopted their respective plan for interventions, as evidenced by the MEF list of 15 November 2024. Following the receipt of such plans of interventions, Article 40(5) of Decree-Law No. 19/2024 requires MEF to set up a task force for each Ministry which is aimed at monitoring the implementation of the given plan and composed of representatives from the State’s General National Accounting Office (*Dipartimento della Ragioneria Generale dello Stato*), the Ministry at stake, and the central coordination body for RRP (*Struttura di Missione PNRR*). Article 40(5) also envisages that in case of significant divergences compared to what is foreseen under the plan of interventions, or where specific interventions with other public administrations are deemed necessary, the Ministry of Economy and Finance informs the National Recovery and Resilience Plan Coordinating Body (*Cabina di Regia per il PNRR*, hereinafter referred to as the “NRRP Coordinating Body”) in order to facilitate the achievement of the NRRP objectives of reducing late payments.

The following actions shall be taken at central level:

- **Publication of the stock of arrears of the Ministries updated quarterly**

The Italian authorities published the quarterly stock of arrears of Ministries on the website of the MEF monitoring tool on the stock of commercial debts, which is accessible via the link to the website of the Presidency of the Council of Ministers provided by the Italian authorities. The publication is done for all the Spending Ministries (*Ministeri con portafoglio*), as well as for the Presidency of the Council of Ministers, which is the administration acting as the spending centre for the Non-Spending Ministries (*Ministeri senza portafoglio*). The quarterly publication increases the transparency of data on the stock of arrears compared to the previous yearly publication, thereby allowing for better monitoring over time. The Commission services accessed the link provided by Italy on 22 November 2024 to verify whether the stock arrears of the Ministries has been updated at the third quarter of 2024. This check was completed successfully, confirming that the publication of the stock of arrears of the Ministries is quarterly updated.

The following actions shall be taken at local level:

- Entry into force of legislation identifying the late payers at local level and requiring the adoption of measures to ensure that they pay within the 30 days limits;

The aforementioned Decree-Law No. 19/2024 sets out criteria for the identification of late payers at local level and defines the measures that such late payers are required to adopt in order to ensure payment times within the 30 days limit. Specifically, Article 40 of Decree-Law No. 19/2024 provides the criterion for the identification of late payers at local level, namely a delay in payment times (calculated on the basis of the methodology set in Article 1, paragraph 859, letter b) of Law No. 145 of 30 December 2018) above ten days on the basis of the data at 31 December 2023. Such criterion is applicable, for the local level, to Municipalities of more than 60.000 inhabitants and, as applicable, to Provinces and Metropolitan Cities.

The local authorities identified by such criterion are required by Article 40 (paragraphs 6, 7, 8 and 9) to adopt measures aimed to ensure payment times within the 30-day limit, namely: i) Carrying out an analysis of the causes, including of organisational nature, that hinder the respect of the legal payment deadlines; and ii) Preparing a plan of the interventions necessary to overcome delays. Such plans of interventions are transmitted to a Technical Table (*Tavolo Tecnico*), created at the MEF and aimed at ensuring that late payers at the local level pay within the legal limits. The Technical Table can issue a positive or negative evaluation of the plan submitted, or propose amendments: in case of a positive evaluation, or if the amendments are accepted by the local authority that submitted the plan, an agreement is signed between the local authority at stake and the MEF, while the Technical Table monitors the implementation of the plan and can inform the NRRP Coordinating Body in case of significant misalignments or in case other actions are needed; in the case of a negative evaluation of the plan submitted, or of lack of agreement within 30 days from the communication to the local authority at stake of the evaluation, the Technical Table informs the NRRP Coordinating Body enabling the adoption of appropriate action.

Furthermore, with respect to municipalities below 60.000 inhabitants, the Italian authorities have adopted legislation allowing both the identification of late payers, as well as legislation requiring the adoption of measures to ensure that payments are completed within a 30-day limit. In particular, Decree-Law No. 19/2024 provides for the publication and quarterly update of the stock of debts in arrears by local authorities (Article 40, paragraph 3). For the implementation of this provision, the data on the stock of arrears of local authorities are published on the MEF-RGS website, also accessible through the website of the Presidency of the Council of Ministers. In order to update the stock of arrears, local authorities must, as a necessary step to determine the amount of debt arrears, identify and track late payments. As such, this process inherently requires the identification of late payers at local level, as updating the stock of arrears relies on identifying which payments are overdue. Furthermore, Decree-Law No. 155 19 October 2024 introduces the adoption, by the public administrations, of an Annual Cash Flow Plan, containing the schedule of payments and receipts for the year of reference. The obligation to draw up the Annual Cash Flow Plan required by the aforementioned regulatory provision starts from the financial year 2025 (Art. 6, paragraphs 1 and 2). This requirement enables local authorities to better manage their cash flow, prioritise and ensure swift payments. Lastly, Decree-Law No. 19/2024 introduces provisions to allow credit assignment to third parties after 30 days of silence or inaction by the public administrations, as well as provisions reducing the maximum time for transferring resources from the central level to local authorities from 60 to 30 days (Article 40, paragraphs 1 and 2). These provisions ensure that local authorities receive the necessary funds in a timely manner, enabling them to make payments to their creditors within the 30-day limit and incentivise timely payments within the established 30-day limit by establishing consequences for late payments. Further additional incentives for payments within the 30-day limit are established by Decree-Law No. 13 of 24 February 2023, which sets out that the managers of public administrations responsible for the payment of

commercial invoices as well as the senior managers of the respective structures are assigned specific annual performance goals relating to compliance with the payment terms provided for by the legislation and assessed, for the purposes of the recognition of the result remuneration, in an amount not less than 30% of the total remuneration (Art. 4-bis).

The following actions shall be taken at local level:

- Publication of the stock of arrears of these authorities updated quarterly.

The Italian authorities published the quarterly stock of arrears of Municipalities, Provinces and Metropolitan Cities on the website of the MEF monitoring tool on the stock of commercial debts, which is accessible via the link to the website of the Presidency of the Council of Ministers provided by the Italian authorities. Such quarterly publication increases the transparency of data on the stock of arrears compared to the previous yearly publication, thereby allowing for better monitoring over time. The Commission services accessed the link provided by Italy on 22 November 2024 to verify whether the stock arrears of such authorities has been updated at the third quarter of 2024. This check was completed successfully, confirming that the publication of the stock of arrears of Municipalities, Provinces and Metropolitan Cities is quarterly updated.

Furthermore, in line with the description of the measure, the circular providing clarifications on the scope of commercial/non-commercial transactions and on the application of Article 4(6) of the Late Payments Directive, the legislation ensuring timely transfers from the central level, requiring the adoption of yearly cash-flow plans and allowing credit assignment to third parties after 30 days of silence/inaction by the public administration, as well as the measures to be taken by late payers at central and local level, are all instrumental to achieve the goals of this reform, namely that by 2025 (i) public administrations at central, regional and local level pay within 30 days and (ii) regional health authorities pay within 60 days, and, in order to ensure that the problem of late payments is structurally solved, that the same objectives are maintained also in 2026.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Non-repayable support

M1C1-73bis: Adoption of a circular providing guidance on the qualification system for contracting authorities

Related Measure: M1C1.R1.10 Reform of the public procurement legislative framework

Qualitative Indicator: Adoption of a circular providing guidance on the qualification system for contracting authorities

Time: Q2 2024

1. Context:

Milestone M1C1-73bis is part of Reform 1.10 - Reform of the public procurement legislative framework, which is aimed at simplifying and increasing efficiency of the public procurement system, increasing legal certainty for businesses and accelerating the award and execution of public contracts.

Following up from the adoption of the new Public Procurement Code in 2023 (Milestones M1C1-73 and M1C1-74), Milestone M1C1-73bis concerns the issuance of further guidance and clarifications on the applicable framework on the qualification obligation for contracting authorities. In particular, the Milestone is aimed at clarifying, by explaining in detail the qualification obligations introduced following the introduction of the New Public Procurement Code in 2023, that also below the thresholds provided in the Public Procurement Code, qualification is advisable. The circular is also aimed at clarifying that, where qualification is not possible, the centralization is also advisable.

Milestone M1C1-73bis is the twelfth milestone of the reform, and it follows the completion of milestone M1C1-69, milestone M1C1-71, milestone M1C1-70, milestone M1C1-73, milestone M1C1-74, target M1C1-75, target M1C1-84, target M1C1-86, target M1C1-87 and milestone M1C1-73quater, which cover different areas, stemming from simplification and digitalization of tendering procedures, to qualification and professionalization of contracting authorities, through reducing the fragmentation of contracting authorities, setting e-platform and the new Public Procurement Code, introducing targets to the average time for the award procedures, ensuring the training of a certain number of civil servants, and increasing the number of contracting authorities using dynamic purchasing systems in this payment request.

Milestone M1C1-73bis is accompanied by target M1C1-85 and target M1C1-99 in this payment request. It will be followed by targets on the professionalization of civil servants, targets M1C1-98 in Q4 2024 and M1C1-98bis in Q4 2025 and targets M1C1-97 in Q2 2025 and M1C1-97bis in Q2 2026, both aimed at consolidating and increasing the reduction the average execution time; Target M1C1-96 in Q4 2025, aimed at consolidating the reduction of the average award time.

Finally, the milestones will be followed by Target M1C1-99bis, establishing that at least 50% of local contracting authorities shall have the digital competences required by the qualification (currently regulated in the Public Procurement Code).

2. Evidence provided:

1. Summary document duly justifying how the milestone was satisfactorily fulfilled
2. Copy of the Circular providing guidance on the qualification system for contracting authorities signed by Minister for Infrastructures and Transport of 14/11/2024 and published on the website of the Ministry (www.mit.gov.it)
3. Positive opinion by the National Anticorruption Authority (ANAC) of 14/11/2024 on the Circular.

3. Analysis:

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

Adoption, having consulted ANAC, of a circular providing guidance on the current applicable rules on qualification and centralization, to explain that qualification and/or the use of central purchasing bodies also for below thresholds awards are possible and advisable

The Minister for Infrastructures and Transport (as institution in charge for proposals, adoption and amendments of public procurement rules in Italy) on 14 November 2024 adopted the final version of a circular, addressed to all contracting authorities, public administrations and local authorities, to provide extensive explanations and guidance on the current applicable rules on the qualification of contracting authorities and on use of central purchasing bodies (hereinafter referred to as the “Circular”). The Circular has been approved, as signed by the Minister of Infrastructure and Transport, also having consulted ANAC (the public contracts and anticorruption authority), which has released its positive opinion on 14 November 2024, and has been published on 18 November 2024 on the website of the Ministry for Infrastructures and Transport (www.mit.gov.it).

The scope of the Circular is to follow up on the introduction of a new Public Procurement Code in 2023 (through Legislative-Decree No. 36 of 31 March 2023 implementing all the provisions of the delegation Law on the reform of Public Procurement Code, published in the Official Journal No. 11 of 31 March 2023 and entered into force on 1 April 2023, hereinafter referred to as the “Public Procurement Code”) and in particular on the novelties introduced on qualification requirements of contracting authorities and the centralization of purchases (pursuant to article 62 and 63 of the Public Procurement Code) and provide a systematic reconstruction of the applicable rules on the qualification of contracting authorities and centralization of purchases, as well as to provide operational tools and guidelines to encourage the use of qualification and centralization also when not strictly required by law (i.e. below the thresholds foreseen in the Public Procurement Code).

The first part of the Circular provides guidance on the application of the provisions of the Public Procurement Code on the qualification of contracting authorities. It explains the application of Articles 62 and 63 of the Public Procurement Code, dealing respectively with the aggregation/centralisation of purchasing bodies and the qualification of contracting authorities and central purchasing bodies, indicating in detail the activities that those entities may carry out and the role of central purchasing bodies and qualified contracting authorities in relation to the purpose of aggregation and qualification of public demand. In this respect, the Circular specifies that the Public Procurement Code defines an ‘open’ qualification system, whereby all persons and entities meeting the necessary requirements may obtain the qualification, or lose it if those requirements are not met [p. 3]. Finally, the Circular further specifies that when qualification is not possible for contracting authorities, centralization of purchases is possible.

The second part of the Circular explains the incentives for qualifying contracting authorities (also below the mandatory qualification thresholds provided in the Public Procurement Code) or to use central purchasing bodies for contracting authorities unable to meet the qualification requirements. In that regard, the Circular gives more operational directions and very clearly recommends and push contracting authorities, also below the mandatory thresholds, to obtain qualification, even at a minimum level [pages 1 and 15]. The Circular specifies that the requirements laid down in the Public Procurement Code are aimed at improving the technical and administrative action for the entire life cycle of procurement procedures. To that extent the Circular very clearly spells out that even outside the areas in which qualification is mandatory, contracting authorities are always called upon to use the qualification mechanism, not least in view of the forthcoming legislative initiatives aimed at encouraging the qualification process [Page 10]. The Circular also clarifies that the system of qualification (and where qualification is not available, centralization) foreseen in the Public Procurement Code (Article 62 and 63), also below thresholds, constitutes a valid and effective standard in relation to which contracting authorities’ administrative and executive capacity to carry out quality contracts can be measured [Page 10].

To that extent the Circular also recommends non-qualified contracting authorities to periodically carry out simulations, using the ANAC application dedicated to qualification, to check whether the qualifications requirements can be met and if not, inform ANAC of the production sectors for which the assistance of qualified contracting authorities is most required, and do all necessary steps to fill the gaps.

Where qualification is not possible, the Circular advises contracting authorities to use central purchasing bodies (and avoid using direct awards) in particular for entities that are late payers and have problems with the transfer of central level funds. The Circular also strongly recommends contracting authorities to use networks of contracting authorities specialising in the certain subject matters (e.g. for the purchase of specific goods or which feature a particular know-how on some sectors) and to encourage the acquisition of operational skills and know-how, and thus to 'professionalise', its staff through the use, even if not compulsory, of qualified contracting authorities or central purchasing bodies.

Finally, the Circular recommends the creation of integrated forms of collaboration (networks), also with a view to facilitating their assistance to unqualified contracting authorities, thus reducing the costs and time needed to finalise the contracts.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Non-repayable support

M1C1-85: Average time between the contract award and the realization of the infrastructure

Related Measure: Reform 1.10 Reform of public procurement legislative framework

Quantitative Indicator: Percentage

Baseline: 100

Target: 90

Time: Q2 2024

1. Context:

Target M1C1-85 is part of Reform 1.10 - Reform of the public procurement legislative framework, a comprehensive package of measures aimed at simplifying the Italian public procurement system, increasing its efficiency, ensuring professionalization and qualification of contracting authorities and ensuring legal certainty for businesses. Two of the main objectives of the reform are also those of accelerating the award of public contracts and their execution (i.e. the execution and completion of the works).

Target M1C1-85 focuses on the latter and concerns the reduction of the average time between the contract award and the realization of the infrastructures. Target M1C1-85 is the fourth target of Reform 1.10 - Reform of the public procurement legislative framework. It follows several milestones (M1C1-70, M1C1-71 and M1C1-69, M1C1-72, M1C1-73, M1C1-74, M1C1-73quater, M1C1-75), stemming from simplification and digitalization of tendering procedures, to qualification and professionalization of contracting authorities, through reducing the fragmentation of contracting authorities, setting e-platform and notably adopting a new Public Procurement Code. Target M1C1-85 follows Target M1C1-84 in the 5th payment request, which reduces the average time for the award procedures and Target M1C1-86 in the 5th payment request, ensuring the training of a certain number of civil servants, which will be further followed by Targets M1C1-98 in Q4 2024 and M1C1-98bis in Q4 2025. Target M1C1-85 also follows target M1C1-87, aimed at increasing the number of contracting authorities using dynamic purchasing systems, which will be then further increased with Target M1C1-99 in 4Q 2024. Target M1C1-85 will be followed by Targets M1C1-97 and M1C1-97bis, which are both aimed at consolidating and increasing, in 2Q 2025 and 2Q 2026 respectively, the reduction the average execution time achieved with Target M1C1-85 in this payment request; Target MC1-96, aimed at consolidating, in 4Q 2025, the reduction of the average award time achieved with Targets M1C1-84 in this payment request.

Finally, the Target will be followed by Target M1C1-99bis, establishing that at least 50% of local contracting authorities shall have the digital competences required by the qualification (Currently regulated in the Public Procurement Code).

2. Evidence provided:

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

- I. Summary document duly justifying how the milestone, including all the constitutive elements, was satisfactorily fulfilled;
- II. Extraction from ANAC's database of 27 September 2024 in excel format.
- III. Document by ANAC titled 'request for data extraction M1C1-85 and methodological document' dated 6 September 2024, outlining the criteria and procedure followed for the extraction of data from ANAC's National Database of Public Contracts.
- IV. Determination No. 556 of 31 May 2017 of ANAC on "Guidelines on traceability of financial flows according to Art. 3 of Law 13 August 2010 No. 136".
- V. Legislative Decree No. 50 of 18 April 2016 (2016 Public Procurement Code)
- VI. Legislative Decree No. 36 of 31 March 2023 (2023 Public Procurement Code)
- VII. ANAC's Determination No. 582 of 13 December 2023 on "Adoption communication relative to the start of the digitisation process".

VIII.Opendata database of published tenders on ANAC website (<https://dati.anticorruzione.it/opendata/dataset>)

3. Analysis:

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

The average time between the award of the contract and the realization of the infrastructure ('executive phase') shall be reduced by at least 10% on the basis of a comparison between (i) the works awarded between 1 January and 31 December 2019, and concluded by 30 June 2021, and (ii) the works awarded between 1 July 2021 and 30 June 2022, and concluded by 31 December 2023.

The Council Implementing Decision required that the average time between the contract award and the realization of the infrastructure ('executive phase') shall be reduced by at least 10 % on the basis of a comparison between (i) the works awarded between 1 January and 31 December 2019, and concluded by 30 June 2021, and (ii) the works awarded between 1 July 2021 and 30 June 2022, and concluded by 31 December 2023. Such reduction was measured based on the database of the National Anticorruption and Public Contracts Authority (hereinafter referred to as "ANAC").

In order to provide the data necessary to verify the fulfilment of the Council Implementing Decision requirement, ANAC has set up a query for the extraction of the data in the National Database of Public Contracts. The data set was provided by ANAC's IT Office for Public Contracts to the NRRP Mission Unit of the Secretary-General's Office, within the Prime Minister's Office.

The extraction from the ANAC database of 27 September 2024 contains data on contracts concluded from 1 January 2019 until 31 August 2024. The number of concluded contracts in that database is 123 768.

The information relates to the tendering procedures that the contracting authorities have launched for the execution of works, identified in the EU Common Procurement Vocabulary from classes 450 to 455, the auction value of which is EUR 40.00 or more (see below for reasoning). The following data fields are extracted for each investment: the tender's unique identifier (the "*Codice Identificativo Gara*", hereinafter referred to as "CIG", an alphanumeric number released by ANAC when the contracting authorities provides a predetermined set of information on the tender), the object, the auction base, classes of the EU Common Procurement Vocabulary, investment project, date and amount of award, date of completion of works, duration of the execution.

The baseline has been calculated according to the CID description, that is, as a first step, by taking, from the extraction from ANAC's database, all contracts concluded between 1 January 2019 and 30 June 2021 (for a total of 57 006 records) and, as a second step, by selecting out of these, only contracts awarded between 1 January 2019 and 31 December 2019, therefore obtaining a population of 22 638 contracts awarded between 1 January 2019 and 31 December 2019 and concluded by 30 June 2021. The average time between the award of the contract (measured by 'date of award' field in the database) and the realization of the infrastructure (measured by 'date of completion of works' field in the database) for the 22 638 contracts in the baseline population is equal to 273.32 days.

Analogously, the number of contracts selected for the target period, that is all the contracts awarded between 1 July 2021 and 30 June 2022 and concluded by 31 December 2023 amounts to 23 509.

The average executive phase for the 23 509 contracts of the target period calculated by ANAC is 246.64 days, therefore with a reduction of 9.76% against the baseline.

Whilst this constitutes a minimal numerical deviation of 2.4% from the requirement of the Council Implementing Decision, the overall objective of this target is considered met notwithstanding this minor deviation. On this basis, it is considered that this constitutive element of the target is satisfactorily fulfilled.

The Council Implementing Decision required a reduction of at least 10% in the average time between contract award and infrastructure realization. Only contracts with a value exceeding EUR 40 000 were taken into consideration, since tenders below EUR 40 000 were subjected to lowered publicity obligations on the basis of Articles 32(14) and 36 (paragraph 2, letter a) of the Legislative Decree No. 50 of 18 April 2016 . This meant that the outcome of the procedure, from the award to the end of the execution phase, was not necessarily included in the ANAC database. Consequently, including only the reported contracts below 40 000 in the analysis would have resulted in an incomplete dataset and, by extension, an inconsistent statistical analysis.

Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, the exclusion of contracts below EUR 40 000 was justified by the nature of these contracts, which typically involve works of limited complexity, such as the procurement of supplies and services, rather than the creation of infrastructure as required by the CID (e.g. in the period from 1 July 2021 to 30 June 2022 only 8% of contracts under EUR 40 000 concerned works while the remaining concerned supplies and services according to the open data ANAC's online database). Moreover the value of these contracts on the total is negligible (e.g. in the period from 1 July 2021 to 30 June 2022 the value of calls for tender related to works published with simplified reporting obligations was only 2% of the total value of calls for tender related to works published according to the open data ANAC's online database) and therefore their exclusion from the analysis would have only a limited impact

As of this, this minimal deviation does not change the nature of the measure and does not affect the progress towards achieving the objectives of the reform which the target represents. On this basis, it is considered that this constitutive element of the target is satisfactorily fulfilled.

4. Commission Preliminary Assessment: Satisfactory fulfilled

Non-repayable support

M1C1-99: Contracting authorities using dynamic purchasing systems.

Related Measure: M1C1.R1.10 Reform of the public procurement legislative framework

Quantitative Indicator: Percentage of Central Government Contracting Authorities using dynamic purchasing systems as per EU Directive 2014/24.

Unit of measure: Percentage

Baseline: 15

Goal: 20

Time: Q2 2024

1. Context:

Target M1C1-99 is part of Reform 1.10 - Reform of the public procurement legislative framework, which is aimed at simplifying and increasing efficiency of the public procurement system, increasing legal certainty for businesses and accelerating the award and execution of public contracts.

Milestone M1C1-99 is the fourteenth step of the reform, and it follows the completion of milestones M1C1-69, M1C1-70, M1C1-71, M1C1-73 and M1C1-74 related to the adoption of measures in 2022 and 2021 and the legislation for the public procurement reform, milestone M1C1-75 on the full operationalisation of the National e-Procurement System, milestones M1C1-73quater related to the entry into force of guidelines on below-EU threshold procurement, target M1C1-84 which concerns the reduction of the average time for the award procedures for contracts above the thresholds of the EU public procurement directives, target M1C1-86 related to the training of 20 000 of civil servants, target M1C1-87 on the percentage of Central Government Contracting Authorities using dynamic purchasing systems (at least 15%).

Target M1C1-99 is accompanied by milestone M1C1-73bis related to the adoption of a circular providing guidance on the qualification system for contracting authorities and target M1C1-85, which concerns the reduction of the average time between contract award and realization of the infrastructure.

Target M1C1-99 will be followed by targets M1C1-98 in Q4 2024 and M1C1-98bis in Q4 2025 on the professionalization of civil servants, targets M1C1-97 in Q2 2025 and M1C1-97bis in Q2 2026 on the reduction the average execution time, and target M1C1-96 in Q4 2025 on the reduction of the average award time.

2. Evidence provided:

1. Summary document duly justifying how the target was satisfactorily fulfilled
2. Annex 1 List of the 254 central government contracting authorities enrolled in the National e-Procurement System (managed by Consip on behalf of the MEF).
2. Annex 2 - extraction of DWH Consip on the Central administrations that are using the dynamic purchasing system from 1 January 2022.
3. Annex 3 that cross-checks the *Codice Identificativo Gara (CIG)* extrapolated from the Consip DWH and the National Database of Public Contracts by ANAC to ensure coherence of the two systems.

4. Annex 4 - trimestral trend of the observation period - the number of the "*Appalti Specifici*" (Specific Calls) published in the context of the Dynamic Purchasing System by the contracting authorities included in Annex 2.

3. Analysis:

At least 20% of contracting authorities are using dynamic purchasing systems as per Directive 2014/24 (observation timeframe starting from 1 January 2022). The Central Government Contracting Authorities are 250 Public Administrations (as registered per 30 April 2021 to the National e-Procurement System managed by Consip on behalf of the MEF).

In line with the requirements of the Council Implementing Decision, the Italian authorities provided Annex 2, the extraction of the Consip Data Warehouse, provided by Consip SpA, according to which, 27% Central Government Contracting Authorities, as registered in the National e-Procurement System (Consip Data Warehouse managed by Consip SpA - the national central purchasing body, hereinafter referred to as "Consip", on behalf of the Ministry of Economy and Finance - hereinafter referred to as "MEF"), have used the dynamic purchasing system in the reference period starting from 1 January 2022. The authorities clarified in the summary document that the Central Contracting Authorities are using the dynamic purchasing system in line with the provisions set out in Article 34 of Directive 2014/24 on dynamic purchasing systems. The dynamic purchasing system is a completely electronic tool, open throughout the period of validity of the purchasing system to any economic operator that satisfies the selection criteria for the purchase of products, works or services as provided by Article 32 of Decree-Law No. 36 of 30 March 2023 (hereinafter referred to as "the Public Procurement Code"), which transposes Article 34 of Directive 2014/24 on dynamic purchasing systems.

The Italian authorities provided the list of Central Government Contracting Authorities enrolled in the National e-Procurement System, which accounts for 254 public administrations at the time of the Commission's preliminary assessment (Annex 1), instead of the 250 registered on 30 April 2021. However, due to the inherently dynamic nature of the National e-Procurement System, the list of Central Government Contracting Authorities enrolled in the System is subject to ongoing updates resulting from administrative changes that intervene over time, such as modifications to administration names, acquisition or loss for a public administration service's capacity to act as a contracting authority. As a result of the continuously evolving list of Central Government Contracting Authorities enrolled in the System, the number of Central Government Contracting Authorities enrolled in the National e-Procurement System at the time of the Commission's preliminary assessment is considered the most accurate and reliable population to be considered for the purpose of the target achievement.

The extraction from Consip Data Warehouse (Annex 2) and the summary document provided by the authorities show that 69 public administrations using dynamic purchasing systems are part of the list of 254 Central Government Contracting Authorities enrolled in the National e-Procurement System, which account for 27% of the 254 enrolled Authorities. Moreover, Italian authorities provided Annex 4 which shows the trimestral trends of the use of the dynamic purchasing system from January 2022 by the contracting authorities included in Annex 2. In particular, the Annex shows the number of the "*Appalti Specifici*" (Specific Calls) published in the context of the Dynamic Purchasing System during the observation timeframe from January 2022 by the contracting authorities included in Annex 2.

As clarified in the summary document provided by the Italian authorities, the National e-Procurement System is constituted by the platform "acquistinretepa" (the "online purchasing tool of the public administration"), which is jointly managed by the MEF and Consip S.p.A. Acquistinretepa is part of the wider national ecosystem of digital procurement platforms and services that manages the life cycle of public contracts. It also includes other digital platforms, such as the Dynamic Purchasing System of the Public Administration (hereinafter referred to as "SDAPA", Sistema Dinamico di Acquisizione della Pubblica Amministrazione), which allows contracting authorities to

autonomously negotiate with registered economic operators. The National e-Procurement System is integrated with the National Data Digital Platform (hereinafter referred to as “PDND”, Piattaforma Digitale Nazionale Dati, the national platform ensuring the interoperability of public administration data), which allows exchanges of data with, for example, the Banca Dati Nazionale dei Contratti Pubblici (hereinafter referred to as “BDNCP”, National Database of Public Contracts), the public database managed by ANAC that gathers all the information and activities that ensure the management of the entire life cycle of public contracts. The functioning of the National eProcurement System and of the relevant platforms that are part of the wider national ecosystem of digital procurement platforms has been assessed in the context of milestone M1C1-75 of the 5th payment request.

The Commission services conducted an on-the-spot check on 17 October 2024 to verify the extraction of the relevant data from the Consip DataWareHouse (SDAPA) for the purpose of the fulfilment of this target M1C1-99 and to cross-check the coherence and reliability of the data from the national eProcurement system *acquistiinretepa* and BNDCP. This check was completed successfully, confirming that the extraction process, including by means of the filtering system provided by the functionalities of the platforms, allowed to reconcile the data from the abovementioned platforms and ensured that more than 20% Central Government Contracting Authorities are using the dynamic purchasing system as provided by the report on the state of implementation of target M1C1-99 and its Annexes.

On the basis of the above, it is concluded that over 20% of Central Government Contracting Authorities enrolled in the National e-Procurement System (corresponding to 69 out of 254 administrations) are using dynamic purchasing systems as per EU Directive 2014/24 during the observation timeframe starting from 1 January 2022. Therefore, the target is considered satisfactorily fulfilled.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Non-repayable support

M1C1-108: Approval of the Conceptual framework, the Set of accrual accounting standards and the Multidimensional Chart of Accounts

Related Measure: M1C1.R1.15 Reform of public accounting rules

Qualitative Indicator: Resolution of the Accounting Department of the Finance Ministry approving the Accrual Accounting Governance Structure

Time: Q2 2024

1. Context:

Milestone M1C1-108 is the first milestone or target of Reform 1.15 whose objective is to close the gap with European accounting standards by implementing a single accrual accounting system for the public sector. This milestone M1C1-108 concerns the completion of a conceptual framework as reference for the accrual accounting system, the definition of accrual accounting standards based and the design of a multidimensional and multi-level chart of accounts. It will be followed by target M1C1-117, which concerns the completion of a first round of training for the transition to the new accrual accounting system for representatives of public sector entities, and milestone M1C1-118, which concerns the issuance of financial statements by public administration as a pilot phase of the new accrual accounting system and the entry into force of the legislative act of the accrual accounting for public sector entities.

2. Evidence provided:

- i. Summary document duly justifying how the milestone was satisfactorily fulfilled in line with the requirements set out in the Council Implementing Decision and, as annex, a table presenting the correspondence between each accounting standard set by Italy (ITAS) and the corresponding standards in the International Public Sector Accounting Standards (IPSAS);
- ii. A “Resolution” by the State General Accountant in the Ministry of Economy and Finance of 27 June 2024 adopting the conceptual framework, the accounting standards and the chart of accounts;
- iii. As annex to the “Resolution”, the conceptual framework as reference for the accrual accounting system;
- iv. As annex to the “Resolution”, the accrual accounting standards for the accrual accounting system (ITAS);
- v. As annex to the “Resolution”, the multidimensional and multi-level chart of accounts for the accrual accounting system;
- vi. A copy of Decree-Law 152 of 6 November 2021, entrusting the State General Accountant in the Ministry of Economy and Finance with the competence to set up an accrual accounting system (Art. 9, comma 14);
- vii. An explanatory report explaining the conceptual framework for the accrual accounting system.

3. Analysis:

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

In particular:

Completion of a conceptual framework as reference for the accrual accounting system according to the qualitative features defined by Eurostat (EPSAS Working Group);

Article 1 and Article 2 comma “b” of the Resolution adopted by the State General Accountant in the Ministry of Economy and Finance on 27 June 2024 (evidence ii) set the conceptual framework as reference for the accrual accounting system (evidence iii) in light of the competence entrusted to the General State Accounting Department of the Ministry of Finance by comma 14, Art. 9 of Decree-Law 152 of 6 November 2021 (evidence vi). This Resolution sets the three elements required by the Council Implementing Decision for the Accrual Accounting Governance Structure, namely the conceptual framework (Art. 2 comma “a”), the accrual

accounting standards (Art. 2 comma “b”) and the chart of accounts (Art. 2 comma “c”). The conceptual framework (evidence iii), the accrual accounting standards (evidence iv) and the chart of accounts (evidence v) are adopted as annexes to the Resolution and have been published on the website of the General State Accounting Department of the Ministry of Finance, with the relevant link being reported in the Resolution (evidence ii). The Commission services accessed the link provided by the authorities on 21 October 2024 to verify that the documents published corresponded to those transmitted as evidence. This check was completed successfully, confirming that the corresponding evidence has been made public. As explained in evidence (vii), the conceptual framework adopted by Italy is in line with the qualitative features defined by Eurostat (EPSAS Working Group), as presented in the “Conceptual Framework – European Public Sector Accounting Standards” published on 25 April 2018. In particular, the principles outlined in the conceptual framework adopted by Italy are aligned to the conceptual framework for European Public Sector Accounting Standards (evidence vii, table 2 at pp 17-19). More specifically, the “Qualitative Characteristics”, “Application Principles” and “Constraints” listed in the “Conceptual Framework – European Public Sector Accounting Standards” published on 25 April 2018, such as “relevance”, “reliability”, “completeness”, “prudence”, “neutrality”, “verifiability”, “substance over form”, “understandability”, “timeliness”, “comparability”, “going concern”, “consistency”, “offsetting/aggregation”, “reporting period”, “materiality” and “cost-benefit”, are included in the conceptual framework adopted by Italy. On this basis, it is concluded that the conceptual framework for the accrual accounting system was set by Italy according to the qualitative features defined by Eurostat (EPSAS Working Group).

Setting of accrual accounting standards based on IPSAS;

As explained above, the Resolution approved by the State General Accountant in the Ministry of Economy and Finance on 27 June 2024 (evidence ii) sets the three elements required by the Council Implementing Decision for the Accrual Accounting Governance Structure, including the accrual accounting standards (Art. 2 comma “b”). As explained in evidence (i), the accrual accounting standards adopted by Italy are based on the International Public Sector Accounting Standards (IPSAS). In particular, evidence (i) includes as annex a table setting a correspondence between each accounting standard set by Italy (ITAS) and the corresponding standards in the International Public Sector Accounting Standards (IPSAS). More specifically, the 18 accrual accounting standards set by Italy (ITAS) correspond to the International Public Sector Accounting Standards (IPSAS) as published in the “2022 Handbook of International Public Sector Accounting Pronouncements”. For example, the first accrual accounting standard set by Italy (“*Composizioni e schemi di bilancio*”) corresponds to IPSAS 1 (“presentation of financial statements”), IPSAS 2 (“Cash flow statements”), IPSAS 18 (“Segment reporting”), IPSAS 20 (“Related party disclosures”) and IPSAS 24 (“Presentation of budget information in financial statements”). On this basis, it is concluded that this requirement of the Council Implementing Decision is met.

Design a multidimensional and multi-level chart of accounts.

As explained above, the Resolution approved by the State General Accountant in the Ministry of Economy and Finance on 27 June 2024 (evidence ii) sets the three elements required by the Council Implementing Decision for the Accrual Accounting Governance Structure, including the chart of accounts (Art. 2 comma “c”). The chart of account designed and adopted by Italy is “multi-level” as it specifies, for each account, its level from (I) to (V), indicating its hierarchical connection with other accounts (evidence v, annexed to the Resolution). It is also “multidimensional”, as it links the accounts of the dimension related to the financial statements for general information purposes with another relevant dimension, namely the “statistical” dimension (evidence v, annexed to the Resolution). On this basis, it is concluded that this requirement of the Council Implementing Decision is met.

4. Commission Preliminary Assessment: Satisfactorily fulfilled

Non-repayable support

M1C1-111: Completion of the yearly spending review for 2023, with reference to the saving target set in 2022 for 2023

Related Measure: M1C1.R1.13 Reform of the spending review framework

Qualitative Indicator: Adoption of the Finance Ministry report on the spending review in 2023, certifying the completion of the process and the achievement of the target.

Time: Q2 2024

1. Context:

Milestone M1C1-111 is the fifth milestone or target of Reform 1.13 whose objective is to reform the spending review framework in order to improve its effectiveness. This milestone M1C1-111 concerns the adoption of the Finance Ministry report on the spending review in 2023, certifying the completion of the process and the achievement of the target set in 2022.

It follows the completion of the following milestones: milestone M1C1-102, which required the publication of a report prepared by the Accounting Department of the Finance Ministry in cooperation with selected administrations assessing their practices in the formulation and implementation of saving plans and defining guidelines for all public administrations; milestone M1C1-100, which required the reform of the existing national framework for yearly spending reviews, in particular by strengthening the role of the Finance Ministry; milestone M1C1-104, which required the adoption of savings targets for spending reviews for the aggregate central state administrations for the years 2023-2025; and Milestone M1C1-110 which required the reclassification of the general State budget with reference to the environmental expenditure and to the expenditure that promotes gender equality. It will be followed by milestones M1C1-115 and M1C1-122, which are related to the completion of spending reviews and the achievement of the corresponding savings for the years 2023, 2024 and 2025.

Evidence provided:

- i. Summary document duly justifying how the milestone was satisfactorily fulfilled in line with the requirements set out in the Council Implementing Decision;
- ii. A "Resolution" by the State General Accountant in the Ministry of Economy and Finance of 27 June 2024 adopting the conceptual framework, the accounting standards and the chart of accounts.
- iii. As annex to the "Resolution", the conceptual framework as reference for the accrual accounting system;
- iv. As annex to the "Resolution", the accrual accounting standards for the accrual accounting system (ITAS);
- v. As annex to the "Resolution", the multidimensional and multi-level chart of accounts for the accrual accounting system;
- vi. A copy of Decree-Law 152 of 6 November 2021, entrusting the State General Accountant in the Ministry of Economy and Finance with the competence to set up an accrual accounting system (Art. 9, comma 14);
- vii. An explanatory report explaining the conceptual framework for the accrual accounting system.

3. Analysis:

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

In particular:

- **The Finance Ministry report to be transmitted to the Council of Ministers as provided for by decree-laws 90 and 93 of 2016 and law 163/2016 shall:**
- **certify the completion of the spending review process for 2023 in respect of the provision for the spending review framework.**

The report adopted by the Ministry of Economy and Finance (evidence ii) explains that the 2023 spending review has been completed in line with the national legislation (Legislative Decrees n. 90 and 93 of 12 May 2016 and Law n. 163 of 4 August 2016). In particular, the report (pages 8-12 and 23-25) explains that the 2022 Economic and Financial Document (evidence vi) set saving targets for the aggregate central state administrations, defined as lower spending compared to the projected “unchanged legislation” scenario. The decree of the President of the Council of Ministers (DPCM) of 4 November 2022 distributed the savings to be achieved in 2023 among Ministries, in line with the size of their budget, and identified the criteria for the formulation of savings proposals by each Ministry. Each Ministry has transmitted to the Ministry for Economy and Finance proposals for spending reductions, which have been assessed by the Ministry for Economy and Finance and included in the 2023 budget law (law 197 of 29 December 2022). Monitoring agreements on the implementation of saving plans between the Ministry for Economy and Finance and the other ministries have been enshrined in interministerial decrees which were adopted by September 2023. Each ministry transmitted to the Ministry for Economy and Finance evaluation reports on the implementation of the saving plans, which have been published with the 2024 Economic and Financial Document. The report certifies the completion of the spending review process for 2023 in respect of the provision for the spending review framework by explaining how the steps required by commas 1, 2, 3 and 5 of Art. 22-bis of Law 196/2009 (as amended by Legislative Decrees n. 90 and 93 of 12 May 2016 and Law n. 163 of 4 August 2016) have been fulfilled. The Ministry for Economy and Finance transmitted the report to the Council of Ministers and informed the Council of Ministers on the results of the spending review in 2023 during the Council of Ministers of 3 July 2024, as demonstrated by evidence (iv) and (v).

- **certify the achievement of the target set in 2022.**

The report adopted by the Ministry of Economy and Finance (evidence ii) explains, in pages 10-11, that the total saving target set for the 2023 spending review by the 2022 Economic and Financial Document for the 2023 spending review amount to EUR 800 million for the aggregate central state administrations, defined as lower spending compared to the projected “unchanged legislation” scenario. With the 2023 budget law, the savings target for 2023 was increased slightly to EUR 811.8 million. The report adopted by the Ministry of Economy and Finance (evidence ii) certifies that the total savings achieved with the 2023 spending review amount to EUR 811.8 million in line with the 2023 budget law, thus exceeding the target set by the 2022 Economic and Financial Document (pages 12-13).

4. Commission Preliminary Assessment: Satisfactorily fulfilled

Non-repayable support

M1C1-112: Improve the operational capacity of the tax administration as indicated in the “Performance plan 2021-2023” of the Revenue Agency

Related Measure: M1C1.R1.12 Reform of the tax administration

Quantitative Indicator: Number of hirings

Baseline: 0

Target: 4113

Time: Q2 2024

1. Context:

The reform of the tax administration (Reform 1.12) includes several measures aimed at encouraging tax compliance, improving the targeting of audits and controls and reducing compliance costs for taxpayers.

In the context of this reform, target M1C1-112 requires the Revenue Agency to hire 4113 new staff units in line with the objectives of the “Performance plan 2021-2023”.

Target M1C1-112 is the ninth target of the reform, and it follows the completion of milestone M1C1-101, milestone M1C1-103, target M1C1-105, target M1C1-106, target M1C1-107, target M1C1-109, target M1C1-113 and target M1C1-114. It will be followed by target M1C1-116 and target M1C1-121, related to the reduction of tax evasion as defined by the indicator "propensity to evade". The reform has a final expected date for implementation in 30 June 2024.

2. Evidence provided:

- i. A report prepared by the Ministry of Economic and Finance on 13 November 2024 on the completed staffing procedures for the Revenue Agency;
- ii. A report prepared by the Revenue Agency on 13 November 2024 describing in detail the hiring procedures implemented and duly justifying how the target, including all the constitutive elements, was satisfactorily fulfilled;
- iii. A list of the hiring procedures implemented by the Revenue Agency (“*riepilogo procedure.xlsx*”);
- iv. A copy of the relevant hiring competitions and of the resulting ranking of candidates (“*Bandi e graduatorie.zip*”);
- v. A list of the staff hired through the relevant procedures (“*Elenco pseudonimizzato assunti.xlsx*”).

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

- vi. Copy of the hiring contract signed.

3. Analysis:

The justification and substantiating evidence provided by the Italy authorities cover all constitutive elements of the target.

In particular:

- **4113 new staff units shall be hired by the Revenue Agency in line with the hiring objectives of the “Performance plan 2021-2023”.**
 - The reports from the Ministry of Economy and Finance and the Revenue Agency as well as the related supporting evidence (evidence “i” to “v” above) confirm that, since January 2021, the Revenue Agency has

hired 4413 new staff units, thus exceeding the hiring objective of 4113 outlined in the “Performance plan 2021-2023” by 300 staff units.

Following the selection of a random sample of 60 new staff units, Italy submitted a copy of the hiring contract signed by the new staff unit, including references to the relevant hiring competition and to the date of entry into service. The evidence provided for a sample of 60 units confirmed that the requirements of the target have been met.

4. Commission Preliminary Assessment: Satisfactorily fulfilled

Non-repayable support

M1C2-2: Transition 4.0 tax credits granted to firms based on tax returns presented in 2021-2022

Related Measure: M1C2.I1 Transition 4.0

Quantitative Indicator: Number

Baseline: 0

Target: 69 900

Time: Q2 2024

1. Context:

The objective of this investment is to support the digital transformation of businesses by incentivising private investment in assets and activities supporting digitalisation. The measure consists of a tax credit scheme supporting investments in tangible and not tangible assets, research, development and innovation activities, and training activities.

Target M1C2-2 concerns the granting of at least 69 900 Transition 4.0 tax credits to firms in relation to 4.0 tangible capital goods, 4.0 intangible capital goods, standard intangible capital goods, research, development and innovation activities, or training activities, based on tax returns presented between 1 January 2021 and 31 December 2022 (for firms whose tax year does not correspond to the calendar year, the end of the relevant period for the presentation of the tax returns related to all the above-listed tax credits shall be extended from 31 December 2022 to 30 November 2023).

Target M1C2-2 is the second target for Investment 1. It was preceded by milestone M1C2-1, which envisaged 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. It is followed by target M1C2-3, which envisages the granting of at least 111 700 Transition 4.0 tax credits based on tax returns presented between 1 January 2021 and 31 December 2023.

2. Evidence provided:

1. *Summary document duly justifying how the target (including all the constitutive elements) was satisfactorily fulfilled;*
2. *Recognition Resolution 68/E of the Revenue Agency ("AdE") on the tax codes to use the tax credits of 30/11/2021;*
3. *List of tax credits granted, broken down by credit category, including the name of the beneficiary companies, as prepared by the Ministry for enterprises and made in Italy based on data collected by the Revenue Agency.*

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

- Tax returns presented by companies containing information on the application of Transition 4.0 tax credits.

3. Analysis:

The justification and substantiating evidence provided by the Italy authorities cover all constitutive elements of the target.

At least 69 900 Transition 4.0 tax credits have been granted to firms in relation to 4.0 tangible capital goods, 4.0 intangible capital goods, standard intangible capital goods, research, development and innovation activities, or training activities. A tax credit shall be considered granted with the presentation of a tax return. Tax returns shall

be presented between 1 January 2021 and 31 December 2023 and, for firms whose tax year does not correspond to the calendar year, between 1 January 2021 and 30 November 2023.

Based on the data provided by the Revenue Agency (evidence no. 3), relating to the tax returns presented between 1 January 2021 and 31 December 2022, and, for firms whose tax year does not correspond to the calendar year, between 1 January 2021 and 30 November 2023, a total of 147 557 tax credits have been granted, thus exceeding the goal of 69 900 by 77 657 tax credits. The resolution of the Revenue Agency (evidence no. 2), which was already considered in the Commission preliminary assessment of the first payment request of the Recovery and Resilience Plan, defined the relevant tax codes for the different categories of tax credits. Based on the list of granted tax credits provided by Italy (evidence no. 3), the tax credits have been granted to firms according to the following distribution, as reflected in the tax codes reported in the relevant tax declarations in line with the resolution of the Revenue Agency: 77 076 tax credits for 4.0 tangible capital goods (tax code “2L”), 11 544 tax credits for 4.0 intangible capital goods (tax codes “3H” and “3L”), 26 746 tax credits for standard intangible capital goods (tax code “L3”), 11 031 tax credits for research, development and innovation activities (tax code “L1”), 21 160 tax credits for training activities (tax code “F7”).

Following the selection of a random sample of 60 units from the 147 557 tax credits that have been granted to firms, Italy submitted the tax returns presented by beneficiary firms, demonstrating that the tax credits granted to firms correspond to 4.0 tangible capital goods, 4.0 intangible capital goods, standard intangible capital goods, research, development and innovation activities, or training activities, as the tax codes reported in the tax returns to claim the tax credits correspond to the codes defined by the resolution of the Revenue Agency (evidence no. 2). Furthermore, the dates indicated on the tax returns confirmed that they were presented between 1 January 2021 and 31 December 2022. The evidence provided for the sample confirms that the requirements of the target have been met, and that Italy has granted 147 557 tax credits to firms, thus exceeding the goal of the target of 69 900 tax credits granted by 77 657 tax credits.

4. Commission Preliminary Assessment: Satisfactorily fulfilled

Non-repayable support

M1C3-9: Registration of tourism operators in the Digital Tourism Hub

Related Measure: Investment 4.1 Digital Tourism Hub

Quantitative Indicator: Number

Baseline: 0

Target: 20 000

Time: Q2 2024

1. Context:

This measure aims at creating a Digital Tourism Hub, accessible through a dedicated web platform, to enhance, integrate and promote the entire tourism ecosystem's offerings.

This target requires the registration of at least 20 000 tourism operators in the Digital Tourism Hub. Of these, at least 7 400 shall be located in Southern Italy.

M1C3-9 is the first target of this investment, and follows the completion of Milestone M1C3-8, which required the award of the contracts for the development of the Digital Tourism Portal. Target M1C3-9 will be followed by Target M1C3-9bis, which requires the registration of a total of 35 000 tourism operators in the Hub and their access to a number of services.

2. Evidence provided:

- 1) Summary document duly justifying how the target (including all the constitutive elements) was satisfactorily fulfilled.
- 2) Excel file, extracted from the Digital Tourism Hub's database on 29 October 2024, containing the list of the registered tourism operators in the Hub, with the following information:
 - a. ATECO code (identifier of the economic activity of the operator);
 - b. P.IVA (unique identifier for each tourism operator registered in the Hub);
 - c. Region and geographic area for each tourism operator registered in the Hub.

In the context of the sampling analysis, a virtual On-the-Spot-Check was conducted on 30 October 2024 by the Commission services, with the assistance of the Italian authorities, to verify the provided information based on a sample of 60 units.

3. Analysis:

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

The number of tourism operators registered in the hub (which may include, but is not limited to, Hotel, tour operator, and firms as defined by ATECO codes 55.00.00; 56.00.00; 79.00.00 and other structures belonging to the sector) shall be at least 20 000.

The Excel file extracted from the Digital Tourism Hub database and submitted by the Italian authorities shows that on 29 October 2024, 28 439 tourism operators belonging to the tourism sector (ATECO codes 55.00.00; 56.00.00; 79.00.00) were registered in the Digital Tourism Hub, thus showing an overachievement of the target (20 000) of 8 439 units.

Following the selection of a random sample of 60 units, the Commission services conducted an on-the-spot check on 30 October 2024, by inspecting the back-office dashboard of the Digital Tourism Hub platform, to verify the match between the information contained in the platform with the one contained in the submitted excel file. Specifically, the back-office dashboard contains the information (i.e. name of the company, P. IVA, ATECO code, region and geographic area in which the company is located) regarding the tourism operators registered on the digital platform. This check was successfully completed, confirming that the selected 60 tourism operators were accredited in the hub and belonged to the touristic sector, as defined by the above-mentioned ATECO codes.

At least 7 400 tourism operators (that is, 37% of 20 000) shall be located in the South.

The Excel list provided by the Italian authorities shows that the number of tourism operators registered in the Digital Tourism Hub that are located in the South is equal to 10 437, overachieving the target of 7 400 by 3 037 units. The sampling exercise confirmed the information provided by the authorities. In particular, during the On-The-Spot-Check, it has been confirmed the geographical areas of the sampled units by checking the back-office dashboard of the digital platform and cross-checking the information provided in the excel file.

4. Commission Preliminary Assessment: Satisfactory fulfilled.

Non-repayable support

M1C3-10: Definition of a national standard for tourist guides

Related Measure: M1C3.R4.1 Regulation ordering of the professions of tourist guides

Qualitative Indicator: The definition of the minimum national standard shall not imply the creation of a new regulated profession

Time: Q2 2024

1. Context:

The reform on the regulation ordering the profession of tourist guides provides, with due regard for local regulation, a professional organisation for tourist guides and their area of origin. It entails a systematic and uniform application of the reform to regulate the fundamental principles of the profession and to standardize the levels of service provision throughout the national territory, with a positive effect on the market.

Milestone M1C3-10 concerns the definition of the minimum national st

andard that shall not imply the creation of a new regulated profession. The reform also provides for training and professional updating in order to better support the offer.

Milestone M1C3-10 is the only milestone of this reform.

2. Evidence provided:

- i. Summary document duly justifying how the milestone was satisfactorily fulfilled;
- ii. Law no. 190 of 13 December 2023, published in the Official Journal no. 293 of 16 December 2023, and entered into force on 17 December 2023, defining the “Rules governing the profession of tourist guide” (“*Disciplina della professione di guida turistica*”), amended by Decree-Law N. 19 of 2 March 2024, which was converted with modifications into Law N. 56 of 29 April 2024 and entered into force on 30 April 2024;
- iii. Decree of the Ministry of Tourism no. 88 of 26 June 2024, published on the Official Journal no. 150 of 28 June 2024 and entered into force on 13 July 2024, implementing Articles 4, 5, 6, 7, 12 and 14 of Law no. 190 of 2023;
- iv. Agreement of the State-Regions Conference of 30 May 2024;
- v. Copy of the proportionality test about Law no. 190 of 13 December 2023, as amended in 2024, conducted by the Ministry of Tourism. The proportionality test aimed to identify the necessary elements to protect consumers and public interest objectives, as well as the suitability of the provisions contained in the law as regards its appropriateness to attain the objective pursued. Additionally, the proportionality test also aims to evaluate the impact on the free movement of persons and services within the Union and the possibility to use less restrictive means to achieve the public interest objective.

3. Analysis:

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

The definition of the minimum national standard shall not imply the creation of a new regulated profession.

- Law no. 190 of 2023 establishes a legislative framework which entails a minimum national standard for the ordering of the profession of tourist guides as indicated below. The creation of a minimum national standard fully replaces the former fragmentation of regional regulation and the absence of a nation-wide applicable legislation.

- The Decree of the Ministry of Tourism no. 88 of 26 June 2024 provides for the implementation of Articles 4, 5, 6, 7, 12 and 14 of Law no. 190 of 2023, which relate, among others, to the following areas: criteria and procedures for conducting the examination for the profession of tourist guides; establishment of the national list of tourist guides; conditions and modalities for the exercise of the profession of tourist guides on the basis of qualifications obtained abroad; rules governing specialisation and refresher courses for the profession of tourist guides; rules governing the functions of control, detection and imposition of administrative penalties. The above list covers the elements considered as the minimum national standard, as provided by primary law.
- Before the reform, the profession of tourist guides had been regulated in some regions, with substantial differences between them. The proportionality assessment prepared by the Italian authorities presents as examples several types of measures related to the regulation of the profession in various Italian regions before Law 190/2023 entered into force. The new legislation adopted creates a minimum national standard. It thus will replace a fragmented regional system with a unified one.
- Consequently, the new regulation corresponds to the description of the milestone. The assessment of the minimum national standard for the purposes of payments from the Recovery and Resilience Facility does not prejudice future evaluations and monitoring by the Commission in any other proceedings regarding Directive (EU) 2018/958 (“Proportionality Test Directive”) or Directive 2005/36/EC (“Professional Qualifications Directive”), or regarding other relevant Union Law.

The reform shall also provide for training and professional updating in order to better support the offer.

- Article 7 of Law no. 190 of 2023 provides for “specialisation and refresher courses”. In particular, tourist guides included in the national list may acquire one or more thematic or territorial specialisations (including accessible and inclusive tourism) through the participation in courses of theoretical and practical content, authorised by the Ministry of Tourism. These specialisations are voluntary and do not constitute a condition for access to or exercise of the profession in general or in specific sites. Thematic specialisations can be, for example, in the historical and artistic area, in the archaeological field, as well as specialisations in the monumental or museum heritage. Territorial areas of specialisation correspond to the territory of each province, region and autonomous province of the State or to territories with homogeneous environmental characteristics. Various specialisations can be combined. Additionally, paragraph 2 of article 7 provides that the successful completion of the training courses, with the minimum duration of fifty hours per training course, allows tourist guides to register in dedicated sections of the national list in relation to the thematic and territorial specializations acquired. Paragraph 3 of article 7 provides that tourist guides are obliged to the continuous updating of their competences, at least once every three years, by means of theoretical and practical courses authorised by the Ministry of Tourism. According to the text of the law, the above training initiatives are intended to make sure that tourist guides are equipped with the latest knowledge and experience in the field to better support the offer of tourist guides.
- In line with the above, Article 23 of the implementing regulation (Decree of the Ministry of Tourism no. 88 of 26 June 2024) provides for the modalities of professional update courses, which consist of training activities on the subjects of the exam (ex Article 3) and of specialisations (ex Article 22) of the present regulations, in the form of practical and theoretical content. On the basis of the content of the courses, as established by the legislation, these professional updates aim at deepening knowledge and experience gained during the career path, and at developing new professional competences in the field of tourist guides to better support the offer.

The reform shall qualify as a method for the acquisition of a unique professional qualification adopted with uniform standards at national level through a National Law and subsequent implementing Ministerial Decrees of Understanding State Regions.

- The adopted legislative framework (primary and secondary legislation) provides for a single professional qualification. The latter entails the examination of competences and the conditions and modalities for the exercise of the profession of tourist guides on the basis of the qualifications obtained, which are set up at national level (Law no. 190 of 2023). The conditions and modalities include, as a matter of example, language skills, school or academic qualifications, the content of the national exam, the possibility to carry out an

adaptation internship and the final test for being included in the national list of tourist guides. The National Law also provides for the creation of a national list of tourist guides.

- Uniform standards at national level include the criteria and procedures for conducting the examination for the profession of tourist guides; the establishment of the national list of tourist guides; the conditions and modalities for the exercise of the profession of tourist guides on the basis of qualifications obtained; the rules governing specialisation and refresher courses for the profession of tourist guide; and the rules governing the functions of control, detection and imposition of administrative penalties.
- Article 116 of the Italian Constitution provides that five Regions (Friuli Venezia Giulia, Sardinia, Sicily, Trentino Alto Adige / Südtirol – encompassing the special provinces of Trento and Bolzano, Valle d’Aosta / Vallée d’Aoste – “Special Regions”) are granted special autonomy, in accordance with their statutes, that are approved with a constitutional law, in order to protect cultural/linguistic minorities. In compliance with the constitutional framework and as provided by Law no. 190/2023, the adoption of the Implementing Regulation with respect to additional topics of examination (Art. 4, para. 1 and 3 of Law no. 190 of 2023), the execution provision underlying the occasional provisions of services, the means of execution of the compensation measures (art. 6, para. 7) and the regulation of specializations and refresher courses (Art. 7, para. 4) required an agreement within the so-called “State-Regions Committee” (“Conferenza Permanente per i rapporti tra lo Stato, le Regioni e le Province Autonome di Trento e Bolzano”). The Italian authorities provided the agreement of the State-Regions Conference. On 13 May 2024, the Ministry of Tourism sent the draft regulation on the profession of tourist guides to the State-Regions Conference which issued its agreement on 30 May 2024, conditional to accept an amendment excluding the application of Section I, III and IV of the draft regulation to Regions with special status and the Autonomous Provinces of Trento and Bolzano according to the Italian Constitution. Article 32 of the regulation (Decree of the Ministry of Tourism no. 88 of 2024) – scope of application – clarifies that Law no. 190 of 2023 sets a minimum standard which is applicable nationwide, including in Regions with special status and the Autonomous Provinces of Trento and Bolzano in so far as they do not conflict with their Statutes and bylaws. Italian authorities further clarified that no incompatibilities between the National Law and applicable regional and local legislation have been identified. The provision on Special autonomy regions set forth in the implementing regulation would only result in the possibility of fine-tuning the topics of the exam in Special Regions, in order to ensure the special safeguards envisaged by the Constitution (i.e. for linguistic minorities, where it might be permitted to take the exam in German language in Alto Adige where German is an official language of the region). Similarly, Special Regions could eventually ask for additional specialisations and refresher courses at regional level, subject to the clearance by the Ministry. However, specialisations are merely voluntary, as set out by Law no. 190/2023, and thus would not preclude the access to the tourist guides’ profession.
- Furthermore, in line with the description of the measure that provides that **the investment in the Digital Tourism Hub is complemented by a reform to streamline the touristic guides regulations. The measure provides, with due regard for local regulation, a professional organisation for tourist guides and their area of origin. The systematic and uniform application of the reform would make it possible to regulate the fundamental principles of the profession and to standardize the levels of service provision throughout the national territory, with a positive effect on the market. The reform shall include training and further training in order to best support the offer.**
- As explained above, the adopted legislative framework provides a uniform legal framework for the professional organization of tourist guides, through a minimal standard applicable throughout Italy, including in Regions with special status and the Autonomous Provinces of Trento and Bolzano. As also explained above, the reform (which includes primary and secondary legislation) provides for a uniform application of the fundamental principles regarding the profession of tourist guides, which entail the examination of competences and the conditions and modalities for the exercise of the profession on the basis of the qualifications obtained, the creation of a national list of tourist guides, and the enabling of specialization and refresher courses. According to the Proportionality test of Law 190 of 2023 provided by

Italian authorities, this uniform application of the fundamental principles of the reform is intended to standardise the levels of services provision across the whole national territory, with the desired effect of a more effective provision of services on the market. Article 32 of the implementing regulation further specifies how the Law applies in line with regional competences.

- As explained above, Article 7 of Law no. 190 of 2023 includes provisions for “specialisation and refresher courses” and, in line with the latter, Article 23 of the implementing regulation (Decree of the Ministry of Tourism no. 88 of 26 June 2024) provides for the modalities of professional update courses. As explained in the sections above, these provisions ensure access to training and future training the objective of which is to support the professional offer.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Non-repayable support

M2C1-6: Allocation of resources to the beneficiaries as % of the total financial resources assigned to the investment

Related Measure: M2C1.I2.2 Agri-solar Park

Quantitative Indicator: Percentage

Baseline: 32

Target: 63.5

Time: Q2 2024

1. Context:

This measure gives support to investments in the agro-industrial sector to undertake several types of interventions aimed at improving its energy efficiency such as the removal and disposal of the existing roof and construction of a new insulated roof, the creation of automated ventilation and/or cooling systems and the installation solar panels, intelligent management of flows and accumulators.

This measure consists in the granting of support to investments on productive structures of the agricultural, livestock and agro-industrial sector, to remove and dispose of the existing roof and construction of a new insulated roof, to create automated ventilation and/or cooling systems and to install solar panels, intelligent management of flows and accumulators

The target requires to identify beneficiary projects and allocate them resources for a total value amounting at least 63.5% of the total financial resources assigned to the investment. The award procedure provides for the disbursement of grants or other incentives to companies that meet the requirements and submit the application.

Target M2C1-6 is the third step of the implementation of the investment, and it follows target M2C1-4 and M2C1-5, which are about identifying projects amounting to 30% and 32% of the total financial resources respectively. It will be followed by M2C1-6bis, requiring 100% allocation of financial resources, and by target M2C1-9, which requires at least 1 383 000 (kW) solar power generation capacity installed.

2. Evidence provided:

- i. Summary document duly justifying how the milestone, including all the constitutive elements, was satisfactorily fulfilled
- ii. Directorial Decree 693994, 18/12/2023, providing the consolidated list of selected beneficiaries (assessed under target M2C1-5), published on the Ministry of Agriculture's website [here](#).
- iii. Directorial Decree 0050238, 01/02/2024, setting out the additional number of resources allocated to the investment and the list of beneficiaries, published on the Ministry of Agriculture's website [here](#).
- iv. Directorial Decree 0100958, 29/02/2024, setting out the additional number of resources allocated to the investment and the list of beneficiaries, published on the Ministry of Agriculture's website [here](#).
- v. Directorial Decree 208489, 10/05/2024, setting out the additional number of resources allocated to the investment and the list of beneficiaries, published on the Ministry of Agriculture's website [here](#).
- vi. Directorial Decree 0277199, 20/06/2024, setting out the additional number of resources allocated to the investment and the list of beneficiaries, and consolidating the list of beneficiaries selected under previous decrees, published on the Ministry of Agriculture's website [here](#).
- vii. Ministerial Decree N. 211444, 19/04/2023 published in the Gazzetta Ufficiale n. 152 of 01/07/2023) setting the scope, the financial resources allocated and the eligible expenditure for the interventions related to this measure.

- viii. Directorial Decree N. 0386481, 21/07/2023, identifying the financial resources earmarked to this investment and the rules applicable to the submission of proposals related to interventions under this measure, published on the Ministry of Agriculture's website [here](#).
- ix. Ministerial Decree N. 0176845, 17/04/2024, published in the Gazzetta Ufficiale n. 197 of 23/08/2024, updating Ministerial Decree N. 211444, 19/04/2023, updating the financial resources allocated to this measure.

3. Analysis:

The justification and substantiating evidence provided by the Italy authorities cover all constitutive elements of the target.

Identification of beneficiary projects whose total value amount at least 63.5% of the total financial resources assigned to the investment.

Article 3 of Directorial Decree N. 0277199 of 20 June 2024 adopts the consolidated list of beneficiaries which identified a total of 15 341 beneficiary projects for EUR 1.512.359.462,11 corresponding to 64.3% of the financial resources assigned to the investment. The complete list is provided under Annex 3 to this Decree, and includes the name of the beneficiaries, region, typology of activity and maximum financial contribution.

Article 3 (1) of Directorial Decree N. 0277199 of 20 June 2024 specifies that the present decree consolidates the following Directorial Decrees: N. 693994 of 18 December 2023, N. 50238 of 01 February 2024, N. 100958 of 29 February 2024, N. 208489 of 10 May 2024, hence allocating the resources to the beneficiary projects, as well as the additional beneficiaries identified under Article 1 (1) and under Annex 2 of Directorial Decree N. 0277199 of 20 June 2024. Annex 3 of Directorial Decree N. 0277199 of 20 June 2024 provides the consolidated list of the beneficiary projects.

The award procedure shall provide for the disbursement of grants or other incentives to companies that meet the requirements and submit the application.

Article 2 (1) Decree N. 211444 of 19 April 2023 establishes that the support is provided for installing photovoltaic systems on rooftops of buildings instrumental to agricultural, livestock and agro-industrial activities in the form of grants. Article 4 (2) of the aforementioned Decree sets the requirements for the selection of companies that could be granted disbursement (as further detailed in the analysis below).

Furthermore, in line with the description of the measure, **this measure consists in the granting of support to investments on productive structures of the agricultural, livestock and agro-industrial sector, to remove and dispose of the existing roof and construction of a new insulated roof, to create automated ventilation and/or cooling systems and to install solar panels, intelligent management of flows and accumulators.**

Article 4 (2) of Decree N. 211444 of 19 April 2023 sets out the characteristics of the type of enterprise and investments that can be granted support. The eligible productive structures are in particular (a) farmers in individual or corporate form, (b) agro-industrial enterprises, (c) agricultural cooperatives, or (d) an association of the above. Article 2 (4) sets out the scope of eligible investments under this measure. In particular, it specifies that all eligible interventions (to be carried out on the roofs of buildings instrumental to agricultural, livestock and agro-industrial activities, including those with farm tourism activities) must include the installation of photovoltaic systems. In addition, other interventions are eligible: article 2 (4) paragraph (a) refers to the removal and disposal of asbestos (from roofs, in compliance with the national sector legislation in force; paragraph (b) to the thermal insulation of roofs, which shall include a technical report on the degree of insulation envisaged based on the specific production uses of the building; and paragraph (c) of the same article refers to the set-up of a ventilation system connected to the replacement of the roof, including a report on the envisaged ventilation system based on the production use of the building. Article 6 specifies the type of expenditure eligible for each category of intervention, including accumulators and acquisition of software for the intelligent management of flows under paragraph (a).

4. Commission Preliminary Assessment: [Satisfactorily fulfilled](#).

Loan support

M2C1-15: Reduction of irregular landfills (T1)

Related Measure: M2C1.R1.2 National Program for Waste Management

Quantitative Indicator: Number of irregular landfills

Baseline: 33

Target: 11

Time: Q2 2024

1. Context:

This reform concerns the implementation of a comprehensive National Programme for Waste Management aimed at achieving the highest standards in reuse, recycling, and waste recovery. It includes adapting the necessary infrastructure for integrated waste management, minimizing final disposal as a last resort, and establishing monitoring systems to prevent new infringement procedures against Italy.

Target M2C1-15 is the third target of the reform and concerns the reduction of irregular landfills included in the infringement procedure NIF 2003/2077 from 33 to 11 (i.e., at least 66%). It follows the completion of milestone M2C1-13 on the national programme for waste management and target M2C1-15bis on the reduction of irregular landfills related to infringement procedure NIF 2011/2215. It will be followed by its final target M2C1-16, related to the reduction of irregular landfills included in the infringement procedure NIF 2003/2077 from 11 to 0 (i.e. 100% of landfills closed).

2. Evidence provided:

- i. Summary document duly justifying how the target was satisfactorily fulfilled.
- ii. The notification of payment order of the fines related to the European Court of Justice judgment C-196-13 concerning the infringement procedure NIF 2003/2077, sent to Italy by the European Commission on 24 June 2024, where it is indicated that only 11 landfills are yet to be closed. The letter from the European Commission notifies the Italian authorities about the amount of the fine due for the infringement procedure NIF 2003/2077.
- iii. Cancellation requests sent from Italy to the European Commission for 7 landfills on 2 December 2023 and 2 June 2024. Requests sent by the Commission for Illegal Landfills to the Ministry of Environment and Energy Security and Presidency of the Council of Ministers to be transmitted to the European Commission. (1) Documents for 3 additional landfills for cancellation requests on 2 December 2023; (2) Documents for 4 additional landfills for cancellation requests on 2 June 2024.
- xi. Decree of the Ministry of Ecological Transition (at the time of writing Ministry of Environment and Energy Security), no. 257 of 24 June 2023, as communicated in the Official Journal no. 151 of 20 June 2022. The Decree approves the National Programme for Waste Management, attached to the Decree, available on the official ministerial website: <https://www.mite.gov.it/pagina/riforma-1-2-programma-nazionale-la-gestione-dei-rifiuti>.

3. Analysis:

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

Reduction of irregular landfills included in the infringement procedure NIF 2003/2077 from 33 to 11 (i.e. of at least 66%).

The number of irregular landfills included in the infringement procedure 2003/2077 was brought to 11 (66%), as evidenced by the notification of payment order of the fines related to European Court of Justice judgment C-196-13 sent to Italy by the European Commission on 24 June 2024. According to the letter, following the evidence provided by the Italian authorities, 11 irregular landfills remain yet to be closed.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Loan support

M2C1-16bis: irregular landfills

Related Measure: Reform 1.2 National Program for Waste Management

Quantitative Indicator: Number

Baseline: 14

Target: 9

Time: Q2 2024

1. Context:

This target concerns the reduction of irregular landfills included in the infringement procedure INFR(2011)/2215 from 14 to 9 (i.e. of at least 75%). It is related to the reform 1.2 on the adoption of the National Programme for Waste Management.

Target M2C1-16bis requires the reduction of irregular landfills included in the infringement procedure INFR(2011)/2215 from 14 to 9 (i.e. of at least 75%). Target M2C1-16bis is the final step of the implementation of reform 1.2 linked to the goal of reduction of irregular landfills included in the infringement procedure INFR(2011)/2215. It follows target M2C1-15bis that concerned the reduction of irregular landfills included in the infringement procedure INFR(2011)/2215 from 34 to 14 (i.e. at least 60%). Reform 1.2 envisages also additional targets related to the closure of the infringement procedure INFR(2003)/2077 (M2C1-15 and M2C1-16).

2. Evidence provided:

1. Summary document duly justifying how the target was satisfactory fulfilled;
2. Assessment made by the Directorate-General Environment , confirming that the number of landfills included in the infringement procedure INFR(2011)/2215 was brought to 9.
3. Administrative acts of the local authorities concerning the closures of the landfills;

3. Analysis:

The justification and substantiating evidence provided by the Italy authorities cover all constitutive elements of the target.

Reduction of irregular landfills included in the infringement procedure 2011/2215 from 14 to 9 (i.e. at least 75%).

As confirmed by the assessment made by the competent Commission service for infringement procedure INFR(2011)/2215, , Italy completed the reduction of irregular landfills included in the infringement procedure INFR(2011)/2215 from 12 to 9. In particular, , on the basis of the information provided by the Italian authorities, including the administrative acts of the local authorities concerning the closures of the landfills, the Directorate-General Environment has reached the conclusion that additional three landfills included in the infringement procedure INFR(2011)/2015 have been closed out, bringing the total number of irregular landfills related to this infringement procedure and yet-to-be-closed to 9. As part of the fifth payment request, Italy submitted evidence to support the completion of the reduction of irregular landfills included in the same infringement procedure INFR(2011)/2215 from 34 to 12, under Target M2C1-15bis of the same reform, exceeding the requirement for Target M2C1-15bis of 14 irregular landfills by two landfills. While these additional two landfills were not necessary for assessing the satisfactory fulfilment of Target M2C1-15bis, their inclusion in the assessment of the satisfactory fulfilment of the sequential Target M2C1-16bis is warranted. Notably, the cumulative number of irregular landfills reduced so far under Reform 1.2

National Program for Waste Management is 25, accounting for a reduction of irregular landfills from 34 to 9, in accordance with the Council Implementing Decision.

4. Commission Preliminary Assessment: satisfactory fulfilled

Loan support

M2C1-22: Implementing Agreement

Related Measure: M2C1.I3.4 Fondo Rotativo Contratti di Filiera (FCF) to support supply-chains contracts for the agri-food, fishing and aquaculture, forestry, floriculture and plant nursery sectors

Qualitative Indicator: Entry into force of the Implementing Agreement

Time: Q2 2024

1. Context:

The objective of this investment is to reduce greenhouse gas emissions, food waste and the use of pesticides and antimicrobials, improving energy efficiency and increasing the production and use of renewable energy. The public investment will focus on setting up a Facility, the *Fondo Rotativo Contratti di Filiera (FCF)*, which will improve access to finance in Italy's the agri-food, fishing and aquaculture, forestry, floriculture and plant nursery sectors.

Milestone M2C1-22 concerns the entry into force of the Implementing Agreement between the Ministry of Agriculture Sovereignty and Forestry (henceforth, "MASAF") and Institute of Services for the Agricultural Food Market (henceforth, ISMEA).

Milestone M2C1-22 is the first step of the implementation of the investment. It will be followed by milestone M2C1-25 related to the transfer of the relevant resources to ISMEA, and targets M2C1-23 and M2C1-24, related to ISMEA entering into legal grant agreements with final beneficiaries for 50% and 100% of the investment, respectively.

2. Evidence provided:

1. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
2. Implementing Agreement MASAF and ISMEA) signed on 25 July 2024 and registered on 26 July 2025 with Protocol Number 0337702.
3. MASAF Ministerial Decree No 264374 of 12 June 2024 including provisions relating to the implementation of the measure;
4. MASAF Guidelines for implementing partners with operational instructions for financial management, monitoring, reporting and control activities, available at mase.gov.it/sites/default/files/PNRR/PNRR_-_LGSA/Linee_Guida_Soggetti_attuatori_MASE_v.2.0_del_07-06-2024_0.pdf
5. MASAF Management and Control System (Si.Ge.Co.) describing the structure, tools and procedures put in place to guarantee coordination and management oversight for the implementation of the RRP measures, available at [Sistema di Gestione e Controllo | Ministero dell'Ambiente e della Sicurezza Energetica \(mase.gov.it\)](https://mase.gov.it).
6. Act of registration by the National Court of Auditors of the Implementing Agreement MASAF-ISMEA, Protocol Number 0378575 of 22 August 2024.

3. Analysis:

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

Entry into force of the Implementing Agreement

MASAF and ISMEA signed an implementing agreement on 25 July 2024 (evidence no.2). The implementing agreement is in line with all the requirements included in the description of the measure, as explained below.

Furthermore, in line with the description of the measure, the implementing agreement has entered into force following its registration on 26 July 2025 with Protocol Number 0337702 (evidence no.2). The implementing agreement has also been registered by the National Court of Auditors (evidence no.6).

This measure shall consist of a public investment in a Facility, the Fondo Rotativo Contratti di Filiera (FCF), in order to incentivise private investment and improve access to finance in Italy's the agri-food, fishing and aquaculture, forestry, floriculture and plant nursery sectors. The Facility shall operate by providing grants and subsidised loans directly through ISMEA (Istituto di Servizi per il Mercato Agricolo Alimentare). The amount of the Facility shall be EUR 2 000 000 000, including the fees to be paid to ISMEA. The Facility shall be managed by ISMEA as the implementing partner.

Article 2(1) of the implementing agreement between MASAF and ISMEA (evidence no.2) identifies ISMEA as the implementing partner.

Article 2 of the implementing agreement (evidence no.2) recalls the objective of the implementing agreement which, in line with Article 1 of the Decree (evidence no.3), aims to incentivise private investment and provide access to finance in Italy's agri-food, fishing and aquaculture, forestry, floriculture and plant nursery sectors. Article 2 of the implementing agreement further specifies that the Facility (named in Italian "Fondo Rotativo contratti di Filiera"), in line with Article 1 of the Decree (evidence no.3), is to operate through the disbursement by ISMEA of grants and subsidised loans.

Article 9 of the implementing agreement further indicates that the financial resources, amounting to EUR 1 960 000 000, shall be transferred to ISMEA. At the same time, Article 10 of the implementing agreement provides for management fees for ISMEA of EUR 40 000 000. Therefore, the total amount of the Facility is EUR 2 000 000 000.

The Facility shall include the following product lines:

- **Support enterprises, groups of enterprises or agricultural producer associations as well as research and knowledge-dissemination organisations, in the agri-food, fishing and aquaculture, forestry, floriculture and plant nursery sectors by improving production processes by including a mix of activities amongst the following:**
 - **Improve the environmental sustainability of production processes with investments in tangible and intangible assets to substantially increase the efficiency in energy, water and resources consumption of the targeted production processes;**
 - **Investments in knowledge, training, research and innovation, technology transfer and development projects, which may also support the reorganisation of relations between the various actors in the supply chain, to enhance the sustainability of production processes;**
 - **Investments in the digitalisation of enterprises, including e-commerce and emerging technologies;**
 - **Installation of photovoltaic and solar panels**

Article 2(3) of the implementing agreement (evidence no.2) specifies that the Facility shall support the enterprises, groups of enterprises or agricultural producer associations as well as research and knowledge-dissemination organisations, in the agri-food, fishing and aquaculture, forestry, floriculture and plant nursery sectors with specific type of beneficiaries for each sector. In particular, the beneficiary sectors are:

i) for the agri-food sector: (a.) undertakings, including in the form of a consortium, cooperative societies and their consortia, as well as undertakings organised in business networks, active in the agricultural and agri-food sector; (b.) agricultural producer organisations and associations of agricultural producer organisations recognised under the legislation in force; (c.) companies formed between persons engaged in agricultural activities and commercial and/or industrial and/or distribution undertakings, provided that at least 51 % of the share capital is owned by farmers, agricultural cooperatives and their consortia or producer organisations recognised under the legislation in force (the capital of such companies may also be owned, to an extent not exceeding 10 %, by large enterprises, agricultural or

commercial enterprises); (d.) research and knowledge-dissemination organisations, as defined in Regulation (EU) No 702/2014, registered in the National Research Register, established at the Ministry of Universities and Research.

ii) for the fisheries and aquaculture sector: (a.) undertakings active in the fisheries and aquaculture sector; (b.) producer organisations and associations of producer organisations recognised under the legislation in force; (c.) companies formed between entities engaged in fishing activities and commercial and/or industrial and/or distribution undertakings, provided that at least 51 % of the share capital is owned by fish entrepreneurs, cooperatives and their consortia or producer organisations recognised under the legislation in force (the capital of such companies may also be owned, to an extent not exceeding 10 %, by large undertakings, fish or commercial companies; (d.) research and knowledge-dissemination organisations, as defined in Regulation (EU) No 651/2014, registered in the National Research Register, established at the Ministry of Universities and Research.

iii) for the forestry, floriculture and plant nursery sectors: (a.) forest owners or forest area managers: private forest holders, municipalities and their consortia; (b.) SME enterprises active in forestry use and production and wood-growing; (c.) organisations of owners, producers and associations of organisations of owners and producers recognised under the legislation in force; (d.) companies approved under the legislation in force, formed between owners of woodland or wood-growing plants, entities engaged in forest management, production and utilisation, cooperatives and their consortia, and entities processing timber and timber products, forests and wood-growing; commercial, industrial and distributive enterprises, the share capital of which is at least 51 % owned by forest owners or wood-growing plants; (e.) research and knowledge-dissemination organisations, which are part of the sectoral agreement and are registered in the National Research Register, set up at the Ministry of Universities and Research.

Article 2(3) of the implementing agreement (evidence no.2) specifies that the Facility shall support one or more of the following activities: i) Improve the environmental sustainability of production processes with investments in tangible and intangible assets to substantially increase the efficiency in energy, water and resources consumption of the targeted production processes; ii) Investments in knowledge, training, research and innovation, technology transfer and development projects, which may also support the reorganisation of relations between the various actors in the supply chain, to enhance the sustainability of production processes; iii) Investments in the digitalisation of enterprises, including e-commerce and emerging technologies; iv) Installation of photovoltaic and solar panels

The objective of the measure is to reduce greenhouse gas emissions, food waste and the use of pesticides and antimicrobials, improving energy efficiency and increasing the production and use of renewable energy.

Article 2(3) of the implementing agreement (evidence no.2), in line with Article 1 (4) of the Decree (evidence no.3), specifies that the measure aims to reduce greenhouse gas emissions, food waste and the use of pesticides and antimicrobials by improving energy efficiency and increasing the production and use of renewable energies.

In order to implement the investment into the Facility, the Ministry and ISMEA shall sign an Implementing Agreement that shall include the following content:

1. Description of the decision-making process of the Facility: the final investment decision of the Facility shall be taken by an investment committee or other relevant equivalent governing body and approved by a majority of votes from members who are independent from the government

Article 4 of the implementing agreement (evidence no.2) includes the commitments and tasks of ISMEA. In particular, in line with Article (4)(1)(d), ISMEA commits to fully implement the investments and, in line with Article 4(2)(j), to examine the proposals, assess them and transmit them to the investment committee.

Article 5 of the implementing agreement refers to the composition and tasks of the investment committee. Such committee is composed by members who are independent from the Government (Article 5(1)), notably by 2 members from MASAF and 3 members from ISMEA. The Committee makes the final award decision (Article 5(5)) with a favourable vote of the majority of its members (Article 5(5)) and only when all members are present. If needed, the investment committee can request additional documents from ISMEA in order to carry its tasks out.

2. Key requirements of the associated investment policy, which shall include:

a. The description of the financial products and eligible final beneficiaries.

The **financial support** for the measure can take the form of non-repayable grants and/or subsidised loans in accordance with Article 2(3) of the implementing agreement and Article 2 (5) of the Decree (evidence no.3).

The **beneficiaries** of the aid may be groups of enterprises or agricultural producer associations, as well as research and knowledge-dissemination organisations, in the agri-food, fishing and aquaculture, forestry, floriculture and plant nursery sectors (Article 2(3) of the implementing agreement) as detailed above.

b. The requirement that all investments supported are economically viable.

Article 1(9) of the Decree (evidence no.3) explicitly provides that 'investment programmes supported under the scheme must be economically viable'. ISMEA verifies during its assessment (and before the investment/award), the financial viability of the operation (Article 4(2)(j) of the Implementing Agreement).

c. The requirement to comply with the 'Do no significant harm' (DNSH) principle as set out in the DNSH Technical Guidance (2021/C58/01). In particular, the grant policy shall exclude the following list of activities and assets from eligibility: (i) activities and assets related to fossil fuels, including downstream use, (ii) activities and assets under the EU Emission Trading System (ETS) achieving projected greenhouse gas emissions that are not lower than the relevant benchmarks, (iii) activities and assets related to waste landfills, incinerators and mechanical biological treatment plants.

Pursuant to Article 1(7)(b) of the Decree (evidence no.3), all eligible programs must comply with the 'Do no significant harm' (DNSH) principle as set out in Article 17 of Regulation (EU) 2020/852 and in the DNSH Technical Guidance (2021/C58/01). According to Article 1(8) of the Decree, the following list of activities and assets are, in any case, not eligible: (i) activities and assets related to fossil fuels, including downstream use, (ii) activities and assets under the EU Emission Trading System (ETS) achieving projected greenhouse gas emissions that are not lower than the relevant benchmarks, (iii) activities and assets related to waste landfills, incinerators and mechanical biological treatment plants.

According to Article 4(2)(i) of the implementing agreement (evidence no.2), ISMEA verifies, during the implementation of the investment, the compliance with the DNSH principle. The investment committee also verifies such compliance (Article 5(9) of the implementing agreement).

d. The requirement that final beneficiaries of the Facility shall not receive support from other Union instruments to cover the same cost.

Article 3(1)(e) of the implementing agreement (evidence no.2), sets that MASAF has the obligation to adopt adequate measures, inter alia, to ensure the absence of double funding by means of Art. 9 of Regulation (EU) 2021/241. In addition, Article 4(1)(f) sets that ISMEA, inter alia, has the obligation to report to the MASAF cases of double funding that may emerge from verification activities as well as adopting the necessary measures in compliance with Art. 22 of Regulation (EU) 2021/241.

Moreover, according to Article 4(2)(s) of implementing agreement (evidence no.2), ISMEA verifies the compliance with the prohibition of double funding at project level. In particular, ISMEA applies the guidelines prepared by MASAF with operational instructions for financial management, monitoring, reporting and control activities and the procedures from the MASAF-PNRR Management and Control System (Si.Ge.Co.)² (evidence no. 4 and no.5).

3. The amount covered by the Implementing Agreement, the fee structure for the Implementing Partner and the requirement to reinvest any reflows according to the investment policy of the Facility.

² [Sistema di Gestione e Controllo | Ministero dell'Ambiente e della Sicurezza Energetica \(mase.gov.it\)](https://www.mase.gov.it)

The amount covered by the implementing agreement is EUR 2 000 000 000. Article 10(1) of the implementing agreement (evidence no.2) provides that the fee for the management of the Facility assigned to ISMEA amounts to EUR 40 000 000.

Article 3(1)(b) and Article 9(1) foresee that the resources to be transferred to ISMEA to implement the measure are EUR 1 960 000 000.

Articles 9(4) and 9(5) of the implementing agreement specifies that any unused resources, as well as resources resulting from withdrawals, including partial withdrawals, of facilities granted or waived, reflows of preferential financing and interest generated by resources transferred to ISMEA shall be used, even after 31 December 2026, for the same policy purposes as those set out in the implementing agreement.

4. Monitoring, audit, and control requirements, including:

a. The description of the implementing partner's monitoring system to report on the investment mobilized.

Article 4(2)(m) and (n) of the implementing agreement (evidence no.2) foresees that ISMEA adopts the single IT system for the NRRP referred to in Article 1 (1043) of Law No 178 of 30 December 2020. Furthermore, ISMEA applies the guidelines prepared by MASAF with operational instructions for financial management, monitoring, reporting and control activities and the procedures from the MASAF-PNRR Management and Control System (Si.Ge.Co.), in accordance with Article 4(2)(p) (evidence no.4 and evidence no. 5).

Article 4(2)(g) further specifies that ISMEA will comply with the instructions provided by MASAF and the guidelines and circulars issued by the Ministry of Economic Affairs and Finance on monitoring, control and reporting related to the NRRP and for any other activities relating to the proper implementation of the investment.

b. The description of the implementing partner's procedures that shall ensure the prevention, detection and correction of fraud, corruption, and conflicts of interests.

Article 3(1)(e) of the implementing agreement foresees that MASAF shall implement adequate measures to comply with the principle of sound financial management as laid down in Financial Regulation (EU, Euratom) 2018/1046 and Article 22 of Regulation (EU) 2021/241, in particular with regard to the prevention of conflicts of interest, fraud, and corruption.

As the implementing partner, ISMEA will assess project proposals from beneficiaries based on the requirements foreseen in the Decree, for example on the type of beneficiaries or activity to be financed (evidence no.3). ISMEA must provide immediate direct information on each operation, keeping MASAF informed of the initiation and progress of any judicial, civil, criminal or administrative proceedings affecting the operations covered by the projects, and communicate irregularities, fraud, corruption and conflicts of interest detected, as well as cases of double funding following the checks within its remit, and take the necessary measures. ISMEA will also forward to MASAF any requests for further investigation relating to suspicious transactions (Article 4(1)(f)).

In addition, ISMEA shall (i) provide adequate measures to prevent conflict of interests, relying on relevant IT platforms and databases (Article 4(2)(r)); (ii) comply with directives and guidelines from MASAF and the Ministry of Economy and Finance (Article 4(2)(g)); (iii) collect data on beneficiaries and identify potential anomalies and risks through proper IT tools (Article 4(2)(q)).

c. The obligation to verify the eligibility of every operation in accordance with the requirements laid out in the Implementing Agreement before committing to finance an operation.

According to Article 4(2)(j) of the implementing agreement, ISMEA has the obligation to verify the eligibility of projects proposals from beneficiaries on the basis of the requirements laid down in the agreement, including verification of the economic and financial sustainability of the relevant programme, and to send the results of the investigation to the Investment Committee.

d. **The obligation of carrying out risk-based ex-post audits in accordance with an audit plan of ISMEA. These audits shall verify i) that the control systems are effective, including the detection of fraud, corruption, and conflict of interests; ii) compliance with the DNSH principle, the State Aid rules, the climate target requirements; and iii) that the requirement that final beneficiaries of the Facility have not received support from other Union instruments to cover the same cost is respected. The audits shall also verify the legality of the transactions and that the conditions of the applicable Implementing Agreement and Funding Agreements are being respected.**

According to Article 4(2)(w) of the implementing agreement (evidence no. 2), ISMEA has the obligation of carrying out risk-based ex-post audits in accordance with an audit plan of ISMEA, to be adopted within 12 months from the signature of the implementing agreement. These audits shall verify: i) that the control systems are effective, including the detection of fraud, corruption, and conflict of interests; ii) compliance with the DNSH principle, State aid rules, the climate target requirements; and iii) that the requirement that final beneficiaries of the FCF have not received support from other Union instruments to cover the same cost is respected. According to Article 4(2)(w), the audits shall also verify the legality of the transactions and that the conditions of the applicable Implementing Agreement are being respected.

5. Requirements for climate investments carried out by the implementing partner: at least EUR 924 000 000 of the RRF investment into the Facility shall contribute to the climate change objectives in accordance with Annex VI to the RRF Regulation³.

Article 4(2)(l) of the implementing agreement (evidence no.2) provides that at least EUR 924 000 000 shall contribute to climate change objectives, in accordance with Annex VI of the RRF Regulation.

Based on Article 4(2)(x) of the implementing agreement, ISMEA is obliged to draft a report on the percentage of financing that contribute to climate objectives in accordance with Annex VI to the RRF Regulation and according to the deadlines indicated in the Council Implementing Decision.

Based on Article 4(2)(a), ISMEA every two months will provide to MASAF a report on the progress of the eligibility procedures and the stipulation of legally binding financing agreements with the final beneficiaries, on the individual supported projects, as well as on the progress of the common indicators and tagging.

Based on Article 4(2)(b), ISMEA every six months will provide to MASAF a report on the progress of the Investment, including the climate contribution for each project.

The implementation of the measure shall be completed by transferring the total amount of resources to ISMEA for the Facility by 31 August 2026.

Article 3 of the implementing agreement (evidence no.2) foresees that the relevant resources shall be transferred to ISMEA by 31 December 2024.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

³ Final beneficiaries associated to specific projects shall be required to provide a justification of the selected intervention field for each project supported, together with a description of the project, for the purpose of the computation of the climate contribution. For the purpose of the computation of the climate contribution, final beneficiaries from equity, quasi-equity, corporate bonds or equivalent instruments not targeted to specific projects shall provide a justification for the selected intervention field(s). The implementing partner shall also be required to provide to the Member State a semi-annual report on the implementation of each project/activity.

Non-repayable support

M2C2-6: Entry into force of a legal framework for the simplification of the authorisation procedures for building-up structures for onshore and off-shore renewable energies

Related Measure: M2C2.R1 Simplification of authorization procedures for renewable onshore and offshore plants and new legal framework to sustain the production from renewable sources and time and eligibility extension of the current support schemes

Qualitative Indicator: Provision in the law indicating the entry into force of the law

Time: Q1 2024

1. Context:

The reform consists in the entry into force of simplification measures for the installation of renewable energy sources and the repowering and revamping of existing plants and in the enactment of a decree aimed at defining the criteria for the identification of the areas suitable and not suitable for the installation of renewable energy plants, with the purpose of achieving the goals set out in the National Energy and Climate Plan (*hereinafter referred as the "PNIEC"*). The reform also requires the entry into force of provisions to support investments in storage systems and measures to support investments in renewable energy production for mature and non-mature technologies as well as for technologies with high operating costs.

Milestone M2C2-6 is the only milestone related to reform 1 and requires the entry into force of a legal framework for the simplification of the authorization procedures for building-up structures for on-shore and off-shore renewable energies.

2. Evidence provided:

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

- xiv. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
- xv. Copy of the publication in the official Gazzette No. 285 of 30 November 2021 of the legislative decree No.199 of 8 November 2021 *"Implementation of directive 2018/2001/EU of the European Parliament and of the Council of 11 December 2018 on the promoting of the use of energy from renewable sources"* [Attuazione della direttiva (UE)2018/2001 del Parlamento Europeo e del Consiglio dell'11 dicembre 2018 sulla promozione dell'uso dell'energia da fonti rinnovabili], entered into force on 15 December 2021, the fifteenth day following the publication in the official Gazzette, in line with Art. 10, chapter "provisions for the law in general" of royal decree No. 262 of 16 March 1942;
- xvi. Copy of the publication in the official Gazzette No. 129 of 31 May 2021 of the decree law No. 77 of 31 May 2021 *"Governance of the National Recovery and Resilience Plan and first set of measures to strengthen the administrative structures, accelerate and speed up the procedures"* [Governance del Piano nazionale di ripresa e resilienza e prime misure di rafforzamento delle strutture amministrative e di accelerazione e snellimento delle procedure], entered into force on 1 June 2021, the next day following the publication in the official Gazzette (Art. 67), and converted into law by conversion law No. 108 of 29 July 2021, entered into force on 31 July 2021, the next day following the publication in the official Gazzette No. 181 of 30 July 2021 (Art. 1(8) of law No.108 of 29 July 2021);
- xvii. Copy of the publication in the official Gazzette No. 21 of 27 January 2022 of decree law No. 4 of 27 January 2022 *"Urgent measures to support enterprises and economic, labour, health and territorial services operators related to the COVID-19 emergency as well as to the control of the effects of prices increase in the electric"*

- sector” [*Misure urgenti in materia di sostegno alle imprese e agli operatori economici, di lavoro, salute e servizi territoriali, connesse all’emergenza da COVID-19, nonché per il contenimento degli effetti degli aumenti dei prezzi del settore elettrico*], entered into force on the same day of the publication (Art. 33), and converted into law by conversion law No. 25 of 28 March 2022, entered into force on 29 March 2022, the next day following the publication in the official Gazzette No. 73 of 28 March 2022;
- xviii. Copy of the publication in the official Gazzette No. 50 of 1 March 2022 of Decree law No. 17 of 1 March 2022 “*Urgent measures for controlling prices for the energy and natural gas market, for the development of renewable energy sources and for the promotion of industrial policies*” [*Misure urgenti per il contenimento dei costi dell’energia elettrica e del gas naturale, per lo sviluppo delle energie rinnovabili e per il rilancio delle politiche industriali*], entered into force on 2 March 2022 (Art. 43), and converted into law by conversion law No. 34 of 27 April 2022 entered into force on 29 March 2022, the next day following the publication in the official Gazzette No. 73 of 28 March 2022 (Art. 1(2));
- xix. Copy of the publication in the official Gazzette No. 114 of 17 May 2022 of Decree Law No. 50 of 17 May 2022 “*Urgent measures related to national energy policies, enterprises productivity and investment attractiveness as well as on social policies and the Ukraine crisis*” [*Misure urgenti in materia di politiche energetiche nazionali, produttività delle imprese e attrazione degli investimenti, nonché in materia di politiche sociali e di crisi Ucraina*], entered into force on 18 May 2022 (Art.59), and converted into law by conversion law No. 91 of 15 July 2022, entered into force on 16 July 2022, the next day following the publication in the official Gazzette No. 164 of 15 July 2022 (Art. 1(3) of law No. 91 of 15 July 2022);
- xx. Copy of the publication in the official Gazzette No. 47 of 24 February 2023 of Decree law No. 13 of 24 February 2023 “*Urgent measures for the implementation of the Recovery and Resilience Plan (RRP) and of the National Complementary Plan (NCP) and of the cohesion and common agricultural policies*” [*Disposizioni urgenti per l’attuazione del Piano nazionale di ripresa e resilienza (PNRR) e del Piano nazionale degli investimenti complementari al PNRR (PNC), nonché per l’attuazione delle politiche di coesione e della politica Agricola comune*], entered into force on 25 February 2023 (Art. 58), and converted into law by conversion law No. 41 of 21 April 2023, entered into force on 22 April 2023, the next day following the publication in the official Gazzette No. 94 of 14 July 2023 (Art. 1(4) of law No. 41 of 21 April 2023);
- xxi. Copy of the publication in the official Gazzette No. 31 of 7 February 2024 of law No. 11 of 2 February 2024, converting Decree law No. 181 of 9 December 2023 “*Urgent measures for the energy security of the country, promoting the use of energy from renewable sources, supporting energy intensive enterprises and for the reconstruction of territories affected by the flood of 1 May 2023*” [*Disposizioni urgenti per la sicurezza energetica del paese, la promozione del ricorso alle fonti rinnovabili di energia, il sostegno alle imprese a forte consumo di energia e in materia di ricostruzione nei territori colpiti dagli eccezionali eventi alluvionali verificatisi a partire dal 1 maggio 2023*] into law, entered into force on 8 February 2024 (Art. 1(2) of law No. 11 of 2 February 2024);
- xxii. Copy of the publication in the official Gazzette No. 294 of 11 December 2021 of Legislative Decree no. 210 of 8 November 2021 “*Implementation of Directive 2019/944/EU of the European Parliament and the Council of 5 June 2019, related to the common rules for the electric energy internal market and amending directive 2012/27/EU and new rules for the adaptation of the national legal framework to regulation 2019/943/EU on the electric energy internal market and to regulation 2019/941/EU on the preparation to risks related to the electric energy sector, amending directive 2005/89/CE*” [*Attuazione della direttiva UE 2019/944, del Parlamento europeo e del Consiglio, del 5 giugno 2019, relativa a norme comuni per il mercato interno dell’energia elettrica e che modifica la direttiva 2012/27/UE, nonché recante disposizioni per l’adeguamento della normativa nazionale alle disposizioni del regolamento UE 943/2019 sul mercato interno dell’energia elettrica e del regolamento UE 941/2019 sulla preparazione ai rischi nel settore dell’energia elettrica e che abroga la direttiva 2005/89/CE.*], entered into force on 26 December 2021, the fifteenth day following the publication of the act

in the official Gazzette, in line Art. 10, chapter “provisions for the law in general” of royal decree No. 262 of 16 March 1942;

- xxiii. EU Commission decision C(2023) 9226 of 21 December 2023 not to raise objections for the state aid case State Aid SA.104106 (2023/) – Italy “*Support for the development of a centralised electricity storage system in Italy*”;
- xxiv. EU Commission decision C(2024) 3814 of 4 June 2024 not to raise objections for the state aid case State Aid. SA.105880 (2023/N) – Italy “*Renewable Energy Scheme 2024 (FER II)*”;
- xxv. Copy of the Inter-Ministerial Decree of 21 June 2024 “rules for the localization of the surfaces and areas suitable for the installation of renewable energy plants” [Disciplina per l’individuazione di superfici e aree idonee per l’installazione di impianti a fonti rinnovabili], entered into force on 3 July 2024, the first day following the publication of the Inter-Ministerial decree in the Official Gazzette No. 153 of 2 July 2024 (Art. 9(2) of Inter-Ministerial Decree of 21 June 2024).
- xxvi. Updated version of the PNIEC, submitted to the European Commission on 3 July 2024.
- xxvii. Inter-Ministerial Decree No. 233 of 19 June 2024 [*hereafter* RES 2 decree], entered into force on 13 August 2024, the next day following the publication of the decree in the Ministry of environment and Energy Security’s website ([Decreto 19 giugno 2024 recante "Incentivazione degli impianti a fonte rinnovabile innovativi o con costi di generazione elevati che presentino caratteristiche di innovazione e ridotto impatto sull’ambiente e sul territorio" | Ministero dell'Ambiente e della Sicurezza Energetica \(mase.gov.it\)](#) on 12 August 2024 (Art. 15(2) of Inter-Ministerial Decree No. 233 of 19 June 2024)

3. Analysis:

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

The legal framework shall include the following objectives: • the entry into force of simplification measures for renewable energy source installations and the repowering and revamping of existing plants, in coherence with the provisions of Decree Law No. 76 of 17 July 2020 “the Simplifications Decree”. Several simplification measures were adopted to accelerate the deployment of the renewable energy installations as well as of repowering and revamping of existing ones, in coherence with Decree Law No. 76 of 16 July 2020 (“the simplification decree”). The main measures can be categorized as follows:

- **Legislative decree No. 199 of 8 November 2021**, transposing into law directive 2018/2001/EU on the promotion of the use of energy from renewable energy sources, introduces the first set of rules for the simplification of the administrative procedures for renewable energy plants. To begin with, Art. 18 of legislative decree No. 199 of 8 November 2021, amending Art. 4 of legislative decree No. 28 of 3 March 2011, **rationalizes and specifies** the four administrative procedures applicable to renewable energy installations, briefly summarized below:
 1. The communication for free construction activities [comunicazione relativa alle attività a edilizia libera] regulated by Art. 6 (11) of legislative decree No. 28 of 3 March 2021 and by paragraphs 11 and 12 of the guidelines for the authorization of renewable energy plants, adopted by Ministerial Decree of 10 September 2010, aimed at the renewable energy plants whose installation or repowering and revamping does not require an authorization procedure.
 2. Certified declaration of start of works [Dichiarazione di inizio lavori asseverata] set out in Art. 6bis of legislative decree No. 28 of 3 March 2021, and requiring only a communication to the municipality by the owner of the building (or the person having the right to use) linked to a renewable energy plant or related infrastructure, with annexed a report by a qualified expert attesting the compliance with safety, seismic and health rules and the relevant technical documents.

3. The simplified authorization procedure set out in Art. 6 of legislative decree No. 28 of 3 March 2021, applied to projects for installation whose power capacity or technical complexity is such not to require the more complex assessment of the single authorization procedure. These interventions require the building's owner or the person having the right to use to submit, by 30 days before the start of works, a declaration to the competent municipality, with annexed a report signed by a qualified expert attesting the project's compliance with the approved urban planning instruments, construction regulations and safety and health rules and the relevant technical documents, including those needed for the grid's connection. For these procedures, the municipality has 30 days to provide a reply, in absence of which the authorization is granted by means of a tacit approval.
4. The single authorization procedure [autorizzazione unica] sets out in Art. 5 of legislative decree No. 28 of 3 March 2021 and Art. 12 of legislative decree No. 287 of 29 December 2002 and applied to the most technically complex projects and to installations with high power capacity. The single authorization is issued by the Regions (or delegated Provinces) or, for plants with an installed thermic energy equal or above 300 MW, by the Ministry of Environment and Energy Security, following a unified procedure involving all relevant administrations. For offshore renewable energy plants the single authorization is issued by the Ministry of Environment and Energy Security, in agreement with the Ministry of Infrastructure and Sustainable Mobility, and with the advice of the Ministry of Agricultural, Food and Forestry Policies for the aspects related to fishing (Art. 23(1) of Legislative Decree No. 199 of 8 November 2021). The single authorization includes the environmental assessments and covers all the authorizations necessary for the grid's connection and to carry out related infrastructures, including (if necessary) public concessions for the use of maritime land and public water. The authorization is granted:
 - by 90 days, for projects concerning cultural assets under protection by legislative decree No. 42 of 22 January 2004 (Code of cultural assets) but not requiring environmental assessment.
 - by 60 days, net of the time necessary for the conclusion of the environmental assessment set out in legislative decree No. 152 of 3 April 2006, for the other projects.

Legislative Decree No. 199 of 8 November 2021 also **defines the legal framework for the identification of the areas suitable and non-suitable for the installation of renewable energy plants** (both onshore and offshore) to which faster authorization rules apply (Art. 20-23) and **defines the legal framework for the creation of single-entry digital platform** for all authorizations projects related to the installation and deployment of renewable energy sources (Art. 19). These two measures will contribute to simplify the regulatory framework as:

- o **The single-entry digital platform**, managed by the Authority for Energy Services (GSE), **will provide support throughout all the phases of the administrative procedure and ensure the interoperability with the other digital platforms** for the authorisation procedures already operational at national, regional, provincial and municipal level (Art. 19(2)).
- o **For projects located in suitable areas (both onshore and offshore), the deadline for the conclusion of the authorization procedure** (including the environmental impact assessment) **is reduced by 1/3** and **number of entities with veto power in the authorization procedure is decreased**, as the authority for the protection of landscape heritage can only provide its opinion in a non-binding form (Art. 22 and 23).

Suitable onshore areas will be identified by the Regions (Art. 20), in line with the criteria set out by the Ministry of Environment and Energy Security in agreement with the Regions (for a more detailed analysis,

see paragraphs below). Suitable offshore areas will be identified with the adoption of the Plan for the Management of the Maritime Space [Piano di gestione dello spazio marittimo] (Art.23).

The legislative decree No. 199 of 8 November 2021 entered into force on 15 December 2021, the fifteenth day following the publication of the act in the official Gazzette No. 285 of 30 November 2021, in line Art. 10, chapter “provisions for the law in general” of royal decree No. 262 of 16 March 1942.

- Following the entry into force of legislative decree No. 199 of 8 November 2021, **other simplifications measures were adopted to further simplify the existing regulatory framework for renewable energy installations** (Decree Law No. 77 of 31 May, converted into law with amendments by conversion law No. 108 of 29 July 2021; Decree Law No. 17 of 1 March 2022, converted into law by conversion law No. 34 of 27 April 2022 and Decree Law No. 50 of 17 May 2022, converted into law by conversion law No. 91 of 15 July 2022; Decree Law No. 13 of 24 February 2023, converted into law by No. 41 of 21 April 2023; Decree Law No. 181 of 9 December 2023 converted into law by law No. 11 of 2 February 2024), with the goal of **extending the application of the simplified administrative procedure** (see example 1 below) and **the communication for free construction activities** to additional authorization procedures, including for repowering and revamping of existing plants (see example 2 below), **reducing bottlenecks and speeding-up sub-procedures, including by rationalising and simplifying the environmental impact assessment procedures** (see example 3 below). As a way of example:
 - o Example 1: Art. 31(2) of decree law No. 77 of 31 May 2021, converted into law by law 108 of 29 July 2021 provides that the simplified administrative procedure set out in Art. 6 of legislative decree No.28 of 3 March 2021 applies to projects for the construction and entry into operation of photovoltaic plants of maximum 20MW connected to the medium voltage power grid and located in industrial, productive or commercial areas; in landfills or closed or restored landfill’s areas as well as in quarries (or part of them) that cannot be further exploited , provided that the relevant authority has verified the completion of the environmental recovery and restoration activities.
 - o Example 2: Art. 32 of decree law No. 77 of 31 May 2021, amending Art. 5 of Legislative Decree No. 28 of 3 March 2011, establishes that the interventions on photovoltaic and hydroelectric plants that do not imply a variation of the physical dimension of the machinery, of the structures and area’s volumetry as well as of the related infrastructures, regardless of the energy power capacity resulting from the intervention and even if requiring a modification of the technological solution used, are not considered substantial modifications and, therefore, are subject to a mere obligation of communication, in line with Art. 6(11) of legislative decree No. 28 of 3 March 2011. The above-mentioned article also establishes that the communication for free construction activities also applies to interventions for wind plants and related infrastructures, realized in areas of existing wind plants and that imply a reduction of the number of wind turbines, regardless of the nominal energy power resulting from the interventions.
 - o Example 3: Art. 9 (9-sexies) of Law decree No. 181 of 9 December 2023, introduced by conversion law No. 41 of 21 April 2024, increases the threshold above which the environmental impact assessment and the environmental impact assessment screening are required for the installation of photovoltaic plants in suitable areas (respectively from 20 to 25 MW and from 10 to 12 MW). Whereas Art. 4bis of the above-mentioned decree specifies that projects for the revamping and repowering of existing wind or solar plants are first subject to the environmental impact assessment screening to establish whether a full environmental impact assessment is required.

The above-mentioned legislative acts are all entered into force as indicated for each piece of legislation in the evidence section.

Overall, the measures contribute to simplify the regulatory framework for renewable energy sources installation and repowering and revamping of existing plants. The measures are coherent with those adopted by the Simplifications Decree, as they also intervene by rationalizing and simplifying the environmental assessments procedures, in coherence with Art. 50 of the above-mentioned decree.

the enactment of a decree agreed with the Regions and the other State Administrations concerned, aimed at defining criteria for the identification of the areas suitable and not suitable for the installation of renewable energy plants for an additional renewable energy production capacity of at least 73 GW, in coherence with the updated version of the PNIEC, for the achievement of the objectives of development of renewable sources.

In compliance with Art.20(1 and 2) of legislative decree No. 199 of 8 November 2021, the **Inter-Ministerial Decree of 21 June 2024** [hereafter referred as “*Suitable areas decree*”] **defining the criteria for the identification of the areas suitable and not suitable for the installation of renewable energy plants, was adopted** by the Ministry of Environment and Energy Security in agreement with the Ministry of Culture and the Ministry for Agriculture, Food Sovereignty and Forests. As indicated in the last recital of the above-mentioned decree (p.5), the Regions expressed their positive opinion to the decree within the Unified Conference [Conferenza Unificata Stato-Regioni] on 7 June 2024.

The Suitable areas decree **identifies the goals of additional renewable energy capacity** that each Region must achieve **to reach additional 80 GW of national renewable energy capacity installed by 2030. The goal defined by the Suitable areas decree** is coherent with the updated version of the PNIEC (P. 102 of the updated version of the PNIEC), as it **sets a more ambitious target compared** to the minimum additional renewable energy capacity (73GW) required to achieve the goal defined by the PNIEC of a total national renewable energy capacity of 131 GW by 2030 (this latter target is the sum of the existing renewable energy capacity (in 2021, about 58 GW) plus the additional one to be installed by 2030).

In line with Art. 1(2) of the Suitable areas decree, four types of areas are identified:

- 1) suitable areas and surfaces for which a faster administrative procedure is applied for the construction and entry into operation of renewable energy plants and related infrastructures, in line with Art. 22 of the legislative decree No 199 of 8 November 2021;
- 2) non-suitable areas and surfaces whose characteristics are incompatible with the installation of specific typologies of plants, in line with paragraph 17 and annex III of the guidelines adopted by the Ministry for Economic Development of 10 September 2010;
- 3) Areas and surfaces different from the suitable and non-suitable areas for which the ordinary administrative procedures apply.
- 4) Agricultural areas where the installation of photovoltaic plants with ground-based panels is forbidden, in line with Art. 20(1bis) of legislative decree No. 199 of 8 November 2021.

To achieve the regional targets, and pursuant to article 3(2) of the Suitable areas decree, **the Regions shall identify by law the four typologies of areas by 180 days** from the date of entry into force of Suitable areas decree (that is, from the 3 July 2024). To identify the suitable areas, the Regions shall take into account the following criteria (Art.7):

- o The maximisation of the areas with the goal to facilitate the achievement of the regional targets set out in table A) of Suitable areas decree; the goal of ensuring the protection of cultural heritage, natural

landscape, agricultural lands and forests, air quality and water bodies (also by favouring the use of built-up areas, such as industrial warehouses, parking lots and areas dedicated to industrial, artisanal, services and logistic activities) and verifying the suitability of areas not usable for other purposes (including not usable agricultural areas) in line with the features and availability of renewable sources, of the grid infrastructures, of the energy demand as well as taking into account the source of energy demand, the grid constraints and the potential improvements of the grid itself;

- o The possibility to classify areas or surfaces as suitable differentiating on the bases of the plant's energy source, size, and typology.
- o The possibility to confirm as suitable the areas already provisionally identified as suitable by Art. 20(8) of legislative decree No. 199 of 8 November 2021. These are:
 - Sites where energy plants of the same source are already installed and where the interventions concern only the modification (also substantial), the renovation, strengthening or full reconstruction of the plant, even if combined with a storage system, that do not imply a variation of the occupied area of more than 20%. The percentual limit does not apply to photovoltaic plants, that can be installed within a perimeter whose points do not distance more than 500m from industrial, artisanal and commercial areas, including areas of national interest as well as quarries and mines;
 - Polluted areas object of after-care interventions in line with title V, part IV of Legislative Decree No. 152 of 3 April 2006 (Art. 20(8b));
 - Closed, unrecovered, abandoned quarries and mines, including those in conditions of environmental degradation, or portions of quarries and mines that cannot be further exploited (Art. 20(8c);
 - Areas and plants used by companies owned by Ferrovie dello Stato Italiane group or by entities managing the railway network as well as motorway concessionaries (Art. 20(8cbis);
 - Areas and plants used by the airport authorities within the airport areas, including those in adjacent areas of the small islands' airports indicated in annex I to Ministerial Decree of the Ministry of Economic Development of 14 February 2017 (Art. 20(8cbis1);
 - For photovoltaic plants, including ground-based panels, and for biomethane plants, in absence of restrictions applied in line with legislative decree No. 42 of 22 January 2004 (Code of Cultural Heritage and Natural Landscape) (Art. 20(8c-ter):
 - a) Areas classified as agricultural, within a perimeter of 500m from industrial, artisanal and commercial areas, including areas of national interest as well as quarries and mines;
 - b) Areas within industrial plants and sites as defined by Art. 268(1), lett. H) of Legislative Decree No. 152 of 3 April 2006 as well as areas classified as agricultural within a perimeter whose points do not distance more than 500m from the plant and site itself.
 - c) Areas adjacent the highway network within a distance of no more than 300 metres.
- Without prejudice to the provisions of let. Art 20(8) a), b), c), c-bis) and c-ter), areas that are not included in the perimeter of assets under protection by legislative decree of 22 January 2004 (Code of the cultural assets), included those affected by civic uses, and that respect the minimum distance of 3 km for wind plans and 500 metres from photovoltaic plant from assets under protection by Art. 136 of the above-mentioned decree (assets and areas of prominent public interest) (Art. 20(8c-quarter)).

The Suitable areas decree also specifies that the areas and surfaces included in the perimeter of assets under protection by Art. 10 (cultural assets) and 136 (1) letters A and B (Assets of significant natural beauty, geological peculiarity, and historic memory, including monumental trees; villas, gardens, parks of uncommon beauty) of legislative decree No. 42 of 22 January 2004 (Code of Cultural Assets) are not suitable (Art.7(3)). The Regions will be able to classify as non-suitable additional areas and surfaces within the perimeter of other assets under

protection by legislative decree No. 42 of 22 January 2004. However, the maximum distance from the protected asset cannot exceed 7 km (Art. 7(3)).

According to Art. 4(3) of the Suitable areas decree, **in absence of the entry in force of the regional law identifying the suitable areas** by 180 days from the date of the entry into force of the above-mentioned decree or **in case that the regional goals of additional installed capacity set out by the Regions are not in line with those defined by its Art. 3 of the Suitable areas decree, the Council of Ministers is authorized to exercise substitution powers**, in line with Art. 6 of the Suitable areas decree and with Art. 41 of law No. 234 of 24 December 2012.

In line with Art. 9(2), the Suitable areas decree entered into force on 3 July 2024, the first day following the publication the decree in the Official Gazzette No. 153 of 2 July 2024.

the completion of the RES support mechanism also for additional non-mature or with high operating cost technologies and the extension of the auction run period for the so called RES1 mechanism, while maintaining the principles of competitive access.

- Art. 9 of Legislative Decree No. 199 of 8 November 2021 **extends the auctions for the RES 1 mechanism** established by Ministerial Decree of 4 July 2019 to support renewable energy production from mature technologies (onshore wind; solar photovoltaic; hydroelectric and sewage gases). In line with article 9(4) of the above-mentioned legislative decree, following the 7th allocation procedure and until the entry into force of the decrees implementing the new incentive schemes regulated by Art. 6 and 7 of Legislative Decree No. 199 of 8 November 2021, the Managing Authority for Energy Services (GSE) organizes new competitive procedures to allocate the residual power not yet allocated, in line with Ministerial Decree of 4 July 2019 and with Art. 9(5) of the Legislative Decree No. 199 of 8 November 2021. As of now, seven (7) additional auctions were launched and awarded, as evidenced by the final rankings of the selected projects available at the GSE's website ([Graduatorie \(gse.it\)](https://www.graduatorie.gse.it)).
- To complement the renewable energy sources support mechanisms, **the new RES 2 mechanism aimed at supporting the production of renewable energy from nonmature technologies** (solar thermodynamic, geothermal, off-shore wind, floating photovoltaic on inland waters and off-shore, tidal energy) **or technologies with high operating costs** (biogas and biomass) **was launched** on 13 August 2024, with the publication of Inter-Ministerial Decree No. 233 of 19 June 2024 in the Ministry of Environment and Energy Security's website. Support is provided through a two-way contract for difference (hereafter referred as "two-way CfD") applied to the production for each kWh of electricity produced and fed into the network, following competitive bidding procedures launched by the GSE during the period 2024-2028, in which power capacities auctioned will be made available periodically. Beneficiaries with an installed capacity lower than 300 kW can also choose to receive support in the form of a feed-in tariff (FIT) rather than a two-way CfD (Art. 4 and 9 of Inter-Ministerial Decree No. 233 of 19 June 2024).

provisions to promote investment in storage systems, in the legislative decree transposing Directive (EU) 2019/944 on common rules for the internal market in electricity.

Legislative decree No. 210 of 8 November 2021, transposing into national law Directive (EU) 2019/944 of the European Parliament and of the Council of 5 June 2019 on common rules for the internal market for electricity, **sets out the legal framework for promoting investments in storage systems (Art. 18)**. To improve the national storage capacity, **a long-term energy storage supply system based on competitive, transparent, non-discriminatory auctions and aimed at minimizing the costs for the final consumers, shall be established and**

managed by the national transmission system operator (Terna S.P.A.) (Art. 18(3) of the legislative decree No. 210 of 8 November 2021), based on the following criteria:

- o The supply shall concern new storage capacity, selected through periodic auctions for specific capacity quotas.
- o The supply is carried out respecting the principle of technological neutrality, in line with the technical criteria defined by the national transmission system operator.
- o Following the auctions, the successful tenderers are awarded an annual remuneration for the whole long-term temporal horizon envisaged for the auctions.
- o The award is conditioned to the submission of a guarantee by the successful tenderer.

According to Art. 18(6) of Legislative Decree No. 210 of 8 November 2021, the implementation of long-term energy storage supply system defined by Art. 18(3) was conditional to the approval of the European Commission. In line with Art. 18(6), the proposed aid scheme to support investments in storage systems was notified to the relevant services within the European Commission on 8 November 2023. On 21 December 2023, the European Commission (decision C(2024/2565) decided not to raise objections to launch of the aid scheme on the ground that it is compatible with the internal market pursuant to Art. 107(3), point (c), of the Treaty of Functioning of the European Union OJ C 326, 26 October 2012 (TFEU).

The legislative decree No. 210 of 8 November 2021 has entered into force on 26 December 2021, the fifteenth day following the publication of the act in the official Gazzette, in line Art. 10, chapter “provisions for the law in general” of royal decree No. 262 of 16 March 1942.

4. Commission Preliminary Assessment: satisfactory fulfilled

Loan support

M2C2-31: Award of all public contracts for the renewal fleet for the National fire brigade command

Related Measure: M2C2.I4.4.3 Renewal fleet for the National fire brigade command

Qualitative Indicator: Notification of the award of all the contracts for the renewal fleet for the National fire brigade command

Time: Q2 2024

1. Context:

This investment aims at the renewal of the National Fire brigade fleet by financing the procurement of 3 800 clean vehicles, of which 3 500 shall be zero-emission while the rest shall run either solely on bio-methane or on biofuel in compliance with the Renewable Energy Directive 2018/2001/EU (REDII), and related implementing and delegated acts. The investment also finances the realization of 875 charging points installed at fire stations and the procurement of at least 3 000 mobile electric charging points.

M2C1-31 is the first step in the implementation of the investment and requires the notification of the award of all public contracts for the acquisition of the National Fire brigade vehicles. It will be followed by target M2C2-36 concerning the entry into service of 3 800 clean vehicles for the renewal fleet for the National fire brigade command.

2. Evidence provided:

- i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
- ii. copies of the contract award notifications for the acquisition of the National Fire Brigade vehicles as well as for the charging points at fire stations;
- iii. Copies of the calls for tender and extracts of their technical specifications. The following calls for tender were launched:
 - Call for tender of 4 May 2022 for the acquisition of fire engines ("autopompeserbatoio"(APS) – lot 1) and water tanks ("autobottipompa (ABP)" – lot 2) to be fuelled by biomethane;
 - Call for the signature of a framework contract of 4 October 2022 launched by CONSIP S.P.A for the acquisition of vehicles;
 - Call for tender of 10 February 2023 for the acquisition of full-electric pick-ups;
 - Call for tender of 29 November 2023 for the acquisition of full-electric SUV (lot 1 and 2) and of full-electric minivans (lot 3);
 - Call for tender No. 141 of 20 June 2023 for the acquisition of fire engines to be fuelled by biodiesel.
- iv. Extracts of the official documents containing the selection criteria that ensure compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01);
- v. Decree of the Ministry of Economy and Finance of 6 August 2021 allocating the resources for the investments included in the Recovery and Resilience Plan;
- vi. For each contract for the procurement of the vehicles:
 - A. The notification of the award of contract;
 - B. The award of contract or the direct purchase order (decree awarding the contracts No. 210 of 28 October 2022 and 94 of 14 May 2024; decree awarding the contract No. 209 of 28 October 2022; decree awarding the contract No. 87 of 8 May 2024; purchase order No. 7484, 7485, 7486, 7487, 7488 of 15 March 2023; purchase order No. 16854 of 26 June 2023; decree awarding the contract No. 163 of 11 July 2023; decrees awarding the contracts No. 88, 89 and 90 of 8 May 2024);
 - C. The call for tenders and its technical specifications;
 - D. Extracts of the technical specifications of the vehicles and of the DNSH conditions;

E. DNSH checklists;

- vii. signed contracts between the Department of the Fire Brigades of the Ministry of Interiors and the providers for the purchase of the vehicles (if available);
- viii. Certification issued by the provider Man Truck & Bus SE, dated on 26 July 2023, proving that the vehicles running on biofuel are type-approved for B100;
- ix. Copy of the call for tender No. 327657 of 2 June 2023 for the purchase and installation of the charging points at the fire stations;
- x. Copies of the award of contracts No. 4, 5 and 6 of 17 January 2024 for the realisation of the charging points installed at the fire stations.
- xi. Copies of the contracts No. 8501, 8502 and 8503 of 15 March 2024 (as amended by the amendment No.8514 of 15 May 2024) and of the additional order No. 17767 of 4 June 2024 for the realisation of 876 charging points installed at the fire stations.
- xii. Evidence proving the procurement of the mobile electric charging points, that is:
 - A. Determinations to contract [Determina a contrarre] No. 253, 254, 255 and 256 of 1 December 2023 for the vehicles Fiat eDucato, Avenger Jeeps, Fiat E-Doblo' Vans and Crew Cab;
 - B. For the vehicles Peugeot e-2008, copy of the price list and note by Stellantis No. 000744 of 10 October 2024 confirming that each vehicle Peugeot e-2008 is endowed with a mobile electric charging point.

3. Analysis:

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

- **Notification of the award of all public contracts for the acquisition of national fire brigade vehicles.**
 - Overall, fourteen (14) public contracts for the acquisition of a total of 3 930 National Fire Brigade vehicles were awarded, as evidenced by the contract awards provided. All the awards were notified by email to the successful tenderers, as evidenced by the notification of the award of contracts.
- **Furthermore, in line with the description of the measure, this investment consists in the procurement of at least 3 800 vehicles (200 of which to be assigned to fire-fighters airports contingents) for the National Fire Brigade and the realisation of 875 charging points installed at fire stations and procurement of at least 3 000 mobile electric charging points.**
 - For the procurement of the vehicles for the National Fire Brigade, a total of four (4) calls for tenders and one (1) call for the signature of a framework contract were launched between May 2022 and November 2023, namely:
 - Call for tender of 4 May 2022 for the acquisition of fire engines ("*autopompeserbatoio*" (APS) – lot 1) and water tanks ("*autobottipompa* (ABP) – lot 2) to be fuelled by biomethane;
 - Call for the signature of a framework contract of 4 October 2022 launched by CONSIP S.P.A for the acquisition of vehicles;
 - Call for tender of 10 February 2023 for the acquisition of full-electric pick-ups;
 - Call for tender of 29 November 2023 for the acquisition of full-electric SUV (lot 1 and 2) and of full-electric minivans (lot 3);
 - Call for tender No. 141 of 20 June 2023 for the acquisition of fire engines to be fuelled by biodiesel.
 - As evidenced by the contract awards or by the purchase orders and by the technical specifications of the calls for tenders, 200 airport vehicles and 3 730 fire-fighting vehicles of the National Fire Brigade, as well as 3 160 mobile electric charging points will be procured while 876 charging points will be installed at fire stations. More in detail, the vehicles to be procured are:

- 200 water tanks to be fuelled by bio-methane to be assigned to fire-fighters airports contingents, as evidenced by the calls for tender of 4 May 2022 and by the decree awarding the contracts No. 210 of 28 October 2022 and 94 of 14 May 2024];
- 3 730 fire-fighting vehicles including:
 - 100 fire engines to be fuelled by biomethane (decree awarding the contract No. 209 of 28 October 2022);
 - 60 fire engines to be fuelled by biodiesel (decree awarding the contract No. 87 of 8 May 2024);
 - 720 full-electric Peugeot E2008 for the transportation of people (purchase order No. 7488 of 15 March 2023);
 - 720 full-electric FIAT E-Doblo' Vans for the transportation of goods (purchase order No. 7487 of 15 March 2023);
 - 720 full-electric FIAT E-Doblo' Crew-CAB BEV for the transportation of people and goods (purchase order No. 7486 of 15 March 2023);
 - 36 full-electric Ford e-Transit Vans (purchase order No. 7484 of 15 March 2023);
 - 24 full-electric Fiat eDucato (purchase order No. 7485 of 15 March 2023);
 - 1 000 full-electric Avenger Jeeps (purchase order No. 16854 of 26 June 2023);
 - 50 full-electric pick-ups (decree awarding the contract No. 163 of 11 July 2023);
 - 200 full-electric Sport Utility Vehicles (SUVs) (decrees awarding the contracts No. 88 and 89 of 8 May 2024);
 - 100 full-electric mini-bus (decree awarding the contract No. 90 of 8 May 2024).
- As evidenced by the determinations to contract No. 253, 254, 255 and 256 of 1 December 2023 and by the note by Stellantis No. 000744 of 10 October 2024, 3 160 vehicles are to be equipped with a mobile electric charging point.
- Finally, the call for tender No. 327657 was launched on 2 June 2023 for the purchase and installation of the charging points at the fire-stations. As evidenced by the contracts No. 8501, No 8502 and No. 8503 of 15 March 2024 (as amended by amendment No.8514 of 15 May 2024) and by the additional order No. 17767 of 4 June 2024, No. 876 charging stations are to be installed at fire stations.
- **Furthermore, in line with the description of the measure, 3 500 vehicles shall be zero-emission**
 - As evidenced by the contract awards or by the direct purchase orders and by the technical specifications of the calls for tenders, a total of 3 570 zero emission vehicles and 360 vehicles that can run on biofuel or biomethane were purchased (300 biomethane and 60 biofuel).
- **Furthermore, in line with the description of the measure, vehicles running on biofuel shall be type-approved for B100.**
 - The 60 vehicles running on biofuel are type-approved for B100 as evidenced by the technical specifications of the call for tender (p. 7 and 36) and by the certificate provided by the supplier, in compliance with the technical specifications of the calls for tender No. 141 of 20 June 2023 (Art. 6, pag. 36).

4. Commission Preliminary Assessment:

Satisfactory fulfilled

M2C4-6: Development of digital services to visitors to national parks and marine protected areas

Related Measure: M2C4.I3.2 Digitization of national parks

Quantitative Indicator: Percentage

Baseline: 0

Target: 70

Time: Q2 2024

1. Context:

The investment sets standardised and digitised procedures in protected areas, to improve their functioning on various dimensions such as nature conservation, administrative simplification of procedures and services to visitors. This is expected to lead to an improved monitoring of natural resources, as well as better services to visitors and awareness about biodiversity, for a more sustainable tourism.

Target M2C4-6 requires that at least 70% of the national park and marine protected areas have developed digital services to visitors (at least two among: connections to the site [Naturitalia.it](https://www.naturitalia.it), an application for administrative procedures or sustainable mobility).

Target M2C4-6 is the second target of the Investment 3.2 and follows the completion of milestone M2C4-5, related to the entry into force of the administrative simplification decree. It will be followed by target M2C4-6bis related to nature conservation, monitoring of natural resources and administrative simplification requirements of the investment.

Following the completion of this target, in line with the description of the measure in the Council Implementing Decision, Italy will implement actions towards the improvement of nature conservation and monitoring of natural resources as well as the simplification of administrative procedures of parks and marine protected areas. These are further steps of this measure that are not linked to this target. Their implementation will be during the assessment of the 10th payment, by the target M2C4- 6bis which will be completed in Q2 2026

2. Evidence provided:

1. Summary document duly justifying how the target (including all the constitutive elements) was satisfactorily fulfilled.
2. Protocol Note (*Registro Ufficiale*) 94499 of 22 May 2024, issued by the Ministry of the Environment and Energy Security (MASE), authorizing the General Information Technology Company S.p.A. (SOGEI) to publish and make operational the [Naturitalia](https://www.naturitalia.it) portal and the Visit [Naturitalia](https://www.visitnaturitalia.it) App, as of the day of their publication.
3. Decree of the Minister of Ecological Transition No. 127 of 22 March 2022 approving the “Directive for national park authorities and managing bodies of marine areas” for the development of digital services for visitors and the simplification of administrative procedures. The adoption of this Decree was the result of the implementation of the prior milestone M2C4-5, associated to investment 3.2 and entered into force on the 22 March 2022;
4. Agreement between the Ministry of the Environment and Energy Security (MASE) and the General Information Technology Company S.p.A. (SOGEI) of 30 December 2022. The agreement describes the services that SOGEI will provide in the context of the implementation of investment 3.2.

3. Analysis:

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

At least 70% of national parks and marine protected areas have developed digital services for visitors to national parks and marine protected areas at least two among (i) the connection to the Naturitalia.IT portal

On 30 December 2022, an agreement between the Ministry of the Environment and Energy Security (MASE) and the General Information Technology Company S.p.A. (SOGEI) was signed in line with the requirements listed in the CID the agreement determines the contracting of a service for the enhancement of the Naturitalia.it portal. The enhancement of the website entails the development of additional functionalities of the portal: (i) sustainable mobility component, (ii) sustainable navigation, (iii) inclusion of information and services for visitors (weather and marine conditions, information on the natural values, diving spots) (iv) accessibility and georeferenced usage (dedicated paths for people with disabilities, alert messages) (v) news section (vii) review /visitors messages section. SOGEI constituted the contracted party that developed the aforementioned additional functionalities.

On 20 May 2024, the Naturitalia.it portal was published online and made operational. The approval of the publication was notified by the Protocol Note No. 94499 of 22 May 2024, issued by MASE. The website is available at the following link: Naturitalia Portal: [Naturitalia - Home \(mase.gov.it\)](https://www.naturitalia.it)

Based on the *case testing* of the Naturitalia.it portal, the following criteria can be considered satisfactory fulfilled, and the target has been overachieved, as 100% of the 24 national parks and 31 marine protected areas existing nationwide (according to the list of protected parks and marine protected areas stipulated by Law No. 394/1991, “Legge quadro sulle aree protette” and updated by Law 23 /2000, n. 388), are connected to the portal, meeting the requirement of offering to visitors' information about protected areas, such as georeferenced trail maps, points of interest, natural features including biodiversity information, and docking points, promoting an informed and sustainable visit to national parks and marine protected areas. The connection of the Parks and marine protected areas to the portal, entails the access to the interactive as well as the descriptive functionalities as per described above. The *case testing* entailed a one-by-one verification of the existence and operability of the additional functionalities developed by SOGEI, for all parks and marine protected areas, based on the conditions stipulated in the contract described above.

At least 70% of national parks and marine protected areas have developed digital services for visitors to national parks and marine protected areas at least two among: (ii) a sustainable mobility app

On 30 December 2022, an agreement between the Ministry of the Environment and Energy Security (MASE) and the General Information Technology Company S.p.A. (SOGEI) was signed. In line with the requirements listed in the CID, the contract determines the contracting of a service for developing a sustainable mobility App for visiting all national parks and marine protected areas nation-wide.

The App provides the following functionalities : (i) sustainable mobility component, (ii) sustainable navigation, (iii) inclusion of information and services for visitors (weather and marine conditions, information on the natural values, diving spots) (iv) accessibility and georeferenced usage (dedicated paths for people with disabilities, alert messages) (v) news section (vii) review /visitors messages section.

SOGEI constituted the contracted party that developed the aforementioned additional functionalities.

On 20 May 2024, the *Visit Naturitalia App* was released both on iOS and Android. The approval of the publication was notified by the Protocol Note No. 94499 of 22 May 2024, issued by MASE. The Apps are available for a free download at the following links:

- Visit Naturitalia App (Android): [Google Play Store] (<https://play.google.com/store/apps/details?id=it.mase.visitnaturitalia>)
- Visit Naturitalia App (iOS): [App Store] (<https://apps.apple.com/it/app/id6468267088>)

In line with the requirement of the Council Implementing Decision, the *Visit Naturaitalia App* offers digital services to visitors, including sustainable mobility. Based on the *case testing* of the *Visit Naturaitalia App*, the following criteria can be considered satisfactory fulfilled, and the target has been overachieved as the sustainable mobility app relate to as 100% of the 24 national parks and 31 marine protected areas exiting nationwide area registered to the App. The *case testing* entailed a one-by-one verification of the existence and operationality of the additional functionalities developed by SOGEI, for all parks and marine protected areas, based on the conditions stipulated in the contract described above. The App also satisfies the “sustainable mobility” requirement by providing visitors with information on walking and biking trails, sustainable navigation and access for people with disabilities. In particular:

- Sustainable mobility (land – national parks):
 - Perimeter and zoning of national parks: this feature provides visitors with a map of the National Park, detailing the perimeter and zoning of the protected area. Along with the perimeter and zoning, the system displays a legend for better understanding of the map.
 - Indication of cycling routes and trails: this feature provides visitors with the 'Itineraries' of the National Parks on the detail page of a protected area. For each itinerary, information will be available regarding difficulty (tourist/hiker/expert); name; length; duration; elevation gain; type of travel (by bike, on foot, accessible for people with disability, on horseback, with dogs).
- Sustainable navigation (marine protected areas):
 - Perimeter and zoning of Marine Protected Areas: this feature provides visitors with a map of the Marine Protected Area, detailing the perimeter and zoning of the protected area. Along with the perimeter and zoning, the system displays a legend for better understanding of the map.
 - Nautical charts: Within the map of the Marine Protected Area, the nautical chart of the area of interest is shown.
 - Mooring areas: within the map of the Marine Protected Area, the mooring areas present in the area of interest are shown.
 - GPS Navigation: users can grant access to their location to discover parks and marine protected areas, enhancing their exploration experience. When geolocation is active, the app displays maps focused on the users' location.

Furthermore, in line with the description of the measure,

- **[the intervention] expected to lead to better services and awareness about biodiversity to visitors of national parks and marine protected areas for a more sustainable tourism and responsible consumption of natural resources.**

On 20 May 2024, the Visit Naturaitalia App was launched on both iOS and Android. Its release was officially notified by Protocol Note n. 94499 on 22 May 2024, issued by MASE (Evidence 2). As outlined above, the app provides valuable information and multiple services that promotes the awareness of biodiversity to visitors of national parks and marine protected areas and improve their experience.

Notably, these services include individual information sheets for 100% of the 24 national parks and 31 marine protected areas exiting nationwide, featuring comprehensive details on local flora and fauna, as well as the history and geography that define each protected site. Additionally, for each park and marine protected area, the app provides links to the regulations governing tourists visits to these areas, including guidelines and directions for a more sustainable tourism and responsible use of natural resources, such as which activities are allowed, and which are not allowed in such sites.

The app also offers a range of practical services, such as weather and marine forecasts, identification of diving spots, maps with accessible trails for people with disabilities, and alert notifications. Prior to this app, no comparable platform existed to offer tourists in national parks and marine protected areas this level of information and service.

As the first and only app of its kind, the release of Visit Naturaitalia App has significantly improved both visitor services and biodiversity awareness in all the protected areas. Additionally, by providing detailed information about local flora and fauna, along with links to responsible consumption of natural resources guidelines, the Visit Naturaitalia App ultimately fosters more sustainable tourism and encourages responsible use of natural resources.

4. Commission Preliminary Assessment:

Satisfactorily fulfilled.

Loan support

M3C1-10: Award of the contract (s) to build the connections in the lines Orte-Falconara and Taranto - Metaponto-Potenza-Battipaglia

Related Measure: M3C1.I1.3 Diagonal connections

Qualitative Indicator: Notification of the award of the multidisciplinary contract to build high-speed railway in the lines Orte-Falconara and Taranto -Metaponto-Potenza-Battipaglia

Time: Q1 2024

1. Context:

Milestone M3C1-10 is part of investment 1.3 whose objective is to build 27 km of high-speed railway infrastructure for passengers and freight in the lines Orte-Falconara and Taranto -Metaponto-Potenza-Battipaglia.

Milestone M3C1-10 concerns the award of all public contracts to build high-speed railway in the following lines:

- Orte-Falconara;
- Taranto -Metaponto-Potenza-Battipaglia;

Milestone M3C1-10 is the first milestone of the investment 1.3. It will be followed by target M3C1-11 related to the completion of 27 km of high-speed railway infrastructure for passengers and freight in the lines Orte-Falconara and Taranto - Metaponto-Potenza-Battipaglia.

In line with the description of the measure, the assessment and the authorisation of each relevant project or/investment shall respect all the rules and procedures set in articles 6.3 and 6.4 of the EU Directive 92/43/CEE and follow the national guidelines for Impact Assessment published in the Official Gazette of the Italian Republic N°303 of 28 December 2019. In particular, this requires assurance by the Italian authorities that the assessment under Article 6.3 of the Habitats Directive is conducted in view of the site-specific conservation objectives of the affected Natura 2000 sites. This element will be assessed in the context of target M3C1-11, when the projects are upon completion of construction.

2. Evidence provided: Evidence provided:

- A copy of the call for tender 67404-2024 published on the 1st of February 2024 in the Official Journal of the European Union (Line Orte Falconara, Sub Line PM228 – Albacina);
- Annex 1 “All. 2A_Notifica aggiudicazione.pdf “which contains the contract award notification (“Notifica dell’aggiudicazione dei contratti”) for procedure DAC.0267.2023 (PM228 – Albacina);
- A copy of the call for tender 2023/S 112-351578 published on 13 June 2023 in the Official Journal of the European Union (Line Orte Falconara, Sub Line PM228 – Castelplanio);
- Annex 1 “All. 1A_Notifica aggiudicazione.pdf “ which contains the contract award notification (“Notifica dell’aggiudicazione dei contratti”) for procedure DAC.0123.2023 (PM228-Castelplanio);
- A copy of the call for tender 2022/S 250-730219 published on 28 December 2022 in the Official Journal of the European Union;
- Annex 1 “All. 3A_Notifica aggiudicazione.pdf “which contains the contract award notification (“Notifica dell’aggiudicazione dei contratti”) for procedure DAC.0257.2022 (a Interconnessione Battipaglia-Romagnano);
- A copy of the call for tender 023/S 112-351578 published on 28 June 2023 in the Official Journal of the European Union (Line Taranto -Metaponto-Potenza-Battipaglia; sub line, Grassano – Bernalda);
- Annex 1 “All. 4A_Notifica aggiudicazione.pdf “which contains the contract award notification (“Notifica dell’aggiudicazione dei contratti”) for procedure DAC.0158.2023 (Grassano Bernalda)
- A note signed by the railway infrastructure manager “Rete Ferroviaria Italiana RFI” certifying that the two project are part of the high-speed railway infrastructure;

3. Analysis:

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

Notification of the award of the multidisciplinary contract to build the connections in the lines Orte-Falconara and Taranto -Metaponto- Potenza-Battipaglia.

The contract (s) shall refer to the following lines:

- **Orte-Falconara**
- **Taranto -Metaponto-Potenza-Battipaglia**

As demonstrated by the summary document, the works on the high-speed line Orte-Falconara includes two projects:

- The doubling of the sub-line “PM228-Castelplanio”;
- The doubling of the sub-line “PM228-Albacina”.

As concerns the line Orte-Falconara, there are two awarding procedure, whose reference number are:

- DAC.0267.2023 for the subline PM228 – Albacina
- DAC.0123.2023 for the subline the sub-line PM228-Castelplanio

In details:

- Procedure DAC.0267.2023 (PM228 – Albacina):

The multidisciplinary call for tender S 23/2024 was published in the Official Journal of the European Union, on 1 February 2024, and is accessible at the following link [67404-2024 - Gara - TED \(europa.eu\)](#)

Annex 2A to the summary document contains the contract award notification by Rete Ferroviaria Italiana for the award of the multidisciplinary contract on line PM228 – Albacina to the consortium between ETERIA Consorzio Stabile s.c.a.r.l, SALCEF S.p.A and PROGER S.p.A. As shown in this Annex 2A, the contract was awarded on the basis of the economically most advantageous offer following an open procedure.

- Procedure DAC.0123.2023 (PM228-Castelplanio):

The multidisciplinary call for tender 023/S 112-351578 was published in the Official Journal of the European Union, on 13 June 2023 and in the national official journal (“Gazzetta Ufficiale n° 1 of 2 January 2023)), and is accessible at the following link [351578-2023 - Gara - TED \(europa.eu\)](#)

Annex 1A to the summary document contains the contract award notification by Rete Ferroviaria Italiana for the award of the multidisciplinary contract on the line PM228 – Castelplanio to the consortium between ETERIA Consorzio Stabile SCARL, Itinera S.p.A, Vianini Lavori S.p.A, and SALCEF S.p.A. As shown in Annex 1A the contract was awarded on the basis of the most advantageous offer following an open procedure.

As demonstrated by the summary document, the speeding up of the Taranto -Metaponto-Potenza-Battipaglia includes two projects:

- The interconnection of the Battipaglia Romagnano with the Battipaglia Potenza historic line;
- The segment Grassano Bernalda on the line Potenza Metaponto.

As concerns the line Taranto -Metaponto- Potenza-Battipaglia, there are two awarding procedure, whose reference number are:

- DAC.0257.2022 (Battipaglia – Romagnano, interconnection with the historic line);
- DAC.0158.2023 (Grassano – Bernalda);

In details:

- Procedure DAC.0257.2022 (Battipaglia – Romagnano):

The multidisciplinary call for tender was published in the Official Journal of the European Union, 2022/S 250-730219 on 28 December 2022, and is accessible at the following link [730219-2022 - Gara - TED](#).

Annex 3A to the summary document contains the contract award notification by Rete Ferroviaria Italiana for the award of the multidisciplinary contract on the line Battipaglia – Romagnano (interconnection with the historic line Battipaglia – Potenza) to consortium Xenia between Webuild Italia S.p.A, Ghella S.p.a, Impresa Pizzarotti & C. S.p.A, and TunnelPro S.p.A. As shown in the award notification, the contract was awarded on the basis of the economically most advantageous offer following an open procedure where two proposals were assessed.

- Procedure DAC.0158.2023 (Grassano – Bernalda):

The multidisciplinary call for tender was published in the Official Journal of the European Union, 2023/S 122-386362 on 28 June 2023, and is accessible at the following link [386362-2023 - Gara - TED \(europa.eu\)](#).

Annex 4A to the summary document contains the contract award notification by Rete Ferroviaria Italiana for the award of the multidisciplinary contract on the line (Grassano – Bernalda) to the consortium between ICM S.p.A, Architecna Engineering S.R.L and Siip S.R.L. Servizi Ingegneria Innovativa.

Finally, the Italian railway infrastructure manager provided a note proving that the two projects, the Orte-Faclonara line and the Taranto-Metaponto-Potenza-Battipaglia line, are part of the high speed railway infrastructure and can be considered “high-speed lines”. Upon completion of the planned works along the Orte - Falconara route and the Taranto-Metaponto-Potenza-Battipaglia route trains will be able to travel at a speed of up to 200 km/h.

4. Commission Preliminary Assessment: Satisfactorily fulfilled

Non-repayable support

M3C2-5: Digitalisation of the logistic chain

Related Measure: M3C2.I2.1 Digitalisation of the logistic chain

Quantitative Indicator: Number

Baseline: 0

Target: 12

Time: Q2 2024

1. Context:

The investment aims at implementing the digital transition in segment of goods transport and logistics at national level. The objective of the project is to create an interoperable digital system between public and private players able to simplify procedures, processes and controls by focusing on the de-materialisation of documents and the exchange of data and information.

The investment includes three lines of interventions (login center, port and freight villages, login business):

- The Login Center consists in the set-up of a digital platform (Piattaforma Logistica Nazionale - PLN), operating in a secure cloud environment, able to promote interoperability between transport and logistic operators and public administrations;
- The ports and freight villages intervention consists in the installation of the digital systems by ports and freight villages to exchange and connect with the National Logistic Platform;
- The Login Business consists in a set of incentives for logistic operators to install the login tool necessary to have access to the platform and its services.

Under the ports and freight villages intervention, this target requires that at least 12 of the 16 Port System Authorities shall be equipped with Port Community Systems (PCS) services interoperable with Comando Generale delle Capitanerie di Porto and/or Agenzia delle Dogane e dei Monopoli and compatible with the new PLN (Piattaforma Logistica Nazionale). A Port System Authority shall be considered equipped with Port Community Systems (PCS) services if a at least one port of that Port System Authority has been equipped with the Port Community Systems (PCS).

Target M3C2-5 is the first target of this investment, related to the digitalisation of the logistic chain.

It is followed by target M3C2-5bis which requires the completion of the three lines of interventions envisaged for this investment.

2. Evidence provided:

1. Summary document duly justifying how the target (including all the constitutive elements) was satisfactorily fulfilled;
2. A signed copy of the certificate of completion for each intervention (16 in total);
3. A signed copy of technical report for each intervention (16 in total);
4. A signed copy of the technical specifications for each intervention (16 in total);
5. Screenshots of the National Logistics Platform and the PCS identifying the name of the port and related Port System Authority (16 in total);
6. A copy of the call for projects published on 31 October 2023 for the development of Port Community System (PCS) in ports;
7. A copy of Ministerial Decree No. 48 of 28 February 2024, assigning the resources for PCS projects to the Port System Authorities.

3. Analysis:

The justification and substantiating evidence provided by the Italy authorities cover all constitutive elements of the target.

At least 12 of the 16 Port System Authorities shall be equipped with Port Community Systems (PCS) services interoperable with Comando Generale delle Capitanerie di Porto and/or Agenzia delle Dogane e dei Monopoli and compatible with the new PLN (Piattaforma Logistica Nazionale). A Port System Authority shall be considered equipped with Port Community Systems (PCS) services if a at least one port of that Port System Authority has been equipped with the Port Community Systems (PCS).

On 31 October 2023, the Ministry of Infrastructure and Transport launched the public notice (N34/2023) for the the development of Port Community System (PCS) in ports (evidence No. 7). In particular, Art. 3(2) of the aforementioned notice, sets the eligible interventions, all related to Port Community System services (from the development of PCS and equipment of PCS standard services for the Port System Authorities that were not equipped with standard PCS services, to the development of additional and more developed PCS services or functionalities linked to PCS for the Port System Authorities that had already PCS standard services. All the eligible interventions required the interoperability with the PLN – National Digital Logistic Platform (Piattaforma Logistica Nazionale).

Following the call, 16 port system authorities have received funding for the implementation of PCS services, as evidenced by Ministerial Decree No. 48 of 28 February 2024.

As demonstrated by the certificate of completion provided, 16 out 16 port system authorities financed have been equipped with a Port Community System or have strengthened the existing system with additional services or applications, in line with Art. 3(2) of the public notice of the Ministry of Infrastructure and Transport (N34/2023) of 31 October 2023. Each certificate of completion was accompanied by a technical report and technical specifications certifying how the systems installed were interoperable with the National Digital Logistics platform, with the Port Police (“Comando Generale delle Capitanerie di Porto”) or with the Custom Agency (“Agenzia delle Dogane e dei Monopoli”). Both the technical report and the technical specifications were signed by the project officer – “Responsabile Unico Progetto (RUP)”.

More specifically, as explained in the summary note and evidence by the certificates of completion, the technical specifications, the technical report and screenshots, the following Port System Authorities (PSA) are equipped with Port Community Systems for at least one port:

- 1) PSA Mar Ligure Orientale, for the port of La Spezia
- 2) PSA Mar Tirreno Settentrionale, for the port of Livorno;
- 3) PSA Mar Tirreno Centro-Settentrionale, for the port of Civitavecchia;
- 4) PSA Mar Tirreno Centrale, for the port of Napoli;
- 5) PSA Mar di Sardegna, for the port of Cagliari;
- 6) PSA Mar Di Sicilia Orientale, for the port of Catania;
- 7) PSA Mar Di Sicilia Occidentale for the port of Palermo;
- 8) PSA Mar Tirreno Meridionale e Ionio, for the port of Gioia Tauro;
- 9) PSA Mar Ionio, for the port of Taranto;
- 10) PSA Mar Adriatico Meridionale, for the port of Bari;
- 11) PSA Mar Adriatico Centrale, for the port of Ancona;
- 12) PSA Mar Adriatico Settentrionale, for the port of Venezia;
- 13) PSA Mar Adriatico Orientale for the port of Trieste of Monfalcone;
- 14) PSA dello Stretto, for the port of Messina;

- 15) PSA Mar Ligure Occidentale, for the port of Genova;
- 16) PSA Mar Adriatico Centro Settentrionale, for the port of Ravenna.

For the ports listed above, the Italian authorities also provided screenshots of the PLN and the PCS demonstrating the link between the name of the PSA and the name of each port. This check confirmed that at least one port of each PSA is equipped with Port Community Systems services.

4. Commission Preliminary Assessment:

Satisfactorily fulfilled.

Loan support

M3C2-10: National Digital Logistics Platform

Related Measure: M3C2.R2.2 Establishment of a National Digital Logistics Platform in order to introduce the digitalization of freight and/or passenger services

Qualitative Indicator: Provision in the legal act indicating the entry into force of the legal act

Time: Q2 2024

1. Context:

The aim of the reform is to digitalise procedures in Italian ports by making the Port Community Systems of individual Port System Authorities interoperable with the National Digital Logistics Platform.

Milestone M3C2-10 concerns the entry into force of a legal act ensuring the interoperability of the Port Community Systems (PCS) with the National Digital Logistics Platform. In addition, the legal act provides that Port System Authorities are equipped with Port Community Systems, that such systems are interoperable with public administrations involved in controls and checks on different segments of the logistics chain, and that the systems are compatible with EU Regulation 1056/2020.

Milestone M3C2-10 is the only milestone of this reform, which has a final expected date for implementation on 30 June 2024.

2. Evidence provided:

1. Summary document duly justifying how the target (including all the constitutive elements) was satisfactorily fulfilled;
2. Law Decree No. 19 of 2 March 2024, as converted into Law No. 56 of 29 April 2024, published in the Official Journal No. 52 of 2 March 2024;
3. Law No. 56 of 29 April 2024 published in the Official Journal No. 100 of 30 April 2024, converting Law Decree No. 19/2024 into law;
4. Law No. 37 of 8 March 2024 published in the Official Journal No. 73 of 27 March 2024.

3. Analysis:

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

Entry into force of legal act that shall ensure the interoperability of the Port Community Systems with the National Digital Logistics Platform.

Law Decree No. 19 of 2 March 2024 “Further urgent provisions for the implementation of the National Recovery and Resilience Plan (NRRP)”, converted into Law No. 56 of 29 April 2024, has entered into force on 2 March 2024 as envisaged by its article 46. Article 20bis “Urgent provisions for the digitisation of freight transport services” requires that the “Port System Authorities, by 30 June 2024, shall ensure the interoperability between the Port Community Systems [...] and the national logistic platform”. As explained in the summary document, this reform will ensure the interoperability of digital registers of freight transport with the National Digital Logistics Platform (which centralises the information) and with the administrations in charge of the controls and checks of freight transport (i.e. Customs and Ports Authorities).

In addition, the legal act shall provide that Port System Authorities are equipped with PCS standard services (port

community system) interoperable with public administrations involved and compatible with the EU Regulation 1056/2020 and with the National Digital Logistics Platform.

Article 20 bis of the Law Decree No. 19 provides that the Port System Authorities “shall be equipped with standard Port Community System services interoperable with public administrations and compatible with the provisions of Regulation (EU) 2020/1056 of the European Parliament and of the Council of 15 July 2020.” Moreover, Port System Authorities “shall ensure the interoperability between the Port Community Systems [...] and the national logistic platform”. Therefore, the Law Decree sets a legal obligation for Port System authorities (as defined under Law Decree n. 169 of 4 August 2016) to implement PCS and ensure that they are interoperable with public administrations in charge of the controls and checks of freight transport and compatible with the National Digital Logistics Platform and EU Regulation 1056/2020.

4. Commission Preliminary Assessment:

Satisfactory fulfilled.

Non-repayable support

M4C1-8: Award of contracts for interventions to build and renovate sports facilities and gyms for school use

Related Measure: M4C1.I1.3 School Sports Infrastructure Enhancement Plan

Qualitative Indicator: Notification of the award of public contracts for the eligible interventions

Time: Q1 2024

1. Context:

The investment aims at building and renovating sport facilities attached to schools, to promote physical activity, improve social inclusion, and strengthen personal skills.

Milestone M4C1-8 concerns the award of contracts for building and renovating sports facilities and gyms following a public tendering procedure.

Milestone M4C1-8 is the first step of the implementation of the investment. It will be followed by target M4C1-22, aimed at ensuring that a total surface of at least 230 400 square meters of gyms or sports facilities attached to the schools are built or renovated.

2. Evidence provided:

1. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled
2. List of the 313 projects with, among others, the following information for each project: the corresponding ID number ("Codice Unico Progetto", or CUP), the name of the implementing authority, and the surface of the building addressed by the intervention
3. Decree of the Minister of Education No 343 of 2 December 2021, defining the criteria and procedures for the allocation of resources and their distribution on a regional basis, for all school building infrastructure interventions included in the Italian National Recovery and Resilience Plan, including sports infrastructures
4. Public Notice prot. No 48040 of 2 December 2021, defining the start of the selective procedure for the identification of the implementing entities
5. Decree No 203 of the Minister of Education of 2 August 2022, allocating additional resources to the investment
6. Directorial Decree No 45 of 4 August 2022, approving the lists of beneficiary local authorities
7. Note of the Ministry of Education and Merit prot. 84914 of 13 June 2023 to all implementing subjects containing indications for the implementation of the interventions.

In the context of the sampling analysis, additional evidence provided for a sample of 60 units proving alignment with the Council Implementing Decision's description of the investment and of the milestone including:

- i. the copy of the award of contracts;
- ii. the copy of the notification of the award of contracts.

3. Analysis:

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

Award of contracts for the interventions to build and renovate sports facilities and gyms for school use and following a public tendering procedure.

The Decree of the Minister of Education No 343 of 2 December 2021 defines the criteria and modalities for the allocation of resources and their distribution on a regional basis, for building and renovating sport infrastructures interventions included in the National Recovery and Resilience Plan, including school sports infrastructures such as sport facilities and gyms. Article 4 of the aforementioned decree provides that the allocation criteria on a regional basis take into account the number of students in public schools (with a 60% weighting) and the infrastructure gap (with a 40% weighting).

The public notice for the submission of proposals for safety renovations and/or construction interventions of school facilities gyms has been published with prot. No 48040 of 2 December 2021. By Decree No 203 of the Minister of Education of 2 August 2022, additional resources were allocated to the investment. Directorial Decree No 45 of 4 August 2022 published the rankings with 444 interventions admitted to financing, of which 298 related to existing structures and 146 related to new constructions.

After the signing of the relevant concession agreements, containing the specifications of the standards and obligations to be followed, the beneficiary local authorities awarded the works through an administrative act. A total of 313 projects were awarded with proper notification, as demonstrated by the copy of the award of contracts and the notification of the award of contracts provided for each of the 313 projects. Each implementing entity prepared a call for tenders to select an implementing entity through the collaboration with Consip S.p.A.

Following the selection of a random sample of 60 units, Italy submitted the notification by the local authorities of the award of public contracts for the eligible interventions, plus the award of contracts for the eligible interventions. The evidence provided for a sample of 60 units confirmed that the requirements of the milestone have been met, corresponding to interventions to build or renovate sport facilities and gyms for school use.

The investment plan shall build and renovate sports facilities and gyms for school use.

The selection of the interventions was carried out taking into account criteria and parameters referring to the absence of sports facilities in schools eligible for the projects. Article 9 of public notice No 48040 provided as priority criteria: (i) the absence of school gyms or outdoor sports areas for the candidate school institutions, (ii) the total or partial unusability of the school gyms of the candidate school institutions, (iii) the type of intervention with priority for new constructions or extensions, (iv) the highest drop-out rate during the year on the basis of the data of the National Register of Students of the school subject to intervention, (v) their establishment in internal, mountain or island areas.

Article 2 of public notice No 48040 stipulates that 54.29% of the total resources are allocated to applications proposed by local authorities belonging to the regions of southern Italy, in order to reduce the infrastructural gap. In addition, 30% of the resources on a regional basis are allocated to provinces, including autonomous provinces, metropolitan cities, regional decentralisation bodies and the autonomous region of Valle d'Aosta for secondary schools, while 70% is allocated to municipalities and/or unions of municipalities for primary schools, in order to strengthen sports activities already from primary school.

In order to ensure that the measure complies with the “Do no significant harm” Technical Guidance (2021/C58/01), the eligibility criteria contained in terms of reference for calls for projects shall exclude fossil fuel-based heating systems such as natural gas boilers.

The outline of the Concession Agreement in relation to the notice prot. No 48040 of 2 December 2021, signed by all the beneficiary local authorities (Municipalities for primary schools; Provinces for secondary schools), in referring also to the MEF circular No 32/2021, envisages the obligation for the implementing entities to ‘comply with the indications in relation to the horizontal principles set out in Article 5 of Regulation (EU) 2021/241, i.e. the principle of not causing significant damage to environmental objectives, within the meaning of Article 17 of Regulation (EU) No 2020/852, and to ensure consistency with the RRP approved by the European Commission’ (Article 5, paragraph 1). Therefore, all interventions were subject to compliance with the DNSH principle. In particular, all municipalities in their capacity as implementing entities had to fulfil this obligation when drafting the calls for tenders, including by adopting dedicated forms and checklists to ascertain the compliance. The authorities also provided a note by the Ministry of Education and Merit to all implementing subjects, regarding specifications on the implementation of interventions relating to

the DNSH principle, with explicit reference to the ineligibility of fossil fuel based heating systems such as natural gas boilers for the selected projects.

The Decree of the Minister of Education No 343/2021 provides in Article 3, paragraph 6, that all measures subject to funding must comply with EU Regulation No 2020/852 of 18 June 2020, which defines environmental objectives, including the DNSH principle.

Public Notice prot. No 48040 of 2 December 2021 provides among the eligibility criteria in Article 5, paragraph 2, letter j), that projects which do not comply with the DNSH principle pursuant to Article 17 of Regulation (EU) 2020/852 (DNSH) are not eligible. Compliance with this obligation is also set out in the Deed of Obligation (Art. 3), which the legal representatives of the beneficiary local authorities had to sign in order to participate in the procedure, obliging them to 'respect the indications in relation to the horizontal principles set out in Article 5 of Regulation (EU) 2021/241, i.e. the principle of not causing significant damage to environmental objectives, within the meaning of Article 17 of Regulation (EU) 2020/852, and ensure consistency with the RRP approved by the European Commission'.

Compliance with the DNSH principle is further reinforced by the obligation for the beneficiary local authorities, set out in Article 11(1)(p) of the Notice, to: 'provide for the transmission of all documentation pertaining to the achievement of milestones and targets, including proof of DNSH compliance'.

4. Commission Preliminary Assessment: Satisfactory fulfilled.

Non-repayable support

M5C1-9: Carry out actions to fight undeclared work

Related Measure: M5C1.R2 Undeclared Work

Qualitative Indicator: Actions carried out

Time: Q1 2024

1. Context:

Reform 2 “National Plan tackling undeclared work” aims to prevent and combat undeclared and other forms of irregular work.

Milestone M5C1-9 requires to carry out actions within five areas, as provided in the description of the milestone in the Council Implementing Decision.

Milestone M5C1-9 is the second milestone of Reform 2 and it follows the completion of milestone M5C1-8, which consisted of the entry into force of a National Plan and implementation Road Map to fight undeclared work. It will be followed by target M5C1-10 which requires a 30% increase in the average number of labour inspections in the period 2023-2025 compared to the period 2019-2021 by Q4 2025. Milestone M5C1-11 requires to carry out further actions to fight undeclared work such as completing the development of indicators allowing the identification of employers ‘at-risk’ of undeclared work and sending them compliance letters, increasing access to the ‘rete del lavoro agricolo di qualità’ (a social certification for agricultural firms), and conducting an independent study to assess the impact of work vouchers on undeclared work.

2. Evidence provided:

1. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
2. Report by Bank of Italy and Istat ‘L’indicatore macroeconomico dell’incidenza del lavoro sommerso’, describing the methodology used to develop an estimate of the incidence of undeclared work.
3. Excel sheet by the Bank of Italy and Istat listing the sectoral and total estimates of undeclared work as per the newly developed indicator;
4. Ministerial decree No.170 of 20 November 2024 describing the features of the Platform on Undeclared Work;
5. Ministerial decree 50 of 28 March 2024 establishing the task force on Undeclared Work;
6. Law Decree No. 19 of 2 March 2024, which entered into force on 2 March 2024, converted into law with modifications by Law No. 59 of 29 April 2024, which introduces legal provisions in a number of areas, including regarding sanctions for non-compliant firms, and a bonus for hiring care workers for non-self-sufficient elderly people;
7. Decree-Law No. 145 of 11 October 2024, which entered into force on 11 October 2024, increasing the ceiling for sanctions on illicit contracting;
8. Law-Decree No. 160 of 28 October 2024, published in the Official Journal on 28 October 2024, which entered into force on 28 October 2024, establishing a reward system for virtuous firms in the agricultural sector who are members of a social quality network (‘rete del lavoro agricolo di qualità’) and providing for the development of indicators of whether a firm is at-risk of employing undeclared work (ISAC indicators), through matching of different administrative and fiscal datasets;
9. Legislative decree No. 29 of 15 March 2024, entered into force 19 March 2024, in application of the framework law No. 33/2023, which sets out a reform of the welfare system aimed at non-self-sufficient elderly people;
10. Report of March 2024 on the activities for the Public Employment Centres by Sviluppo Lavoro Italia, i.e. the private partner supporting the Ministry of Labour and Social Policies;
11. Note of 27 March 2024 by the Ministry of Labour’s Department for Innovation, Administration and Staff on the information campaign on the disvalue of undeclared work carried out in 2023 and 2024;
12. Documents by the labour inspectorate on physical events carried out in local offices as part of the information campaign, including seminars and trainings (brochures, training material, attendance registry).

13. Ministerial Decree No. 92 of 22 of June 2023 of the Ministry of Labour and Social Policies formalising the names of the members of the national committee in charge of the implementation of the Plan on undeclared work;
14. Minutes of the meeting of 28 June 2023 of the National Committee for the Plan on undeclared work;
15. Official emails of 27 June 2023 and of 6 December 2023 with attached invitations notes (Note from the Ministry of Labour U.0010875.27-06-2023 and note from the National Labour Inspectorate U.000502.06-12-2023), and list of participants to the two meetings of the national committee for the Plan on undeclared work;
16. Official emails of 9 and 14 February 2024 on written consultation procedure of the members of the national committee for the Plan on undeclared work;
17. Agreement No. 36 of 21 March 2024 of the State-Regions Conference on the Guidelines on housing standards to overcome illegal settlements for agricultural workers (*'Linee guida per l'operatività su tutto il territorio nazionale degli standard abitativi minimi previsti dalla normativa'*);
18. 2022-2023 Report to the Parliament on the third year of implementation of the national plan against labour exploitation in agriculture (*'Piano triennale di contrasto allo sfruttamento lavorativo in agricoltura e al caporalato'*), laying out the synergies with the national plan on undeclared work.
19. Law No. 116 of 11 August 2014 establishing a quality network of firms in agriculture (*'Rete del lavoro agricolo di qualità'*).
20. Minutes of the meeting of 28 October 2024 of the National Committee for the Plan on Undeclared Work.
21. Training material (videos, slides) on the courses on undeclared work and labour exploitation in agriculture (caporalato) for public employment centres [Additional evidence on training such as attendance lists pending]

3. Analysis:

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

The following actions shall be carried out:

I) Introduce measure(s) to improve the collection of granular data on undeclared work;

In line with the requirement of the Council Implementing Decision, the authorities have carried out the following actions. **Furthermore, in line with the description of the measure, the Reform includes: (III) improving the production, collection and timely distribution of granular data on undeclared work;**

- The establishment of the Platform on Undeclared Work

The different authorities who carry out labour and health and safety inspections (the Social Security Agency, the Finance Police, the Agency dealing with health and safety at work, and the section of the national gendarmerie 'Carabinieri' dealing with labour issues) currently do not systematically share the results of their inspections. Ministerial Decree 170/2024 aims at consolidating a single platform (the Platform on Undeclared Work) with up-to-date data on the result of inspections at both granular firm-level as well as aggregate (provincial and sectoral) level, in order to improve the collection of granular data, strengthen coordination of inspections as well as provide a finer understanding of the phenomenon of undeclared work (evidence 4). As provided by Article 1x, comma 2x, of Ministerial Decree 170/2024 the labour inspectorate must provide access to the Platform to the Social Security Agency, the Finance Police, the Agency dealing with health and safety at work, and the national gendarmerie 'Carabinieri' dealing with labour issues, to allow them to include information from their inspection reports on individual firms. This data shall include, but is not limited to, irregularities concerning labour and social legislation, health and safety at work, insurance, social security contributions, fiscal obligations and criminal offenses. The Ministerial Decree also provides, in Article 2, that the Platform must be inter-operable with the Platform on Compliance, which includes

information on 'Indici Sintetici di Affidabilità Contributiva' (ISAC indicators). ISAC indicators, as further explained in sections below, are developed by matching different administrative and fiscal datasets in possession of public authorities to measure to what extent a firm or professional appears to be at risk of irregularities linked to social security contributions (which is closely linked to employment irregularities). These measures help to improve the collection of granular data both on irregularities identified through inspections as well as 'potential' irregularities by including all of this information in one Platform accessible by relevant entities. This Platform also supports the production of granular data on undeclared work as it allows to calculate estimates of this phenomenon at sectoral and territorial level based on individual-level data on real violations of labour laws directly collected on the ground through inspections. The existence of a single Platform through which all entities carrying out inspections can regularly share the results of their respective inspections supports the timely distribution of granular data on undeclared work.

- Building an indirect macroeconomic indicator on the incidence of undeclared work

The significant time lag with which official estimates of undeclared work based on national accounts data are produced by the Italian National Institute of Statistics - ISTAT (with a two-year delay compared to the reference period) hinders a timely understanding of this complex phenomenon. The Italian authorities commissioned a working group constituted by the Bank of Italy and ISTAT to produce a new indicator exploiting granular microeconomic administrative and survey data with a shorter, sixth-month delay (evidence 2 describes the statistical methodology), which also allows to improve the collection of granular data. The development of this indicator estimating the incidence of undeclared work in 2020 and 2021 has allowed the working group to test the relevant data with a view to improve the availability and collection of data on undeclared work, which constitutes a portion of the labour market difficult to measure by definition (estimates are listed in evidence 3).

II) Introduce measures to transform undeclared into declared work:

- deterrent measure(s), which may include, but are not limited to, strengthening inspections and sanctions, as well as preventive measure(s) to promote declared work, which may include, but are not limited to, targeted financial incentives; Furthermore, in line with the description of the measure, the Reform includes introducing direct and indirect measures to transform undeclared into declared work by ensuring that benefits of operating in the declared economy outweigh the costs of working in the undeclared economy**

In line with the requirement of the Council Implementing Decision, the authorities have carried out the following actions.

Introduction of deterrent measures

The deterrent, or direct, measures to transform undeclared into declared work that the authorities have introduced are the following: improved efficiency of inspections, strengthened sanctions for illicit contracting of workers, and the inability to access public subsidies for firms with certified irregularities, as further explained below.

1. Improved efficiency of inspections

A ministerial taskforce was created by Ministerial Decree No. 50 of 28 March 2024 (evidence 5) with the aim to improve coordination and strategic planning of all types of firm inspections at national level. The taskforce is headed by the Director of the Inspectorate and is composed of representatives of the Ministry of Labour, Ministry of Interior, Health Ministry, National Social Security Institute, National Institute for Insurance against Accidents at Work, National Revenue Agency, Finance Police, and 'Carabinieri' dealing with work protection matters. This task force operates also at the local level through regional coordination groups ('*Tavoli Regionali di Coordinamento*'), coordinating the action of local labour inspectorates. By improving coordination between the various entities which carry out inspections and

ensuring information sharing and strategic programming to steer inspection efforts towards most at-risk firms, this Taskforce improves efficiency and provides a deterrent effect on undeclared work. The increased likelihood that firms with irregularities are subject to inspections, supports the transformation of undeclared work into declared work.

2. Strengthened sanctions for undeclared work

- Illegal contracting of workers

Article 29 (commas 3 and 4) of Law-decree No. 19 of 2 March 2024 (evidence 6) modifies sanctions for various types of illicit conduct. It increases by 10% (that is, from 20% to 30%) the administrative sanction (so-called '*maxi-sanzione*') for initiating an employment contract without communicating it to the authorities, i.e. hiring an undeclared worker (Article 29, comma 3).

Sanctions are also increased by 20% for behaviours linked to using or providing workforce through illicit contracting, for example aimed at averting employment conditions required by national collective contracts (Article 29, commas 3 and 4). These sanctions are proportional to the number of undeclared workers hired and the days of work provided by the worker, and they cannot be lower than EUR 5.000 nor higher than EUR 60.000. Concerning this upper limit, Article 10 of Decree-Law No. 145 of 11 October 2024 has increased the maximum ceiling from EUR 50.000 to EUR 60.000 (evidence 7).

Moreover, the Italian authorities have strengthened the sanction regime by introducing the possibility for these offences to be criminally relevant, and not only administratively, thus punishable not only through administrative sanctions but also potentially by criminal penalties, including arrest from 1 to 6 months depending on the offence committed (Law-decree No. 19 of 2 March 2024, Article 29, comma 4). Increasing both the financial burden of potential sanctions as well as introducing the possibility of criminal investigations has a clear deterrent effect on employers and as such support the suppression of undeclared work.

- Inability to access public subsidies

Law-decree No. 19 of 2 March 2024 (evidence 6) also includes a provision (Article 29, comma 1) by which firms can only receive public subsidies in the labour and social domain (such as hiring subsidies) subject to the absence of violations of labour rules (including employment conditions laid out in national collective contracts) following inspections. Moreover, Law-decree No. 160 of 28 October 2024 (evidence 8) further establishes that the labour inspectorate must ensure access to the Platform on Undeclared Work to entities who disburse public funds, to allow relevant checks, while respecting data privacy rules. The inability to access public subsidies due to previously identified irregularities provides a clear deterrence effect for employers and encourages the emergence of undeclared work.

Introduction of preventive measures

The preventive, or indirect, measures to transform undeclared into declared work that the Italian authorities have introduced are the following: the obligation to apply salary conditions as per national collective contracts also to employees of contractors and subcontractors, the obligation to verify the congruity of labour costs in construction projects, the introduction of a reward system for virtuous firms in the agricultural sector, the further development of ISAC indicators, a reform of civil sanctions, and two targeted financial incentives for formal hiring of care workers, as further explained below.

- Rules on the salaries of contractor and subcontractors' employees

Law-decree No. 19 of 2 March 2024 (evidence 6) establishes the obligation to apply the salary conditions to the personnel hired by a contractor or subcontractor of services or products as required by the national collective contract applied in the sector (Article 29, comma 2). This is a preventive measure as it discourages the abuse of contracting of labour as a way to circumvent labour laws, including on salaries, thus avoiding wage dumping.

- System for verifying congruity in the construction sector

Law-decree No. 19 of 2 March 2024 (evidence 6) includes specific provisions to contrast undeclared work in the construction sector. It establishes the obligation for the project manager to present a document verifying the appropriateness of the incidence of labour on the overall costs of the construction project before proceeding to the final payment of the work, and sanctions in the absence of such a document (Article 29, comma 10). This is a preventive measure as it requires the project manager to check whether the labour costs incurred are proportional to the size of the works and comparable to similar construction projects, and to share this information, thus discouraging the use of undeclared or irregular work.

- Reward system for employers demonstrating virtuous behaviour in the agricultural sector (also including financial incentives)

Law-decree No. 160 of 28 October 2024 (evidence 8) introduces a reward system for firms who are members of the network of 'rete del lavoro agricolo di qualità' (Art. 1, comma 3). This action is described in further detail under "action v) measures to address labour exploitation in agriculture" below, given its sectoral focus. It constitutes a preventive measure, since it increases the benefits of being a part of such a network certifying the respect of labour rules., as compared to recurring to undeclared work.

- Indicators of irregularity through matching datasets (ISAC indicators)

Art. 1, commas 5-10 of Law-decree No. 160 of 28 October 2024 (evidence 8) provides for the further development of '*Indici Sintetici di Affidabilità Contributiva*' (ISAC indicators). These risk indicators of possible irregularities in employment relations are obtained by matching administrative and fiscal data on individual firms. It establishes the gradual extension of ISAC indicators to a total of eight economic sectors among those at high risk of undeclared work, to be completed by August 2026. These ISAC indicators can be used to programme targeted inspections as well as to implement compliance measures to 'at-risk' employers, such as sending letters urging spontaneous compliance. They also allow taxpayers to be aware of the information the authorities have about them, and whether they are considered 'at-risk'. This constitutes a preventive measure because it allows the authorities to further collect granular information on firms, and enables signalling activities to 'at-risk' employers, thus encouraging compliance.

- Reform of civil sanctions to promote spontaneous declaration of undeclared work

Article 30 of Law-decree No. 19 of 2 March 2024 (evidence 6) modifies civil sanctions related to unpaid social security contributions. It also establishes that the social security administration transparently informs citizens of the information available on them to encourage spontaneous regularisation. The aim of this provision is to create an incentive to declare employees and pay social security contributions by applying lower sanctions to employers regularising their workers spontaneously compared to those who regularise their position after they are found to be in violation of the law following an inspection or other types of checks by national authorities.

Following an inspection, sanctions for omission of social security contributions are calculated as the interest on the unpaid contributions, with the interest rate being the sum between the current interest rate by the European Central Bank and 5.5 percentage points, up to a maximum ceiling of 40% of the total unpaid social security contributions. In the case of evasion certified following checks from the authorities, the sanction is equal to 30% of unpaid social security contributions, with a maximum ceiling of 60%.

Article 30 of Law-decree No. 19 of 2 March 2024 (evidence 6) modifies the sanctions to be paid following spontaneous regularisation of undeclared work in the absence of checks by the authorities. In this case, sanctions for omission are equal to the interest due on unpaid contributions, with the interest rate being equal to the current interest rate by the European Central Bank (without the 5.5 percentage point addition), up to the same ceiling of 40%. Sanctions for evasion in this case are equal to the interest on the unpaid contributions, with the interest rate being the sum between the current interest rate by the European Central Bank and 5.5 percentage points, up to a ceiling of 40% of unpaid social security contributions.

Reducing the relative cost of spontaneous regularisation compared to regularisation following the irregularities identified by the authorities is a preventive measure as it encourages employers to spontaneously regularise relevant cases of undeclared work.

- Targeted financial incentive: more targeted use of the benefit for non-sufficient elderly '*indennità di accompagnamento*' towards covering costs of domestic work

The objective of this measure is to promote the regularisation of undeclared work in the domestic work sector, where this phenomenon is particularly widespread. It provides for the modification of an existing benefit for low-income non-self-sufficient adults ('*indennità di accompagnamento*'), currently a cash benefit not tied to any specific expenditure, to link it to the formal hiring of care givers. Articles 34 to 36 of Legislative decree No. 29 of 15 March 2024 (evidence 9), introduce a top-up of EUR 850 for 2025 and 2026 for beneficiaries of the '*indennità di accompagnamento*' if they are in a regular employment relationship with a domestic care worker. This measure targets elderly people over the age of 80 in a state of severe care dependency, with an income not exceeding 6,000 euros per year. Given that a high share of caregivers to the elderly work in the informal sector, tying relevant benefits to the formal hiring of a care worker could serve the double purpose of supporting low-income elderly people to face the costs of their condition while also reducing the cost of hiring care workers regularly, thus acting as a preventive measure discouraging undeclared work.

- Targeted financial incentive: social security exoneration for the hiring of an elderly care worker by low-income non-self-sufficient adults

Article 29, commas 15 to 18 of Law-decree No. 19 of 2 March 2024 (evidence 6) introduces an exoneration from social security contributions until December 2025 for low-income non-self-sufficient adults if they hire an elderly care worker on a permanent contract. This 100% exoneration is granted for a maximum of twenty-four months up to a limit of EUR 3 000 per year to employers over 80 in a state of severe care dependency with a family income below 6,000 euros per year. Similarly to the previous measure, by reducing the cost of a regular employment contract for this type of employer, this target group is encouraged to formally hire care workers.

In sum, financial incentives for regular employment, such as the reward system for agricultural firms which are members of a quality network certifying their compliance with labour laws, as well as the two targeted incentives for the employment of care workers by non-self-sufficient adults, promote declared work and help transform undeclared work into declared work because they increase the 'benefit' of being a regular employer relative to the 'costs' of compliance. The reform of civil sanctions and the further development of ISAC indicators both encourage employers to transform their employees from undeclared to declared: the first, by making it less costly to spontaneously

regularise employment relationships compared to regularisation following an inspection, and the second through signalling the perceived risk of irregularity by the authorities. The obligation to check the congruity of labour costs incurred for construction works supports the emergence of undeclared work because it makes project managers aware that this aspect will be monitored, improving incentives for compliance. Furthermore, the obligation to provide the same salary required by nationally bargained collective contracts also to employees hired by contractors and sub-contractors, discourages employers from using contractors as a way to avoid complying with all labour norms (including on salaries).

b. measure(s) to strengthen the link with active labour market policy which may include but are not limited to, training of job centre operators;

The agency *Sviluppo Lavoro Italia* has provided online training on how to combat undeclared work for Public Employment Services (PES) staff. As described in the related report (evidence xi), by 31 March 2024, four online training courses on undeclared work were completed by 202 job centre operators across Italy. A survey was also carried out amongst PES staff to assess their preparedness in supporting workers at risk of undeclared work, which led to the development of guidelines on ways to address this phenomenon (evidence 10). Improving the ability of PES staff to identify and assist undeclared workers allows them to support population groups that are generally out of reach of employment centres. Since PES centres are one of the main actors in active labour market policies, as they offer training to improve employability of job seekers, job-seeking assistance, information on available benefits as well as other services, creating a link between PES and undeclared workers is essential. Italy has provided training materials such as videos and slides aimed at instructing PES operators on the current legislation on undeclared work and its' characteristics (for example the economic sectors in which it is most widespread), as well as the list of participants extracted from the online training platform.

III) Deliver a national information campaign on the “disvalue” of undeclared work; Furthermore, in line with the description of the measure, the Reform includes (V) carrying out communication campaigns, information and awareness-raising activities;

A national information campaign aimed at strengthening knowledge of the phenomenon of undeclared work and its negative social value, as well as promoting a culture of regular work was performed at national level by the Ministry of Labour and Social Policy, in collaboration with the labour inspectorate, the social security agency, the health and safety at work agency and *SviluppoLavoroItalia*, a Ministerial agency (as described in the report by the Ministry, evidence 11). This report lists the activities carried out in 2023 and 2024. A video spot was promoted on the social media platforms of the Ministry (LinkedIn to target employers, Instagram to target workers), as well as on TV programmes and radio stations of RAI, the national public broadcasting agency. Moreover, panel discussions including members of the Ministry on this topic took place on TV programmes also aired on RAI (Geo, Unomattina, Caterpillar). The video-spot and the TV discussions both highlighted the disvalue of undeclared work as well as the ways authorities are combating it, including through the RRF. Furthermore, the labour inspectorate's local offices have organised in-person information and awareness-raising seminars involving stakeholders such as labour consultants ('consulenti del lavoro'), social partners, and third sector organisations such as the International Organisation for Migration of the United Nations (OIM) or Caritas. These meetings were held both in the inter-regional labour inspectorate offices representing the North and Centre of Italy, in some of the metropolitan area offices (Genova and Florence), and in eighteen local territorial offices such as l'Aquila, Viterbo, Teramo, Terni-Rieti, Verona, Trieste. The trainings informed participants on the legislation concerning undeclared work, both in terms of the rights of workers as well as legislation preventing and sanctioning undeclared work. Italian authorities provided evidence for these events such as promotional material like brochures, training material, invitations and attendance registry (evidence 12).

IV) Start of the works of the governance structure to combat undeclared work; Furthermore, in line with the description of the measure, the Reform includes: (V) strengthening the governance system to fight undeclared work at national and local level.

In order to ensure the implementation and coordination of measures to address undeclared work at national level, a national committee chaired by the Ministry of Labour and Social Policies was created in 2023. The Ministerial Decree No. 92 of 22 of June 2023 of the Ministry of Labour and Social Policies (evidence 13) lists the names of the representatives of each institution within the Committee. The institutions represented include: the Ministry of the Interior, the Ministry of Infrastructure and Transport, the National Labour Inspectorate INL, the Social Security Agency INPS, the Health and Safety at Work Agency INAIL, the Bank of Italy, the National Statistics Institute ISTAT, the Tax and Revenue Agency, the Finance Police, the section of the Carabinieri dealing with labour issues, but also the most representative employers' associations and trade unions. The works of this governance structure have started as the national committee held plenary meetings on 28 June and 13 December 2023, summoning all members, including social partners, as shown by the documents provided by the authorities (see invitation emails – evidence 15). During the meeting of 28 June 2023, the national committee has approved the creation of four sub-groups, which focus on the lines of actions to be carried out (Sub-group 1. Collection and production of data; Sub-group 2. Measures to transform undeclared into declared work; Sub-group 3. Information campaign; Sub-group 4. Labour exploitation in agriculture) and operate under the supervision of the national committee in plenary formation (see minutes of the meeting – evidence 14). Members of the committee have also been consulted in a written procedure on relevant legislative proposals on 9 and 14 February 2024 (see evidence 16). The Committee last met on 28 October 2024 and discussed the recent implementation of the actions included in the reform on undeclared work in the RRP and the activities of the labour inspectorate. During this meeting, the Committee also agreed to involve more actively social partners in the works of the sub-groups listed above (see evidence 20). Furthermore, the governance model was strengthened at local level thanks to the regional coordination groups (*'Tavoli Regionali di Coordinamento'*) of the ministerial taskforce of inspections described above. By improving coordination between the various entities which carry out inspections and applying an increasingly risk-based approach to the programming inspections, the inspectorate can exert a stronger deterrent impact on local productive systems.

V) Introduce measure(s) to address labour exploitation in agriculture.

In line with the requirement of the Council Implementing Decision, the authorities have carried out the following actions.

- Regulatory changes to promote the quality network of firms 'Rete del Lavoro Agricolo di Qualità' (including incentives)

Art.1.1 and Art.1.2 of Law-Decree No. 160 of 28 October 2024 (evidence 8) update the governance of the Rete del Lavoro Agricolo di Qualità, established by Law No. 116 of 11 August 2014 (evidence 19), by making the National Institute for Insurance against Accidents at Work (INAIL) a member of the governing body of the network. Art. 1.3 introduces the obligation for INAIL to insert every year in its annual call for subsidies to firms under the so-called ISI programme, an incentive system that favours agricultural firms enrolled in the quality network. The firms enrolled in this network as per Law No. 116 of 11 of August 2014 (evidence 19), need to demonstrate that they have not violated criminal, labour and fiscal laws, have not received administrative sanctions in the past three years, regularly pay social contributions and apply collective agreements. By incentivising the enrolment to the network, this measure encourages firms in agriculture to avoid illegal practices, including labour exploitation and undeclared work.

- Adoption of national guidelines on housing standards

The Italian authorities have adopted guidelines to be applied when providing agriculture workers with adequate housing solutions alternative to illegal settlements (evidence 17). As described in the guidelines, illegal settlements often without minimum services primarily host agricultural workers that live in extremely vulnerable conditions. Inadequate housing conditions, most notably in illegal settlements, contribute to the risk of being exploited by the illegal system of labour demand/supply intermediation (*'caporalato'*). Approved by the State-regions Conference with Agreement No. 36 of 21 March 2024, the guidelines formally apply to the whole Italian territory and are intended to support the public sector, NGOs, social partners and all players involved in the planning and implementation of

adequate housing solutions for agricultural workers (p. 3 of the guidelines). The guidelines were drafted by the working group on housing of the Committee to fight against labour exploitation in agriculture (*'Tavolo Caporalato'*) jointly with some members of the National Committee for the Plan on undeclared work. The guidelines are a policy tool with a broad scope and provide, on the one hand, a summary of the international and national legal framework in force, and, on the other hand, a menu of policy recommendations and best practices in the field. The guidelines help address labour exploitation in the agricultural field by adopting a comprehensive approach to both short and long-term solutions for decent housing and more broadly to social integration of exploited workers or workers at risk of exploitation.

- Measures in employment policies

In March 2024, five specialised training modules for the Public Employment Services staff on the contrast against labour exploitation in agriculture were provided to 189 participants (see Report on the activities by *Sviluppo Lavoro Italia*, p. 10, evidence 10), as proven by the course material and list of participants extracted from the online training platform provided by Italy. The material, which includes video classes, slides and reports, explicitly addresses an audience working on active labour market policies. The training modules on labour exploitation in agriculture included notions on the features of the phenomenon of labour exploitation in agriculture and the legal and policy tools to fight against it.

- Coordination system between the national plan against labour exploitation in agriculture and the national committee on undeclared work

Enhanced coordination between the national plan against labour exploitation in agriculture and the national committee on undeclared work contributes to better address labour exploitation in agriculture. Such coordination has been ensured by the participation of members of the National Committee on undeclared work to the working groups of the national plan against labour exploitation in agriculture as of 2023, as attested by the 2022-23 Report to the Parliament of the national plan against labour exploitation in agriculture (p. 15-16, evidence 18). The report (p. 16-17) also details how the cooperation between the committees led to the approval of the national guidelines on housing standards described above.

4. Commission Preliminary Assessment:

Satisfactory fulfilled.

Non-repayable support

M5C2-2: Entry into force of the legislative decrees developing the provisions set out by the Framework Law to strengthen the autonomy of people with disabilities.

Related Measure: M5C2.R1 Framework law for disability

Qualitative Indicator: Provisions in the law indicating the entry into force of the legislative Decrees

Time: Q2 2024

1. Context:

This reform intends to tackle disability assessment through a multidisciplinary approach, encourage de-institutionalization by encompassing family-based or community-based housing alternatives, and increase autonomy for individuals with disabilities to improve access to social and healthcare services.

Milestone M5C2-2 concerns the entry into force of legislative decrees that will further implement the measures outlined in the Framework Law to strengthen the autonomy of individuals with disabilities, including provisions for (I) strengthening the offer of social services, (II) simplifying access to social and health services, (III) reforming disability assessments, (IV) promoting independent living projects, and (V) promoting the work of expert teams that can assist people with disabilities who have multidimensional needs.

Milestone M5C2-2 is the second and last milestone of the reform, and it follows the completion of milestone M5C2-1, related to the entry into force of a framework law delegating the government to legislate in this policy field.

2. Evidence provided:

1. Summary document duly justifying how the milestone, including all the constitutive elements, was satisfactorily fulfilled.
2. Legislative Decree No. 222 of 13 December 2023, on “Provisions on the upgrading of public services for inclusion and accessibility”, published in the Official Journal No. 9 of 12 January 2024, and entered into force on the date following its publication, as per Article 10 of the same decree.
3. Legislative Decree No. 20 of 5 February 2024, on the “Establishment of the National Guarantor of the Rights of Persons with Disabilities”, published in the Official Journal No. 54 of 5 March 2024, and entered into force on 20 March 2024, the fifteenth day following the publication of the act in the Official Journal, in line Art. 10, chapter “provisions for the law in general” of royal decree No. 262 of 16 March 1942.
4. Legislative Decree No. 62 of 3 May 2024, on “Definition of the disability condition, basic assessment, reasonable accommodation, multidimensional assessment for the elaboration and implementation of the personalised and participated individual life project”, published in the Official Journal No. 111 of 14 May 2024 and entered into force on 30 June 2024.

3. Analysis:

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

The legislative decrees shall develop the provisions set out by the Framework Law to strengthen the autonomy of people with disabilities: (I) strengthening the offer of social services, (II) simplifying access to social and health services, (III) reforms of disability assessments, (IV) promoting independent living projects, (V) promoting the work of teams of experts that may support people with disabilities with multidimensional needs.

The Framework Law assessed in previous milestone consists of Delegation Law No. 227 of 22 December 2021 in the field of disability, which entered into force on 31 December 2021. This was the first step of the reform to review the disability assessment, notably in a more multidisciplinary manner, to promote de-institutionalization and autonomy of people with disabilities, and to improve access to social and health services. Article 1 (para. 5) of the law of 22 December 2021 defined large the areas of intervention of the legislative decrees, which further develop all relevant provisions.

With reference to (I): Strengthening the offer of social services, Article 1 (para. 5) of the Law of 22 December 2021 defined the upgrading of comprehensive services for inclusion and accessibility.

Art. 24 and Art. 25 of Legislative Decree No. 62 of 3 May 2024 provide for the set-up of the so-called “multidimensional assessment model” that takes into account all the needs of the person with disabilities, and culminates in the so-called “life project”, which strengthens the offer of targeted and personalised social services. The assessment unit, in charge of defining the multidimensional assessment, is composed by: the person with disabilities, as well as the person who has parental responsibility in the case of minors with disabilities or legal guardians in case of incapacitation; the process coordinator if appointed by the person concerned; a representative for job placement services if applicable; an educator or another operator of the territorial social services designated by the health authority or by the health district with the task of guaranteeing social and health integration; and a representative of the educational institution in the case of school-age individuals and a medical doctor. The multidimensional assessment model is composed of four steps, in accordance with the provisions of Article 2, subsection 2, letter a), number 1) of Delegation Law No. 227/2021 in the field of disability and Article 25 of Legislative Decree No. 62 of 3 May. First, the identification of goals of the person with disabilities according to his or her wishes and expectations. Second, the detection of barriers or facilitating factors in the various contexts and the identification of the person’s adaptive capacity. Third, the identification of support needs. Fourth, the objectives to be achieved with the life project as well as the construction of the measures and interventions to be activated, also in terms of evaluating outcomes. Finally, on the basis of these elements and at the end of the multidimensional assessment, the so-called “life project”, which strengthens the offer of personalised social services is ready to be carried out.

Moreover, Legislative Decree No. 20 of 5 February 2024 establishes the “National Guarantor Authority of the Rights of Persons with Disabilities”. This addresses the need to implement the principles for the realisation of social inclusion, as also provided under the United Nations Convention on the Rights of Persons with Disabilities. In this way, the guarantor ensures that people with disabilities are in a position to express their rights, both in the individual and in the social sphere, on an equal footing with other citizens and in the absence of any direct or indirect discrimination that may arise in the daily life, including via strengthened access to social services.

With reference to (II): Simplifying access to social and health services, Article 2 (para. 2) of the law of 22 December 2021 provided for actions for the reorganisation of local services, steps planned for the definition of minimum service delivery standards and ICT and data access services.

Art. 5 of Legislative Decree No. 62 of 3 May 2024 provides the means to ease access to the basic assessment through a single and substantially simplified procedure compared to the existing ones existing in the past. In particular, the basic assessment takes place in a single visit to assess invalidity, from which the recognition of a series of health protections follows. This is the first step to then access the multidimensional assessment disciplined by Art. 25 of Legislative Decree No. 62 of 3 May 2024 (see above) and the related life project provided under Art. 26 of Legislative Decree No. 62 of 3 May 2024 (see further below). Moreover, as explained above the multidimensional assessment brings together both social and health services providers, with the possibility to include specialised healthcare practitioners, further simplifying access and consistency of both types of services (Art. 24 of Legislative Decree No. 62 of 3 May 2024).

Legislative Decree No. 222 of 13 December 2023 further implements the provisions of Law No. 227 of 22 December 2021 on simplifying access to social and healthcare services. More specifically, it aims at implementing the delegation referred to in Article 2, paragraph 2(e) of Law No. 227/2021, where criteria are provided to make social and health services by public administrations and public service concessionaires accessible to people with disabilities, on an equal

basis. Article 1(2) of the decree defines the scope of the concept of accessibility, clarifying that it is to be understood as the accessibility and usability, on an equal basis with others, of the public services, including for example electronic and emergency services, and information and communication services that are not easily readable and comprehensible.

With reference to (III): Reform the disability assessment procedures, Article 1 (para. 5) of the law of 22 December 2021 outlines the government's areas of intervention, which include revising the definition and process of disability assessment, overcoming obsolete definitions of 'disability' and simplifying procedures (as further specified in Article 2 (letter b), in particular through the introduction of a single procedure for certifying disability and invalidity).

Art. 5 of Legislative Decree No. 62 of 3 May 2024 is related to the merging and simplification of existing assessments (basic assessment), including the assessments of civil invalidity, disability and disability for work purposes, within an all-encompassing definition of disability status. The multidimensional assessment provided under Art. 25 of Legislative Decree No. 62 of 3 May 2024 further simplifies the procedures. Within the context of the individual and personalised life project, the relevant support measures are identified and coordinated. While the basic assessment concerns the objective assessment of the disability condition, the multidimensional assessment carried out by the multidisciplinary units, considers the person with disabilities within the overall framework of the support system, taking into account the person's needs as well as his/her relationships with the environment and the community of reference.

With reference to (IV): Promoting independent living projects, Articles 1 and 2, in particular para. 2, of the law of 22 December 2021 governed the introduction of an effective and more comprehensive multidisciplinary assessment of each person's condition within the framework of a life project.

Art. 26 of Legislative Decree No. 62 of 3 May 2024 concerns the so-called "life project", based on the results of the multidimensional assessment explained above, as provided under Art. 25 of the same Decree. Specifically, the features that the life project must include are outlined with a view to achieving independent living, as set out in Art. 19 of the Convention on the Rights of Persons with Disabilities of the United Nations. Art. 28 of Legislative Decree No. 62 of 3 May 2024 regulates the budget allocated to the life project, which unifies all the necessary financial resources. Specifically, by identifying the formal and informal supports useful for pursuing the previously established objectives, it provides, where necessary, for adequate structures that guarantee the effective exercise of civil and social rights.

With reference to (V): Promoting the work of teams of experts that may support people with disabilities with multidimensional needs, Articles 1 and 2, specifically para. 2, of the law of December 22, 2021, governed the implementation of an effective and more comprehensive multidisciplinary assessment of each person's condition within the framework of a life project.

Art. 24 of Legislative Decree No. 62 of 3 May 2024 focuses on group work to assess the multidimensional needs, according to the different professional profiles and areas of expertise, for the protection of persons with disabilities. To this end, as also above explained, the persons who have taken part in the relevant multidimensional assessment procedure draw up their life project, with the support of the multidimensional assessment unit.

In conclusion, the aforementioned legislative decrees have concretized the provisions set out by the Framework Law to strengthen the autonomy of people with disabilities, implementing the different measures. The decrees have established a comprehensive system for supporting people with disabilities, simplifying access to social and health services, strengthening the offer of social and healthcare services, assessing the condition of people with disabilities, promoting independent living projects and promoting the work of teams of experts that may support people with disabilities with multidimensional needs.

4. Commission Preliminary Assessment: Satisfactory fulfilled.

Non-repayable support

M5C2-4: Entry into force of the legislative decree that develops the provisions set out by the Framework Law to strengthen the actions in favour of non self-sufficiency elderly people.

Related Measure: M5C2.R2 Reform for non-self-sufficient elderly persons

Qualitative Indicator: Provisions in the law indicating the entry into force of the legislative decree

Time: Q1 2024

1. Context:

This reform aims to improve the living conditions of non-self-sufficient elderly people by simplifying access to health and social services, recognizing their need for assistance, providing a multidimensional assessment, and defining individualized projects that promote de-institutionalization.

Milestone M5C2-4 concerns the entry into force of the legislative decrees to implement and further develop the measures in the Framework Law to support non-self-sufficient elderly people.

Milestone M5C2-4 is the second and last milestone of the reform, and it follows the completion of milestone M5C2-3, related to the entry into force of the Framework Law by the government, whose provisions aimed at: (i) setting up and simplifying access to the single points of contacts, (ii) strengthening social and healthcare services, (iii) reviewing the procedures to assess non-self-sufficiency, and (iv) identifying the necessary financial resources.

2. Evidence provided:

1. Summary document duly justifying how the milestone, including all the constitutive elements, was satisfactorily fulfilled;

2. Legislative Decree No. 29/2024 on “Provisions delegating government in the field of policy for elderly persons referred to in Articles 3, 4 and 5 of Law No. 33 of 23 March 2023”, published in the Official Journal no. 65 of 18 March 2024 and entered into force, pursuant to Article 43 of the same Legislative Decree, as of 19 March 2024.

3. Analysis:

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

The legislative decree shall concretize the provisions set out by the Framework Law to strengthen the actions in favour of non self-sufficient elderly people, implementing the different measures.

The Framework Law assessed in previous milestone consists of Law No. 33 of 23 March 2023, published in the Official Journal No. 76 of 30 March 2023 which is the framework law delegating government in the field of policy for elderly persons. This was the first step of the reform to strengthen social and healthcare services, review the procedures to assess non-self-sufficiency, identify the necessary financial resources, and improve at large the living conditions of non-self-sufficient elderly people.

Art. 4 of Law No. 33 delegates to the government to re-organise and make social assistance and healthcare services for non-self-sufficient elderly persons more effective further developing all relevant provisions via one or more legislative decrees, according to principles and lines of action defined in the same Law (Art. 1 and Art. 2(2)).

With reference to the simplification and provision of access to the single points of contacts, Art. 4 of the Framework Law No. 33 of 23 March 2023 published in the Official Journal No. 76 of 30 March 2023 established that access to

services and interventions in the field of social protection and healthcare shall be simplified and Single Points of Access shall be made available in the so-called “Community Health Houses”. The Law also included the set-up of a new single permanent organisation system (Sistema nazionale per la popolazione anziana non autosufficiente - SNAA) that is in charge of the management and provision of all public services to assist non-self-sufficient elderly persons, accessible via the Single Points of Access.

Art. 10 of Legislative Decree no. 29/2024 establishes the above-mentioned accessibility to services, also envisaging that within the Single Points of Access which have their operational sites in the so-called “Community Homes”, the provision of orientation and information support to the elderly is ensured in order to facilitate the full implementation of social-health services and interventions.

Art. 27 of Legislative Decree no. 29/2024 further identifies the Single Points of Access as centres in which the functions of information, orientation, reception and first access are carried out, as well as the collection of reports from doctors and the hospital network, thus initiating the process of taking charge of the elderly person, activating the unified multidimensional assessment (see further below), thus ensuring a simplified and strengthened access to the points of access.

Art. 28 of Legislative Decree no. 29/2024 establishes the specific activities of the Single Points of Access, carried out in collaboration with the social operating centre for non-urgent medical treatment, the emergency service, the territorial operating centres and other services provided by each Region and autonomous province.

Art. 23 of Legislative Decree no. 29/2024 aims at favouring the interoperability of the IT systems of the Ministry of Labour and Social Policies, the Ministry of Health, the Delegated Policy Authority on Disability, INPS (National Institute of Social Security), the Regions, Autonomous Provinces, and municipalities. The objective is to obtain more precise information with respect to the provision of services in the territories so as to allow a material simplification and integration of the procedures for ascertaining and evaluating the condition of non-self-sufficient elderly persons, as well as a better integration of the institutes of integrated home care and of the home care services. On the basis of these elements, the access to the single point of contacts is further simplified and strengthened.

With reference to the strengthening of social and healthcare services, the Framework Law No. 33 of 23 March 2023 published in the Official Journal No. 76 of 30 March 2023 established the delegation to the government to adopt measures supporting elderly persons with the aim to protect their dignity and improve their living conditions and access to care and assistance. In particular, Art. 2 of Law No. 33 set up the inter-ministerial committee for policies in favour of elderly persons (Comitato Interministeriale per le politiche in favore delle persone anziane - CIPA), coordinating and promoting integrated planning of policies in the field. Such committee promotes the harmonisation of minimum standards of services for non-self-sufficiency in the field of social assistance and healthcare assistance (the so-called “Livelli essenziali delle prestazioni (LEPS)” and “Livelli essenziali dei assistenza (LEA)”).

Art. 21 of Legislative Decree no. 29/2024 defines the National System for the Non-Self-sufficient Elderly Population (SNAA) consisting of the integrated set of social care and assistance services and benefits, necessary to guarantee adequate and appropriate support to the non-self-sufficient elderly population.

Art. 3 of Legislative Decree no. 29/2024 defines the responsible entities for the above-mentioned system, that is the central administrations, also through the Interministerial Committee for Policies in Favour of the Elderly Population (CIPA), INPS (National Institute of Social Security), the Regions, the health agencies, the individual municipalities or associated in ATS (Agenzie di Tutela della Salute). Art. 24 of Legislative Decree no. 29/2024 defined the functions of the ATS, which, jointly with the health districts, ensure the homogeneous performance of all the technical functions of planning, management, and monitoring of interventions in the field of social services for persons and families residing in dedicated centres.

Art. 30 of Legislative Decree no. 29/2024 introduces an innovative system of residential and semi-residential care. Specifically, it envisages that the ATS offer residential, semi-residential and daytime socio-welfare services, so as to guarantee the continuity of family-type living conditions and relational habits; instead, semi-residential and daytime services are offered at accredited service centres. In this respect, Art. 31 of Legislative Decree no. 29/2024 regulates residential and semi-residential services of sociomedical nature.

Art. 22 of Legislative Decree no. 29/2024 identifies and defines the modalities for providing the Essential Levels of Social Services (LEPS). Moreover, Art. 23 of Legislative Decree no. 29/2024 establishes a monitoring system for the LEPS.

On the basis of these elements, social and healthcare services are further strengthened.

With reference to the procedures for assessing the condition of non-self-sufficient elderly person, and identifiable ways to recognize non-self-sufficiency based on the need for assistance and providing a multidimensional assessment, Art. 4 of the Framework Law No. 33 of 23 March 2023 published in the Official Journal No. 76 of 30 March 2023 established the delegation to the government to adopt a definition of non-self-sufficient elderly population, that must take into account among other things the person's age, pre-existing disabilities, fragile conditions and the indications of the International Classification of Functioning Disability and Health (ICF) of the World Health Organization. It also provides that the government is delegated to simplify and integrate the assessment process of the condition of non-self-sufficiency, reducing duplications and administrative burden, specifically via a single multi-dimensional assessment based on nationally approved standards and guidelines, with the aim of identifying psychological, social and health related needs. Furthermore, also individualized projects that promote de-institutionalization shall be promoted, via dedicated teams at the Single Points of Access carrying out the multidimensional assessment, then leading to the definition of an individualized project of assistance that takes into account the person's care needs identified.

Art. 2 of Legislative Decree no. 29/2024 defines the beneficiaries of the services with specific reference to the concept of "non-self-sufficiency" and of "assistance needs" according to certain criteria. In particular, letter c) of paragraph 1 identifies the so-called "non-self-sufficient elderly person" as the elderly person who, also in consideration of their age and previous disabilities, has serious limitations or loss of autonomy in the fundamental activities of daily life and in bio-psycho-social functioning, assessed on the basis of standardised methodologies. On the other hand, letter d) specifically regulates the so-called "specific care need of the non-self-sufficient elderly", which is assessed on the basis of the outcome of the unified multidimensional assessment referred to in Article 10 of the same decree.

Art. 27 of Legislative Decree no. 29/2024 better specifies the criteria on which the assessment system is based, taking the bio-psycho-social component as a reference for a more complete recognition of the applicant's needs.

Art. 29 of Legislative Decree no. 29/2024 defines measures to guarantee and strengthen an integrated offer of assistance and home care. Art. 32 of Legislative Decree no. 29/2024 defines measures to guarantee access to palliative care, whereas Art. 33 of Legislative Decree no. 29/2024 includes detailed interventions for persons with disabilities who have become elderly, through the implementation of a principle of continuity with reference to family-type living conditions and relational habits.

With reference to the set of social and health care services that may be provided at home, Art. 2 and 4 of the Framework Law No. 33 of 23 March 2023 published in the Official Journal No. 76 of 30 March 2023 established the recognition of elderly persons' right to self-determine care choices and to maintain their life setting in their home by having access to homecare, palliative care at home, and co-housing solutions.

Art. 29 of Legislative Decree no. 29/2024 regulates the case in which the assessment reveals care and assistance needs, for which an Integrated Individual Assistance Project (PAI) may be drawn up, containing the care objectives and the indication of the necessary interventions, modulated according to the duration and intensity of the recipient's needs, integrated with the home care services (SAD), as well as the professional experts and the modalities for carrying out the activities of the health and social workers involved in taking charge of the person and the budget necessary for the

use and management of the interventions. It also defines which instruments are useful for promoting the de-institutionalisation of the non-self-sufficient elderly, such as home care services, assistive technology, family support and assisted living communities. In this context the ATS, the health agencies and the health districts, within their respective areas of competence, guarantee the activation of the interventions defined by the PAI.

Art. 30 and 31 of Legislative Decree no. 29/2024 institutionalise care services in residential and semi-residential day care and socio-medical institutions, aimed at favouring a de-institutionalised medical-assistance intervention.

With reference to the necessary financial resources to identify, Art. 8 of the Framework Law No. 33 of 23 March 2023 published in the Official Journal No. 76 of 30 March 2023 defined financial provisions and provided that financial resources are ensured via the reorganisation and modification of existing funds, further specifying that the RRP contributes via investments under Missions 5 and 6.

Art. 34 of Legislative Decree no. 29/2024 envisages the creation, on an experimental basis for the years 2025 and 2026, of the universal benefit aimed at promoting the gradual enhancement of care services to support the home care and personal autonomy of non-self-sufficient elderly persons.

Art. 35 of Legislative Decree no. 29/2024 guarantees access to the universal benefit through the INPS portal to all those applicants who are at least 80 years old, have a level of very serious assistance need, have an ISEE (Indicatore della situazione economica equivalente) not exceeding EUR 6 000 and are holders of the accompanying allowance pursuant to Art. 1 of Law no. 18/1980. Art. 36 of Legislative Decree no. 29/2024 regulates that this mechanism provides for the disbursement in the form of a monetary transfer and personal services, under a fixed amount corresponding to the accompaniment allowance, and a supplementary amount defined as “care allowance”, of EUR 850 per month, aimed at remunerating the cost of care and assistance work carried out by domestic workers.

Art. 42 of Legislative Decree no. 29/2024 provides for the financial coverage related to the implementation of the universal benefit, consisting of EUR 250 million for 2025 and 2026, from different funding sources: the Fund for non-self-sufficiency, the National Programme ‘Inclusion and fight against poverty’ 2021-2027 and Mission 5 of the Italian National Recovery and Resilience Plan.

4. Commission Preliminary Assessment: Satisfactory fulfilled.

Loan support

M6C2-15: Additional scholarships for specific training in general medical practice are awarded.

Related Measure: M6C2.I2.2 Development of technical-professional, digital and managerial skills of professionals in the healthcare system

Quantitative Indicator: Number

Baseline: 1800

Target: 2700

Time: Q2 2024

1. Context:

The objective of target M6C2-15 is to increase the number of scholarships in the specific training in general medical practice guaranteeing the completion of a 3 three-year training cycle.

Target M6C2-15 concerns the award of 900 scholarships for specific training in general medical practice and relates to the three-year training cycle 2023/2026.

M6C2-15 is the second and final step for the implementation of this sub-measure and it follows the completion of target M6C2-14 related to the award of 1 800 scholarships for specific training in general medical practice (for the two three-year cycles 2021/2024 and 2022/2025). Other future targets related to this measure, but not covering this specific sub-measure, are M6C2-16 in Q2 2026 and target M6C2-17 in Q2 2026, related to the training on managerial and digital skills provided to employees of the National Health Service respectively.

2. Evidence provided:

1. Summary document duly justifying how the target (including all the constitutive elements) was satisfactorily fulfilled.
2. All the regional rankings related to the specific trainings in general medicine practice for the study cycle 2023-2026.
3. One list/database with references to all 900 scholarships awarded for the study cycle 2023-2026.
4. Official Gazette (GU) No. 209 of 7 September 2023, including the Ministerial Decree of the Ministry of Health for the allocation of resources amounting to EUR 33 991 002, intended to finance 900 additional scholarships for the three-year period 2023-2026.
5. Official Gazette (GU) - IV Special Series, Competitions and Exams, No. 60 of 8 August 2023 that includes the notice of competition related to the specific trainings in general medicine practice 2023/2026.
6. Official Gazette (GU) - IV Special Series, Competitions and Exams, No. 65 of 29 August 2023 that extend the competition deadline to 30 September 2023.
7. The regional rankings related to the scholarships awarded for the specific trainings in general medicine practice for the three-year study cycles 2023-2026.

In the context of the sampling analysis, additional evidence provided for a sample of 60 units including, for each of the 60 sample units (students that have been awarded the scholarship):

- a. A recent payslip.
- b. The Libretto Accademico (Academic document).

3. Analysis:

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

This investment shall increase scholarships for the specific course in general medicine, guaranteeing the completion of 3 three-year training cycles.

For the study cycle 2023-2026, the third study cycle covered by this sub-investment (the first two three-year cycles, 2021-2024 and 2022-2025, respectively, have been assessed under target M6C2-14), Italy has awarded a total of 2 626 scholarships. Italy submitted information related to the number of scholarships awarded for the 4 three-year cycles preceding the RRP investment to demonstrate that through the RRP measure the number of scholarships has been increased: the average annual number of scholarships for the study cycles from 2017-2020 to 2020-2023 amounts to 1 588. Therefore, for the years 2023-2026 the additionality of the scholarships awarded by Investment 2.2 has been respected given that the number of scholarships has increased by 1 038 units with respect to the yearly average of the four cycles preceding the RRP investment.

For the three-year academic cycle 2023-2026, the Official Gazette (GU) No. 209 of 7 September 2023 published the Ministerial Decree of the Ministry of Health of 14 July 2023 that allocates the resources to the regions and autonomous provinces for the additional 900 three-year scholarships to be financed by the RRP.

The Official Gazette (GU) IV Special Series, Competitions and Exams, No. 60 dated August 8, 2023, published the notice regarding regional and provincial calls for admission to the specific training course in general medicine, amended by Official Gazette (GU) IV Special Series, Competitions and Exams, No. 65 of 29 August 2023 that extended the deadline for application to the 30 of September 2023.

The competition took place on 30 November 2023, followed by the publication by each region and autonomous province of the official rankings of the successful candidates. The training courses started in the first quarter of 2024.

Following the selection of a random sample of 60 units (students awarded the scholarship), Italy submitted, on top of the relevant regional rankings to verify the award of the scholarships to the students, a recent payslip and an Academic document, for each sampled student, to demonstrate that the students have started the three-year training cycle 2023-2026. The evidence provided for a sample of 60 units confirmed that the requirement of the award of the scholarship for the specific course in general medicine has been fulfilled. Moreover, the evidence confirmed that the students have started the three-year training cycle and have started to receive the scholarship.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Non-repayable support

M7-9: Adoption and publication of the New Skills Plan – Transitions and of the Road Map for implementation

Related Measure: M7.R5 Plan for new Skills – Transitions

Qualitative Indicator: Adoption of the plan and roadmap

Time: Q1 2024

1. Context:

The reform aims to modernize the regulatory framework for training and address skills mismatches by updating the New Skills Plan (as approved by Decree of 14 December 2021). It seeks to better align training courses with labour market needs, particularly for the green and digital transitions. Additionally, it aims at enhancing the private sector involvement and the recognition of skills.

The target M7-9 concerns the adoption of the “Plan for New Skills – Transitions” that amends the existing Plan for New Skills. The plan outlines general principles, to be further applied by regional laws, focusing on increasing the involvement of the private sector, enhancing the recognition of on-the-job training and micro-credentials, and improving labour market analysis and monitoring of training outcomes. The milestone also envisages the adoption of an implementation roadmap.

The target M7-9 is the first Milestone of Reform 5. It will be followed by the second and final target M7-10 (Q3 2025) on the entry into force of the regional laws. These laws shall specify and apply at the local level the criteria established at the national level by the “Plan for New Skills – Transition”.

2. Evidence provided:

1. Summary document duly justifying how the target (including all the constitutive elements) was satisfactorily fulfilled.
2. Ministerial Decree issued by the Minister of Labour and Social Policies of 30 March 2024. The Decree establishes the entry into force of the "Plan for New Skills – Transition" (Attachment A of the Decree) and updates the "Piano Nuove Competenze" adopted by Decree of 14 December 2021.
3. Attachment A of the Ministerial Decree dated 30 March 2024: "Plan for New Skills – Transition," contains the specific objectives and action lines that define the general principles to modernize the training framework at the national level.
4. Roadmap, attachment of the "Plan for New Skills – Transition," entering into force together with the Decree dated 30 March 2024.

3. Analysis:

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

The “Piano Nuove Competenze” adopted by Decree of 14 December 2021 and published in Gazzetta ufficiale n.307 of 28 December 2021 is amended and the new Transitions skills plan enters into force:

Art.1 of the Decree of the Minister of Labour and Social Policies, in concert with the Minister of Economy and Finance, of 30 March 2024 (Evidence 1), provides the adoption of the “Plan for New Skills – Transitions” (Attachment A of the Decree, Evidence 2) and the related implementation roadmap (Evidence 3) were adopted, and entered into force by Ministerial Decree on 30 March 2024.

As established by Art. 2 of the Decree of 30 March 2024 the new “Plan for New Skills – Transitions” (Attachment A of the Decree, Evidence 2) and the related roadmap update the “Piano Nuove Competenze” adopted by Decree of 14 December 2021 and published in Gazzetta Ufficiale n.307 of 28 December 2021.

The plan includes the general principles to be further specified by regional laws, which shall include: i) greater involvement of the private sector in training provision

In accordance with the requirements established in the Council Implementing Decision, Chapter 2.1 of the “Plan for New Skills – Transitions” (Attachment A of the Decree, Evidence 2) focuses on addressing the skills mismatch by aligning the needs of businesses with those of job seekers, emphasizing the greater involvement of the private sector in training provision. According to the guidelines set in the plan, public-private partnerships are key to providing innovative solutions to meet labour market demands, especially in technical and strategic fields (page 17 of the Plan, Evidence 1).

The Plan (chapter 2) sets out four specific goals each of them operationalized into the following lines of action (page 17 of the Plan, Evidence 1):

- Improve policy planning by defining methods to involve local level actors and to better understand their occupational and training needs. This goal is meant to be achieved through, among others, the following lines of action: (i) promote public-private partnerships to enhance skill-building through networks and Territorial Pacts for Skills; (ii) establish competence hubs to provide targeted training and bridge the skills gap; and (iii) encourage bilateral collaboration between the private and public sector.
- Encourage the proactivity of medium and small enterprises. This goal is meant to be achieved through, among others, the following lines of action: successful organizational models, such as sector academies to foster collaboration between various training and industry stakeholders.
- Establish a strong interconnection between skills needs and training interventions to provide concrete opportunities for updating and reskilling. This goal is meant to be achieved through, among others, the following lines of action: (i) enhance targeting activities by public employment services and private providers, (ii) make use of advanced tools to describe emerging professional profiles and the institutions offering relevant training, (iii) create new repositories of professional profiles needed.
- Promote a results-oriented approach, aimed at improving employment outcomes. This goal is meant to be achieved through, among others, the following line of action: using tools such as training vouchers, particularly introducing a "just in time" training model to meet employment needs quickly.

(ii) improved recognition of on-the-job training and micro-credentials

In accordance with the requirements established in the Council Implementing Decision, Chapter 2.2 of the “Plan for New Skills – Transitions” (Attachment A of the Decree, Evidence 2) emphasizes the need to develop smart solutions, for improved recognition of on-the-job training and micro-credential. It highlights the importance of identifying, standardizing, and evaluating these learnings, using existing regional tools for recognizing acquired competencies (page 18 of the Plan, Evidence 1).

To achieve this purpose, the plan sets out six specific goals, each then operationalized into following lines of action (page 18-19 of the Plan, Evidence 1):

- Approve training standards for designing and delivering short-duration courses. This goal is meant to be achieved through, among others, the following lines of action: (i) analyse training needs (ii) develop a standardized description format that respects qualification design rules (iii) create training standards

- Update and implement regional catalogues with a green focus. This goal is meant to be achieved through, among others, the following lines of action: (i) analyse regional training catalogues to identify profiles that need to be updated or developed with a green focus, and address mismatches with the needs of production sectors.
- Improve the recognition of on-the-job-training, by certify and make short-term learning outcomes transparent. This goal is meant to be achieved through, among others, the following lines of action: (i) guarantee the issuance of Competency Transparency Certificates at the end of training, following regional formats; (ii) strengthen tools to validate non-formal and informal learning by recognizing the knowledge, skills, and competencies acquired in various learning contexts; (iii) develop systems for digital recognition and certification to facilitate the mobility of learning outcomes.
- Promote the universality of the service for the recognition, validation, and certification of skills.
- Support extracurricular internships. This goal is meant to be achieved through, among others, the following line of actions: (i) promote learning pathway design using descriptors from the Work and Qualifications Atlas.
- Promote forms of work-based learning. This goal is meant to be achieved through, among others, the following lines of action: (i) enhance work-based learning models like dual-mode apprenticeships, ensuring quality standards for both trainees and businesses

(iii) greater ex-ante labour market analysis and monitoring of occupational effects of training.

In accordance with the requirements established in the Council Implementing Decision, Chapter 2.3 of the “Plan for New Skills – Transitions” (Attachment A of the Decree, Evidence 2) focuses on enhancing ex-ante labour market analysis to guide training investments and ensure that training programs are tailored to real labour market needs. It also emphasizes the need for robust monitoring of the occupational effects of training, including sector-specific and longitudinal studies, to assess how well training outcomes align with employment and career progression (page 19 of the Plan, Evidence 1).

The plan sets out eight *specific goals* to achieve this purpose (page 20-22 of the Plan, Evidence 1):

- Strengthen the role of the Regional Labor Market Observatory. This goal is meant to be achieved through, among others, the following lines of action: (i) enhance the role of Observatories as strategic tools for guiding integrated labour, education, and training policies; (ii) study regional labour market trends and phenomena, focusing on both structural and cyclical aspects.
- Develop tools to enhance data knowledge and the dissemination of labour market data. This goal is meant to be achieved through, among others, the following line of action: (i) implement new methodologies and tools for labour market analysis.
- Communicate externally the results of analyses conducted and the employment outcomes of training interventions. This goal is meant to be achieved through, among others, the following line of action: (i) disseminate periodic bulletins and annual reports on sector-specific employment scenarios.
- Develop tools to promote awareness of the results of funded training programmes. This goal is meant to be achieved through, among others, the following lines of action: (i) standardize data processing methods and provide a common measurement approach for regional policies; (ii) develop tailored IT tools for data warehousing to evaluate labour market status, compare with contextual variables, and monitor active policy initiatives.
- Support the activities of employment and training services.

- Implement new methodologies and tools to measure the skills gap and guide the design of active labour-market policies.
- Support the establishment of training and employment territorial networks. This goal is meant to be achieved through, among others, the following lines of action: (i) create AI tools to aid in designing and implementing labour and training interventions, highlighting skill gaps; (ii) implement tools like Skill Gap Analysis to measure gaps between current and desired skills relative to regional profiles and educational offers.
- Encourage the use of Artificial Intelligence both as a sector of innovation and as a crosscutting enabling technology across various industries. This goal is meant to be achieved through, among others, the following line of action: (i) support digital transformation of businesses to leverage cloud, big data, AI, IoT, etc.

An implementation roadmap is also adopted.

Through Art. 1 of the Decree of the Minister of Labour and Social Policies, in concert with the Minister of Economy and Finance, dated 30 March 2024 (Evidence 1), the “Plan for New Skills – Transitions” (Attachment A of the Decree, Evidence 2) and the related implementation roadmap (Evidence 3) were adopted and entered into force on the 30 March 2024.

The following are the key operational steps established in the roadmap to be implemented between Q1 2024 and Q4 2025:

1. Development and Implementation of the National Skills Plan “Plan for New Skills – transitions” (Q1 2024)
2. Adoption of the Pact for Skills for the implementation of the Green Skills Pilot project (Q2 2024)
3. Implementation of the Green Skills Pilot Project in the areas outlined by the New Skills Transition Plan, aimed at successfully training 20,000 participants enrolled in the GOL Program (Q2 2024 - Q2 2025).
4. Entry into force of regional laws. The laws will apply to all regions and autonomous provinces and will specify and apply at the local level the criteria established at the national level by the “Plan for New Skills – Transition” (Q1 2025 –Q3 2025).
5. Monitor the results of training in the medium-term and assess the impact of both the GOL program and the career progression of its beneficiaries (Q2 2025 – Post Q4 2025)

Furthermore, in line with the description of the measure,

The goal is to strengthen mechanisms linking the planning of training courses with the needs of the labour market, with the specific aim of better accompanying the green and digital transition, via the engagement of relevant actors in dedicated Pacts for Skills.

In chapter 1 (page 3-5, Evidence 1), the plan highlights the need to address the skills mismatch in the labour market, with a particular focus on green skills and the digital transition, by emphasizing the goal of better aligning workforce skills with the demands of key growth sectors like green technologies and sustainable industries, which are central to the green transition.

Section 1.1 of chapter 1 (page 5-10, Evidence 1) focuses on the skills needs related to green jobs and provides projections for the period from 2024 to 2028, showing a growing demand for workers with green skills. This includes specific forecasts for sectors such as construction, renewable energy, and sustainability-related professions.

In the chapter 2.2 (page 17-18, Evidence 1) the plan promotes micro-credentials and modular, short-duration training programs that are specifically designed to meet the emerging needs of the green transitions, with a specific objective of “updating and implementing regional catalogues with a green focus”.

Chapter 3.1 of the plan (Evidence 1) outlines the creation of new training standards and tools specifically geared toward supporting industries involved in the green and digital transition. This includes incorporating green technology and sustainability into training programs, ensuring that new skills align with the ecological and digital demands of the market.

The plan strategically engages relevant actors through Pacts for Skills to ensure that training programs are closely linked to labour market needs, with specific focus on collaboration between the public sector, private businesses, and educational institutions. These Pacts help align the skills taught in training programs with the actual demands of the labour market, ensuring a targeted and effective workforce development strategy.

In section 2.1, (page 16-17) through the inclusion of a specific objective, the plan determines the creation of partnerships between public and private entities through Pacts for Skills, emphasizing the importance of linking training programs to local labour market needs. These partnerships are key to ensuring that training courses are relevant and reflect the demands of the private sector.

In section 2.1 (page 17) the plan also advocates for territorial Pacts for Skills that connect businesses with educational institutions and training providers to better anticipate labor market needs and design training courses accordingly. This strategy aims to foster a dynamic relationship between education, training, and the labor market by creating hubs of competence focused on high demand skills.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Non-repayable support

M7-32: Implementing Agreement

Related Measure: M7.I12 Financial instrument for the development of an international, industrial and R&D leadership in electric buses

Qualitative Indicator: Entry into force of the Implementing Agreement

Time: Q1 2024

1. Context:

The objective of this investment is to provide a financial instrument “Development of an international, industrial and R&D leadership in zero-emission buses” in order to incentivise private investment and improve access to finance in Italy, to support investments in the supply chain of the manufacturing of zero-emission (battery electric, hydrogen fuel cell, or hydrogen internal combustion) bus fleets.

Milestone M7-32 concerns the entry into force of the Implementing Agreement between the Ministry of Enterprises and Made in Italy (“MIMIT”) and Invitalia.

Milestone M7-32 is the first step of the implementation of the investment. It will be followed by milestone M7-34 and target M7-33, related to Italy transferring the relevant resources to Invitalia and Invitalia entering into legal grant agreements with final beneficiaries, respectively.

2. Evidence provided:

1. *Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled*
2. *Implementing Agreement MIMIT-Invitalia of 27 March 2024, as amended on 20 November 2024*
3. *Decree of the Minister for Economic Development of 29 April 2022 on the development of an international, industrial and R&D leadership in electric buses available [here](#)*
4. *Decree of the Minister for Economic Development of 9 December 2014, as amended, on 9 June 2015 on development contracts*
5. *MEF Circular No 2 of 18 January 2024 on monitoring of RRP measures and cohesion policy measures*
6. *MEF Circular No 27 of 21 June 2022 on monitoring of RRP measures [Ragioneria Generale dello Stato - Ministero dell'Economia e delle Finanze - Circolare del 21 giugno 2022, n. 27 \(mef.gov.it\)](#)*
7. *Decree of the Minister for Economic Development of 5 November 2024 on development of international, industrial and research and development leadership in zero-emission buses'*
8. *Organisation, Management and Control Model in accordance with legislative Decree No 231 of 8 June 2001 the Invitalia Ethics Code;*
9. *Invitalia's Articles of Association of Invitalia defining the powers and responsibilities of the Board and the role of the government authorities;*

3. Analysis:

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

Entry into force of the Implementing Agreement.

MIMIT and Invitalia signed an implementing agreement on 29 March 2024 (evidence no.2). The implementing agreement, which entered into force on the same day, is in line with all the requirements included in the description of the measure, as explained below.

Furthermore, in line with the description of the measure,

This measure shall consist of a public investment in a Facility “Development of an international, industrial and R&D leadership in zero-emission buses” in order to incentivise private investment and improve access to finance in Italy to support investments in the supply chain of the manufacturing of zero-emission (battery electric, hydrogen fuel cell, or hydrogen internal combustion) bus fleets.

The financial instrument “Development of an international, industrial and R&D leadership in zero-emission buses” was launched on the basis of the aid instrument for development contracts referred to in the Decree of the Minister for Economic Development of 9 December 2014 (evidence no.4), as amended, and the aid scheme referred to in the Decree of the Minister for Economic Development of 29 April 2022 (evidence no. 3)

As outlined in Article 5 of the Decree on the development of an international, industrial and R&D leadership in electric buses (evidence no. 3) and zero-emission battery electric, hydrogen fuel cell, or hydrogen internal combustion) buses (evidence no. 7) the investment targets projects aimed at the green and digital transformation of the bus industry through: a) the optimisation and production of electric traction systems; b) the production of new bus architectures, with a view to migration to battery, hydrogen fuel cell or hydrogen internal combustion electric power systems, the lightening of vehicles, the digitalisation of vehicles and their components; c) the production of vehicle components for net zero emission buses and new IoT technologies applied to net zero emission buses; d) the production of sensors and digital systems, including integrated into individual vehicle components, for continuous monitoring and predictive maintenance, assisted driving, fleet management, safety, bus-to-ground dialogue for net zero emission buses; and e) the standardisation and industrialisation of refuelling and recharging systems, as well as the development of technologies for the production of smart charging systems for battery electric buses, hydrogen fuel cell buses or hydrogen internal combustion buses (evidence no. 7).

The investment aims to incentivise private investment and improve access to finance in Italy by providing support up to a maximum of 75% of the total costs. The financial support would help to crowd-in private investments to ensure the realisation of the projects.

The Facility shall operate by providing grants and/or subsidised loans directly to the private sector. On the basis of the RRF investment, the Facility aims at initially providing at least EUR 100 000 000 of financing.

Section 3 of the implementing agreement (evidence no.2) indicates that the resources, amounting to EUR 100 000 000, are to be transferred to Invitalia S.p.A., after the agreement has been signed.

Section 2.a of the implementing agreement further foresees that the support can be granted in the following forms: preferential financing, interest rate subsidy, plant subsidy and direct contribution to expenditure.

The Facility shall be managed by Invitalia S.p.A. as the implementing partner. The Facility shall include the following product line:

Grants, interest rate subsidies, subsidised loans to companies in the zero-emission bus manufacturing supply chain. Hybrid buses shall not be eligible for support.

Based on the implementing agreement (evidence no.2), Invitalia S.p.A is the implementing partner who manages the measure.

Section 2 of the implementing agreement provides for the eligibility of investment programmes, carried out by undertakings of any size, aimed at the green and digital transformation of the bus industry through the production of electric and connected vehicles, excluding hybrid vehicles.

Section 3 foresees that Hybrid buses shall not be eligible for support.

In order to implement the investment into the Facility, Italy and Invitalia S.p.A. shall sign an Implementing Agreement that shall include the following content:

1. Description of the decision-making process of the scheme: The final investment decision of the Facility shall be taken by an investment committee or other relevant equivalent governing body and approved by a majority of votes from members who are independent from the government.

Section 1 of the implementing agreement (evidence no.2) describes the decision-making process of the scheme. Invitalia S.p.A carries out independently all the tasks relating to the management of the operations.

Invitalia S.p.A verifies the availability of the financial resources allocated to the implementation of the measure as well as the substantive access requirements and the completeness of the documentation provided based on the criteria included in Article 9 of the Ministerial Decrees of 9 December 2014 and Article 8 of the Decree of 29 April 2022 (evidence no. 4 and no. 3).

Invitalia S.p.A approves the investment programmes and grants the relevant facilities by decision of its Board of Directors in the case of programmes involving financing of more than EUR 5 million; in the case of programmes involving financing of less than EUR 5 million, they are approved by the Chief Executive Officer by virtue of the delegation granted to it. All the members of the board are independent from the Government, as explained in further detail below.

Invitalia's board must have the capacity to take strategic decisions without external interference, in particular from the Government. This is ensured by rules that clearly delimit the roles and responsibilities of the Board and government authorities, including:

- Invitalia has adopted an Organisation, Management and Control Model in accordance with legislative Decree No 231 of 8 June 2001 (evidence no.8),, which defines the responsibilities of directors and employees to prevent criminal offences and unlawful interference;
- the Invitalia Ethics Code (evidence no.9);
- Articles of Association of Invitalia (evidence no.10) defining the powers and responsibilities of the Board and the role of the government authorities;

2. Key requirements of the associated investment policy, which shall include:

a. The description of the financial products provided and eligible final beneficiaries.

Section 2A ("Independence of the implementing partner") of the implementing agreement (evidence no.2) relates to the description of financial products provided and eligible final beneficiaries.

The financial product may be disbursed in the following forms, including in combination with each other: grants, preferential financing, interest rate subsidy, plant subsidy and direct contribution to expenditure. They are disbursed by Invitalia S.p.A, in line with requirements set out in Articles 8 and 9 of Ministerial Decree of 9 December 2014 (evidence no. 4) for development contracts and in line with requirements set out in Articles 7 and 8 of Ministerial Decree of 29 April 2022 (evidence no. 3).

The beneficiaries of the aid may be undertakings, of all sizes, meeting the requirements of Article 4 (9) of Ministerial Decree of 9 December 2014 and Article 4 of Ministerial Decree of 29 April 2022, including the following: a) be duly incorporated and registered in the Register of Companies; b) be in the full and free exercise of their rights, not be in voluntary liquidation and not be subject to insolvency proceedings for the purpose of liquidation; c) not be a 'firm in difficulty' as defined in the General Block Exemption Regulation(GBER) Regulation; d) aid identified as unlawful or incompatible by the European Commission is not among those who have received and subsequently not reimbursed or deposited in a blocked account; e) in case they if they have been the recipients of administrative acts from MIMIT for the partial or total revocation of benefits previously granted, they have refunded the amount due.

b. The requirement that all investments supported are economically viable.

Section 2B ('Economic sustainability of the investments financed') of the implementing agreement (evidence no.2) explicitly provides that 'investment programmes supported under the scheme must be economically viable'. Invitalia S.p.A carries out during its assessment an economic and financial analysis of the financial statements and company data of the applicant companies and verifies the financial viability of the operation.

c. The requirement to comply with the 'Do no significant harm' (DNSH) principle as set out in the DNSH Technical Guidance (2021/C58/01). In particular, the investment policy shall exclude the following list of activities and assets from eligibility: (i) activities and assets related to fossil fuels, including downstream use, (ii) activities and assets under the EU Emission Trading System (ETS) achieving projected greenhouse gas emissions that are not lower than the relevant benchmarks, (iii) activities and assets related to waste landfills, incinerators and mechanical biological treatment plants

Section 2C ('Obligation to respect the principle of 'do no significant harm' (DNSH)') of the implementing agreement (evidence no.2) refers to the compliance with the DNSH principle. In particular, the implementing agreement clearly excludes from eligibility the list of activities and assets as referred in the description of the investment from the Council Implementing Decision and in line with the DNSH Technical Guidance (2021/C58/01). According to Section 2.C of the Decree, the following list of activities and assets are, in any case, not eligible: (i) activities and assets related to fossil fuels, including downstream use, (ii) activities and assets under the EU Emission Trading System (ETS) achieving projected greenhouse gas emissions that are not lower than the relevant benchmarks, (iii) activities and assets related to waste landfills, incinerators and mechanical biological treatment plants.

d. The requirement that final beneficiaries of the Facility shall not receive support from other Union instruments to cover the same cost.

Section 1 of the implementing agreement (evidence no.2) states that Invitalia checks the absence of double funding by means of Art. 9 of Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility ("RRF Regulation").

Section 2D of the implementing agreement provides that compliance with the prohibition of double funding is verified by Invitalia S.p.A at project level. In particular, Invitalia S.p.A acquires a declaration of formal notice, produced by the applicants at the time of submission of the application for assistance, and verifies its veracity by using dedicated databases and other control tools. For example, beneficiaries are obliged to use electronic billing, dedicated current accounts, as well as keeping proper financial recordings.

3. The amount covered by the Implementing Agreement, the fee structure for the Implementing Partner and the requirement to use any unused proceeds of the Facility, including beyond 2026, for the same policy purposes.

Section 3 of the implementing agreement ('Amount covered by the implementing agreement and tariff structure') (evidence no.2) provides that the dedicated resources covered by the agreement are EUR 100 million. It also specifies that Invitalia S.p.A shall receive reimbursement of the recorded costs for the management of the implementing agreement up to a maximum of 2%, and that any unused resources, as well as resources resulting from withdrawals, including partial withdrawals, of facilities granted or waived, reflows of preferential financing and interest generated by resources transferred to Invitalia S.p.A shall be used, even after 31 December 2026, for the same policy purposes as those set out in the implementing agreement.

4. Monitoring, audit, and control requirements, including:

a) The description of the implementing partner's monitoring system to report on the grants mobilized.

Section 4A of the implementing agreement ('Description of the implementing entity's monitoring system to report on the financing mobilised') (evidence no.2) describes the monitoring process carried out through the local information system SIMOCO – Monitoring and Control system in use at MIMIT. The IT system is in line with the Ministry of Economy and Finance ("MEF") Circular No 2 of 18 January 2024 (evidence no.5) , allowing to monitor the physical, procedural and financial progress of projects relating to investments falling within the scope of Italy's Recovery and Resilience Plan. In order to ensure that monitoring data are of high quality, correctness and consistency, the SIMOCO Local Information System provides for specific functionalities to enable prior checks to be carried out on the data to be validated (so-called pre-validation checks). The IT system further allows to transmit data to the ReGiS information system, in accordance with MEF Circular No 27 of 21 June 2022 (evidence no.6).

b) The description of the implementing partner's procedures that shall ensure the prevention, detection and correction of fraud, corruption, and conflicts of interests.

Section 4B of the implementing agreement ('Description of the implementing entity's procedures ensuring the prevention, detection and correction of fraud, corruption and conflicts of interest') shows that Invitalia S.p.A has multiple controls to mitigate the risk of actual or potential conflict of interest, namely: (i) an ethics code; (ii) rules governing conflict of interest; (iii) model organisation, management and control to prevent the risk of committing offences (including offences against public authorities, corporate crimes, offences relating to abuse. market offences) covered by Legislative Decree No 23 of 8 June 2001 relating to administrative liability of companies for certain offences perpetrated, in their own interest or for their own benefit, by their directors, employees and/or representatives in general, together with the related monetary and prohibitive sanctions to be imposed; (iv) Invitalia's internal personnel management includes the issuing of self-declarations (DSAN) regarding the disclosure of conflicts of interest, including potential ones, and compliance with behavioural obligations, as well as checks regarding the effective application of the principle of separation of duties, authorization and signature powers, traceability and transparency of processes. Invitalia verifies on a sample basis the veracity of the DSAN acquired through the use of dedicated databases and other control tools.

c) The obligation to verify the eligibility of every operation in accordance with the requirements laid out in the Implementing Agreement before committing to finance an operation.

Section 4C of the implementing agreement ('Obligation to verify the eligibility of each operation against the requirements laid down in the implementing agreement before committing to finance an operation') of the implementing agreement expressly provides that, in the context of the process of assessing investment programmes with a view to committing to finance an operation, Invitalia has the obligation to verify the eligibility of each operation against the requirements laid down in the implementing agreement.

d) The obligation of carrying out risk-based ex-post audits in accordance with an audit plan of Invitalia S.p.A. These audits shall verify i) that the control systems are effective, including the detection of fraud, corruption, and conflict of interests; ii) compliance with the DNSH principle, the State Aid rules, the climate target requirements; and iii) that the requirement that final beneficiaries of the Facility have not received support from other Union instruments to cover the same cost is respected. The audits shall also verify the legality of the transactions and that the conditions of the applicable Implementing Agreement are being respected.

The Council Implementing Decision required the obligation of carrying out risk-based ex-post audits in accordance with an audit plan of Invitalia. The implementing agreement (evidence no.2) foresees that audits activities are carried out by the MIMIT instead of Invitalia. In particular MIMIT's Directorate General for Business Incentives performs an audit of Invitalia's work, based on a risk analysis. These audits shall verify: i) that the control systems are effective,

including the detection of fraud, corruption, and conflict of interests; ii) compliance with the DNSH principle, State aid rules, the climate target requirements; and iii) that the requirement that final beneficiaries of the Facility have not received support from other Union instruments to cover the same cost is respected. These audits shall also verify the legality of the transactions and that the conditions of the applicable Implementing Agreement are being respected.

Whilst this constitutes a minimal formal deviation from the requirement of the Council Implementing Decision, the objective of the measure are still met since MIMIT, the Ministry in charge of the investment, will have the required powers and instruments in place to carry-out risk based ex post audits. Section 4D of the implementing agreement ('Obligation to carry out risk-based ex-post audits in accordance with an audit plan of Invitalia') describes the checks to verify and monitor the correct implementation of the management and control system, the adequacy of the organisational structure, the compliance of the procedures implemented in accordance with the relevant legislation and, in particular, with the specific requirements of the Council Implementing Decision. MIMIT would also verify and monitor the effectiveness of Invitalia's procedures and compliance with the provisions of the implementing agreements (evidence no. 2). As of this, this minimal deviation does not change the nature of the measure and does not affect the progress towards achieving the investment that the milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

5. Requirements for climate investments carried out by the implementing partner: at least EUR 100 000 000 of the RRF investment into the Facility shall contribute to the climate change objectives in accordance with Annex VI to the RRF Regulation⁴.

Section 5 of the implementing agreement ('Requirements for climate investments by the implementing entity') provides that the entire allocation of the measure, amounting to EUR 100 000 000, is to contribute to climate change objectives, in accordance with Annex VI of the RRF Regulation. In addition, final beneficiaries are required to provide a justification of the selected field of intervention for each supported project, together with a description of the project, for the purpose of calculating the climate contribution.

Section 4A of the implementing agreement ('Description of the implementing entity's monitoring system to report on the grant mobilised') further foresees that Invitalia submits to the MIMIT an annual report on the progress of the measure, containing information on the approved programmes, the advantages granted and any withdrawals.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

⁴ Final beneficiaries shall be required to provide a justification of the selected intervention field for each project supported, together with a description of the project, for the purpose of the computation of the climate contribution. The implementing partner shall also be required to provide to the Member State a semi-annual report on the implementation of each project/activity.

Loan support

M7-35: Adoption and update of relevant environmental impact assessments (VIncA)

Related Measure: M7.I13 Adriatic Line Phase 1 (Sulmona compressor station and Sestino-Minerbio gas pipeline)

Qualitative Indicator: SSCOs identified and VincA revised and adopted accordingly

Time: Q1 2024

1. Context:

This investment focuses on improving energy infrastructure to enhance gas supply security and diversify gas import within Italy and the European Union. It supports the construction of a segment of the Adriatic Line gas pipeline and a compressor station.

M7-35 requires the Italian authorities to establish site-specific conservation objectives (SSCOs) for Natura 2000 sites affected by the project, following the Ministry of Environment and Energy Security's methodology. They are required to verify the alignment of the already existing environmental impact assessment (VINCA) with the new SSCOs and, if needed, update them.

M7-35 is the first step of the implementation of the investment. It will be followed by milestone M7-36, which requires the notification by 30 June 2024 of the award of all contracts for the build-up of the infrastructure, and M7-37, which requires the completion of the infrastructure by 30 June 2026.

2. Evidence provided:

- i) Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled
- ii) Resolution no. 475 of 18 March 2024 of the government of the region Emilia Romagna provides the framework for the establishment of the site-specific conservation objectives (SSCOs) and measures for the Natura 2000 sites in the region.
- iii) Resolution no. 1227 of 24 June 2024 of the government of the region Emilia Romagna, which identifies general and site-specific conservation measures for the whole region
- iv) Administrative decree no. 17337 of 28 August 2024 by government of the region Emilia-Romagna establishes the SSCOs for the four Natura 2000s areas that are affected by the project
- v) Official communication no. 0166828 of 13 September 2024 from the Directorate General for Land and Environmental Management of the region Emilia Romagna to the Minister of Environment and Energy Security, verifying that the existing environmental impact assessment for the Adriatic Line pipeline is in line with the newly established SSCOs.
- vi) Summary evaluation report ("scheda istruttoria di sintesi") accompanying the official communication no. 0166828 of 13 September 2024 examining the potential impact of the Adriatic Line pipeline on the newly established SSCOs.

3. Analysis:

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

The Italian authorities shall: establish the site-specific conservation objectives (SSCOs) for the Natura 2000 sites affected by the project according to the methodology adopted by the Ministry of Environment and Energy Security in 2022 and 2023.

The government of the region Emilia-Romagna started redefining the SSCOs for all Natura 2000 sites in the region in 2022. As part of this endeavour, the government of the region Emilia Romagna adopted the Resolution no. 475 of 18 March 2024 providing the framework for the establishment of the site-specific conservation objectives (SSCOs) and measures for the Natura 2000 sites in the region – including those sites that are affected by the project. Resolution no. 475/2024 approves general conservation measures that must be enforced in Natura 2000 sites across

Emilia-Romagna, and a list of plant and animal species of regional conservation interest that are protected within the Natura 2000 network sites. Moreover, Resolution no. 475/2024 establishes regulations for the management of specific conservation measures, outlines concrete actions for habitat and species preservation, and introduces a list of recommended interventions and actions that the conservation measures could include. The Resolution no. 475/2024 initiates the process of formally defining the specific conservation measures for the Natura 2000 sites.

Following up the public consultation on Resolution no. 475/2024, the region Emilia Romagna adopted the Resolution no. 1227 of 24 June 2024, which identifies general and site-specific conservation measures for the whole region, and administrative decree no. 17337 of 28 August 2024, which establishes specific SSCOs for the four Natura 2000 areas that are affected by the project: Medicina e Molinella (unique identifier of the area: IT4050022), Budrio e Minerbio (IT4050023), Rio Mattero e Rio Cuneo (IT4080014) and Monte S. Silvestro, Monte Ercole e Gessi di Sapigno, Maiano e Ugrigno (IT4090004).

As recalled by the preamble on page 3 of the administrative decree no. 17337 of 28 August 2024, the SSCOs were established according to the methodology adopted by the Ministry of Environment and Energy Security in 2021 ("Natura 2000: from basic data to funding operational indications for the identification of site-specific conservation objectives and measures") and in 2023 ("Operational instructions to define conservation objectives, attributes and targets").

More in details, in line with the template included in the 2021 methodology, Annex A of the administrative decree no. 17337 of 28 August 2024 identifies for each Natura 2000 areas that are affected by the Linea Adriatica projects: i) the "basic knowledge framework", providing contextual information, available at the national level, useful for guiding the selection of conservation objectives and, consequently, the necessary measures associated with them; ii) "conservation objectives, attributes, and targets", which defines the specific habitat/species conservation objective through specific attributes and quantitative targets that outline the favorable conservation status to be achieved for the habitat/species in question. For each of the Natura 2000 areas affected by the project, the conservation objectives, attributes, and targets have been identified in line with the 2023 guidelines mentioned above; iii) specific conservation measures and cross-cutting conservation measures, with information on the specific measures to pursue the objectives set out in section 2 and their implementation status. More specifically, pages 85-102 of the Annex A concern the Natura 2000 area IT4050022; pages 9-30 contain information about area IT4050023; pages 31-58 concern area IT4080014; pages 59-84 are related to area IT4090004.

Verify the appropriate assessments already carried out under the Habitats Directive (VINCA) in the light of the newly established SSCOs.

With the official communication no. 0166828 of 13 September 2024 from the Directorate General for Land and Environmental Management of the region Emilia Romagna to the Minister of Environment and Energy Security, the region Emilia Romagna verified that the existing environmental impact assessment for the Adriatic Line pipeline is in line with the newly established SSCOs.

In particular, the summary evaluation report ("scheda istruttoria di sintesi") accompanying the official communication first summarises the newly established SSCOs for each of the four Natura 2000 areas (pages 3-6). The second section (pages 7-9) examines the potential impact of the Adriatic Line pipeline on the newly established SSCOs. The report concludes that the pipeline route lies outside or crosses only minimally through the sites for which the SSCOs have been established. Therefore, the restoration or mitigation measures already set out in the existing environmental impact assessment carried out under the Habitats Directive ("valutazione di incidenza ambientale", VINCA) of the Adriatic Line pipeline do not require any update in view of the newly established SSCOs.

Update (if needed) of the appropriate assessments (VINCA) already carried out under the Habitats Directive in line with the national guidelines of 28 December 2019 and ensure their integration into the overall environmental impact assessment procedure.

The description of the measure moreover requires Italy to identify the Status of Site-Specific Conservation Objectives (SSCOs) and, if necessary, revise accordingly the environmental impact assessments (Valutazione Incidenza Ambientale) by the start of the work in the concerned areas.

The national guidelines of 28 December 2019 harmonize how public administrations in Italy conduct VINCA and assess the impact of projects on SSCOs. The VINCA for the Linea Adriatica gas pipeline was carried out before the publication

of both the national guidelines of 28 December 2019 and the methodology for establishing SSCOs under the Habitats directive adopted by the Ministry of Environment and Energy Security between 2021 and 2023.

As required by M7-35 and the description of the measure above, the VINCA for the gas pipeline would then have needed to be updated in line with the national guidelines of 28 December 2019 if the gas pipeline had been found to affect the newly established SSCOs.

The summary evaluation report (“scheda istruttoria di sintesi”) accompanying official communication no. 0166828 of 13 September 2024 from the Directorate General for Land and Environmental Management of the region Emilia Romagna to the Minister of Environment and Energy Security (mentioned above) concludes that the pipeline route either avoids or minimally crosses the newly established SSCOs, as per administrative decree no. 17337 of 28 August 2024.

Therefore, the VINCA already carried out for the Linea Adriatica pipeline under the Habitats Directive remains valid and does not need updating in light of the new SSCOs or the 2019 national guidelines, as also explained in the section above.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Loan support

M7-36: Award of contracts

Related Measure: M7.I13 Adriatic Line Phase 1 (Sulmona compressor station and Sestino-Minerbio gas pipeline)

Qualitative Indicator: Notification of the award of contracts

Time: Q2 2024

1. Context:

Investment M7.I13 concerns the construction of a compressor station in Sulmona and a gas pipeline connecting the nodes of Sestino and Minerbio, as part of the Adriatic Line.

Milestone M7-36 concerns the award of all the contracts for the works necessary for the completion of the Sulmona compression station and Sestino Minerbio gas pipeline.

Milestone M7-36 is the second step of the implementation of the investment after M7-35. It will be followed by milestone M7-37, related to the completion of the construction of compressor station in Sulmona and a gas pipeline connecting the nodes of Sestino and Minerbio. The investment has a final expected date for implementation in 30 June 2026.

2. Evidence provided:

- i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
- ii. Invitation letter to the suppliers calling for offers for the supply of three turbocompressors for the compressor station in Sulmona, reference of the tender 9834226406 , and technical annex;
- iii. Award proposal for the supply of three turbocompressors for the compressor station in Sulmona of 24 January 2024, with reference to tender 9834226406;
- iv. Letter notifying the award of the contract for the supply of three turbocompressors for the compressor station in Sulmona of 24 January 2024;
- v. Invitation letter to the suppliers calling for offers for the works for the construction of the compressor station in Sulmona, reference of the tender A01D321D79 , and technical annex;
- vi. Award proposal for the works for the construction of the compressor station in Sulmona of 25 May 2024, with reference to tender A01D321D79 ;
- vii. Letter notifying the award of the contract for the works for the construction of the compressor station in Sulmona of 25 May 2024;
- viii. Invitation letter to the suppliers calling for offers for the construction gas pipeline connecting the nodes of Sestino and Minerbio, lot 1 covering the section between Sestino and Badia Tedalda, reference of the tender A005EB1520, and technical annex;
- ix. Award proposal for the construction gas pipeline connecting the nodes of Sestino and Minerbio, lot 1 covering the section between Sestino and Badia Tedalda, of 21 February 2024, with reference to tender A005EB1520;
- x. Letter notifying the award of the contract for the construction gas pipeline connecting the nodes of Sestino and Minerbio, lot 1 covering the section between Sestino and Badia Tedalda of 21 February 2024;
- xi. Invitation letter to the suppliers calling for offers for the construction gas pipeline connecting the nodes of Sestino and Minerbio, following lots: lot 2 covering the section between Badia Tedalda and Mercato Saraceno, reference of the tender A006C4CF60; lot 3 covering the section between Mercato Saraceno and Cesena, reference of the tender A006C567A3; lot 4 covering the section between Cesena and Alfonsine reference of the tender A006C57876; lot 5 covering the section between Alfonsine and Minerbio, reference of the tender A006C59A1C; technical annex;
- xii. Award proposal for the construction gas pipeline connecting the nodes of Sestino and Minerbio, lot 2 covering the section between Badia Tedalda and Mercato Saraceno, of 19 February 2024, with reference to tender A006C4CF60;
- xiii. Letter notifying the award of the contract for the construction gas pipeline connecting the nodes of Sestino and Minerbio, lot 2 covering the section between Badia Tedalda and Mercato Saraceno of 19 February 2024;

- xiv. Award proposal for the construction gas pipeline connecting the nodes of Sestino and Minerbio, lot 3 covering the section between Mercato Saraceno and Cesena, of 19 February 2024, with reference to tender A006C567A3;
- xv. Letter notifying the award of the contract for for the construction gas pipeline connecting the nodes of Sestino and Minerbio, lot 3 covering the section between Mercato Saraceno and Cesena of 19 February 2024;
- xvi. Award proposal for the construction gas pipeline connecting the nodes of Sestino and Minerbio, lot 4 covering the section between Cesena and Alfoinsine, of 19 February 2024, with reference to tender A006C57876;
- xvii. Letter notifying the award of the contract for for the construction gas pipeline connecting the nodes of Sestino and Minerbio, lot 4 covering the section between Cesena and Alfoinsine of 19 February 2024;
- xviii. Award proposal for the construction gas pipeline connecting the nodes of Sestino and Minerbio, lot 5 covering the section between Alfoinsine and Minerbio, of 19 February 2024, with reference to tender A006C59A1C;
- xix. Letter notifying the award of the contract for the construction gas pipeline connecting the nodes of Sestino and Minerbio, lot 5 covering the section between Alfoinsine and Minerbio of 19 February 2024;
- xx. Invitation letter to the suppliers calling for offers for the supply of pipes DN1200 and DN1400, lot 1, reference of the tender 9990473F1D, and technical annex;
- xxi. Award proposal for the supply of pipes DN1200 and DN1400, lot 1, of 25 October 2023, with reference to tender 9990473F1D;
- xxii. Letter notifying the award of the contract for the supply of pipes DN1200 and DN1400, lot 1, of 25 October 2023;
- xxiii. Invitation letter to the suppliers calling for offers for the supply of pipes DN1200 and DN1400, lot 2, reference of the tender A0430528EF, and technical annex;
- xxiv. Award proposal for the supply of pipes DN1200 and DN1400, lot 2, of 25 March 2024, with reference to tender A0430528EF;
- xxv. Letter notifying the award of the contract for the supply of pipes DN1200 and DN1400, lot 2, of 25 March 2024.

3. Analysis:

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

Notification of the award of all contracts for the works necessary for the completion of the Sulmona compressor station and Sestino-Minerbio gas pipeline.

The Italian authorities provided evidence that the contracts for the works necessary for the completion of of the Sulmona compressor station and Sestino-Minerbio gas pipeline. The awards of all contracts have been notified via letters by the implementing entity of the investment, Snam S.p.A (Societa' Nazionale Metanodotti), to the winning contractors of the tenders.

In more detail, regarding the completion of the Sulmona compressor station, the Italian authorities submitted the notification of the award of the contracts for the following activities:

- Supply of three turbocompressors (evidence iv); the contract is about supplying and installing three turbocompressors which will compress gas for an efficient transportation through the pipelines; the award was notified to the contractor on 24 January 2024 by mean of a letter at the end of a tender procedure, for which the IT authorities shared the related invitation letter to the suppliers calling for offers and technical annex (evidence ii).
- Works for the construction of the compressor station (evidence v); the contract is about the construction of the compression station, which will allow to increase the capacity of gas transportation; the award was notified to the contractor on 25 May 2024 by means of a letter at the end of a tender procedure, for which the IT authorities shared the related invitation letter to the suppliers calling for offers and technical annex (evidence vii).

Regarding the completion of the Sestino-Minerbio gas pipeline:

- For the works on the construction of the pipeline between Setino and Minerbio, five lots were awarded:

- The notification on the award of the first lot (evidence x), concerning the construction of the section of the pipeline between Sestino and Badia Tedalda was sent to the contractor on 21 February 2024 by means of a letter at the end of a tender procedure, for which the IT authorities shared the related invitation letter to the suppliers calling for offers as well as a technical annex (evidence viii).
- The notification on the award of the second lot (evidence xiii), concerning the construction of the section of the pipeline between Badia Tedalda and Mercato Saraceno was sent to the contractor on 19 February 2024 by means of a letter at the end of a tender procedure, for which the IT authorities shared the related invitation letter to the suppliers calling for offers as well as a technical annex (evidence xi).
- The notification on the award of the third lot (evidence xv), concerning the construction of the section of the pipeline between Mercato Saraceno and Cesena was sent to the contractor on 19 February 2024 by means of a letter at the end of a tender procedure, for which the IT authorities shared the related invitation letter to the suppliers calling for offers as well as a technical annex (evidence xi).
- The notification on the award of the fourth lot (evidence xvii), concerning the construction of the section of the pipeline between Cesena and Alfonsine was sent to the contractor on 19 February 2024 by means of a letter at the end of a tender procedure, for which the IT authorities shared the related invitation letter to the suppliers calling for offers as well as a technical annex (evidence xi).
- The notification on the award of the fourth lot (evidence xix), concerning the construction of the section of the pipeline between Alfonsine and Minerbio was sent to the contractor on 19 February 2024 by means of a letter at the end of a tender procedure, for which the IT authorities shared the related invitation letter to the suppliers calling for offers as well as a technical annex (evidence xi).
- For supply of pipes of category DN1200 and DN1400, which will allow for the transportation of gas through the pipeline, two lots were awarded:
 - The notification on the award of the first lot (evidence xxii) was sent to the contractor on 25 October 2023 by means of a letter at the end of a tender procedure, for which the IT authorities shared the related invitation letter to the suppliers calling for offers as well as a technical annex (evidence xxi).
 - The notification on the award of the second lot (evidence xxv) was sent to the contractor on 25 March 2024 by means of a letter at the end of a tender procedure, for which the IT authorities shared the related invitation letter to the suppliers calling for offers as well as a technical annex (evidence xxiii).

4. Commission Preliminary Assessment: Satisfactorily fulfilled

Loan support

M7-38: Award of contracts

Related Measure: M7.I14 Cross-border gas export infrastructure

Qualitative Indicator: Notification of the award of contracts

Time: Q2 2024

1. Context:

Investment M7.I14 concerns the upgrade of the existing gas infrastructure allowing for the export of natural gas via the Tarvisio exit point through the construction of a new electric compression unit in the Poggio Renatico compressor station.

Milestone M7-38 concerns the award of all the contracts for the works necessary for the completion of the Poggio Renatico compressor station.

Milestone M7-38 is the first step of the implementation of the investment. It will be followed by milestone M7-39, related to the completion of the construction of the new electric compression unit in the Poggio Renatico compressor station. The investment has a final expected date for implementation in 30 June 2026.

2. Evidence provided:

- i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
- ii. Invitation letter to the suppliers calling for offers for the construction of an electric compressor in Poggio Renatico, reference of the tender 89727492B7, and technical annex;
- iii. Award proposal for the construction of an electric compressor in Poggio Renatico of 28 November 2022, with reference to tender 89727492B7;
- iv. Letter notifying the award of the contract for the works on the electric compressor in Poggio Renatico of 29 November 2022;
- v. Invitation letter to the suppliers calling for offers for the works for the adjustment of the compression system plant of the Poggio Renatico power plant, reference of the tender 9502939956, and technical annex;
- vi. Award proposal for the works for the adjustment of the compression system plant of the Poggio Renatico power plant of 21 February 2024, with reference to tender 9502939956;
- vii. Letter notifying the award of the contract for the works for the adjustment of the compression system plant of the Poggio Renatico power plant of 22 February 2024;
- viii. Invitation letter to the supplier calling for offers for the EPC contract for the building of the electrical substation and its connection to the power plant in the context of a private contracting procedure with reference SN_2023_04_100454, and technical annex;
- ix. Letter notifying the award of the EPC contract for the building of the electrical substation and its connection to the power plant of 29 May 2024;

3. Analysis:

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

Notification of the award of all the contracts for the works necessary for the completion of the Poggio Renatico compressor station

The Italian authorities provided evidence that the contracts for the works necessary for the completion of the station were awarded. The awards of all contracts have been notified via a letter by the implementing entity of the investment, Snam S.p.A (Società Nazionale Metanodotti), to the winning contractors of the tenders.

In more detail, the Italian authorities submitted the notification of the award of the contracts for the following works for the completion of the Poggio Renatico compressor station:

- installation of a new electric compressor (evidence iv); the contract is about supplying, installing and commissioning of the centrifugal electrocompressor with integrated electric motor, which will compress the gas using electric power; the award was notified to the contractor on 29 November 2022 by means of a letter at the end of a tender procedure, for which the IT authorities shared the related invitation letter to the suppliers calling for offers and a technical annex (evidence ii).
- adjustment of the compression system plant of the Poggio Renatico power plant to the new capacity (evidence vii); this contract is about upgrading the existing infrastructure to accommodate the new electric compressor. This includes civil works (foundations, structures), mechanical works (modifying pipes and systems), electrical works (automation, control systems), and cathodic protection (preventing corrosion of metal structures); the award was notified to the contractor by means of a letter on 22 February 2024 at the end of a tender procedure, for which the IT authorities shared the related invitation letter to the suppliers calling for offers and a technical annex (evidence v).
- building of the electrical substation and its connection to the power plant (evidence ix); the contract is about engineering, procuring, constructing a high-medium voltage electrical substation and medium voltage Connection to the Poggio Renatico compression station. The substation will convert high-voltage electricity to medium voltage, providing the necessary electrical power for the new compressor. The award was notified to the contractor on 29 May 2024 by means of a letter at the end of a private tender procedure, for which the IT authorities shared the related invitation letter to the relevant supplier calling for an offer and a technical annex (evidence viii).

4. Commission Preliminary Assessment: Satisfactorily fulfilled

Preliminary Assessment – M/T specific section:

M7-40 Entry into force of the legal act establishing the criteria of eligible interventions

Related Measure: Transizione 5.0 Green

Qualitative Indicator: Provision in the law indicating the entry into force of the law

Time: Q1-2024

1. Context:

As provided in the CID, the measure consists of a tax credit scheme to incentivise the energy transition of production processes towards an energy efficient, sustainable and renewable-based model of production.

The measure is designed to achieve 0.4 Mtoe of energy savings in final energy consumption between 2024 and 2026. Companies investing in digital assets (4.0 tangible and intangible capital goods), renewable self-production (excluding biomass), and green transition skills training can receive a tax credit for expenses from January 2024 to December 2025. The tax credit is based on, at least, three levels of energy consumption reduction (minimum 3%) or process-related energy savings (minimum 5%).

The tax benefit increases with certified energy efficiency improvements and savings. Eligibility requires pre- and post-investment certification by an independent evaluator, ensuring projects meet energy reduction criteria and are executed as planned.

A minimum of EUR 4.032 billion is earmarked for climate change objectives in accordance to Annex VI of the RRF Regulation.

The tax credit scheme covers claims made from January 2025 to August 2026. Up to 1% of the goal supports the development of an IT platform for managing certifications, data assessment, and monitoring.

The measure also includes expanding a scientific committee's scope to evaluate the effectiveness of NRRP investments by August 2026 and explore synergies with other EU funds in strategic sectors.

Milestone M7-40 envisages the entry into force of legal acts to set up the instrument and make the tax credits available to potential beneficiaries. It is the first step of the implementation of the investment, and it will be followed by targets M7-41 and M7-42, related to achievement of the energy savings and the commitment of the RRP resources.

The investment has a final expected date for implementation in Q2 2026.

2. Evidence provided:

1. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
2. Copy of the Decree Law N.39 adopted on 2 March 2024 and converted by Law N.56 on 29 April 2024;
3. Copy of the Interministerial decree entered into force on 24 July 2024;
4. Copy of the directorial decree entered into force on 6 August 2024.

3. Analysis:

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

The legal act shall make Transition 5.0 tax credits available to potential recipients, determining the eligibility criteria, also in terms of minimum energy savings, and the maximum expenditure cap for the measure.

Decree Law 39 adopted on 2 March 2024 and Interministerial decree entered into force on 24 July 2024, set up the instrument and make the tax credit available to potential recipients. Complementarily, the directorial decree set up the IT platform and opens up a window to submit the applications. Companies can effectively apply to the tax credit from 7 August 2024.

The law also specifies the minimum energy efficiency requirements as outlined below in the section dedicated to the tax benefits (see explanation of Comma 8). In term of minimum eligibility requirements, only investments that can achieve at least 3% of energy consumption reduction on the overall production site or at least 5% energy consumption reduction in the targeted processes addressed by the investment, can be considered eligible under Transizione 5.0. In addition, the law established two additional incremental thresholds for higher energy efficiency improvements as at least 6% energy consumption reduction on the overall production site and at least 10% energy consumption reduction in the targeted processes for the medium threshold, and as at least at least 10% energy consumption reduction on the overall production site and at least 15% energy consumption reduction in the targeted processes for the higher threshold. Higher energy efficiency improvements grant access to a higher tax credit.

Article 38, comma 21 of the Decree Law sets the upper limit of resources available under the measure (which corresponds to EUR 6 237 000 000 plus EUR 63 000 000 dedicated to the IT platform) . Accordingly, the interministerial decree further details that the reservation of the tax credit can be confirmed only upon verification of resource availability. Therefore, no tax credit can be confirmed beyond the limit of resources envisaged by the Decree Law. This mechanism effectively establishes an expenditure cap of EUR 6 237 000 000.

Furthermore, in line with the description of the measure, this measure supports the energy transition of production processes towards an energy efficient, sustainable and renewable-based model of production.

Article 38, comma 1, 2 of the Decree Law 39 adopted on 2 March 2024, specifies that the measure supports the energy and digital transition of business and in particular, innovation projects targeted to the reduction of energy consumption.

Article 38, comma 5 specifies that also investments in tangible and intangible assets aimed at self-production of energy can be eligible to the support provided by Transizione 5.0

Furthermore, in line with the description of the measure, companies shall be granted with a tax credit commensurate with the expenses incurred between 1 January 2024 and 31 December 2025 if they invest in:

- **digital assets (4.0 tangible capital goods, 4.0 intangible capital goods)**
- **assets necessary for self-production and self-consumption from renewable sources (with the exclusion of biomass)**
- **training staff in skills for the green transition.**

Article 38, comma, 3 4, 5 identify the eligible assets under this measure. In particular, it refers to:

- tangible and intangible assets listed in annex A and B of Law 232/2016;
- intangible goods necessary for self-production and self-consumption from renewables (excluding biomass);
- training or skills related expenditure in the field of the digital and energy transition.

Furthermore, in line with the description of the measure, the tax benefit shall be commensurate, according to at least three incremental thresholds, to the reduction in final energy consumption (of at least 3%) or to the achieved energy savings in the targeted processes (of at least 5% compared to the previous consumptions for such processes) linked to investments made in the assets referred to in point a). Therefore, the intensity of the tax benefit shall increase in levels according to the certified energy efficiency improvements and achieved energy savings.

Comma 7 and 8, Article 38 of the Decree Law adopted on 2 March 2024, establishes the applicable tax rates and thresholds on the eligible assets. In particular, the intensity of the tax benefit increases according to the levels of certified energy efficiency achieved. The Decree Law defines three levels of energy efficiency achievements (high, medium, low) and three investment class (<2,5 mln; 2,5 mln <x<10 mln; 10mln>).

In particular, comma 7 and 8 design the following system:

For the higher energy efficiency threshold, the tax benefit corresponds to:

- 45% for investment under 2.5 mln;
- 25% for investments 2,5 mln <x<10 mln;
- 15% for investment over 10 mln.

For the medium energy efficiency threshold, the tax benefit corresponds to:

- 40% for investment under 2.5 mln;
- 20% for investments 2,5 mln <x<10 mln;
- 10% for investment over 10 mln.

For the low energy efficiency threshold, the tax benefit corresponds to:

- 35% for investment under 2.5 mln;
- 15% for investments 2,5 mln <x<10 mln;
- 5% for investment over 10 mln.

As described above, high improvements in energy efficiency correspond to higher tax benefits (45%, 25% 15%) than medium (40%; 20%; 10%) and low efficiency gains (35%; 15%; 5%).

The above-described system fully complies with the CID requirement to set incremental tax benefits according to the achieved energy savings.

Furthermore, in line with the description of the measure, to be eligible, the project shall be certified by an independent evaluator certifying that, ex-ante, the innovation project respects the eligibility criteria related to the reduction of total energy consumption. In addition, an ex-post certification shall certify the actual realization of the investments in accordance with the provisions of the ex-ante certification.

Comma 11, article 38 of the Law Decree N 19 adopted on 2 March 2024, requires an energy efficiency certification from an independent evaluator to have access to the tax benefit.

The certification shall be made:

- i. Ex-ante to outline the expected energy efficiency gains;
- ii. and ex -post to certify the completion of the planned investment outlined in the ex-ante certification.

Furthermore, in line with the description of the measure, up to 1% of the target shall be allocated to developing an IT platform and related activities to:

- **manage the certifications presented by the beneficiaries;**
- **facilitate the assessment, the exchange and the management of the data used for analysis; and**
- **to the monitoring and control activities.**

Comma 21, of Article 38 of the Law Decree N 19 adopted on 2 March 2024, allocates up to EUR 63 000 000 to the development of the IT platform. This amount corresponds to 1% of 6 300 000 000, the budget earmarked for Transizione 5.0.

Comma 16, 19, 20, of Article 38 of the Law Decree N 19 adopted on 2 March 2024, specify that the platform is to be used:

- to manage the energy efficiency certifications presented by the beneficiaries, manage and exchange the data transmitted by the manager of the platform (GSE -“Gestor Servizi Energetici “);
- for monitoring and control activities;
- to verify the compliance with the maximum expenditure cap;
to support and facilitate the impact assessment of the investment and the study related to the interlinks with other EU measures.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.