

**27 September 2022**

**Positive preliminary assessment of the satisfactory fulfilment of milestones and targets related to the second payment request submitted by Italy on 28 June 2022, 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 2022, Italy submitted a request for payment for the second instalment of the non-repayable support and the second 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 21 milestones and targets of the second instalment of the non-repayable support and the 24 milestones and targets of the second instalment of the loan support, as set out in Section 2(1)(1.1) and Section 2(2)(2.1) of the Council Implementing Decision of 13 July 2021 on the approval of the assessment of the recovery and resilience plan for Italy<sup>1</sup>.

For one target covering a large number of beneficiaries, in addition to the summary documents and official listings provided by Italy, Commission services have assessed a statistically significant sample of individual files. The sample size has been uniformly set at 60 which corresponds to a confidence level of 95% or above in all cases.

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<sup>2</sup>. 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 45 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 notably highlight the continuation of the reform momentum in key policy areas. This includes, among others, important and sensitive reforms like the reform of public administration, education system and public procurement, the adoption of national strategies for the circular economy and for waste management, the simplification and acceleration of procedures for energy efficiency and for the reduction of hydrogeological risks. The milestones and targets also confirm progress towards the completion of investment projects related to the development of production of green hydrogen and the award of connectivity projects that will allow completing the national ultra-fast and 5G telecommunications network throughout Italy. Finally, there are important measures in the area of tax administration and spending review.

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.

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

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<b>Number:</b> M1C1-33	<b>M1C1.I1.8</b> - Recruitment procedures for administrative courts		
<b>Name of the target:</b> Start of the recruitment procedures for administrative courts			
<b>Qualitative Indicator:</b> Number	<b>Baseline:</b> 0	<b>Target:</b> 168	<b>Time:</b> Q2 2022
<p><b>Context:</b></p> <p>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.</p> <p>In particular, target M1C1-33 is a middle step in the implementation of the measure for administrative courts and concerns the temporary recruitments of at least 168 additional units of personnel for the Trial office and Administrative Courts and the placement of these units into service. The reference baseline to measure the achievement of the target, as further specified in the Operational Arrangements, is the number of personnel in service on 31 December 2021.</p> <p>This target is also followed by another target expected by Q2 2024 (M1C1-40) and related to the conclusion of recruitment procedures for at least additional 158 units of staff to be deployed in administrative courts.</p>			
<p><b>Evidence Provided:</b></p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>1. A summary document duly justifying how the target, including all the constitutive elements, was satisfactorily fulfilled;</li> <li>2. Link to Decree-Law n. 152 of 6 November 2021 published in the Official Journal n. 265 of 6 November 2021, converted into Law n. 233 of 29 December 2021 published in the Official Journal n. 310 of 31 December 2021 including urgent provisions on the implementation of the NRRP;</li> <li>3. 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) and related selection;</li> <li>4. Decree n. 382 of the Secretary General of the Administrative Justice of 10 November 2021 stating the convocation for a second round of written tests to cover for 9 residual posts (GA400) in accordance with art 35, paragraph 7 of Decree-Law n. 152 of 6 November 2021.</li> <li>5. Decree n. 414 of the Secretary General of the Administrative Justice of 24 November 2021 modifying allocation of posts;</li> <li>6. Public competition by the Secretary General of the Administrative Justice as published in the Official Journal n. 9 of 2 February 2022 for 6 units to support the trial office for administrative courts;</li> <li>7. List of selected candidates by the of the Secretary General of the Administrative Justice;</li> </ol>			

8. Decree n. 468 of the Secretary General of the Administrative Justice of 21 December 2021 containing the results of the selection procedure for 8 informatics assistants (GA400);
9. Decree n. 124 of the Secretary General of the Administrative Justice of 10 May 2022 containing the results of the selection procedure for 6 informatics assistants (GA400);
10. Excel document containing the list of contracts with names of the recruited staff and start date;
11. 19 resignation letters;
12. Link to 19 Decrees of the Secretary General of the Administrative Justice concerning the progression of the ranking list;
13. Decree n. 218 of the Secretary General of the Administrative Justice of 02 July 2021 nominating the members of the working group in charge of the preliminary verifications of the applicants' qualifications;
14. Decree n. 276 of the Secretary General of the Administrative Justice of 01 September 2021 nominating the panel of the first selection procedure;
15. Decree n. 418 of the Secretary General of the Administrative Justice of 29 November 2021 nominating the panel for the second test of the first selection procedure;
16. Decree n. 91 2022 of the Secretary General of the Administrative Justice of 11 March 2022 nominating the panel of the second selection procedure.

The authorities also provided:

17. Resolution (Determina) n. 190 of the Secretary General of the Administrative Justice – Office of Contracts and Resources of 29 December 2021 awarding the service relating to training activities for 168 fixed-term staff;
18. Two invoices of expenses incurred for the selection procedure
19. Signed contracts

**Analysis:**

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

In particular:

The Italian Authorities provided evidence of the completion of the recruitment procedures of 168 units of personnel for the Trial office and Administrative Courts and their placement into service. Two public calls have been launched for this purpose:

- The first public competition for the recruitment of 168 unit for the trail office was launched in July 2021 with the call published in the Official Journal n. 53 of 6 July 2021, which details the profiles concerned which correspond to technical profiles (GA100 for 120 administrative functionaries, GA200 for 7 informatics functionaries, GA300 for 3 statistics functionaries and GA400 for 38 informatics assistants);
- Article 35, paragraph 7 of Decree Law 152/2021 allowed the Administration to fill posts remained vacant after a public competition through the use of the ranking list of eligible candidates who have not been initially successful and the Secretary General of the Administrative Justice adopted the Decree n. 382 of 10 November 2021, which determined the convocation for a second round of written tests to cover for 9 residual posts for GA400 profiles.
- A second call was launched by the Secretary General of the Administrative Justice in 2022, as published in the Official Journal n. 9 of 2 February 2022, for 6 more units (informatics assistants, profile GA400) to support the trial office for administrative courts.

The public calls 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 (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. As a result of the first call, not all the available posts

were filled in. Hence there has been the need to launch another call. Contracts have been signed as of 3 January 2022. Moreover, due to some resignations, the Administration had made use of the ranking list to fill the vacant posts. At the time of the submission of the payment request, Italy had presented a list of contracts and relative supporting evidence that demonstrate that the remaining vacant post had been filled, therefore reaching the target of recruiting and placing into service 168 units of personnel for the Trial office and Administrative Courts. The evidence provided for a sample of 60 units confirmed that the contracts have been signed by both the relevant administrations and the experts. The contracts included references to the measure and the legislation that entered into force for the purpose of implementing the target (which sets out the relevant requirements including in relation to the scope of activity and the temporary nature).

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M1C1-56	<b>M1C1.R1.9</b> - Reform of the public administration
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**Name of the milestone:** Entry into force of the enabling legislation for the reform of public employment

<b>Qualitative Indicator:</b> Provision in the law indicating the entry into force of the law	<b>Time:</b> Q2 2022
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**Context:**  
The main objective of the public employment reform, which forms part of the reform of public administration, is to enhance the administrative capacity of the Italian public administration, at central and local levels, in terms of human capital (selection, competences, careers and evaluation). This reform, accompanied by the recruitment of experts, the simplification of administrative procedures and investments in the digitalisation of public services, aims at improving the effectiveness of the public administration as a whole.

The enabling legislation due under the milestone M1C1-56 represents an intermediate step in the implementation of the reform. It includes the key principles underpinning the reform action, thus encompassing the overarching structural human resources strategy, ranging from the selection processes to career paths. The full implementation of the reform of public employment is expected by Q2 2023 (M1C1-58: entry into force of delegated acts for the reform of public employment) although many secondary acts have been anticipated and submitted by the Italian authorities to better frame the provisions adopted through primary legislation. In addition, a strategy for human resource management is expected to be introduced by Q4-2023 to support the operationalisation of the reform of public employment.

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

1. Summary document duly justifying how the milestone was satisfactorily fulfilled in line with the requirements set out in the Council Implementing Decision on the approval of the positive assessment of the recovery and resilience plan for Italy (henceforth Council Implementing Decision);
2. Decree-Law n. 36 of 30 April 2022, published in the Official Journal n. 100 of 30 April 2022, converted into Law n. 79 of 29 June 2022, published in the Official Journal n. 150 of 29 June 2022, including provisions for the reform of public employment;
3. Decree-Law n. 80 of 9 June 2021, published in the Official Journal n. 136 of 9 June 2021, converted into Law n. 113 of 6 August 2021, published in the Official Journal n. 28 of 7 August 2021, including provisions for the reform of public employment;

4. Decree of the President of the Republic n. 81 of 24 June 2022 published in the Official Journal n. 151 of 30 June 2022 providing for coordination of existing activities in the newly created Integrated Plan for Activities and Organisation (“PIAO”);
5. Ministerial Decree of 24 June 2022, published in the Official Journal n. 209 of 7 September 2022, on the introduction of PIAO and its template;
6. Decree of the Minister of Public Administration on the governance of the reform and introduction of a scientific committee, adopted on 19 July 2022;
7. Decree of the Minister of Public Administration on the strengthening and re-organization of the Ministry of Public Administration, adopted on 15 July 2022;
8. Ministerial Decree of 22 July 2022, published in the Official Journal n. 215 of 14 September 2022, providing guidelines for the identification of new human resources’ needs by public administrations;
9. Renewal of the collective agreement for central administrations published in the Official Journal n. 122 of 26 May 2022.

The authorities also provided:

10. Law n. 234 of 30 December 2021 (Budget Law 2022) published in the Official Journal n. 310 of 31 December 2021, providing funding for the renewal of collective agreements;
11. Decree-Law n. 44 of 1 April 2021 published in the Official Journal n. 79 of 1 April 2021, converted into Law n. 76 of 28 May 2021, published in the Official Journal n. 128 of 31 May 2021, providing for the simplification and digitalization of recruitment procedures also in light of the COVID-19 pandemic;
12. Decree-Law n. 221 of 24 December 2021 published in the Official Journal n. 305 of 24 December 2021, converted into Law n. 11 of 18 February 2022, published in the Official Journal n. 41 of 18 February 2022, extending relevant provisions included in Decree-Law n. 44 of 1 April 2021;
13. Minister Decree of 14 October 2021 published in the Official Journal n. 268 of 10 November 2021, providing for the use of “InPA” portal for the recruitments of experts linked to the RRP implementation;
14. Draft Ministerial Decree related to the operationalization of the “InPA” portal;
15. Draft template of protocol agreement between the Ministry of Public Administration and relevant administrations for the utilization of the “InPA” portal;
16. Circular letter of the Head of Department of the Ministry of Public Administration including additional clarifications related to access to senior management;
17. Draft Guidelines of the National School of Administration to access management posts dated 3 August 2022;
18. Draft Guidelines of the Ministry of Public Administration on gender balance dated 25 August 2022.

**Analysis:**

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

1. **Definition of job profiles.** General principles related to the definition of job profile to improve the recruitment system and the performance evaluation were embedded in primary legislation (Article 3 of Decree-Law n. 80 of 9 June 2021, converted into Law n. 113 of 6 August 2021) and are to be implemented at the public entity level through collective agreement of second level. Collective agreements were signed on 5 January 2022 for central government and on 15 June 2022 for the healthcare sector. The collective agreement for local governments is still to be signed. Hence, the actual implementation of job profiles will crucially depend on the content of secondary acts (due in a subsequent milestone M1C1-58 expected to be completed in Q2 2023). In addition, the Italian Authorities commenced a process leading to the identification and

validation of a common competency framework inspired by the technical assistance provided to Italy by the World Bank and the reform of job profile implemented in Belgium. The process to define a centralised competency framework and the adoption of a more integrated job description framework is broadly indicated in the guidelines for the identification of new human resources. Lastly, to ensure a smooth and homogeneous implementation of the reform of job profiles, the Italian Authorities established a network of HR Departments of central government entities that will support the implementation of the reform, given that international good practices suggest that the capacity development of HR departments for strategic HR planning and competency-based management is key for ensuring a smooth implementation of such reforms. Thus, HR Management departments are expected to strengthen their capacities for identifying and profiling competency-based professional profiles to overcome the "replacement" logic, consisting in replacing professional profiles with the same quantitative and qualitative profiles.

2. **Single recruiting platform.** A single recruiting platform ("InPA") to centralise public hiring procedures for all central administrations has been created through a web portal, publicly accessible at [www.inpa.gov.it](http://www.inpa.gov.it). Article 2 of Decree-Law n. 36 of 30 April 2022, converted into Law n. 76 of 29 June 2022, provides that all temporary and permanent recruitments by central administrations and independent authorities require the candidates' registration on the portal, and that these administrations shall use the platform for all recruitment procedures as of 1 November 2022, with the platform being available to them already as of 1 July 2022. Article 2 also includes an extension of the use of the platform to administrations at local level for their selection procedures, as required under the Council Implementing Decision, with the concrete modalities to utilise the platform to be defined by ministerial decree by 31 October 2022.
3. **Reform of recruitment process.** In line with the requirements of the Council Implementing Decision, the recruitment system has been reformed to move from a purely knowledge-based system to a system primarily based on competences and attitudes, allowing the assessment of relevant competences for the job of civil servant and differentiating between entry-level and more specialised profiles. Article 3 of Decree-Law n. 80 of 9 June 2021, converted into Law n. 113 of 6 August 2021, provides that for the recruitment of managers, in addition to the assessment of the relevant knowledge, competitions shall envisage the assessment of competences, attitudes and individual motivations. Article 3 of Decree-Law n. 36 of 30 April 2022, converted into Law n. 76 of 29 June 2022, extends the assessment methodology to non-management staff by envisaging that public competitions for civil servants at all levels shall assess the possess of logical-technical, behavioural and (where relevant) managerial competences. The Article also provides that for entry-level and non-specialised positions, exams shall give prominence to the assessment of competences related to behavioural skills and attitudes, while for specialised profiles relevant experiences shall be taken into account in addition to competences, in line with the Council Implementing Decision. The legislation in force further envisages the utilisation of ICT tools in public competitions with a view to increase their efficiency (Article 10 of Decree-Law n. 44 of 1 April 2021, converted into Law n. 76 of 28 May 2021). In order to ensure a consistent implementation of the new process as provided in the Council Implementing Decision, Article 3 provides that the Ministry of Public Administration must issue dedicated guidelines by 31 October 2022 following proposals of the National School of Administration.
4. **Reform of senior civil service.** The homogenisation of appointment procedures for senior managers has been ensured through a review of selection procedures for public administrations. In particular, Article 3 of Decree-Law n. 80 of 9 June 2021, converted into Law n. 113 of 6 August 2021, provides that access to senior management occurs through competitive procedures



including the one held by the National School of Administration (known as “corso-concorso”), internal selections (as explained under point 8 below), or, for top management positions, the possibility to resort to external agencies for the recruitment in certain cases. That Article specifies the general competences and requirements for the selection, which have been further developed in dedicated guidelines. In order to boost the coherent application of the reform across all levels of administration including the local one, Article 3 provides that the provisions related to selection procedures and the relevant requirements constitute fundamental principles within the meaning of Article 117 of the Constitution. In relation to job profiles of senior civil service, Article 3 of Decree-Law n. 80 of 9 June 2021, converted into Law n. 113 of 6 August 2021, defines the broad competences for senior management posts to be further defined and detailed through a centralised competency framework via dedicated guidelines to be adopted by 31 October 2022. Finally, as regards the CID requirement concerning performance evaluation, Article 6 of Decree-Law n. 80 of 9 June 2021, converted into Law n. 113 of 6 August 2021, defines the evaluation of performance by integrating the assessment of individual performance with the evaluation of organisational results and strengthens the link between performance evaluation and career progression including for management positions (for additional details, see point 8 below).

5. **Link between life-long learning and training opportunities.** As regards the strengthening of the link between life-long learning and training opportunities, the newly introduced Plan of Activities and Organisations (so-called “PIAO”, please refer to point 8 for more details) attributes to training and life-long learning a central role in the career of personnel in the public administration sector. Article 6 of Decree-Law n. 80 of 9 June 2021, converted into Law n. 113 of 6 August 2021, specifies that the PIAO shall define the strategy of human resources management, including through the use of smart working, annual and multiannual training objectives and priorities for public administrations, in line with a project management approach, to plan activities in order to acquire the digital alphabetization (thus showing a particular attention to the twin transition), the development of technical, transversal and managerial competences together with the professional experience and cultural enhancement of the personnel. Moreover, Article 3 of Decree-Law n. 80 of 9 June 2021 reinforces the focus on continuous skills development as it clearly indicates the professional experience and cultural enhancement obtained via the participation in training activities as key elements to take into account for career progression thereby incentivising participation. Furthermore, the reform has identified the collective bargaining as the appropriate instrument to define rewarding mechanisms or specific career paths. Collective agreements are in fact capable of capturing the specificities of a given sector. In this context, on the basis of the new guidelines for 2019-2021 for the Central Functions sector adopted on 19 April 2021, the national collective agreement for the Central Functions sector has been renewed on 26 May 2022. It reflects the new focus on training and strategic enhancement of human resources by envisaging permanent economic progressions within areas (Article 14) as reward for participating, inter alia, in training activities after a selection procedure that considers the last 3 years of service of the staff. The collective bargaining also identifies different systems of access to training including distance and mixed learning activities, recipients and related processes (Article 31). The preliminary agreement on the renewal of the national contract in the health sectors already include such provisions on lifelong-learning and career progression linked to participation in training activities (Articles 19 and 66).
6. **Ethics principles and codes of conduct.** The Council Implementing Decision requires the enabling legislation includes measures for the definition or update of ethics principles of public administrations through clear rules, codes of conduct, and training modules on the topic. In line with the option of including measures for the update of ethics principles of public

administrations, the enabling legislation provides for the update of the codes of conduct of the Public Administrations and the introduction of compulsory trainings on the subject for all employees. Article 4, paragraph 2, of Decree-Law n. 36 of 30 April 2022, converted into Law n. 76 of 29 June 2022 requires the update of the already existing Public Administration Codes of Conduct, as defined by Article 54 of Legislative Decree n. 165 of 2001, to take place by 31 December 2022 as regards the use of social media and new technologies. Furthermore, Article 4, paragraph 1, of Decree-Law n. 36 of 30 April 2022, converted into Law n. 76 of 29 June 2022, introduces the obligation for all public employees to have induction and permanent training courses on ethics, whose duration and intensity will be tailored according to the degree of responsibilities of the recipients. The updated Code of Conduct and mandatory training will provide clear rules to employees of public administrations regarding ethics principles. Moreover, it is worth noting that the draft guidelines on access to public management positions (which are formally due under milestone M1C1-58 in 2023) include reference to ethics as they contain a guidance on how to evaluate ethical requirements of candidates.

7. **Commitment to gender balance.** Measures have been taken to strengthen the commitment to gender balance as required under the Council Implementing Decision. In particular, Article 5 of Decree-Law n. 36 of 30 April 2022, converted into Law n. 79 of 29 June 2022, provides that administrations shall adopt measures that attribute specific advantages, or avoid and compensate disadvantages in the career of the less represented gender, taking into account the objectives of the national strategy for gender equality. In order to make these provisions operational for public administrations, the Ministry of Public Administration shall issue dedicated guidelines by 30 September 2022. The Integrated Plan of Activities and Organisations (so-called "PIAO") to be adopted periodically by public administrations shall define the modalities and actions to ensure the respect of gender equality, including as regards the composition of examining committees, as provided by Article 6 of Decree-Law n. 80 of 9 June 2021, converted into Law n. 113 of 6 August 2021. Finally, some provisions have been specifically adopted to promote the respect of gender parity principles in the recruitments linked to the implementation of the RRP, notably in concerning gender balance in the composition of examining committees and in the selection of staff (Articles 1 and 17 of Decree-Law n. 80 of 9 June 2021, converted into Law n. 113 of 6 August 2021).
8. **Vertical mobility and performance evaluation.** The regulatory framework on vertical mobility has been reformed by reviewing career paths with the introduction of middle management positions and allowing access to senior management positions from within the administration, in line with the Council Implementing Decision requirements. In this respect, Article 3 of Decree-Law n. 80 of 9 June 2021, converted into Law n. 113 of 6 August 2021, introduced a new category of personnel characterised by high qualifications and coordination tasks, as further defined in the relevant collective bargaining agreements in line with established practice. Article 3 also provides that employees of the public administration with the necessary requirements can access senior management positions, with a reserved quota envisaged in the selection procedures vis-à-vis external candidates. As required under the Council Implementing Decision, the revision of the framework includes the reform of performance evaluation, strengthening the link between career progression and performance evaluation. In this respect, Article 6 of Decree-Law n. 80 of 9 June 2021, converted into Law n. 113 of 6 August 2021, introduces an outcome-based dimension to performance evaluation by linking the assessment of individual performance to the organisational performance. The strategic objectives for the performance are set to be defined by public administrations in the Integrated Plan of Activities and Organisations (so-called "PIAO"), which has a three-year duration and must be updated annually. A template for the PIAO to guide the definition of organisational performance and public value has been developed, as required by Article 6 of Decree-Law n. 80 of 9 June 2021, converted into Law n. 113 of 6 August

2021. Finally, Article 3 of Decree-Law n. 80 of 9 June 2021, converted into Law n. 113 of 6 August 2021, provides that career progression within and across categories of personnel of the public administration (and for local administrations also across different qualifications) shall take into account, inter alia, results achieved and performance evaluation.

9. **Horizontal mobility.** Concerning horizontal mobility, the mandatory agreement of the administration of origin to allow the transfer of staff was repealed by Article 3 of Decree-Law n. 80 of 9 June 2021, converted into Law n. 113 of 6 August 2021. Furthermore, as of 1 July 2022, each position that becomes available will be posted on the platform 'InPA' (according to Article 6 of Decree-law n. 36 of 30 April 2022, converted into Law n. 79 of 29 June 2022), representing a transparent single advertisement system, giving the possibility to every public employee to apply for that position. If selected, the administration of origin has only 60 days to hold the unit of staff in the current position to ensure the handover of the file. After 60 days the realisation of the transfer is mandatory. Concerning the introduction of significant restrictions to the use of alternative means of mobility not leading to transfers (i.e. "comandi" and "distacchi"), article 6, paragraph 1, letter b) of n. 36 of 30 April 2022, converted into Law n. 76 of 29 June 2022 introduces a limitation to use such means to not more than 25 percent of the vacancies that have been posted but not successfully covered.

In light of the high complexity and wide-reaching scope of actions related to public employment, which will require important steering and monitoring at central level for an effective implementation, the Italian authorities have re-organised the activities of the Ministry of Public Administration and strengthened its human resources (Article 1 of Decree of the Minister of Public Administration of 15 July 2022). In this context, a unit will be dedicated to the quality of performance and reforms with the aim to contribute to the adequate and homogenous application of the key elements of envisaged reforms across levels of administration. This is expected to contribute to a satisfactory quality level of the PIAOs to be prepared and implemented by administrations as a concrete tool to deliver on many of the envisaged reform actions. Moreover, a Scientific Committee composed of relevant experts and representatives has been established to periodically monitor the impact of the reforms on human capital and assess whether corrective actions are needed (Articles 1-3 of Decree of the Minister of Public Administration of 19 July 2022).

The primary legislation, which includes the key provisions to comply with the requirements of the Council Implementing Decision, consists of Decree-Law n. 80 of 9 June 2021, converted into Law n. 113 of 6 August 2021, and Decree-Law n. 36 of 30 April 2022, converted into Law n. 79 of 29 June 2022. Law n. 113 of 6 August 2021 entered into force on 8 August 2021 (Article 1), and Law n. 76 of 29 June 2022 entered into force on 30 June 2022 (Article 1).

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M1C1-70	<b>M1C1.R1.10</b> - Reform of the public procurement legislative framework
<b>Name of the milestone:</b> Entry into force of the revision of the Code of Public procurement (D.Lgs. n. 50/2016)	

<p><b>Qualitative Indicator:</b> Provision in the law indicating the entry into force of the Law of Delegation which reforms the present Code of the Public procurement system (D.Lgs. n. 50/2016)</p>	<p><b>Time:</b> Q2 2022</p>
<p><b>Context:</b></p> <p>The main objective of the public procurement reform is to reduce the fragmentation of contracting authorities; require the setting of an e-platform as a basic requirement to participate in the nationwide evaluation of procurement capacity; empower the national anti-corruption authority to review the qualification of contracting authorities; further simplify and digitalize the procedures of central purchasing bodies and reduce the restrictions to the possibility to subcontracting, contained the current Public Procurement Code.</p> <p>The Milestone M1C1-70 follows up on the measures introduced in 2021 to reform the public procurement framework and consists in introducing a Law of Delegation (“Mandate Law”) to delegate to the Government the preparation of a new Public Procurement Code (to replace the current framework, contained in Legislative Decree 50/2016). The new framework will have to also incorporate, stabilize in time and refine in scope the measures introduced in 2021. As indicated in the Council Implementing Decision, the Mandate Law (and the subsequent Legislative Decree stemming from it) provides for, <i>inter alia</i>, measures aimed at reducing the fragmentation of contracting authorities; the setting of an e-platform as a basic requirement to participate in the nationwide evaluation of procurement capacity; the empowerment of the national anti-corruption authority to review the qualification of contracting authorities; the further simplification and digitalization of the procedures of central purchasing bodies and the reduction of the restrictions to the possibility to subcontracting, contained the current Public Procurement Code. The Mandate Law establishes the criteria and principles for the detailed and systemic reform. The Legislative Decree(s) introducing the new Public Procurement Code is expected to enter into force due by Q1 2023 as part of milestone M1C1-73.</p> <p>Reform 1.10 foresees several subsequent milestones and targets. The Legislative Decree implementing all the provisions of the Mandate Law to reform the Public Procurement Code is expected to be completed by Q1 2023 (milestone M1C1-73). All necessary implementing measures and secondary legislation for the reform/simplification of the public procurement system (milestone M1C1-74) shall enter into force by Q2 2023. The eNational Procurement System shall be operational and fully in line with EU Public Procurement Directives and include full digitalisation of the procedures up to the contract execution indicatively by Q2 2023 (milestone M1C1-75). The average time of public procurement procedures shall be reduced to less than 100 days by indicatively Q4 2023 (milestone M1C1-84) and the average time between the contract award and the realization of infrastructure shall be reduced at least by 15% indicatively in Q4 2023 (milestone M1C1-85). The aforementioned targets shall have to be reached again indicatively in Q4 2024 (milestones M1C1-96 and M1C1-97), confirming therefore the structural change. Indicatively by Q4 2023, at least 20% of civil servants shall be trained through the Buyers Professionalization Strategy (milestone M1C1-86) and at least 15% of contracting authorities are using dynamic purchasing systems (milestone M1C1-87). Indicatively by Q4 2024, at least 35% of civil servants shall be trained through the Buyers Professionalization Strategy (milestone M1C1-98) and at least 20% of contracting authorities are using dynamic purchasing systems (milestone M1C1-99).</p>	
<p><b>Evidence Provided:</b></p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p>	

1. Summary document duly justifying how the milestone was satisfactorily fulfilled in line with the requirements set out in the Council Implementing Decision Annex;
2. A copy of the Mandate Law n. 78/2022, delegating the Government to adopt within 6 months one or more Legislative Decrees to reform the public procurement legislation, published in the Official Journal, general series, n. 146 of 24 June 2022 (hereinafter "Law 78/2022");
3. Decree-Law n. 77/2021 on urgent measures, simplification and speeding up of public procurement, adopted on 31 May 2021, as converted into Law n. 108 of 29 July 2021 (published in the Official Journal, general series, 181 of 30 July 2021).
4. Decree adopted by the Presidency of the Council of Ministers on 5 November 2021 that identifies the human and financial resources of the Single Coordination Body for public procurement (s.c. *Cabina di Regia*) within the Presidency of the Council of Ministers;
5. Act adopted by the President of the anti-corruption and public procurement regulatory authority ("ANAC") on 28 October 2021 that creates a task force to support the activities of the Single Coordination Body for public procurement (as seen above the *Cabina di Regia* created within the Presidency of the Council of Ministers);
6. Decree adopted by the Presidency of the Council of Ministers on 28 June 2021 that creates the Unit in charge for the rationalization and improvement of legislation (the s.c. *Unità per la razionalizzazione e il miglioramento della regolazione*) within the Presidency of the Council of Ministers and amending Decree adopted of the Presidency of the Council of Ministers on 11 November 2021 modifying and integrating the decree of 28 June 2021 appointing the Unit on rationalization and improvement of legislation;
7. ANAC's guidelines of 30 March 2022 and the Memorandum of Understanding between Presidency of the Council of Ministers and ANAC of 17 December 2021 on the qualification and professionalization system for central purchasing bodies; A note of ANAC of 12 October 2021 explaining the removal of any type of quantitative and predetermined limitation on subcontracting.
8. ANAC's opinion 12 October 2021 on the provisions on sub-contracting.
9. Decree adopted by the Presidency of the Council of State on 4 July 2022 appointing a special committee for the drafting of a proposal for a legislative decree to reform the public procurement framework and a letter by the President of the committee to the Presidency of the Council of Ministers of 12 September 2022 with broad update on current status of works.
10. Decree No 148 of the Minister for Public Administration of 12 August 2021 (published in the Official Journal, general series, 256 of 26 October 2021) regulating the digitalisation of public contract procedures;
11. General plan by the Agency for Italy's Digitalization ("AGID") of 21 February 2019 for the digitalization of the public administration and definition of public e-procurement for the 2019-2021 period;
12. AGID's guidelines and technological specifications of 27 April 2021 and 21 May 2021 for the technical interoperability and creation of IT systems of public administrations, the definition of security standards and application programming interfaces for interoperability amongst e-platforms.

**Analysis:**

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

In particular, the provisions contained in Mandate Law n. 78/2022 address the milestone by establishing clear and precise criteria and principles for the systemic reform of the Public Procurement Code, as follows.

- i. With regard to the first (set of) constitutive elements of the milestones relating to the reduction of the fragmentation of the contracting authorities:
  - a. In relation to point i.(1) of the milestone, Article 1 (2) (c) of Law 78/2022 mandates the reduction of fragmentation of contracting authorities, through their mergers, consolidation and reorganization, and the strengthening of the qualification system framework. For this purpose, Law 78/2022 establishes the basic elements of such system, by incentivizing the use of central purchasing bodies and mandating the qualification and specialization of the contracting authorities' staff/personnel, including through the provision of specific training courses (with particular reference to the central contracting authorities, also at local level), and requiring the definition of specific criteria for the monitoring of the reduction and reorganization of contracting authorities, which aims at increasing their qualification and professionalization level.
  - b. With respect to the setting of the e-platform in point i.(2) of the milestone, first of all Article 1 (2) (m) of Law 78/2022 provides the mandate to the government for the establishment of a process of digitalization of the tendering and selection procedures, the monitoring and management of all stages of public contracts and the full implementation of the National Database of Public Contracts. This is consistent with the regulatory framework introduced in 2021, which already foresaw that the digital/telematic databases need to be interoperable with the National Database of Public Contracts, and that the setting of an e-platform is one of the criteria of the qualification of contracting authorities as set by ANAC's guidelines of 30 March 2022. Setting an e-platform (which will have to be interoperable with and feed in ANAC's database) is therefore already a basic requirement to participate in the nationwide evaluation of procurement
  - c. In relation to the anti-corruption and public procurement regulatory authority ("ANAC"), in point i.(3) of the milestone, Article 1 (2) (b) of Law 78/2022 mandates the review of the ANAC's competences. The reform will also increase ANAC's powers to monitor compliance with and enforce the qualifications requirements for contracting authorities, also based on ANAC's guidelines of 30 March 2022, which set the criteria for redefining and strengthening the qualification system for contracting authorities and central purchasing bodies, including by procurement capacity (types and volumes of purchases in past tenders). Furthermore, Article 1 (2) (s) provides a mandate to the government for the simplification of the general qualification system for identifying eligible economic operators. This is expected to provide the contracting authorities with more uniform criteria for formal and substantive verification of production capacity and of technical skills, of the adequacy of the technical equipment and staffing levels and of legal compliance, and through the use of central databases to reduce uncertainty as to the qualification of operators in individual tendering procedures.
  - d. Finally, on the incentives to increase in usage of central purchasing in point (i)(4) of the milestone, as seen above Article 1 (2) (c) of Law 78/2022 expressly mandates the introduction, through the Legislative Decrees to be introduced by 1Q 2023, of (regulatory) incentives for central or local administrations to use central purchasing bodies and the auxiliary purchasing stations for the tendering of public contracts.
- ii. With regard to the "simplification" and "digitalization" of central purchasing bodies, Law 78/2022 contains a comprehensive set of relevant measures, which apply also to central purchasing bodies.
  - a. In terms of "**simplification**": Article 1 (2) (m) of Law 78/2022 provides for the reduction (and increase in legal certainty) of the timing for the tenders and of the awards of contracts, also through the use of contract templates/standards prepared by the ANAC; Article 1 (2) (q) mandates the simplification of procedures relating to the approval phase of public works

projects (including the streamlining of the procedures for the verification and validation of projects); Article 1 (2) (e) provides for the simplification of the rules applicable to public works, service and supply contracts below EU thresholds; Article 1 (2) (f) mandates the simplification of procedures for investment in green and digital technologies, and in innovation and research and social innovation projects; Article 1 (2) (o) prescribes the revision and simplification of primary legislation on programming, identification of needs for public works, and on the process of public debate, in order to facilitate the reaching of an agreement between the various territorial entities involved; based on Article 1 (2) (z) strong incentives will need to be introduced to use flexible procedures (including through the use of framework agreements), as well as to simplify the rules for public-private partnerships (also through the use of templated contracts and standard calls for tenders, cfr. Article 1 (2) letter (aa)) and expand their use, in particular with regard to project financing; Article 1 (2) (ee) provides for the identification of the cases in which the contracting authorities may jointly award the design and execution of the works (to speed up the overall tendering process). With regard to the speeding up of public tender procedures, Article 1 (2) (hh) mandates the rationalisation of the rules on penalties/rewards to encourage the timely (or even ahead of schedule) performance of public contracts. Finally, by extending and strengthening alternative dispute resolution solutions, including in relation to the performance of the contract, Article 1 (2) (ll) aims at speeding up the litigation phase that might arise from the award of public contracts.

- b. With respect to the “**digitalization**” of procedures, as explained further below, Article 1 (2) (m) of Law 78/2022 prescribes the digitalisation and computerisation of tendering and awarding procedures, through the National Database of Public Contracts, to which all contracting authorities need to upload all information concerning the procurement cycle (from work/service design, the actual tender, the award to the project implementation, the details on the winners/executors and the parties/companies involved etc), as well as and the digitalization of the economic operators’ virtual file. The reform also foresees the reduction of the documentary and economic costs borne by the parties involved.
- iii. With regard to the definition of procedures for the digitalization of all public contracts and concessions, Law 78/2022 provides for the overall process of digitalisation of selection procedures, which not only foresees the use of telematics platforms but also obliges that such platforms are all interoperable with the National Database of Public Contracts, in order to ensure the monitoring and management of all stages of the life of public contracts. In particular, Article 1 (2) (m) of Law 78/2022 indicates the principles of such process referring, by way of example, to the digitisation and computerisation of all procedures, the full use of the National Database of Public Contracts (to which contracting authorities must transmit all information regarding the tender procedures), the virtual file of the economic operators, the reduction of the documentary and financial burdens on the tender participants and those relating to the payment of fees and advance payments. It should also be noted that the Agency for Italy’s Digitalization (“AGID”) is further developing the very specific technical rules for building up and/or updating contracting authorities’ e-procurement platforms and ensure the interoperability requirements, in compliance with the principles set out in Decree No 148 of the Minister for Public Administration of 12 August 2021 laying down detailed rules for the digitalisation of public contract procedures’ by describing, for each stage of the procurement process and for each scope (procurement of goods, services and works, below or above the thresholds of Community relevance), the functioning of the flows of exchanged data, the patterns, the roles and tasks of the actors involved in the procedures, based on the best national and European practices. The digitalization strategy mandated by Law 78/2022 builds also on this process of definition of technical details to ensure full interoperability and communication flows. This process also fits with the implementation of the qualification system for contracting authorities and central purchasing

centres defined by ANAC's guidelines of 30/03/2022, whereby the basic qualitative and quantitative requirements for qualification include the availability of telematic platforms in the management of tendering procedures.

- iv. In relation to the reduction of restrictions concerning sub-contracting, Article 1 (2) (a) of Law 78/2022 concerns the introduction and/or maintenance of measures to ensure openness of procedures and competition between operators, with particular reference to small and medium-sized enterprises, including also EU rules on sub-contracting. To this extent it should be noted that the progressive reduction of restrictions on subcontracting has already been mandated by Article 49 (1) (a) of Decree-Law N. 77/2021 (converted into Law No 108/2021, the purpose of which was to amend Article 105 of the current Public Procurement Code and progressively reduce the limits to subcontracting.

Finally, as the reform of Public Procurement is a multi-step process (with urgent measures first, introduced in 2021, and a more structural change of the rules applicable to public contracts in 2022/2023, through the revision of the current Public Procurement Code, i.e. Legislative Decree n. 50 of 18 April 2016) Law 78/2022 complies with the further specifications set out in the Operational Arrangements for Milestone M1C1-70, as it is consistent with (and does not alter the content of) the measures introduced in 2021 and 2022 and will cover, *inter alia*, the areas of intervention foreseen in Milestones M1C1-69 and 71, with the aim of creating one systematic framework (the new Public Procurement Code) that incorporates all measures.

With regard to the "simplification" of public procurement, the measures mentioned under point *ii.* above (Articles 1 (2) letters (e), (f), (h), (m), (o), (q), (z), (aa), (hh), and (ll) of Law 78/2022) are based on the measures contained in Decree-Law N. 77/2021 to simplify the tender procedures and speed up both the awards of the contracts and the execution and finalization of the works/services. As requested by the further specifications for Milestone M1C1-70, the reform stemming from Law 78/2022 (through a new Legislative Decree that will constitute the new Public Procurement Code and will replace the old one, as part of Milestone M1C1-73) will have the effect of stabilizing in time and extending in scope the 2021 simplification measures. In fact, while Decree-Law (for its special nature of a piece of legislation introducing urgent measures) had to foresee a limitation in time in the applicability of the 2021 measures and circumscribed the scope for application for some of its measures (only to projects realized through the NRRP or the EU structural funds), the new Code will not feature expiry constraints or applicability limitations based on the source of financing, but will apply to all projects.

With respect to the "qualification" and "digitalization" requirements foreseen by Law 78/2022 (Article 1 (2) (m)) are consistent with (and do not alter the content of) the measures introduced in 2021 and 2022, particularly with Article 4 of the Memorandum of Understanding between Presidency of the Council of Ministers and ANAC of 17/12/2021 on the implementation of the qualification system for contracting authorities and central purchasing centres, defining the qualitative and quantitative requirements for the qualification. Such requirements include the availability of digital/telematic platforms in the management of tendering procedures and are confirmed and laid down in more detail by the guidelines adopted by ANAC on 30/03/2022, implementing Articles 4 and 6 of the Protocol (Article 1.3). The objective of the ANAC guidelines is to identify the operational methods for implementing the qualification system to form the basis of the new system. These guidelines cover all the elements of qualification foreseen in Milestone M1C1-71 (which was due and complied with by the end of 2021 and already examined and approved for the 1<sup>st</sup> payment request by Italy) and will be part of the reform resulting from Law 78/2022 and will be included in the new Public Procurement Code, as part of Milestone M1C1-73. The provisions contained in Law 78/2022 are also consistent with the requirements contained in Decree-Law n. 77 of 31 May 2021 (Article 53) on the strengthening of contracting authorities' obligations to transmit (digitally) to ANAC all information regarding the tenders and awards, and with the procedures for



digitising award procedures, including through enhanced interoperability of public administrations' data and with the technical digitalization requirements foreseen in Decree of the Ministry for Public Administration n. 148 of 12 August 2021 (setting the standards for ensuring accessibility, traceability, security/recoverability of all information pertaining to the tenders).

For completeness, it should be noted that in order to allow a smooth integration of the measures contained in the Decree-Law 77/2021 into the new Public Procurement Code (as foreseen in Milestone M1C1-73), the Presidency of the Council of State has appointed a special committee (composed of administrative courts' judges, State attorneys general, lawyers, administrative law experts and scholars) which, *inter alia*, will make an impact assessment of the measures contained the Decree-Law 77/2021 and make suggestions on how to improve their formulation, where necessary and within the boundaries of Law 78/2022.

Finally, as requested by the further specification for Milestone M1C1-70, the IT Authorities clarified the composition and financial resources the Single Coordination Body on Public Procurement, which contains 15 persons representing 3.1 full time equivalent.

**Commission Preliminary Assessment: Satisfactorily fulfilled**

<b>Number:</b> M1C1-103	<b>M1C1.R1.12</b> - Reform of the tax administration	
<b>Name of the milestone:</b> Entry into force of primary and secondary legislation and regulatory provisions and completion of administrative processes for encouraging tax compliance and improving audits and controls		
<b>Qualitative Indicator:</b> Provisions in the law and regulatory provisions indicating the entry into force		<b>Time:</b> Q2 2022
<p><b>Context:</b> Milestone M1C1-103 is part of Reform 1.12, which aims at reforming the tax administration through several measures in order to encourage tax compliance and improve the effectiveness of the targeting of audits and controls. Milestone M1C1-103 follows the first step of the reform, which required a review of possible measures to reduce tax evasion from omitted invoicing, which was adopted by the Finance Ministry on 20 December 2021 for the implementation of Milestone M1C1-101. Milestone M1C1-103 is a crucial step of the reform as it requires the entry into force of several provisions for encouraging tax compliance and improving tax audits and controls, also with reference to the above-mentioned review. In particular, the provisions shall include: (i) full operationalisation of the database and the dedicated IT infrastructure for the release of pre-populated VAT tax return; (ii) enhancement of the database used for "compliance letters"; (iii) entry into force of reformed legislation in order to ensure effective administrative sanctions in case of refusal of private providers to accept electronic payments; (iv) completion of the process of data pseudonymization and set up of digital infrastructure for the analysis of big data generated through the interoperability of databases for tax risk analysis fully pseudonymized; and (v) entry into force of primary and secondary legislation implementing additional effective actions based on the findings of the review of possible measures to reduce tax evasion adopted for the implementation of Milestone M1C1-101.</p>		
<p>Reform 1.12 includes several subsequent targets, mostly related to the outcome of the measures adopted under Milestone M1C1-103. Namely, the number of "compliance letters" shall be increased</p>		

by at least 20% compared to 2019 (expected by Q4 2022, target M1C1-105) and by at least 40% compared to 2019 (expected by Q4 2024, target M1C1-113); the number of false positive “compliance letters” shall be reduced by at least 5% with respect to 2019 (expected by Q4 2022, target M1C1-106); and tax revenue generated by “compliance letters” shall increase by 15% with respect to 2019 (expected by Q4 2022, target M1C1-107) and by 30% compared to 2019 (expected by Q4 2024, target M1C1-114). Indicatively, by Q2 2023, pre-populated VAT tax returns shall be sent to at least 2.3 million taxpayers for the tax year 2022 (target M1C1-109). Indicatively, by Q2 2024, the staff of the Revenue Agency shall be increased by 4113 units in order to improve its operational capacity, as indicated in the “Performance plan 2021-2023” (target M1C1-112). Finally, tax evasion, as defined by the indicator “propensity to evade”, in all taxes excluding property taxes and excises, shall be reduced in 2023 by 5% compared to 2019 (expected by Q4 2025, target M1C1-116) and in 2024 by 15% compared to 2019 (expected by Q2 2026, target M1C1-121).

**Evidence Provided:**

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

1. A summary document duly justifying how the milestone, including all the constitutive elements, was satisfactorily fulfilled;
2. Decree-Law n. 36 of 30 April 2022, published in the Official Journal n. 100 of 30 April 2022 and converted into Law n. 79 of 29 June 2022, on further urgent measures for the implementation of the National Recovery and Resilience Plan, published in the Official Journal n. 150 of 29 June 2022;
3. The implementing provisions adopted by the Revenue Agency on 8 July 2021 (including relevant annexes and the link to the publication on the website of the Revenue Agency) on the implementation of Art. 4 of Legislative Decree n. 127 of 5 August 2015, concerning the preparation, by the Revenue Agency, of pre-filled draft VAT registers, periodic VAT settlements and the annual VAT return;
4. A document illustrating the relevant regulatory provisions and the activities implemented, as well as the technological infrastructure made available to VAT payers for the use of pre-filled VAT documents, including a link to the online platform for taxpayers as well as a certificate of works completion signed by the contractor and the competent authority;
5. A document describing the functioning of the platform for pre-filled VAT declarations and the required tasks as well as simplification gains for taxpayers (the same information is also available on the website of the Revenue Agency);
6. A document illustrating the steps taken to improve the relevant databases and to enhance the analytical process for identifying addressees of compliance letters, highlighting the measures taken to ensure the quality of the data used and reduce the incidence of false positives. The document includes a certificate of works completion signed by the contractor and the competent authority;
7. An annex to the above-mentioned document on the steps taken to improve the relevant databases and to enhance the analytical process for identifying addressees of compliance letters, providing additional information on the implemented interoperability of the existing databases;
8. Art. 19-ter of Decree-Law n. 152 of 6 November 2021, published in the Official Journal n. 265 of 6 November 2021 and converted into Law n. 233 of 29 December 2021, published in the Official Journal n. 310 of 31 December 2021, introducing sanctions for providers refusing electronic payments;
9. A document illustrating the methodology developed and implemented to ensure the pseudonymisation of personal data for tax risk analysis in compliance with the provisions of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016.

The document includes a certificate of works completion signed by the contractor and the competent authority;

10. An annex to the above-mentioned document on the methodology developed and implemented to ensure the pseudonymisation of personal data for tax risk analysis, providing additional information on the methodology;
11. Extracts from databases used for the tax risk analysis, including 2,822,700 entries both in clear and in pseudonymised form;
12. The ministerial decree issued by the Ministry of Economy and Finance on 28 June 2022 (in compliance with art. 1, paragraph 683, of Law n. 160 of 27 December 2019) regulating taxpayers' rights with respect to the use of relevant data for tax risks analyses by the tax administration;
13. The positive opinion of the Privacy authority on the above-mentioned government decree regulating taxpayers' rights concerning data protection for the purpose of tax evasion risk analysis;
14. The positive opinion of the Privacy authority on the use, by the Revenue Agency, of relevant taxpayers' data for tax risk analyses, upon pseudonymisation via the methodology developed, as required by art. 1, paragraphs 681-686, of Law n. 160 of 27 December 2019;
15. Implementing provisions for the transmission of electronic payment data by financial operators issued by the Revenue Agency on 30 June 2022, protocol number 253155/2022;
16. Implementing provisions for the transmission of electronic payment data by financial operators issued by the Revenue Agency on 2 September June 2022, protocol number 340401/2022.

The authorities also provided:

17. Art. 4 of Legislative Decree n. 127 of 5 August 2015 on administrative and accounting simplifications;
18. Art. 22 of Decree-Law n. 124 of 26 October 2019, as modified by Decree-Law n. 146 of 21 October 2021 on tax credit related to electronic payment commissions;
19. Seven documents providing detailed descriptions of specific types of tax risk analysis to illustrate the enhancement introduced by the reform, including in particular two documents describing methodologies already used before the reform and five documents describing methodologies allowed by the reform.

**Analysis:**

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

In particular:

(i) The certificate of works completion signed by the contractor and the competent authority as well as the link to the online platform for taxpayers, clearly shows that Italy has made fully operational the database and the dedicated IT infrastructure for the release of pre-populated VAT forms for tax returns, as provided for by art. 4, paragraph 1, of the Legislative Decree n. 127 of 5 August 2015, concerning in particular quarterly communications of VAT settlements and annual VAT returns. The Revenue Agency has made available to taxpayers included in the test group of recipients (2.3 million taxpayers) the drafts of the VAT registers, starting from 13 September 2021, and the drafts of the communications of periodic VAT settlements, starting from 6 November 2021, in a specific web area of the "*Fatture e corrispettivi*" portal which can be accessed through specific credentials directly or through appointed professionals.

(ii) The certificate of works completion signed by the contractor and the competent authority as well as the explanations provided clearly show that Italy has enhanced the database used for

“compliance letters” (which provide early communications to taxpayers for which anomalies are detected). This is expected to reduce the incidence of false-positive and to increase the number of communications sent out to taxpayers.

(iii) As confirmed by the relevant legislation provided (in particular Decree-Law n. 36 of 30 April 2022, converted into Law n. 79 of 29 June 2022 and Decree-Law n. 152 of 6 November 2021, converted into Law n. 233 of 29 December 2021) Italy has introduced effective administrative sanctions for providers refusing to accept electronic payments, starting from 30 June 2022. In particular, art. 19-ter of Decree-Law n. 152 of 6 November 2021, converted into Law n. 233 of 29 December 2021 also specifies that sanctions amount to an administrative fine of EUR 30, increased by 4% of the value of the transaction for which the payment was refused.

(iv-a) The certificate of works completion signed by the contractor and the competent authority and the extracts of datasets confirm that Italy has completed the process of data pseudonymization for the analysis of big data generated through the interoperability of the databases available to the tax administration for targeting tax audits and controls, in compliance with art. 1, paragraphs 681-686, of Law n. 160 of 27 December 2019.

(iv-b) The certificate of works completion signed by the contractor and the competent authority (also relevant for item (ii)) and the detailed examples of the types of tax risk analyses allowed by the reform confirm that Italy has completed the set-up of a digital infrastructure for the analysis of big data generated through the interoperability of databases for tax risk analysis fully pseudonymized. In addition, Italy has transmitted three documents proving that the steps required by the national legislation for the use of the digital infrastructure for tax risk analyses have been fulfilled, namely: (i) a ministerial decree by the Ministry of Economy and Finance issued on 28 June 2022 regulating taxpayers’ rights with respect to the use of relevant data for tax risks analyses by the tax administration, in compliance with art. 1, paragraph 683, of Law n. 160 of 27 December 2019; (ii) the positive opinion of the Privacy authority on the above-mentioned decree regulating taxpayers rights for tax risk analysis, in compliance with art. 1, paragraph 683, of Law n. 160 of 27 December 2019; and (iii) the positive opinion of the Privacy authority on the use, by the Revenue Agency, of relevant taxpayers’ data for tax risk analyses, upon pseudonymisation via the methodology developed, as required by art. 1, paragraph 684, of Law n. 160 of 27 December 2019.

(v) The evidence provided (in particular, Decree-Law n. 36 of 30 April 2022, converted into Law n. 79 of 29 June 2022, and the implementing provisions for the transmission of electronic payment data issued by Revenue Agency on 30 June and 2 September 2022) demonstrates that Italy has implemented several additional actions based on the findings of the review of possible measures to reduce tax evasion from omitted invoicing which was adopted by the Finance Ministry on 20 December 2021 for the implementation of milestone M1C1-101. The primary legislation including provisions to comply with the requirements of the Council Implementing Decision consists of Decree-Law n. 36 of 30 April 2022, converted into Law n. 79 of 29 June 2022. The Decree-Law entered into force on 1 May 2022 (Article 5) and its conversion into Law on 30 June 2022 (Article 1). The regulatory provisions consist of implementing provisions for the transmission of electronic payment data by financial operators issued by the Revenue Agency on 30 June 2022, protocol number 253155/2022, as modified by the implementing provisions issued by the Revenue Agency on 2 September 2022, protocol number 340401/2022, indicating that the data transmission will start on 5 September 2022. In particular, these additional actions concern:

1. Extension of the obligation of electronic invoicing to taxpayers benefitting from the simplified flat-rate regime (art. 18, paragraphs 2-3 of Decree-Law n. 36 of 30 April 2022). In particular, the obligation has started from 1 July 2022 for flat-rate subjects with a volume of revenues or

remuneration in the previous year exceeding EUR 25 000, and from 1 January 2024 for other flat-rate taxpayers, with turnover lower than EUR 25 000. The extended obligation is expected to close the remaining gap concerning the obligation of electronic invoicing, with important advantages in terms of information available to the tax administration for targeting tax audits and controls as well as reduction of compliance costs for taxpayers.

2. Extension of the obligation for financial operators to transmit the daily summary data of transactions carried out in favour of economic operators using electronic payment instruments (art. 18, paragraph 4 of Decree-Law n. 36 of 30 April 2022, entered into force on 1 May 2022). This obligation was already existing with respect to electronic payment instruments connected with automatic cash-registers suitable for the electronic transmission of invoices (art. 5 novies of the Decree-Law n. 146 of 21 October 2021), while art. 18 paragraph 4 of Decree-Law n. 36 of 30 April 2022 extended the obligation with respect to all electronic payment instruments used by providers. The implementing provisions for the transmission of electronic payment data issued by the Revenue Agency on 2 September 2022 establish that the data transmission for operations occurred from 1 September 2022 is implemented by financial operators starting from 5 September and by 15 October 2022, and that data for operations occurred from 1 January to 31 August will shall be transmitted by 30 November 2022. The extended obligation for data transmission will provide a substantial amount of additional information to the tax administration for the targeting of tax audits and controls and will strengthen the link between the use of electronic payments and the reduction of tax evasion from omitted invoicing.
3. Improvement of the existing “lottery receipts”, by allowing participation to the lottery through the communication of an individual dedicated code rather than the customers’ personal tax code (art. 18, comma 4-bis of Decree-Law n. 36 of 30 April 2022, as converted into Law n. 79 of 29 June 2022, which entered into force on 30 June 2022). The improvement is expected to encourage participation to the lottery, increasing incentives for consumers to ask receipts and contributing to reduce tax evasion from omitted invoicing.

Overall, the measures adopted by the Italian authorities can be considered effective because they are expected to substantially increase the amount of information available to the tax administration for targeting tax audits and controls and to encourage the issuance of receipts to consumers, positively contributing to reduce tax evasion, including from omitted invoicing. For detailed explanations on the expected impact on tax evasion, the explanatory document submitted by Italy refers to the review adopted by the Finance Ministry on 20 December 2021 for the implementation of milestone M1C1-101.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M1C1-104	<b>M1C1.R1.13</b> - Reform of the spending review framework	
<b>Name of the milestone:</b> Adoption of savings targets for spending reviews for the years 2023-2025		
<b>Qualitative Indicator:</b> Quantitative savings target for the aggregate central state administrations defined in the Document of Economy and Finance - in euro		<b>Time:</b> Q2 2022
<b>Context</b> Milestone M1C1-104 is part of Reform 1.13 which aims at reforming the spending review framework in order to improve its effectiveness. The Reform started with 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 is the subsequent Milestone and is aimed at ensuring the activation in 2022 of the national framework for yearly spending reviews, by requiring the adoption of savings targets for spending reviews for the aggregate central state administrations for the years 2023-2025. In particular, these targets shall be set on the basis of the Legislative Decrees n. 90 and 93 of 2016 and Law n. 163 of 2016 and shall reflect an adequate level of ambition.

Subsequent milestones of Reform 1.13 require that the Finance Ministry shall adopt a report on the effectiveness of practices used by selected public administrations for formulating and implementing saving plans (expected by Q4 2022, milestone M1C1-102). The Finance Ministry shall also publish yearly reports on spending reviews, namely in 2024 with reference to the 2023 spending review (expected by Q2 2024, milestone M1C1-111), in 2025, with reference to the 2024 spending review (expected by Q2 2025, milestone M1C1-115) and in 2026, with reference to the 2025 spending review (expected by Q2 2026, milestone M1C1-122). Finally, Reform 1.13 (expected by Q4 2023, milestone M1C1-110) the reclassification of the general State budget, with reference to the environmental expenditure and to the expenditure that promotes gender equality.

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

1. Summary document duly justifying how the milestone was satisfactorily fulfilled in line with the requirements set out in the Council Implementing Decision;
2. 2022 Economic and Financial Document (DEF).

**Analysis:**

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

In particular:

In accordance with the further specification of the Operational Arrangements, the 2022 Economic and Financial Document (DEF) sets quantitative savings targets for the aggregate central state administrations. These targets are defined as lower spending compared to the projected “unchanged legislation” scenario, in the amount of EUR 0.8 billion in 2023, EUR 1.2 billion in 2024 and EUR 1.5 billion in 2025. They are set on the basis of the Legislative Decrees n. 90 and 93 of 12 May 2016 and Law n. 163 of 4 August 2016, which integrate the spending review process in the yearly budgetary cycle.

As indicated by Italy in the summary document, the targeted savings will occur in a context of high inflation, which will require a higher fiscal effort from ministries in real terms. Italy indicates that the savings targets imply, on average, a 10% cut in the budget of ministries for intermediate consumption. In historical perspective, the targets are in line (or slightly above in 2024-2025) the targets set by the 2018 spending review already implemented under Legislative Decrees n. 90 and 93 of 12 May 2016 and Law n. 163 of 4 August 2016 (EUR 1 billion). Overall, having considered the above-mentioned arguments, the savings targets are considered to reflect an adequate level of ambition, in line with the respective requirement of the Council Implementing Decision.

Beyond the requirements of the milestone, it is noted that Legislative Decree n. 90 of 2016, which sets out the national legal framework for spending reviews, requires the definition of savings targets for each ministry, via decree of the President of the Council of ministries, by the end of May of the

relevant year. While the decree has not yet been adopted, it will be crucial to adopt it on time for enshrining ministries' savings targets in the 2023 Budget Law.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M1C2-16	<b>M1C2.I3</b> - Fast internet connections (Ultra-Broadband and 5G)
<b>Name of the milestone:</b> Award of all public contracts for faster connection projects	
<b>Qualitative Indicator:</b> Notification of the award of all public contracts for faster connection projects	<b>Time:</b> Q2 2022
<p><b>Context:</b>  Milestone M1C2-16 is part of Investment 1.3, whose objective is to complete the national ultra-fast and 5G telecommunications network throughout the Italian territory. Milestone M1C2-16 is the first milestone related to this measure and concerns the award of public contracts for all five faster connection projects part of the investment: (i) "Italia a 1 Giga"; (ii) "Italia 5G"; (iii) "Connected schools"; (iv) "Connected health care facilities" and (v) "Connected smaller islands".</p> <p>Milestone M1C2-16 is followed by five targets. A first target, M1C2-19, is expected by Q4 2023 and foresees the provision of ultra-broadband connectivity in at least 18 islands. Four additional targets are then expected by Q2 2026: M1C2-17 and M1C2-18 foresee respectively that at least 8.5 million residential units and at least 9 000 schools and 12 279 public healthcare facilities will be provided with 1 Gbps connectivity; M1C2-20 and M1C2-21 foresee respectively that at least additional 12 600 km of suburban roads/corridors and at least additional 15 000 sqkm of market failure areas will be provided with 5G coverage.</p>	
<p><b>Evidence Provided:</b>  In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>1) A summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. This document includes as an annex the following documentary evidence and elements: <ol style="list-style-type: none"> <li>a) Copy of all contract award notifications;</li> <li>b) Extract of the relevant parts of the technical specifications of the projects proving alignment with the description of the milestone and the description of the investment in the Council Implementing Decision.</li> </ol> </li> </ol>	
<p><b>Analysis:</b>  The justification and substantiating evidence provided by the Italian authorities cover all constitutive elements of the milestone.</p> <p>In particular:</p> <ol style="list-style-type: none"> <li>1) As concerns the "Italia a 1 Giga" project, a call for tender has been launched by the Italian authorities on 20 January 2022 and, following the conclusion of the tender on 31 March 2022, 14 out of a total of 15 allotments have been awarded on 24 May 2022. A new call for tender for the non-awarded allotment of the Autonomous Provinces of Trento and Bolzano has been published on 29 April 2022 with a deadline on 3 June 2022 and this remaining allotment has also been awarded on 28 June 2022;</li> <li>2) The "Italia 5G" project is composed of two sub-projects, one for the backhauling of 5G sites with fiber optic cables and one for 5G coverage of market failure areas. <ol style="list-style-type: none"> <li>i. The call for tender for the 5G backhauling sub-project has been launched on 31 March 2022 with deadline on 9 May 2022 and the sub-project has been awarded on 13 June 2022.</li> </ol> </li> </ol>	

- ii. As concerns the call for tender for 5G coverage of market failure areas, following a first unsuccessful call, a second call has been launched on 20 May 2022 with deadline on 10 June 2022. This new call for tender was successful and the sub-project was awarded on 28 June 2022;
- 3) As concerns the “Connected schools” project, a call for tender has been published on 2 February 2022 with deadline on 11 April 2022. Following the conclusion of the tender, the project has been awarded on 6 June 2022;
- 4) As concerns the “Connected health care facilities” project, a call for tender has been published on 2 February 2022 with deadline on 11 April 2022. Following the conclusion of the tender, the project has been awarded on 6 June 2022;
- 5) Finally, as concerns the “Connected smaller islands” project, a call for tender has been published on 16 February 2022 with deadline on 18 March 2022. Following the conclusion of the tender, the project has been awarded on 28 April 2022.

In sum, all public contracts for faster connection projects have been awarded by the authorities.

In addition, the authorities have provided evidence proving alignment with the description of the investment in the Council Implementing Decision. This includes in particular the technical layouts and the full calls for tender for all five faster connection projects.

In line with the further specification set out in the Operational Arrangements, which specifies that calls are expected to target potential beneficiaries based on needs, the authorities carried out detailed mapping exercises and public consultations to identify market failure areas. With respect to the further specification on the expectation of the deployment of technical assistance, a technical assistance structure has been created to support the implementation of the RRP measures, which has been put at the administrations’ disposal.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M1C2-28	<b>M1C2.I5.2</b> - Competitiveness and resilience of supply chains	
<b>Name of the milestone:</b> Entry into force of a decree including the investment policy of the Development Contracts		
<b>Qualitative Indicator:</b> Provision in the law indicating the entry into force of the decree		<b>Time:</b> Q1 2022
<p><b>Context:</b> This milestone concerns investment 5 of component M1C2 “Industrial supply chain policies and internationalization”, which aims at strengthening industrial supply chains.</p> <p>In particular, the milestone relates to the second line of intervention of said investment, represents the intermediate step of the intervention and consists of financial support to enterprises through the instrument of the Development Contract for projects related to key strategic value chains. The milestone concerns the entry into force of a decree including the investment policy of the Development Contracts.</p> <p>The achievement of the subsequent target M1C2-29 is expected by Q4-2023 and provides for the signature of at least 40 Development Contracts, with the activation of at least EUR 1.5 billion of investments.</p>		
<p><b>Evidence Provided:</b></p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>1. A summary document duly justifying how the milestone, including all the constitutive elements, was satisfactorily fulfilled;</li> </ol>		



2. Ministerial Decree of 13 January 2022, published in the Official Journal n. 36 of 12 February 2022 establishing the investment policy of the Development Contracts;
3. Decree of the Director-General of the Ministry of Economic Development of 25 March 2022 on the launch of the call for proposals;
4. Agreement of 30 March 2022 between the Ministry of Economic Development and the entrusted entity (“National Agency for the Attraction of Investments and Business Development S.p.A.” – Invitalia), including on the application of the DNSH principle;
5. Circular n. 120820 of 28 March 2022 of the Ministry of Economic Development on the application of the DNSH principle to the Development Contracts financed by the RRP.

**Analysis:**

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

Italy provided a Ministerial Decree encompassing the investment policy of the Development Contracts, in line with the requirements of the Council Implementing Decision. The Decree was adopted on 13 January 2022 and published in the Official Journal on 12 February 2022, thus entering into force. The Decree specifies that the application of the relevant provisions remained subject to state aid approval by the Commission (Article 8), which occurred on 20 June 2022 (Decision SA.102702).

More specifically, the investment policy (Article 3 of Ministerial Decree of 13 January 2022) defines the nature and scope of the projects to be supported (specifying they have to be in line with the objectives of the RRF Regulation), which concern development programs related to strategic value chains (e.g. agroindustry, design, microelectronics). The investment policy (Article 3) also defines the type of operations supported (i.e. the existing instrument of Development Contracts) and the targeted beneficiaries (companies active in the identified strategic sectors) including their eligibility criteria.

Both the investment policy (Article 3) and the contractual agreement between the State (Ministry of Economic Development) and the entrusted entity (Invitalia) of 30 March 2022, as further integrated by the Circular of the Ministry of Economic Development of 28 March 2022, include the specifications concerning compliance with the DNSH principle and include an explicit reference to the Commission’s DNSH Technical Guidance (2021/C58/01). In particular, they introduce as eligibility criteria, in line with the Council Implementing Decision, the application of the Commission’s guidance on sustainability proofing for the InvestEU Fund, the exclusion list of assets and activities, and compliance with the relevant EU and national environmental legislation.

Finally, the investment policy (Article 4) includes provisions requiring to re-invest potential reflows for similar policy objectives also beyond 2026, as required under the Council Implementing Decision.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M1C3-11	<b>M1C3.I1.3</b> - Improve energy efficiency in cinema, theatres and museums
<b>Name of the milestone:</b> Entry into force of the Ministry of Culture decree for the allocation of resources to improve energy efficiency in places of culture	

<p><b>Qualitative Indicator:</b> Provision in the decree indicating the entry into force of the Ministry of Culture (MIC) decree for the allocation of resources to improve energy efficiency in places of culture</p>	<p><b>Time:</b> Q2 2022</p>
<p><b>Context:</b>  The aim of this investment is to improve the energy efficiency of buildings linked to the cultural and creative sector in particular; in museums, cinemas, and theatres (both public and private). M1C3-11 is the initial step in the implementation of the investment and requires the entry into force of the decree allocating the resources to the projects. For museums and places of cultures, the intervention is implemented through a recognition of the project proposals by the Ministry of Culture. For the identification of the interventions in theatres and cinemas, the selection shall be carried out through calls for tenders.</p> <p>The measures foreseen two future targets (M1C3-4 and M1C3-5): 80 interventions completed by Q3 2023 (middle step) and a total of 420 interventions completed by Q4 2025 (final step)</p>	
<p><b>Evidence Provided:</b>  In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>1. A summary document duly justifying how the milestone, including all the constitutive elements, was satisfactorily fulfilled, with reference to the relevant provisions indicating the entry into force;</li> <li>2. Ministerial Decree n. 452 of 7 June 2022 allocating the resources to improve energy efficiency in places of cultures and of the publication on the Ministry of Culture’s website;</li> </ol> <p>The authorities also provided:</p> <ol style="list-style-type: none"> <li>3. Note of Direzione Generale Musei n. 6775 of 8 April 2022, including as an annex the list of interventions for the improvement of energy efficiency in state museums identified by the Ministry of Culture;</li> <li>4. Note of Direzione Generale Musei n. 9679 of 3 June 2022, confirming compliance with the DNSH conditions set out in the Council Implementing Decision of the projects for the improvement of energy efficiency in state museums;</li> <li>5. Note of Direzione Generale Musei n. 7426 of 22 April 2022, specifying the criteria adopted for the selection of the interventions in state museums;</li> <li>6. Copy of the call for projects launched on 22 December 2021 for the improvement of energy efficiency in theatres and cinemas;</li> <li>7. Note of Direzione Generale Spettacolo n.7497 of 4 August 2022, confirming compliance with the DNSH conditions set out in the Council Implementing Decision of the projects for the improvement of energy efficiency in cinemas and theatres;</li> <li>8. Note of the President of the evaluation committee n. 22237 of 31 May 2022, which include as an annex the provisional ranking for the call for projects launched on 22 December 2021;</li> <li>9. Note of the Ministry of Culture n. 5349 of 31 May 2022, circulating the above-mentioned provisional ranking to the administration in charge;</li> <li>10. Checklist attesting the coherence of the interventions with the RRP;</li> <li>11. Request for technical assistance of 11 May 2022 by the Ministry of Culture to the Ministry of Economic Affairs for the investment 1.3;</li> <li>12. Note by the Ministry of Culture n. 15925 of 11 May 2022, providing the annual plan for the implementation of the technical assistance.</li> </ol>	
<p><b>Analysis:</b></p>	

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

In particular:

- The Council Implementing Decision requires the entry into force of the Ministry of Culture decree allocating the resources to improve energy efficiency in places of cultures. On 7 June 2022, the Ministerial Decree n. 452 allocating the resources to energy efficiency interventions in museums, cinemas and theatres was adopted (art.2). In line with the national legal framework, this Ministerial Decree has the nature of an administrative act and produces effects from the date of adoption and has as such entered into force;
- In line with the Council Implementing Decision, the interventions in state museums were identified by the Ministry of Culture, as evidenced by the note of Direzione Generale Musei n. 6775/2022 that provides as an annex the list of the identified interventions to improve energy efficiency. According to the note n. 7426 of 22 April 2022, the selected interventions focused on several energy efficiency interventions, such as energy-efficiency and systems design analysis of buildings, infrastructure works, optimization of energy and heat consumptions;
- The energy efficiency interventions in cinemas and theatres were selected by the authorities following a competitive call for projects launched on 22 December 2021. The admissible interventions included: technical, economic and financial planning, energy audit, environmental analysis, environmental impact evaluations, analysis and intervention to improve energy efficiency; building interventions; interventions to replace or purchase digital equipment, tools, systems and software or to purchase patents, licenses and know-how; installation of smart tools to control, manage, monitor and optimize energy consumption (smart building) and pollutant emissions (art.4 of the call);
- With regard to compliance with the DNSH principle, the Council Implementing Decision required the award to the projects selected under the competitive calls for proposals to be 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. For the interventions in cinemas and theatres, the call for projects includes those DNSH conditions at art. 4 (admissible interventions). To ensure that those conditions will also be respected during project implementation for all the interventions in museums, cinemas and theatres, the Ministerial Decree n.452 of 7 June 2022, at art. 3 "obblighi dei soggetti attuatori" (obligations of the implementing authorities), binds the implementing bodies to respect the DNSH principle and to include the DNSH conditions in the calls for tenders to be launched during project implementation. The DNSH provision<sub>s</sub> in the call for project and in the Ministerial Decree n.452 of 7 June 2022 include an erroneous reference to financial instruments and the decree referred, under DNSH obligations, only to beneficiaries awarding public contracts. The Ministry of Culture provided two additional declarations (notes of Direzione Generale Musei n. 9679 of 3 June 2022 and of Direzione Generale Spettacolo n. 7497 of 4 August 2022) certifying that all those projects had been assessed in compliance with the DNSH conditions set out in the Council Implementing Decision (DNSH exclusion list and compliance with the EU and National Environmental legislation). Considering all the evidence provided, the imprecise provisions in both call and decree do not affect the achievement of the milestone. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled;
- With respect to the further specification set out in the Operational Arrangements, which specifies that calls are expected to target potential beneficiaries based on needs, the call includes a provision to reserve a dedicated quota of resources to the most disadvantaged areas (art. 1

and 9);With respect to the further specification on the expectation of the deployment of technical assistance, the Ministry of Culture used the technical assistance provided by Cassa Depositi e Prestiti and Invitalia to support the administrative procedures, including for the assessment and selection of the projects as evidenced by request for technical assistance that was submitted by the Ministry of Culture to the Ministry of Economy and Finance on 11 May 2022.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M1C3-12	<b>M1C3.I2.1</b> - Attractiveness of small historic towns
<b>Name of the milestone:</b> Entry into force of the Ministry of Culture decree for the allocation of resources to municipalities for the attractiveness of Small Historic Towns	
<b>Qualitative Indicator:</b> Provision in the decree indicating the entry into force of the Ministry of Culture decree for the allocation of resources to municipalities for the attractiveness of Small Historic Towns	<b>Time:</b> Q2 2022
<p><b>Context:</b></p> <p>This investment aims at supporting the economic and social development of 250 small historical towns (villages) located in disadvantaged areas, through integrated local projects. The measures shall focus on: i) restoring historical heritage, upgrading open public spaces, creating small cultural services, including for tourism purposes; ii) creating and promoting new routes; iii) the introduction of financial support for cultural, creative, touristic, trade, agri-food and craft activities to relaunch local economies.</p> <p>M1C3-12 requires the entry into force of the Ministry of Culture decree allocating the resources to municipalities for the attractiveness of Small Historic Towns (first step). Following the implementation of this milestone, the measure also envisages one target: by Q2 2025, 1300 interventions shall be completed and financial support to at least 1800 SMEs shall be provided (M1C3-16).</p>	
<p><b>Evidence Provided:</b></p> <p>In line with the verification mechanism set out in the Operational Arrangement, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>1. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled with a justification that the technical specifications of the projects are fully aligned with the description, criteria and conditions as set out in the milestone/target and of the description of the investment in the Council Implementing Decision;</li> <li>2. Ministerial Decree n. 453 of 7 June 2022 for the allocation of resources to municipalities for the attractiveness of Small Historic Towns (including as annexes the list of selected projects) and copy of the publication on the Ministry's website;</li> <li>3. List of all chosen projects with a project description and period of implementation</li> </ol> <p>The authorities also provided:</p> <ol style="list-style-type: none"> <li>4. Ministerial decree n. 112 of 21 March 2022 allocating the resources to the interventions;</li> <li>5. note of the Ministry of Culture n. 23430 of 3 December 2021 (and its annexes) providing the outputs of "Tavolo di Confronto Tecnico" between the Ministry of Culture, the Regions,</li> </ol>	

- Associazione Nazionale Comuni Italiani (ANCI) and the local authorities to determine the criteria for the selection of the villages and the eligible areas of interventions;
6. Annex II to the note of the Ministry of Culture n. 23430/2021, setting out the guidelines for the implementation of the investment 2.1;
  7. Minutes of the meeting of “*Tavolo di Confronto Tecnico*” of 3 December 2021;
  8. Decree of the Ministry of Culture n. 160 of 14 April 2022, allocating the resources to the Regions and Autonomous Provinces for the selection of the projects for Line B;
  9. Copy of the call for projects launched on 20 December 2021 and its corrigendum;
  10. Decree of the Secretary General of the Ministry of Culture n. 195 of 28 March 2022, appointing the evaluation committee for call for projects launched on 20 December 2021;
  11. Note of the Administration Manager Director n. 19447 of 6 June 2022, that includes as an annex the provisional ranking for the call for projects launched on 20 December 2021;
  12. Note of the Ministry of Culture of 9 December 2021 inviting the Regions and the Autonomous Provinces to submit their projects for line A;
  13. Decree of the Secretary General of the Ministry of Culture n. 194 of 28 March 2022, appointing the technical committee in charge of assessing the pilot projects proposed by the Regions and Autonomous Provinces for Line A;
  14. Note of the Administration Manager Director n. 19446 of 6 June 2022, that includes as an annex the list of the selected pilot projects for line A;
  15. 20 declarations of compliance of the pilot projects for line A with the DNSH conditions set out in the Council Implementing decision;
  16. 12 administrative documents of the Regions and Autonomous Provinces and note of the Secretary General of the Ministry of Culture n. 23709 of 6 December 2021, explaining the selection process and the criteria for the selection of the projects for line A;
  17. Interim order n.64 of 5 May 2022 of the Administrative Regional Court (TAR), suspending the effectiveness of the contract award to the municipality of Pietrabbondante (Molise);
  18. Two explanatory documents on the respect of the selection criteria of the projects set out in the Council Implementing Decision;
  19. Checklist attesting the coherence of the interventions with the RRP;
  20. Communication of the Court of Auditors n.1719 of 16 June 2022, attesting the registration of the Ministerial Decree n.453 of 7 June 2022;
  21. The request for technical assistance submitted by the Ministry of Culture to the Ministry of Economy and Finance on 11 May 2022;
  22. Note by the Ministry of Culture n. 15925 of 11 May 2022, providing the annual plan for the implementation of the technical assistance.

**Analysis:**

The justification and substantiating evidence provided by the Italian authorities cover all constitutive elements of the milestone. According to the Ministerial Decree of the Ministry of Culture n. 112 of 21 March 2022, the investment includes two main lines of intervention: Linea A, financing 21 “pilot projects” (one per each Region/autonomous provinces of Trento and Bolzano) selected by the Regions and Linea B, financing at least 229 local projects of cultural and social regeneration, presented by municipalities (or consortia of municipalities) having an aggregated total population of no more than 5000 inhabitants;

- The Ministerial Decree n. 453 of 7 June 2022 allocated the resources to municipalities for the attractiveness of Small Historic Towns. In total, 309 municipalities will benefit from the investment of which 289 through Linea B and 20 through Linea A (the project selected by the Region Molise has not been awarded yet following the opening of a litigation). In line with the national legal framework, this Ministerial Decree has the nature of an administrative act and produces effects from the date of adoption;

- The projects for Linea B were selected following a competitive procedure launched on 20 December 2021. The projects for Linea A were selected by the Regions (17 through calls for projects and 3 through direct awards). The municipalities involved are the ones who have submitted to the Ministry of Culture their projects proposals. In accordance with the Council Implementing Decision, the call for projects for Linea A and the guidelines for the implementation of the investment 2.1 were shared by the Ministry of Culture, Regions, ANCI and local authorities as evidenced by the note of the Ministry of Culture n. 23430 of 3 December 2021 (and its annexes);
- The selection of the municipalities for Linea A and Linea B was made on the basis of the territorial, economic and social criteria, as set out in the Council Implementing Decision, and all the statistical indicators mentioned therein were taken into account for the selection of the projects (art. 8, comma 4, of the call; p. 5-6 of the guidelines for the implementing of the investment 2.1), as also evidenced by the justification provided by the authorities in the explanatory documents;
- The projects include the activities indicated at the point I) and II) of the description of the measure, i.e. restoring historical heritage, upgrading open public spaces (e.g. removing architectural barriers, improving urban furniture), creating small cultural services, including for tourism purposes; and creating and promoting new routes (e.g. thematic routes, historical routes) and guided tours; as proved by art. 5 "linee d'azione e tipologie di interventi finanziabili" (lines of actions and eligible interventions) of the call for projects for Linea B and by the explanatory documents for Linea A, as also complemented with the information provided by the Italian authorities in the summary report and in the projects descriptions included in the list of the financed projects; and in the projects descriptions included in the list of the financed projects;
- The Council Implementing Decision requires that the award of the contracts to the projects selected under the competitive calls for proposals, shall include the following: a) Eligibility criteria that ensure that the selected projects comply 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 call for projects for Linea B includes the DNSH conditions at art. 4, comma 8, let. E). Moreover, for Linea A, 20 declarations of compliance of the projects selected with the DNSH conditions set out in the Council Implementing Decision were provided. To ensure compliance with the above-mentioned DNSH conditions during project implementation, the Ministerial Decree n.453 of 7 June 2022 allocating the resources to projects also includes an obligation for the implementing bodies to respect the DNSH principle and include the DNSH conditions in the contracts to be signed during project implementation (Art. 3 "obblighi dei soggetti attuatori" (obligations of the implementing bodies));
- In conformity with the Council Implementing Decision, by virtue of art 4, comma 8, let. E) of the call for project for Linea B, candidates were obliged, under penalty of exclusion, to provide a signed commitment that the climate contribution of the investment calculated in accordance with the methodology of Annex VI to the Regulation (EU) 2021/241 shall account for at least 25% of the total cost of the investment supported by the RRF and to report on the implementation of the measure halfway through the life of the scheme and the end of the scheme. According to the explanatory notes provided by Italy, these two commitments will be also replicated in the contracts to be signed with the implementing bodies (for both Linea A and Linea B). Furthermore, the decree n. 453 of 7 June recalls implementing bodies to respect the RRF tagging principles (art. 3, comma 2);
- In line with the further specification set out in the Operational Arrangements, which specifies that calls are expected to target potential beneficiaries based on needs, the call for project (art. 8) includes award criteria based on the needs of the beneficiaries such as areas of high unemployment, low cultural participation and with a negative demographic trend;

With respect to the further specification on the expectation of the deployment of technical assistance, the Ministry of Culture used the technical assistance provided by Cassa Depositi e Prestiti and Invitalia to support the administrative procedures, including for the assessment and selection of the projects as evidenced by request for technical assistance that was submitted by the Ministry of Culture to the Ministry of Economy and Finance on 11 May 2022.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M1C3-13	<b>M1C3.I2.2</b> - Protection and enhancement of rural architecture and landscape	
<b>Name of the milestone:</b> Entry into force of the Ministry of Culture decree for the allocation of resources: for the protection and enhancement of rural architecture and landscape		
<b>Qualitative Indicator:</b> Provision in the decree indicating the entry into force of the Ministry of Culture (MIC) decree for the allocation of resources for the protection and enhancement of rural architecture and landscape	<b>Time:</b> Q2 2022	
<p><b>Context:</b>  This investment aims at stimulating a systematic process of upgrading historic rural buildings and landscape protection in order to improve the quality of the countryside's landscape. To identify the places for the intervention, the Council implementing decision outlines the following four conditions. In particular, priority shall be given to:</p> <ol style="list-style-type: none"> <li>1. assets located in territorial areas of high landscape value (assets located in areas of landscape interest or of notable public interest (art.142-139 of DLgs 42/2004), to the landscapes subject to UNESCO recognition, FAO GIAHS;</li> <li>2. assets already available for public use or that the owner agrees to be accessible including within local and integrated circuits and networks;</li> <li>3. "area projects", presented by aggregated subjects, able to ensure more effectively the achievement of landscape redevelopment objectives;</li> <li>4. projects located in areas that enhance the integrations and synergies with other candidates for the PNRR and other plans / projects of a territorial nature supported by the programming national (Ministry of Culture)."</li> </ol> <p>M1C3-13 requires the entry into force of the decree for the allocation of resources (first step). The measure envisages one target: 3000 interventions to rural assets shall be completed and 900 additional works shall be started indicatively by Q4 2025 (M1C3-17).</p>		
<p><b>Evidence Provided:</b>  In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>1. Ministerial decree n. 107 of 18 March 2022 for the allocation of resources to the Regions and Autonomous Provinces and copy of the publication on the Ministry's website;</li> <li>2. A summary document duly justifying how the milestone, including all the constitutive elements, was satisfactorily fulfilled;</li> <li>3. List of all chosen projects with a project description and period of implementation;</li> </ol> <p>The authorities also provided:</p>		

4. Call for proposal template sent from the Ministry of Culture to the Regions and Autonomous provinces;
5. Copy of each regional/provincial call for projects (21 in total) for the enhancement of rural architecture and landscape;
6. 21 declarations that selected projects comply with the DNSH Technical Guidance (2021/C58/01) and the Council Implementing Decision;
7. 2 explanatory notes of the Ministry of Culture, providing an analysis of coherence of the selection criteria included in the regional calls with the Council Implementing Decision;
8. Checklist attesting the coherence of the interventions with the RRP;
9. Communication of the Court of Auditors, attesting the registration of the Ministerial Decree n.107 of 18 March 2022;
10. Report of the Secretary General of the Ministry of Culture providing an update on the implementation of the investment;
11. 3 notes of the Secretary General of the Ministry of Culture to the Regions concerning the implementation of the investment;
12. Ministerial Decree n.221 of 12 May 2022, postponing the deadlines set out in art. 3, comma 3, of the Ministerial Decree n. 107 of 18 March 2022, for the presentation of the list of the selected projects;
13. Communication of the Court of Auditors n.13521 of 19 February 2021, attesting the registration of the Ministerial Decree n.221 of 12 May 2022;
14. Request for technical assistance by the Ministry of Culture to the Ministry of Economic Affairs for the investment 1.2 of 11 May 2022;
15. Note by the Ministry of Culture n. 15925 of 11 May 2022, providing the annual plan for the implementation of the technical assistance.

**Analysis:**

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

In particular:

- The ministerial decree n.107/2022, allocates the resources to the Regions and Autonomous Provinces for the protection and enhancement of rural architecture and landscape (art. 1). In line with the national legal framework, this Ministerial Decree has the nature of an administrative act and produces effects from the date of adoption and has as such entered into force;
- The rural assets were selected following calls for projects at regional or provincial level published in May 2021. The award criteria and the admissible interventions of in the regional/provincial calls replicated the five priorities set out in the Council Implementing Decision, as also explained by the Ministry of Culture's explanatory note. A specific score was attributed for the fulfilment of each priority and projects with the highest score were selected. For the purposes of defining the types of rural architectures subject to the intervention, the Decree of the MiBAC of 6 October 2005 was used as a reference and the criteria outlined in the Council Implementing Decision were replicated in the regional/provincial calls;
- The Council Implementing Decisions requires that the award of the contracts to the projects selected under the competitive calls for proposals, shall be 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. All the projects were assessed in terms of compliance with the DNSH conditions included in the Council



Implementing Decision, as evidenced by declarations provided by the Regions and the Provinces. In particular, Regions and Provinces provided a declaration of compliance with the 'Do no significant harm', also through the use of an exclusion list, and with the relevant EU and national environmental legislation. DNSH obligations were also included in the regional/provincial calls to ensure full DNSH compliance during project implementation. The infringement of these obligations could be sanctioned with the partial or integral revocation of the funding;

- In line with the further specification set out in the Operational Arrangements, which specifies that calls are expected to target potential beneficiaries based on needs, the award criteria of the regional/provincial calls prioritize projects where the intervention was urgently needed in terms of safety, state of conservation or relevance of the rural asset;
- With respect to the further specification on the expectation of the deployment of technical assistance, the Ministry of Culture used the technical assistance provided by Cassa Depositi e Prestiti and Invitalia to support the administrative procedures, including for the assessment and selection of the projects as evidenced by the request for technical assistance that was submitted by the Ministry of Culture to the Ministry of Economy and Finance on 11 May 2022;
- According to the summary note provided by the Italian authorities, the deadline for the submission of further projects is planned to be extended until September in view of meeting the related target envisaged in Q4-2024.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M1C3-14	<b>M1C3.I2.3</b> - Programmes to enhance the identity of places, parks and historic gardens	
<b>Name of the milestone:</b> Entry into force of the Ministry of Culture decree for the allocation of resources: for projects to enhance the identity of places, parks and historic gardens		
<b>Qualitative Indicator:</b> Provision in the decree indicating the entry into force of the Ministry of Culture decree for the allocation of resources for projects to enhance the identity of places, parks and historic gardens	<b>Time:</b> Q2 2022	
<p><b>Context:</b> The investment envisages a refurbishment and rehabilitation of historic parks and gardens with a view to ensure their proper maintenance, management and public use.</p> <p>M1C3-14 demands the entry into force of the decree allocating the resources to projects (first step). The measure envisages one target: 40 parks and garden shall be requalified and 1260 gardeners shall be trained indicatively by Q4 2024 (M1C3-18).</p>		
<p><b>Evidence Provided:</b> In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>1. A summary document duly justifying how the milestone, including all the constitutive elements, was satisfactorily fulfilled;</li> <li>2. Ministerial Decree n. 505 of 21 June 2022 (and its annexes) for the allocation of resources and copy of the publication on the Ministry website;</li> </ol>		

The authorities also provided:

3. Ministerial Decree n. 161 of 13 April 2022, allocating the resources of the Ministry of Culture for the investment 2.3 in three lines of interventions;
4. Copy of the call for projects launched on 30 December 2021;
5. Decree of the Secretary General of the Ministry of Culture n. 190 of 25 March 2022, appointing the evaluation committee for the call launched on 30 December 2021;
6. Ministerial Decree n. 874 of 15 October 2021, which establishes the technical-scientific coordination group, composed by representatives of the Ministry of Culture, University, ANCI, sectorial Associations;
7. Administrative Circular of the Secretary General of the Ministry of Culture n. 63 of 20 December 2021, setting out the guidelines for the implementing of the investment 2.3;
8. Two declarations of compliance of the 5 projects selected by the Ministry of Culture with the DNSH conditions set out in the Council Implementing Decision provided by Direzione Generale Musei (note n. 19116 of 3 June 2022) and by the Secretary General of Unita' di Missione del PNRR (note n.19448 of 6 June 2022);
9. Note of the Director General of the Direzione Generale Musei n. 3127 of 11 February 2022, on the criteria for the selection of the projects selected by the Ministry of Culture;
10. One declaration of compliance of the projects selected with the call launched on the 30 December 2021 with the DNSH conditions set out in the Council Implementing Decision (note n. 25577 of 3 August 2022);
11. Checklist attesting the coherence of the interventions with the RRP;
12. Request for technical assistance by the Ministry of Culture to the Ministry of Economic and Finance of 11 May 2022;
13. Note by the Ministry of Culture n. 15925 of 11 May 2022, providing the annual plan for the implementation of the technical assistance.

**Analysis:**

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

In particular:

- The Ministerial Decree n. 505 of 21 June 2022, allocates the resources to projects for the enhancement of parks and historic gardens (art.1). In line with the national legal framework, this Ministerial Decree has the nature of an administrative act and produces effects from the date of adoption and has as such entered into force;
- The historic parks and gardens subject to the interventions are exclusively protected cultural assets, for which artistic or historical interest has been declared (art. 1, comma 2 of the call for project);
- 129 parks and historic gardens were selected following a competitive call for proposal at the national level. Other 5 parks and historic gardens of a prominent historical interest were identified by the Ministry of Culture;
- The Ministerial Decree n. 874 of 15 October 2021 established a technical-scientific coordination group to define the criteria for the selection of the interventions. The adopted criteria were based on the work of the technical –scientific coordination group as explained in the summary document accompanying the milestone and recalled in the call for proposals launched on 30 December 2021. The criteria for the selection of the interventions include: the quality of the park/garden (in terms of historic, artistic, botanical, landscape and social value) and the urgency of the intervention; the coherence and quality of the project; the work plan, the financial

sustainability and the maturity of the project (art. 10 of the call). As specified by the Council Implementing Decision, the coordination group was composed by representatives of Ministry of Culture, members from Academia, ANCI, and sectorial Associations;

- The Council Implementing Decision requires the award of the contracts to the projects selected under the competitive calls for proposals, shall be 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 call for projects launched on 30 December 2021 (through which the 129 parks and historic gardens were selected) required future beneficiaries to commit to respect the DNSH and include the DNSH conditions in the calls for tenders to be launched during project implementation (art. 3, comma 9, let. F). According to the call, the infringement of these obligations could be sanctioned with a revocation of the funding (art. 11, comma 3). The Ministerial Decree n.505 of 21 June 2021 allocating the resources to the projects reproduces and reinforces the above-mentioned obligations to all projects (including those directly awarded), at art. 2, comma 2. The call for project for the selection of 129 parks and historic gardens and the decree allocating resources for all projects referred, under the DNSH obligations, only to beneficiaries awarding public contracts. However, the Ministry of Culture provided three additional supporting declarations (note n. 19116 of 3 June 2022; note n. 19448 of 6 June 2022 and note n.25577 of 3 August 2022), that all the projects had been assessed with the DNSH conditions set out in the Council Implementing Decision. Whilst the call for project and the decree should have included a correct reference to all beneficiaries,, the investment does ensure compliance with the DNSH principle. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled;
- In line with the further specification set out in the Operational Arrangements, which specifies that calls are expected to target potential beneficiaries based on needs, the award criteria of the call (art. 10) prioritize projects where the intervention was urgently needed in terms of safety, state of conservation and historical, cultural and environmental relevance of the park;
- With respect to the further specification on the expectation of the deployment of technical assistance, the Ministry of Culture requested and made use of the technical assistance provided by Cassa Depositi e Prestiti and Invitalia to support the administrative procedures, including for the assessment and selection of the projects as evidenced by request for technical assistance that was submitted by the Ministry of Culture to the Ministry of Economy and Finance on 11 May 2022.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M1C3-15	<b>M1C3.I2.4</b> - Seismic safety of place of places of worship, restoration of FEC heritage and shelters for art works	
<b>Name of the Milestone:</b> Entry into force of the Ministry of Culture decree for the allocation of resources: for seismic safety in place of worship and FEC (Fondo Edifici di Culto) heritage restoration		
<b>Qualitative Indicator:</b> Provision in the decree indicating the entry into force of the Ministry of Culture decree for the allocation of resources for seismic safety in place of worship and FEC (Fondo Edifici di Culto) heritage restoration		<b>Time:</b> Q2 2022

**Context:**

This investment aims at putting in place an anti-seismic preventive action plan to protect worship places. The measure includes: anti-seismic interventions in places of worship, restoration works to churches owned by the Fund for Places of Worship (FEC), the construction of warehouses to shelter art works (recovery art) and the creation of the National Functional Centre for the Protection of Cultural Assets from Human and Natural Risks.

Milestone M1C3-15 is the first step of the investment and requires the entry into force of a decree allocating the resources to projects concerning the anti-seismic interventions and restoration works in place of worships (first step). The measure envisages one final target: indicatively by Q4 2025 (M1C3-19), 300 interventions, shall be completed.

**Evidence provided:**

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

1. Summary document duly justifying how the milestone, including all the constitutive elements, was satisfactorily fulfilled.
2. Ministerial Decree n. 455 of 7 June 2022 (and its annexes), allocating the resources to projects for the anti-seismic interventions in places of worships and restorations works for the Fund for Places of Worship and copy of the publication on the Ministry website;

The authorities also provided:

3. Ministerial Decree n. 177 of 21 April 2022, allocating the resources for the investment 2.4 in 4 lines of intervention;
4. Note of Direzione Generale Sicurezza del Patrimonio Culturale n. 1771 of 30 May 2022 and note of Direzione Centrale degli Affari dei Culti e per l'Amministrazione del Fondo Edifici di Culto n.5404 of 27 May 2022 (and their annexes), including two declarations of compliance with the DNSH conditions set out in the Council Implementing Decision;
5. Note of Direzione centrale degli affari dei culti e per l'amministrazione del Fondo edifici di culto (and its annexes) n.5584 of 3 June 2022, providing evidences that the interventions of the Fund for Places of Worship were selected on the basis of the state of conservation of the assets;
6. Notes of Direzione Generale Sicurezza del Patrimonio Culturale n.1708 of 12 August 2021; n.2728 of 7 December 2021 and n. 313 of 4 February 2022 concerning the selection of the anti-seismic interventions in places of worship;
7. Communication of the Court of Auditors n. 20985 of 20 June 2022, attesting the registration of the Ministerial Decree n. 455 of 7 June 2022;
8. Communication of the Ministry of Finance n.21258 of 14 June 2022, confirming that the Ministerial Decree n.455 of 7 June 2022 has passed the preventive administrative and accounting control;
9. The Decrees of the Secretary General of the Ministry of Culture n. 528 of 7 July 2021 and n. 10 of 20 January 2022, setting out the governance structure for the implementation of the investments for M1C3;
10. Decree of the President of the Council of Minister n.395 of 30 December 2020, amending the list of places of worship;
11. The administrative circulars of Direzione Centrale degli Affari dei Culti e per l'Amministrazione del Fondo Edifici di Culto n. 2 of 8 February 2019, n.2 of 3 November 2020 and n.3 of 29 November 2021 concerning the restorations works for the Fund for Places of Worship planned for 2021-2023 and the selection of the projects for the investment 2.4;
12. Checklist attesting the coherence of the interventions with the RRP;

13. Request for technical assistance by the Ministry of Culture to the Ministry of Economic Affairs on 11 May 2022;

14. Note by the Ministry of Culture n. 15925 of 11 May 2022, providing the annual plan for the implementation of the technical assistance.

#### **Analysis:**

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

In particular:

- The Ministerial Decree 177 of the 21<sup>st</sup> of April 2022 allocates the resources to the four lines of intervention envisaged for the investment, more specifically:
  - for the protection of places of worship against seismic risks;
  - For the restoration of the heritage of the Fund for places of worship (FEC);
  - for the construction of warehouses as shelter for art works in case of catastrophic events;
  - for the National Functional Centre for the Protection of Cultural Assets from Human and Natural Risks (CEFURISC).

The resource allocation is in line with the action plan outlined in the description of the measure of the Council Implementing Decision;

- Subsequently, the Ministerial Decree n. 455 of 7 June 2022 specifically allocates the resources to projects for the first two lines of interventions, i.e. for the anti-seismic interventions in places of worships and restorations works for the Fund for Places of Worship (art. 1). The Ministerial Decree indicates the implementing entities, the eligibility and financing of buildings undergoing interventions and typology (art. 1 and 2 of the decree; annex 1 and 2). In line with the national legal framework, this Ministerial Decree has the nature of an administrative act and produces effects from the date of adoption and has as such entered into force;
- The seismic prevention and safety measures of places of worship covered by the decree concern all regions and, in line with the Council Implementing Decision, includes the areas affected by several earthquakes which hit Regions of Italy from 2009 onwards (Abruzzo, Lazio, Marche and Umbria) as evidenced by the annexes I and II to the Ministerial decree n.455 of 7 June 2022;
- In line with the Council implementing Decision, the interventions of the Fund for Places of Worship were selected on the basis of the state of conservation of the assets, as provided for in the note 5584 of 3 June 2022 of Direzione Centrale degli Affari dei Culti e per l'Amministrazione del Fondo Edifici di Culto;
- With regard to compliance with the DNSH principle, the Council Implementing Decision required the award of the contracts to the projects selected under the competitive calls for proposals to be 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. In this respect, all the projects were assessed in terms of compliance with the DNSH conditions included in the Council Implementing Decision, as evidenced by the declarations of Direzione Generale Sicurezza del Patrimonio Culturale (note n.1771 of 30 May 2022) and Direzione Centrale degli Affari dei Culti e per l'Amministrazione del Fondo Edifici di Culto (note n.5404 of 27 May 2022). To ensure that those conditions will also be respected during project implementation, the Ministerial Decree n.455 of 7 June 2022, at art. 2 "obblighi dei soggetti attuatori" (obligations of the implementing bodies), binds the implementing bodies to respect the DNSH and include the DNSH conditions in the calls for tenders to be launched during project implementation (art. 2, comma 2);
- In line with the further specification set out in the Operational Arrangements, which specifies that calls are expected to target potential beneficiaries based on needs, the Ministry of Interior classified the interventions according to seismic risk and state of asset conservation. This

approach allowed to allocate resources where needed prioritizing urgent interventions classified as “High Priority”;

- With respect to the further specification on the expectation of the deployment of technical assistance, the Ministry of Culture used the technical assistance provided by Cassa Depositi e Prestiti and Invitalia to support the administrative procedures, including for the assessment and selection of the projects as evidenced by the request for technical assistance that was submitted by the Ministry of Culture to the Ministry of Economy and Finance on 11 May 2022.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M1C3-35	<b>M1C3.I4.3</b> - Caput Mundi Next Generation EU for touristic great events	
<b>Name of the milestone:</b> Signing of each Agreement for six projects between a Ministry of Tourism and beneficiaries/implementing bodies		
<b>Qualitative Indicator:</b> Publication of the programme Agreement between the Ministry of Tourism, the Municipality of Rome Capital and the other actors involved	<b>Time:</b> Q2 2022	
<p><b>Context:</b> The investment aims at improving the tourism offer of Rome by making it more sustainable, green and digital and creating valid tourist and cultural alternatives to the crowded central areas. Six lines of interventions are envisaged: I) “Roman Cultural Heritage for EU-Next Generation”; II) “Jubilee paths”; III) “#LaCittàCondivisa”; IV) “#Mitingodiverde”; V) “#Roma 4.0”; VI) “#Amanotesa”.</p> <p>M1C3-35 is the initial step of the investment and requires the signature of the agreements between the Ministry of Tourism and the implementing bodies. The measure envisages two targets: 50% of the requalification works for 200 tourist sites shall be carried out by Q4 2024 (M1C3-27). These 200 interventions shall be completed by Q2 2026 (M1C3-36).</p>		
<p><b>Evidence Provided:</b> In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>1. A summary document duly justifying how the milestone, including all the constitutive elements, was satisfactorily fulfilled.</li> <li>2. Copies of the signed agreements (10 in total) between the Ministry of Tourism and the implementing bodies (and their annexes), and link to their publication on the Ministry’s website. In particular, each agreement includes: i) a list of selected intervention classified per program, ii) the operational guidelines, iii) a manual of procedures;</li> </ol> <p>The authorities also provided:</p> <ol style="list-style-type: none"> <li>3. Copy of the programme agreement, approved by the decree of the Ministry of Tourism n. 8166 of 27 June 2022, and link to its publication on the Ministry’s website;</li> <li>4. Law Decree n.36 of 30 April 2022, art.40, enabling the Ministry of Tourism to delegate the Special Commissioner of the Government for the Jubilee to stipulate the agreements for the implementation of the investment “<i>Caput Mundi</i>”;</li> <li>5. Law n.234 of 30 December 2021, commas 401-500, on the legislative framework concerning the organization of the Jubilee;</li> </ol>		

6. Decree of the President of the Republic of 4 February 2022, nominating the Mayor of Rome Capital City as Special Commissioner;
7. Decree of the Ministry of Tourism n. 6971 of 27 May 2022, delegating the Special Commissioner to sign the agreements with the implementing bodies for the investment “*Caput Mundi*”;
8. Note of the Special Commissioner n.11853 of 16 September 2022 (and its annex) defining the selection and award criteria before the calls for tenders;
9. Note of the Special Commissioner n. 83 of 22 August 2022 providing a declaration of compliance of the selected projects with the eligibility criteria set out in the Council Implementing Decision. The note also includes a specific declaration of compliance with DNSH conditions;
10. Note of the Special Commissioner n.38 of 27 June 2022, that include as annexes the notes of the implementing bodies concerning the selection of the projects;
11. Ordinance of the Special Commissioner n. 20 of 24 June 2022, approving the list of interventions for the investment 4.3;
12. Decree of the Ministry of Tourism n. 8166 of 27 June 2022, approving the list of interventions indicated in the Ordinance of the Special Commissioner n. 20/2022.

**Analysis:**

*The Commission considers that there is a clerical error in the text of the Council Implementing Decision as regards the description and the denomination of the milestone M1C3-35 and has undertaken the assessment on a revised basis. In such description, it is stated that “the agreements shall be signed for the 6 projects (...)”. However, the description of the measure states “the investment envisages six lines of interventions”. This latter formulation is the one considered relevant for the fulfillment of M1C3-35. Therefore, the description and the denomination of the milestone were interpreted as “the agreements shall be signed for the projects related to the six lines of interventions”.*

Against this background, the justification and substantiating evidence provided by the Italian authorities cover all constitutive elements of the milestone.

In particular:

- On behalf of the Ministry of Tourism, the Commissioner signed for the six projects envisaged by the Council Implementing Decision an agreement with each implementing body. In total, 10 agreements have been signed and each agreement included as an annex a list of sub-projects related to the six lines of interventions. These agreements were published on the Ministry’s website together with the programme agreement, approved by the Ministry of Tourism with the Decree n. 8166/2022 (art. 1);
- As evidenced by the 10 signed agreements, the implementing bodies correspond to those listed in the Council implementing Decision, namely: Rome Capital City; Archaeological Superintendence for Cultural, Environmental and Landscape Heritage of Rome (MIC); Archaeological Park of the Colosseum; Archaeological Park of the Appia Antica; Diocese of Rome; Ministry of Tourism; Region Lazio;
- Before the calls for tenders, the criteria for the selection and the award and the projects specificities were defined with the related resources as evidenced the note of the Special Commission n.11853 of 16 September 2022 and by the signed agreements. In particular, the calls for tenders will be managed either by Invitalia (through framework contracts) or by the implementing bodies, following the selection and award criteria detailed in the above-mentioned note. For the former, the contracts will be awarded to the most economically advantageous tender. For the latter, the award criteria will be the lowest price. Finally, with

respect to resource distribution, annex 1 of each signed agreement provide a resource allocation at project level.

- With regard to compliance with the DNSH principle, the Council Implementing Decision required the award of the contracts to the projects selected under the competitive calls for proposals to be 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. In this respect, all the projects were assessed in terms of compliance with the DNSH conditions included in the Council Implementing Decision, as evidenced by the note of the Special Commissioner n. 83 of 22 August 2022 providing a declaration of compliance of the selected projects with the DNSH conditions set out in the Council Implementing Decision. To ensure that those conditions will also be respected during project implementation, the signed agreements bind implementing bodies to respect the DNSH and include the DNSH exclusion list and the requirement of compliance with the EU and national environmental legislation in the calls for tenders to be launched during project implementation (art.6).

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M2C1-1	<b>M2C1.R1.1</b> - National Strategy for Circular Economy	
<b>Name of the milestone:</b> Entry into force of the Ministerial Decree for the adoption of the National Strategy for Circular Economy		
<b>Qualitative Indicator:</b> Provision in the Ministerial Decree indicating the entry into force		<b>Time:</b> Q2 2022
<p><b>Context:</b> This reform consists in the adoption of a National Strategy for the Circular Economy with the aim to set up a new digital waste traceability system, tax incentives to support recycling activities and the use of secondary raw materials, a revision of environmental taxation, promote the right to reuse and repair, reform of the EPR (Extended Producer Responsibility) and Consortia system, support for existing regulatory tools (such as End of Waste legislation and Minimum Environmental Criteria under Green public procurement) and support to industrial symbiosis project. The reform of the EPR and Consortia system shall also address the need for a more efficient use of the environmental contribution to assure the application of transparent and non-discriminatory criteria. A specific supervisory body with the aim of monitoring the functioning and the effectiveness of the Consortia systems, under the presidency of Ministry of Ecological Transition (MITE) shall be created. The measure shall address all the Consortia (not only CONAI packaging system).</p> <p>This milestone is the only one related to the implementation of this measure and requires the adoption of measures and the entry into force of legal acts in relation to the various dimensions aforementioned.</p>		
<p><b>Evidence Provided:</b> In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>1. Publication of the Ministerial Decree n. 259 of 24 June 2022 approving the National Strategy for the Circular Economy as an Annex (<a href="https://www.mite.gov.it/pagina/riforma-1-1-strategia-nazionale-l-economia-circolare">https://www.mite.gov.it/pagina/riforma-1-1-strategia-nazionale-l-economia-circolare</a> ).</li> </ol>		



2. Ministerial Decree n. 342 of 19 September 2022 [published at the site of the Ministry](#) that adopts the [chronoprogramme](#) for the implementation of the measures of the National Strategy for the Circular Economy.
3. Summary document duly justifying how the milestone, including all the constitutive elements, was satisfactorily fulfilled.

**Analysis:**

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

In particular,

The National Strategy for the Circular Economy, which is adopted as Annex to the Ministerial Decree n. 259 of 24 June 2022, envisages measures for every dimension outlined in the milestone and is further developed by a chronoprogramme adopted through the Ministerial Decree n. 342 of 19 September 2022 providing a specific timeline of implementation for those considered as a priority in the short and medium term. Article 1 (3) of the Ministerial Decree that adopts the chronoprogramme specifies that it must be updated every year and a report on the state of implementation must be adopted together with the update.

The measures envisaged in the Strategy for each part of the milestone are the following:

As regards measures for new digital waste traceability system that shall support on one hand the development of secondary market for raw materials (by giving a clear framework of the supply of secondary raw materials) and on the other hand the control authorities in preventing and tackling illegal management of waste, the chronoprogramme envisages the adoption of a Ministerial Decree defining arrangements of the National Electronic Register of Traceability of Waste (R.E.N.T.R.I.) (T3 2022), including (i) the development of the secondary market for raw materials providing companies with the information necessary to enable their procurement and (ii) arrangements to support the control authorities in preventing and contrast in the illegal management of waste. This is to give follow-up to the objective enshrined in the Section 6.1 of the National Strategy for the Circular Economy (page 97): *“The new overall digital traceability system is expected on the one hand to allow the development of the secondary market for raw materials, providing companies with the information necessary to enable their procurement, and on the other hand, shall support the control authorities in preventing and contrast in the illegal management of waste”*. The R.E.N.T.R.I is the platform for the new information system for the traceability of waste asset up by Article 6 of the Legislative Decree n. 135 of 14 December 2018 converted into Law n. 12 of 11 February 2019.

In relation to the tax incentives to support the recycling activities and the use of secondary raw materials, Section 8 of the National Strategy for the Circular Economy envisages a set of actions such as the “Introduction of deposit-reimbursement systems and other measures to encourage efficient collection of used products and materials”, “Fiscal measures or other means to promote the dissemination of products and materials that are prepared for reuse or recycled” and “Economic incentives for local and regional authorities, aimed in particular at promoting waste prevention and intensifying separate collection schemes, while avoiding supporting landfilling and incineration” (page 125). The chronoprogramme envisages to propose for the next budget law the reinstatement of the tax credit for companies that buy products made with materials from separate collection of plastic packaging and for purchases of biodegradable packaging and compostable or derived from separate collection of paper and aluminum. That tax credit of 36%, which was abandoned in 2021 and 2022, relates to the acquisition of products (with a ceiling of EUR 20 000) made with materials from separate collection of plastic packaging and for purchases of biodegradable packaging and compostable or derived from separate collection of paper and aluminum. The chronoprogramme

does also envisage to update of the tax credit Transition 4.0 for the interventions in support of the circular economy.

As regards the revision of the environmental taxation system on waste in order to make recycling more convenient than landfilling and incineration across the national territory, Section 8 of the National Strategy for the Circular Economy envisages a set of actions such as the “taxes and restrictions for landfilling and waste incineration that incentivize prevention and recycling, leaving landfilling as a less preferable waste management option” and “ phasing out of subsidies contrary to the objectives of the waste programme” (page 125). The achievement of those objectives enshrined in the Strategy is expected to discourage landfilling and incineration by making it more expensive and less attractive from a financial perspective while encouraging recycling behaviours. The chronoprogramme gives follow-up to those objectives by envisaging a set of measures aimed at reviewing the environmental taxation system. They are the following, (i) increase of the special tax for the deposit of solid waste of landfills by at least 50% taking into account both the minimum and maximum thresholds, which must be reviewed by law by Q4-2023, and also the aim to reduce regional disparities in separate collection, (ii) the adoption of legal initiatives for the removal of environmentally harmful subsidies by Q2-2023 (iii) removal of the 10% subsidised VAT related to the management, storage and temporary storage of urban and special waste, including landfill or incineration, as well as the management of sewerage and purification plants in the next Budget law, (iv) removal of tax reduction to 20% of the ordinary tariff for waste disposed of in incineration plants without energy recovery, for the waste and excesses of automatic sorting, recycling and composting plants, as well as for sludge, also shovelable in the next Budget law, (v) adoption of a legal act by Q4-2022 to earmark the resources deriving from the elimination of subsidies harmful to the environment to a public fund for the promotion of interventions for the reduction and prevention of waste production and for the development of new recycling and disposal technologies and (vi) support measures for local and regional authorities, aimed in particular at promoting waste prevention and intensifying separate collection schemes, while avoiding supporting landfilling and incineration.

In relation to the right to reuse and repair, Section 4.2 of the National Strategy for the Circular Economy (page 64) envisages the adoption of the regulation pursuant to Article 214-ter, paragraph 2, of Legislative Decree n. 152 of 3 April 2006 which will regulate the operating methods through which products or components of products that have become waste are prepared in such a way that they can be reused without any other pre-treatment. In this way, the waste suitable to be prepared for their reuse will be identified through operations of preparation for reuse, such as checking, cleaning, disassembly and repair, such as to allow the obtaining of products or components of products conforming to the original model, having the same purpose for which they were designed and the same product characteristics and safety guarantees. This regulation, in which a special section will be dedicated to waste of electronic products, is expected to facilitate access to waste held by the collection infrastructures, in accordance with the provisions of the revised Article 181 of Legislative Decree n. 152 of 3 April 2006, introducing a simplified procedure for the exercise of these operations. The envisaged provisions will also identify measures to ensure health and safety at work, environmental protection, as well as the quality of the services and products obtained. To this end, in relation to waste of electronic products, specific reference will be made to the technical standard CENELEC EN 50614: 2020, which provides a framework aimed at ensuring the safety of equipment and the quality of preparation for reuse by part of the operator. This regulation is identified in the chronoprogramme as part of the measures to be adopted to incentivise and promote the right to reuse and repair together with others such as (i) the construction of publicly owned centers for the reuse and repair of assets, (ii) the set-up of incentives in favour of individual behaviors aimed at reducing waste, including consumers, (iii) the adoption of administrative and fiscal incentives to promote reuse, (iv) the set-up of an Ecological Table for the reuse and repair by the owner, which will cover the life cycle of the product from conception and placing on the market - labelling, etc.)

and (v) the use of mandatory Minimum Environmental Criteria in public procurement as an incentive to reuse and repair assets.

As regards the reform of the Extended Producer Responsibility (EPR) and Consortia system in order to support the achievement of EU recycling targets through the creation of a specific supervisory body, under the presidency of MITE, with the aim of monitoring the functioning and the effectiveness of the Consortia systems, Section 2.4 of the National Strategy for the Circular Economy specifies that a specific Supervisory Body under the presidency of the Ministry of Ecological Transition will be established with the aim of “monitoring the functioning of the Consortia and autonomous systems for waste management, so to make their work more efficient and effective in terms of achieving objectives and using resources”. The Strategy adds that the powers of that Supervisory Body will be (i) the monitoring of the activities of the various consortia and autonomous systems and to ensure compliance with regulatory obligations and environmental objectives; (ii) the adequacy of the costs incurred and (iii) the correct determination of the environmental contribution and its use. This Supervisory Body will also involve the Ministry for Economic Development (MISE), the Competition and Market Authority (AGCM), the Regulatory Authority for Energy, Networks and the Environment (ARERA) and the National Association of Italian Municipalities (ANCI). The chronoprogramme envisages the adoption of the relevant legal act for the set-up of the Supervisory Body by the end of 2022. It does also envisage other measures to give follow-up to the actions outlined in Section 8 such as (i) the definition of the Programme Agreement for the implementation of an experimental model for the implementation of EPR obligations for distance sellers on online marketplaces (T4 2022); (ii) the definition of draft decrees for the establishment of EPR obligations for textiles and plastics: (iii) Amend Article 238 (10) of Legislative Decree No 152 of 3 April 2006 by removing the minimum duration of five years laid down for agreements to be concluded by non-household customers with the public operator or with the private operator for the collection and start of recovery of their own waste; (T4 2022);; (iv) Amend the rules providing for the participation of selection companies in the negotiations for the establishment of the framework programme agreement (or sectoral agreement) between all the compliance systems (supply chain consortia and recognised autonomous systems), ANCI, the Union of Italian Provinces (UPI) and the bodies managing optimal territorial scope. (T4 2022) or (v) Adopt the decrees provided for in Article 178-bis of Legislative Decree No 152 of 2006 for the establishment of extended producer responsibility schemes.

In relation to the support to the existing regulatory tools (End of Waste legislation, Minimum Environmental Criteria (CAM) under Green Public Procurement) the chronoprogramme does envisage the following measures, (i) additions and corrections to Legislative Decree No 116/2020 transposing Directive 2018/851 (T4 2022); (ii) Adoption of the Ministerial Decree adopting the update of the ‘National Action Plan for the Environmental Sustainability of Consumption in Public Administration’ (GPP NAP), pursuant to Article 1 (1126) of Law No 296/2006 (T4 2022); (iii) Director’s Decree MITE DG EC ‘Operating instructions for the management and disposal of encouraged photovoltaic panels’ (WEEE) (T3 2022); (iv) Annual programming of Minimum Environmental Criteria and End Of Waste decrees shared within the permanent table with the regions set up by MiTE (T1 2023; T1 2024; T1 2025); (v) Ministerial Decree Ecological Transition of 15 July 2022 on the end of waste of construction waste (reform M2C2-1.1. g of the NRRP) (T3 2022); (vi) Ministerial Decree Ecological transition related to the end of waste of road rubbing land by 31.01.2023 (T1 2023); (vii) Ministerial Decree Ecological transition related to the end of waste of mixed plastics by 30.06.2023 (T2 2023); (viii) Ministerial Decree Ecological transition related to the end of waste textiles (T3 2023); (ix) Ministerial Decree Ecological transition relating to the end of waste for batteries and accumulators (lead pastle) (T4 2023); (x) Training support programme for administrations on green public procurement (CAM) implementing the ARCA project (milestone M2C1-2) (launch T2 2022). The revision of the regulatory tool does therefore address specifically construction, textile, plastics and waste of electrical and electronic equipment.

As regards the support to industrial symbiosis project through regulatory and financial instruments the chronoprogramme of the Strategy envisages (i) the development of project tools and/or schemes for financial incentives and simplification of business networks for circular purposes, regeneration of areas in circular ecodistricts with a view to industrial symbiosis, in collaboration with Ministry of Economic Development, research centres, education/training systems and trade associations (T3 2023) and (ii) the implementation of a digital platform to help match demand for and supply of secondary raw materials with a view to industrial symbiosis (T2 2024).

In line with the further specifications of the Operational Arrangements, the National Strategy for Circular Economy issued in 2017 include a reform of the EPR (Extended Producer Responsibility) and Consortia systems envisaging measures to encourage the design of products and their components to reduce waste generation and related environmental impacts, and to ensure that the management of waste is made in accordance with Article 179 of Legislative Decree No 152/2006. Section 2.4 of the National Strategy for the Circular Economy specifies that a specific Supervisory Body under the presidency of the Ministry of Ecological Transition will be established with the aim of “monitoring the functioning of the Consortia and autonomous systems for waste management, so to make their work more efficient and effective in terms of achieving objectives and using resources”. The Supervisory Body will address all Consortia as specified by the Operational Arrangements. The Strategy adds that the powers of that Supervisory Body will be (i) the monitoring of the activities of the various consortia and autonomous systems and to ensure compliance with regulatory obligations and environmental objectives; (ii) the adequacy of the costs incurred and (iii) the correct determination of the environmental contribution and its use. This Supervisory Body will also involve the Ministry for Economic Development (MISE), the Competition and Market Authority (AGCM), the Regulatory Authority for Energy, Networks and the Environment (ARERA) and the National Association of Italian Municipalities (ANCI). The chronoprogramme envisages the adoption of the relevant legal act for the set-up of the Supervisory Body by the end of 2022.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M2C1-2	<b>M2C1.R1.3</b> - Technical support for Local Authorities	
<b>Name of the milestone:</b> Approval of agreement for the development of the Building capacity action plan to support local public authorities		
<b>Qualitative Indicator:</b> Publication of the approved agreement in the website of the Ministry		<b>Time:</b> Q2 2022
<p><b>Context:</b> This is a reform aimed at providing technical support to local authorities for the implementation of environmental EU and national regulation, the development of plans and projects regarding waste management, green public procurement and on tendering procedures. This reform supports therefore the implementation of the waste management reforms proposed in the business environment reform component.</p> <p>The milestone M2C1-2 is the only one for the implementation of this measure and requires the approval of an agreement for the development of the Building capacity action plan to support local public authorities in implementing the environmental EU and national legislation, in developing the plans and projects regarding waste management and in supporting them to tender procedures to that concessions in waste management are granted in a transparent and non-discriminatory way.</p>		
<b>Evidence Provided:</b>		

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

1. Copy of the adopted action plan (ARCA project) and a link to the website where it can be accessed (<https://www.mite.gov.it/pagina/riforma-1-3-supporto-tecnico-alle-autorita-locali>).
2. Summary document duly justifying how the milestone, including all the constitutive elements, was satisfactorily fulfilled.
3. Explanatory report demonstrating how the actions foreseen in the programme contribute to achieving the objectives of the project as an Annex to the self-assessment fiche.

The authorities also provided,

4. The text of the Financing agreement between the Ministry of Ecological Transition and the Agency for Territorial Cohesion.
5. The Convention for the implementation of the technical support for the implementation of the ARCA project.

#### **Analysis:**

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

The Ministry of Ecological Transition and the Agency for Territorial Cohesion have adopted an agreement for the financing of the Building capacity action plan to support local public authorities in various fields related to their powers as regards waste management. The agreement was published on the website of the Ministry of Ecological Transition (<https://www.mite.gov.it/pagina/riforma-1-3-supporto-tecnico-alle-autorita-locali>). The implementation of the technical support is entrusted to Sogesid S.p.A. (Article 2 of the Convention for the implementation of the ARCA project).

The technical support is envisaged for the following dimensions,

Technical assistance for the implementation of environmental EU and national legislation. The ARCA project envisages that “Technical — regulatory and administrative support shall be provided in preparation for launching calls for tenders for the construction of plant installations for waste in accordance with the Public Procurement Code, EU and national environmental legislation and Green Public Procurement rules and shall accompany the autonomous regions/tests in the authorisation procedures for these.” (Activity 7- page 30). Technical and regulatory support will be provided to the regions and autonomous provinces in the stages of the tender and award of the service to check their compliance with the various legal frameworks mentioned.

- Support for the development of plans and projects regarding waste management. Activity 6 (page 29) of the ARCA project envisages that “The necessary support shall be provided to ensure the completion of the updating process and approval of regional waste management plans” and that “On-the-spot technical and regulatory assistance is provided for officials of the Regions that are updating the respective waste management plans”. This activity consists of continuous training to regions and autonomous provinces through the platform Monitor Piani to ensure the completion of the regional waste management plants, including actions on how to use the platform.
- Support for tender procedures, to ensure that concessions in waste management are granted in a transparent and non-discriminatory way increasing competitive processes to achieve better

standards for public services as required by the CID. The ARCA project envisages that “*Technical – regulatory and administrative support shall be provided in preparation for launching calls for tenders for the construction of plan installations in accordance with the Public Procurement Code [...] and the legal framework on Green Public Procurement*” (Activity 7 – page 30). Considering that the Public Procurement Code as adopted by the Legislative Decree n. 50 of 18 April 2016 requires that concessions are granted in a transparent and non-discriminatory way (Articles 29 and 30) and mandates (Article 34) that contracting authorities must comply with environmental and energy sustainability criteria, set and defined in detail by the Ministry for Environment (now Ministry for Ecological Transition), also pursuant to the principles contained in Law 221/2015 on the promotion of green economy, it is considered that this constitutive element of the milestone is satisfactorily fulfilled. It is considered that this constitutive element of the milestone is satisfactorily fulfilled.

- Activities 7 and 10 of the ARCA project (pages 29 and 32) contain a specific building capacity action plan to support local public authorities and professional public buyer for applying the correct application of Minimum Environment Criteria (CAM). Activity 10 will analyse all regional management plants all PRGRs to ensure consistency and coherence among them. It will provide technical-regulatory assistance in verifying the legal requirements of the plants, including the technical support for capacity building support to local Authorities in the application of the Environmental Criteria to the tender procedures Minimum (CAM) and green procurement (GPP).

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M2C1-11	<b>M2C1.I3.3</b> - Culture and awareness on environmental topics and challenges
<b>Name of the milestone:</b> Launch of web platform and contracts with authors	
<b>Qualitative Indicator:</b> Notification of signature of contract with content producers	<b>Time:</b> Q2 2022
<p><b>Context:</b> This investment consists in the design and production of digital content to raise awareness of environmental and climate challenges by producing a set of podcasts, school-video lessons, videos and articles, including an online, subscription-free platform as a “repository” of educational and recreational materials on environment-related topics.</p> <p>In a first stage the milestone M2C1-11 consists of launching a web platform and conclude final agreements signature with "content producers". In a second stage target, M2C1-12, expected by Q2-2026 consists of the development of those contents. They will include podcasts, school-video lessons, videos and articles, also expecting to involve key influencers. In addition, an online, subscription-free platform will be created with the objective to become the most comprehensive “repository” of educational and recreational materials on environment-related topics.</p>	
<p><b>Evidence Provided:</b></p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>1. Framework contract with <i>Consip</i> for the development of the web platform</li> <li>2. Contract with the company <i>Almawave S.p.A</i> for the development of the portal culture and awareness on environmental topics.</li> <li>3. Contract with <i>Engineering Ingegneria Informatica S.p.A</i> for the development of omni-channel contents.</li> </ol>	

4. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
5. Explanatory report demonstrating how the actions envisaged in the programme contribute to achieving the objectives of the project as an Annex to the self-assessment fiche.

**The authorities also provided:**

1. Public tender for the development of digital contents (<https://www.gazzettaufficiale.it/eli/id/2022/04/08/TX22BFM7073/s5>)

**Analysis:**

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

The web platform was already publicly launched (<https://coll-culturaeconsapevolezza.mite.gov.it>) on 15 July 2022

For the contents, contracts with Almaxwave S.p.A and with ENGINEERING INGEGNERIA INFORMATICA S.p.A. were signed respectively on 9 June 2022 and 29 August 2022 following the tender published in the Official Journal of the Italian Republic on 8 April 2022 ([www.gazzettaufficiale.it/eli/id/2022/04/08/](http://www.gazzettaufficiale.it/eli/id/2022/04/08/)). Section 4 of the technical specification of the tender describes the object of the contract, which includes the production of 180 podcasts organised in stakes according to the agreed editorial plan; the production of 120 video clips and short tutorials for the web and social media; the production of up to 20 video dissemination classes for primary, secondary and secondary schools and creation of a maximum of 8 video and radio Spots. The section 5.1 of the tender specifies the type of contents eligible. Article 1 of the contract with Almaxwave, signed on 9 June 2022, specifies that this company will develop the contents related to culture and environmental awareness. The contract with Engineering Ingegneria Informatica, signed on 29 August 2022, specifies that this company will develop the omni-channels contents.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M2C1-13	<b>M2C1.R1.2</b> - National Program for Waste Management
<b>Name of the milestone:</b> Entry into force the Ministerial Decree for the National Program for Waste Management	
<b>Qualitative Indicator:</b> Provision in the law indicating entry into force   <b>Time:</b> Q2 2022	
<b>Context:</b> This reform consists in the adoption of a broad National Programme for Waste management aiming at the highest levels of preparation for reuse, recycling and recovery of waste, adapting the network of installations necessary for integrated waste management, minimising final disposal as the ultimate and residual option, establishing monitoring systems, preventing the opening of new infringement procedures against Italy, tackling low collection of waste, discouraging landfilling and ensuring complementarity with regional waste programmes, enabling the achievement of European and national waste legislation objectives and tackling illegal waste dumping and open-air burning.	
<b>Evidence Provided:</b> In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:	



1. Ministerial Decree n. 257 of 24 June 2022 approving the National Program for Waste Management published in the Official Journal n. 151 of 30 June 2022 (<https://www.gazzettaufficiale.it/eli/id/2022/06/30/22A03806/sg>);
2. The National Program for Waste Management approved as an Annex to the Ministerial Decree n. 257 of 24 June 2022.

#### **Analysis:**

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

Article 1 of the Ministerial Decree approves the National Program for Waste Management.

The National Program for Waste Management contains in its Chapter 3 a synoptic table that provides a set of so-called “general objectives” and “macro-objectives” as well as “macro-actions” that aim at the highest levels of preparation for reuse, recycling and recovery of waste. It also provides in its Chapter 8 a table with the synthesis of strategic flows, infrastructure gaps a regional actions that need to be undertaken to aim at the highest levels of preparation for reuse, recycling and recovery of waste. These objectives achieve the objectives set out in article 181 of Legislative Decree 152/06 and also take into account the extended producer responsibility schemes.

The National Program for Waste Management contains in its Chapters 3 a synoptic table that provides a set of so-called “general objectives” and “macro-objectives” as well as “macro-actions” that aim to adapt the network of installations necessary for integrated waste management, minimising final disposal as the ultimate and residual option. It also includes in its Chapter 8 a table with the synthesis of strategic flows, infrastructure gaps a regional actions that need to be undertaken to adapt the network of installations necessary for integrated waste management, therefore minimising final disposal as the ultimate and residual option. These objectives adapt the network of installations necessary for integrated management with a view to develop the circular economy – ensuring the necessary capacities to achieve the highest levels of preparation for reuse, recycling and recovery of waste.

The National Program for Waste Management contains in its Chapter 12 a list of indicators to implement the “macro-objectives” of the National Program for Waste Management. These indicators allow to establish an adequate monitoring of the implementation of the National Program for Waste Management to allow the constant verification of compliance with its objectives and the eventual necessity to adopt corrective tools for the achievement of the planned actions.

The National Program for Waste Management contains in its Chapter 8 a table with the synthesis of strategic flows, infrastructure gaps and regional actions that need to be undertaken to prevent the opening of new infringement procedures against Italy for failure to implement EU legislation on waste. The platform *MonitorPiani* to be based on table 32 (page 77 of the program “*checklist per la valutazione della coerenza dei piani regionali con la normativa comunitaria*”) is expected to include a set of elements to stipulate six waste streams (i.e. municipal waste, packaging waste, batteries waste, hazardous waste, WEEE (waste from electrical and electronic equipment) & ELVs (End of Life Vehicles) as well as an analysis of the current waste management situation in the geographical entity concerned; measures to be taken to improve environmentally sound preparation for re-use, recycling, recovery and disposal of waste; an evaluation of how the plan will support the implementation of the objectives and provisions of the Directive 2008/98/EC on waste; an evaluation of whether the waste management plans conform to the prohibition laid down in article 5 of Directive 1999/31/EC on the landfill of waste, notably that no waste that has been separately collected for preparing for re-use and recycling is landfilled (with the exception of waste resulting from subsequent treatment operations of the separately collected waste for which landfilling delivers the best environmental outcome).



The National Program for Waste Management contains in its Chapter 8 a table with the synthesis of strategic flows, infrastructure gaps and regional actions that need to be undertaken to tackle the low collection of waste and to discourage landfilling.

The National Program for Waste Management contains in its Chapter 9 for the regional waste management plants the requirement to be complementary to the National Program for Waste Management.

The National Program for Waste Management contains in its Chapters 3 a synoptic table that provides a set of so-called “general objectives” and “macro-objectives” as well as “macro-actions” that aim at the highest levels of preparation for reuse, recycling and recovery of waste. It also provides in its Chapter 8 a table with the synthesis of strategic flows, infrastructure gaps a regional actions that need to be undertaken to bridge the waste management gaps and regional divide, regarding installations capacity and quality standards existing between the different regions and areas of the national territory, with the objective to recover delays.

The National Program for Waste Management contains in its Chapters 3 a synoptic table that provides a set of so-called “general objectives” and “macro-objectives” as well as “macro-actions” to achieve the current and new objectives provided for by European and national legislation. It also provides in its Chapter 8 a table with the synthesis of strategic flows, infrastructure gaps a regional actions that need to be undertaken to achieve the current and new objectives provided for by European and national legislation;

The National Program for Waste Management contains in its Chapters 3 a synoptic table that provides a set of so-called “general objectives” and “macro-objectives” as well as “macro-actions” to tackle illegal waste dumping and open-air burning (e.g. in Terra dei Fuochi area) through measures, included the introduction of a new Waste traceability system, supported Global Monitoring System to face illegal dumping shall be developed using satellites, drones ad artificial intelligence (AI) technologies.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M2C2-18	<b>M2C2.I3.5 - Hydrogen Research and Development</b>	
<b>Name of the milestone:</b> Award of all public R&D contracts to research projects on hydrogen		
<b>Qualitative Indicator:</b> Notification of the award of the contracts on hydrogen research and development		<b>Time:</b> Q2 2022
<p><b>Context:</b> This investment consists in supporting research and development activities on hydrogen based on electrolysis using renewable energy and in line with the Directive (EU) 2018/2001. The milestone M2C2-18 is the first step in the implementation of this measure by ensuring the award of the relevant contracts to ensure that there is a least a project in each of the four dimensions identified in the milestone. The measure will be completed by the milestone M2C2-19 expected by Q2-2026 which envisages that at least four projects (one per dimension) will have been carried out.</p>		
<p><b>Evidence Provided:</b> In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>1. Copy of contract award notifications approving the ranking of the projects admitted to the contribution;</li> </ol>		

2. Extract of the relevant parts of the technical specifications of the project proving alignment with the Council Implementing Decision's description of the investment and milestone;
3. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
- 4.

The authorities also provided:

1. Ministerial Decree n.545 of 23 December 2021 ( <https://www.gazzettaufficiale.it/eli/gu/2022/02/16/39/sg/pdf> );
2. Programme Agreement between the Ministry of Ecological Transition and the Agency for Energy Efficiency (ENEA);
3. Text of the notices published with the eligible conditions for the awards ( [https://www.mite.gov.it/sites/default/files/archivio/bandi/avviso\\_R\\_S](https://www.mite.gov.it/sites/default/files/archivio/bandi/avviso_R_S) and [https://www.mite.gov.it/sites/default/files/archivio/bandi/avviso\\_R\\_S](https://www.mite.gov.it/sites/default/files/archivio/bandi/avviso_R_S) )

### Analysis

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

In particular:

For the first line of intervention, Article 1 of the Ministerial Decree n.545 of 23 December 2021 specifies that a Programme Agreement (AdP) between the Ministry of Ecological Transition and the Agency for Energy Efficiency (ENEA) sets the framework for projects of research and development in the area of hydrogen. The National Council for Research (CNR) and the Research on the Energy System S. p. A (RSE) are entrusted as implementing bodies as well.

Article 2.2 of the AdP specifies that the activities of research and development eligible under the AdP are the following,

- i) Production of clean and green hydrogen;
- ii) Storage, transport and transformation into derivatives and e-fuels;
- iii) Fuel Cells for stationary and mobility application;
- iv) Integrated smart management systems to increase the resilience and reliability of intelligent hydrogen-based infrastructures.

The same article provides that "research activities shall support the production of electrolytic hydrogen from renewable energy sources within the meaning of Directive (EU) 2018/2001 or from energy mains electricity, or hydrogen related activities meeting the reduction requirement life cycle greenhouse gas emissions of 73.4 % for hydrogen (resulting in 3 t CO<sub>2</sub>eq/t H<sub>2</sub>) and 70 % for hydrogen-based synthetic fuels compared to a fossil fuel of reference of 94 g CO<sub>2</sub>eq/MJ, in line with the approach set out in Article 25(2), and Annex V to Directive (EU) 2018/2001."

Paragraph 4 of Article 1 of the Ministerial Decree n. 545 of 23 December 2021 provides the allocation of resources to ENEA, CNR and RSE which are the entities entrusted for the envisaged activities on research and development in those areas.

For the second line of intervention, Article 1.5 of the Ministerial Decree envisages that two tenders shall be launched for the development of activities on research and development in hydrogen addressed to research centres/universities and private entities respectively. The two tenders were launched on 23 March 2022 and the ranking of projects selected and award notifications were published on 27 June 2022.

Section 2 of the extract of the technical specifications of every project selected show the specific aim and area of it, ensuring there is at least one project for each of the four dimensions outlined in the milestone. They are the following,

- Production of clean and green hydrogen;
- Innovative technologies for hydrogen storage, transport and transformation into derivatives and e-fuels;
- Fuel Cells for stationary and mobility application;
- Integrated smart management systems to increase the resilience and reliability of intelligent hydrogen-based infrastructures.

Indent h of Article 5 of the two tenders ensure that the research activities selected will have to comply with the life-cycle GHG emissions savings requirement of 73.4% for hydrogen and 70% for hydrogen-based synthetic fuels relative to a fossil fuel comparator of 94g CO<sub>2</sub>e/MJ in analogy to the approach set out in Article 25(2) of and Annex V to Directive (EU) 2018/2001.

In line with the further specifications envisaged in the Operational Arrangements, for the call addressed to private entities an amount of at least 40 % of the resources is intended to finance projects to be carried out in full or for the majority share in establishments, subsidiaries, factories or laboratories located in the regions of Abruzzo, Basilicata, Calabria, Campania, Molise, Puglia, Sardinia and Sicily. (Paragraph 2 of Article 3 of the notice.

With respect to the further specification on the expectation of the deployment of technical assistance, a technical assistance structure has been created to support the implementation of the RRP measures, which has been put at their disposal.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M2C2-21	<b>M2C2.R4</b> - Measures to promote hydrogen competitiveness	
<b>Name of the milestone:</b> Entry into force of fiscal incentives		
<b>Qualitative Indicator:</b> Provision in the law indicating the entry into force of the law		<b>Time:</b> Q2 2022
<p><b>Context:</b> This reform consists in adopting tax measures to incentivise the production and/or utilisation of hydrogen, in line with EU rules about taxation, and transposing the RED II Directive. The objective is to support hydrogen production based on electrolysis using renewable energy sources as defined in the Directive (EU) 2018/2001 (renewable Directive) or grid electricity.</p> <p>This milestone is the only one for the implementation of this measure and requires the entry into force of a law setting out fiscal incentives to support the production of green hydrogen to favour its consumption by the transport sector.</p>		
<p><b>Evidence Provided:</b> In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>1. Decree Law n. 36 of 30 April 2022 converted into Law n. 79 of 29 June 2022 ( <a href="https://www.gazzettaufficiale.it/eli/gu/2022/06/29/150/sg/pdf">https://www.gazzettaufficiale.it/eli/gu/2022/06/29/150/sg/pdf</a> ) ;</li> </ol>		

2. Ministerial Decree n. 347 of 21 September 2022 published in the Official Journal n. 223 of 23 September 2022 ([link](#));
3. Summary document duly justifying how the milestone, including all the constitutive elements, was satisfactorily fulfilled.

**Analysis::**

Article 23 of the Legislative Decree n. 36 of 30 April 2022 introduces tax incentives to the production and consumption of hydrogen from renewable sources to support the production and consumption of green hydrogen in the transport sector.

Article 23(1) provides for the exemption from payment of related general charges to the electricity system for the consumption of electricity from renewable sources in plants of electrolysis for the production of green hydrogen.

The Ministerial Decree n. 347 of 21 September 2022 specifies the cases and technical conditions related to the applicability of that provision as provided by Article 23 (2) of the Legislative Decree n. 36 of 30 April 2022. Specifically, Article 23 (2) sets out that *“Within sixty days from the date of entry into force of this decree, by decree of the Minister of Ecological Transition the technical conditions to which Article 23 (1) of the Decree Law apply are identified and detailed”*.

Article 3 of the Ministerial Decree n. 347 of 21 September 2022 specifies that the fiscal incentive referred to in Article 23 (1) of the Legislative Decree n. 36 of 30 April 2022 will only support hydrogen-related activities that meet the requirement to reduce greenhouse gas emissions in the life cycle of 73.4% in relation to a fossil fuel reference of 94 g CO<sub>2</sub>e/MJ (i.e. resulting in less than 3 tCO<sub>2</sub>eq/tH<sub>2</sub>) as provided by the text of the milestone and in compliance with the Do No Significant Harm principle. Article 2 of the Ministerial Decree n. 347 of 21 September 2022 specifies that the beneficiaries of the fiscal incentive are both public and private agents in relation to their consumption of electricity from renewable sources used for the production of green hydrogen.

Article 50 of the Decree Law n. 36 provides that it enters into force the day after its publication in the Official Journal n. 100 of 30 April 2022. Article 6 of the Ministerial Decree n. 347 of 21 September 2022 specifies that it enters into force the day after its publication in the Official Journal of 23 September 2022.

The assessment of the transposition of Directive 2018/2001/EU for the purposes of payments from the Recovery and Resilience Facility does not prejudice the evaluation by the Commission of the transposition of the Directive by Italy in any other proceedings.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M2C2-38	<b>M2C2.I5.1 - Renewables and batteries</b>	
<b>Name of the milestone:</b> Entry into force of a Ministerial Decree		
<b>Qualitative Indicator:</b> Provision in the law indicating the entry into force of the Ministerial Decree		<b>Time:</b> Q2 2022
<b>Context:</b> This investment consists in supporting the development of a value chain in renewables and batteries. This milestone identifies the amount of available resources, the access requirements of the beneficiaries, the eligibility conditions for programs and projects, the eligible expenses and the form and intensity of aid for the development of high-efficiency photovoltaics panels and for the development of batteries.		

Then, the two targets related to the implementation of this measure are M2C2-39 to increase the production capacity of photovoltaic panels and M2C2-40 to increase the production of batteries.

**Evidence Provided:**

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

1. Publication in the Official Journal of 16 March 2022 of the Ministerial Decree n. 63 of 27 January 2022 (“Attuazione dell’Investimento 5.1 «Rinnovabili e batterie» del Piano nazionale di ripresa e resilienza (PNRR) attraverso lo strumento agevolativo dei contratti di sviluppo”).
2. Summary document duly justifying how the milestone, including all the constitutive elements, was satisfactorily fulfilled.
3. Directorial Decree of 25 March 2022 published on the website of the Ministry of Economic Development (<https://www.mise.gov.it/index.php/it/93-normativa/decreti-direttoriali/2043280-decreto-direttoriale-25-marzo-2022-contratti-di-sviluppo-pnrr-batterie-e-rinnovabili>);

The authorities also provided:

4. Circular n° 120820 of 22 March 2022 as regards compliance with the DNSH principle of the proposals selected for financing (<https://www.mise.gov.it/index.php/it/94-normativa/circolari,-note,-direttive-e-atti-di-indirizzo/2043287-circolare-28-marzo-2022-n-120820-contratti-di-sviluppo-valutazione-del-principio-dnsh-ai-fini-del-finanziamento-con-le-risorse-del-pnrr>).

**Analysis:**

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

In particular:

Article 1 (3) of the Ministerial Decree n. 63 of 27 January 2022 identifies the respective amounts of available resources per type (batteries, photovoltaics and wind power).

Article 2 of the Ministerial Decree sets out the implementing arrangements and access requirements for the beneficiaries, specifying that this investment is governed by the Decree of the Minister of Economic Development of 9 December 2014 (The so-called “Development contracts”).

Article 3 of the Ministerial Decree sets out the eligibility conditions for the projects, both in terms of content and expenditure eligible. In particular, the basis are the development contracts, which have as an object the implementation, on the initiative of one or more enterprises, of an industrial development program for the implementation of which one or more investment projects are required, as identified in Title II of the Decree of 9 December 2014 governing the functioning of the development contracts, and possibly of research, development and innovation, as identified in Title III of the same decree of 9 December 2014, strictly connected and functional to each other.

Article 4 of the Ministerial Decree sets out the form and intensity of aid for the projects. In this respect, it specifies that “*The subsidies are granted within the limits of the maximum aid intensities envisaged by the schemes applicable Development Contracts*” as governed by and take by Article 8 of the Decree of 9 December 2014.

The Directorial Decree of 25 March 2022 sets out the calendar for the submission of proposals (Article 1- “*Starting from 12.00 on 11 April 2022 and until 17.00 on 11 July 2022 it will be possible to apply for concessions based on the extent of the Development Contracts referred to in Article 43 of*

the Decree-Law of 25 June 2008, no. 112 for the support of development consistent with the purposes of Investment 5.1, sub-investment 5.1.1 "PV Technology", 5.1.2 "Wind industry", and 5.1.3 "Battery" and specifies the obligations of the beneficiaries and criteria for the selection of proposals (Article 2). Article 2(1) (b) identifies the contribution of the project proposed to the increase of generation capacity produced for wind farms, photovoltaic (W/year) or storage capacity for batteries (Wh/year) as one of the key criteria for the selection of the projects..

Beyond the requirements of this milestone, Articles 3(2) and 3(3) provide that the projects submitted comply with the principle of Do No Significant Harm. Article 3(2) specifies that *"the development programs referred to this decree must not cause significant harm to environmental objectives pursuant to art. 17 of Regulation (EU) 2020/852 (principle 'do not significant harm »-DNSH) and must comply with the applicable national and EU environmental legislation as well as with the provisions of RGS MEF circular no. 32 of 30 December 2021."* Article 3(3) adds that *"the companies selected commit to ensure compliance with the technical guidelines cited on the application of the principle "do not cause significant harm".* The Circular n° 120820 of 22 March 2022 specifies the various requirements that the projects shall meet to be considered compliant with the Do No Significant Harm Principle, including an exclusion list in Sections 4.2 and 4.3.

In line with the national legal framework, in absence of a specific provision related to the entry into force, the Ministerial Decree has entered into force on the fifteenth day following its publication in the Official Journal.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M2C2-42	<b>M2C2.I5.4</b> - Support to start-ups and venture capital active in the ecological transition	
<b>Name of the milestone:</b> Signature of the financial Agreement		
<b>Qualitative Indicator:</b> Notification of the signature of the financial Agreement		<b>Time:</b> Q2 2022
<p><b>Context:</b>  This investment aims at stimulating the growth of the Italian innovation ecosystem, with a particular focus on green transition and related sectors. The measure will be implemented by setting up a Green Transition Fund, managed by Cassa Depositi e Prestiti Venture Capital SGR, which will invest in venture capital funds, start-ups and incubation/acceleration programs, alongside top venture capital managers and system actors.</p> <p>Milestone M2C2-42 requires the signature of the financial agreement and setting up the fund, between the Ministry of Economic Development and Cassa Depositi e Prestiti Venture Capital SGR and is the first milestone of this measure. It is followed by target M2C2-43, which is expected to be fulfilled by the second quarter of 2026, and which relates to the activation of private investments in the green-tech sector.</p>		
<p><b>Evidence Provided:</b>  In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>1. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;</li> </ol>		

2. A copy of the financial agreement (that includes the investment policy) signed on 28 June 2022 between the Ministry of Economic Development and Cassa Depositi e Prestiti Venture Capital and a link to the publication on the Ministry's website.

The authorities also provided:

3. Ministerial Decree of 3 March 2022, published in the Official Journal n. 105 of 6 May 2022, which allows the establishment of the Green Transition Fund;
4. Directorial Decree of 28 June 2022, which adopts the financial agreement.

**Analysis:**

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

In particular:

- The Ministerial Decree of 3 March 2022 enabled the establishment of the Green Transition Fund, under the condition of the signature of the financial agreement between Ministry of Economic Development and Cassa Depositi e Prestiti Venture Capital SGR (art. 3);
- The financial agreement between the above-mentioned parties was signed on 28 June 2022;
- The financial instrument is dedicated to support start-ups, venture capital, incubators/acceleration programs in the field of the ecological transition (art 2 of the financial agreement);
- In line with the Council Implementing Decision, the financial agreement includes an investment policy and eligibility criteria ensuring the compliance with 'Do No Significant Harm' Technical Guidance (2021/C58/01). The financial agreement dedicates:
  - Chapter 2 "Politica di investimento dello strumento" to outline the investment policy. More specifically, section 2.1 describes the scope of the Green Transition Fund which is to provide direct and indirect investments in start-ups and to expand the capital available to researchers also developing innovative ventures in partnership with corporates;
  - Chapter 3 "Criteria di Ammissibilità" to outline the eligibility criteria. The Green Transition Fund will undertake investments with a maximum of a five-year investment period and subsequent five year portfolio management period (art. 3, comma 1);
  - Chapter 6 "Politica di verifica e della sostenibilità del principio DNSH e lista di esclusione" to outline the compliance with the 'Do No Significant Harm' Technical Guidance (2021/C58/01), as described in the Council Implementing Decision. An ex-ante and an ex-post assessment of compliance with the DNSH exclusion list and the EU and Italian environmental legislation will be performed by environmental experts and will be carried out before and after concluding each investment (art. 4 and 6). All investments will also undergo Invest EU sustainability proofing (art.4).
- Finally, with the Directorial decree of 28 of June 2022, the Ministry of Economic Development adopted the financial agreement signed with CDP Venture Capital SGR. In line with the national legal framework, this Ministerial Decree has the nature of an administrative act and produces effects from the date of adoption.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M2C2-52	<b>M2C2.I5.2</b> - Hydrogen
<b>Name of the milestone:</b> Production of electrolyzers	
<b>Qualitative Indicator:</b> Notification of the publication of all public contracts	<b>Time:</b> Q2 2022



**Context:** This investment consists in supporting projects for the development of a value chain in hydrogen in Italy that is fit also to participate in potential Important Projects of Common European Interest in Hydrogen.

This milestone is the first step in the implementation of this measure and requires the award of the contract to build an industrial plant for the production of electrolysers. The next step in the implementation is the target M2C2-53 which envisages to build an industrial plant for the production of electrolysers for a capacity of 1 GW per year, indicatively by Q2-2026.

**Evidence Provided:**

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

1. Award of the contract to *De Nora Italy Hydrogen Technologies S.r.l.*;
2. Award of the contract to *Ansaldo Energia S.p.A.*;
3. Self-assessment fiche providing a summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
4. Extract of the relevant parts of the technical specifications of both contracts proving alignment with the Council Implementing Decision's description of the investment and milestone.

The authorities also provided:

5. Copy of the Ministerial Decree n. 168 of 27 April 2022;
6. Memorandum of Understanding between the Ministry of Ecological Transition and the Ministry of Economic Development.

**Analysis:**

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

In particular,

Article 1 of the Ministerial Decree n. 168 of 27 April 2022 provides the financial resources for (i) the construction of factories for the production of electrolysers, under the 'IPCEI Fund' established by Article 1 (203) of Law No 30 December 2018 and (ii) to support projects aimed at factories for the production of electrolysers in addition to those referred to in the previous paragraph.

Article 2 specifies that a public notice will be adopted for the selection of projects for the production of electrolysers in accordance with the objectives specified in Article 1. The Council Implementing Decision required the award of the contract to build an industrial plant for the production of electrolysers. The Italian authorities have awarded two contracts for the constructions of two industrial plants as demonstrated by the result of the public notice which awards contracts to "*Turnkey Electrochemical plants for H2 production*" of Ansaldo Energia and to De Nora Italy Hydrogen Technologies S.r.l for a "*Gigafactory*" for the production of electrolysers, both of them under the IPCEI Fund. Whilst there were two awards instead of one, thereby constituting a minimal deviation from the requirement of the Council Implementing Decision, the investment does overall award contracts for the production of electrolysers. As such the investment overall support projects for the development of a value chain in hydrogen in Italy that is fit also to participate in potential Important Projects of Common European Interest in Hydrogen, that is the main goal of this part of the investment. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.



In accordance with the technical specifications of the agreements signed between the IT authorities and the awarded beneficiaries, the industrial plants for the production of electrolyzers are expected to reach an aggregated capacity of 847 MW in 2026, rising to around 2.3 GW in 2031 as the production capacity of the De Nora plant is increased through a ramp-up period. Target M2C2-53 requires that Italy build an industrial plant for the production of electrolyzers for a capacity of 1 GW per year and the authorities should take the necessary actions to this end.

With respect to the further specification of the Operational Arrangements, which specifies that the geographical location of the plant is subject to the awarded project of the tender, the technical specifications of the agreements signed make clear that for one power plant the main location of investment will be Genoa while for the other the applicant will identify the location based on its ability to enable intense synergies among hydrogen value chain actors and its proximity to the Hydrogen Valleys.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M2C3-4	<b>M2C3.R1.1</b> - Simplification and acceleration of procedures for energy efficiency interventions
<b>Name of the milestone:</b> Simplification and acceleration of procedures for energy efficiency interventions	
<b>Qualitative Indicator:</b> Provision in the legal act(s) indicating the entry into force	<b>Time:</b> Q2 2022
<p><b>Context:</b> This is a reform which aims to simplify and accelerate the procedures for the implementation of interventions related to energy efficiency by (i) launching of the national portal for the energy efficiency of buildings, (ii) strengthening of the activities of the information and training plan aimed at the civil sector, (iii) updating and strengthening of the National Fund for energy efficiency and (iv) accelerating the implementation phase of projects financed by the Programme for energy renovation of buildings owned by the central government (PREPAC). Milestone M2C3-4 is the only milestone of this reform and requires to adopt a legal provision to simplify and accelerate procedures for energy efficiency interventions to achieve the four objectives aforementioned.</p>	
<p><b>Evidence Provided:</b> In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>1. Copy of the publication in the Official Journal of the Decree Law n. 17 of 1 March 2022 converted into Law n. 34 of 27 April 2022;</li> <li>2. Decree Law n. 48 of 10 June 2020 (<a href="https://www.gazzettaufficiale.it/eli/gu/2020/06/10/146/sg/pdf">https://www.gazzettaufficiale.it/eli/gu/2020/06/10/146/sg/pdf</a>);</li> <li>3. Law n. 234 of 30 December 2021 (<a href="https://www.gazzettaufficiale.it/eli/id/2021/12/31/21G00256/sg">https://www.gazzettaufficiale.it/eli/id/2021/12/31/21G00256/sg</a>);</li> <li>4. Summary document duly justifying how the milestone, including all the constitutive elements, was satisfactorily fulfilled.</li> </ol> <p>The authorities also provided:</p>	

5. Copy of the programme of Information and Training 2021-2023 by the National Agency of Energy Efficiency.

**Analysis:**

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

In particular:

Article 8 (1) of the Decree Law n. 48 of 10 June 2020 modifies Article 4-quater of the Decree Law n. 192 of 19 August 2005 to set up the national Portal for the energy efficiency of buildings. That Article specifies that the aim is to provide citizens, businesses and public administration with information on the energy performance of buildings, on best practices for effective energy requalification in cost terms, on existing promotion instruments for improving the energy performance of buildings, including replacement of fossil fuel boilers with more sustainable alternatives, and on energy performance certificates.

Article 8 (2) adds a one-stop shop to provide assistance and information to (i) citizens and businesses in relation to: the mapping building energy, compliance with sector legislation, assessment of efficiency potential and selection, the priorities for action, including the plans for requalification by successive stages, at the selection of instruments promotion that is better suited to the purpose and training of professional skills; and (ii) to public administrations in relation to: the mapping building energy, compliance with sector legislation, assessment of efficiency potential and selection, the priorities for action, including the plans for requalification by successive stages, at the selection of instruments, promotion that is better suited to the purpose, including through the use of Energy Performance Contracts, and training of technical skills.

The link to the portal, which was launched on 14 April 2022, is the following: <https://pnpe2.enea.it/>

As regards the strengthening of the activities of the information and training plan aimed at the civil sector, Article 13 of Decree Law n. 73 of 14 July 2020 provides that since 31 January 2021, and every three years after that, the National Agency for New Technologies, Energy and Sustainable Economic Development, prepares an information and training programme to promote and facilitate the efficient use of energy and submits it to the Ministry for approval economic development. The Plan of Information and Training for 2021-2023 was adopted on 21 December 2021 based on Article 12 (2) of the Decree Law n. 73 of 14 July 2020.

Point 514 of Article 1 of the Law n. 234 of 30 December 2021 updates the National Fund for Energy Efficiency (FNEE) by strengthening it with additional EUR 8 million per year as of 2022 to support the loans at favourable interest rates and public guarantees offered by the FNEE to support energy efficiency measures in public buildings and enterprises.

In relation to accelerating the implementation phase of projects financed by PREPAC, Article 19 of Decree Law n. 17 of 1 March 2022 (converted into Law 34/2022) provides that the State Property Office ("Agenzia del Demanio") may support the interregional bodies responsible of the public works in the implementation of operations, including to ensure the implementation of operations "already covered by contracting with the same operating structures in the context of the implementation of the programmes already prepared". It also envisages the possibility of "doing use of purchase and trading instruments telematics, including the electronic public market administration (MEPA) and dynamic system of acquisition of public administration (SDAPA)", in order to accelerate the implementation of the projects. This legal change arises from the analysis carried out by the public administration based on which it was found that delays in the implementation of projects is mostly linked to the high volume of activities carried out by the interregional bodies engaged in functions linked to large projects such as public works and infrastructure of national interest. For this reason, the State Property Office is now also given the possibility to manage directly the contracting stages

of the design and execution of the works, especially for smaller projects. In particular, the new legal framework provides for: A. forms of collaboration between the interregional bodies and the State Property Office to speed up the contracting phase of the design and execution of the works or the use of electronic purchasing and trading tools with faster implementation procedures, such as the electronic public administration market (MEPA) and the dynamic public administration purchasing system (SDAPA).

Article 18 of Decree Law n. 48 of 10 June 2020 specifies that it enters into force the day after its publication in the Official Journal, which happened on 10 June 2020 (n. 146).

Article 43 of the Decree Law n. 17 of 1 March 2022 specifies that it enters into force the day after its publication in the Official Journal, which happened on 28 April 2022 (n. 98).

Article 22 of the Law 234 of 30 December 2021 specifies that it entered into force on 1 January 2022.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M2C4-1	<b>M2C4.R2.1</b> - Simplification and acceleration of the procedures for implementing interventions against hydrogeological instability	
<b>Name of the milestone:</b> Entry into force of the simplification of the legal framework for a better management of hydrological risks		
<b>Qualitative Indicator:</b> Provision in the relevant legal act(s) indicating the entry into force		<b>Time:</b> Q2 2022
<p><b>Context:</b> The aim of this reform is to overcome the existing weaknesses in the governance of hydrogeological risks highlighted by the Italian Court of Auditors. It consists of simplifying and accelerating procedures for the implementation of projects in this area, including establishing maximum deadlines for each phase; prioritising interventions in line with the National Risk Assessment and with Article 6 of the Decision 1313/2013 EU and Risk Management Capability Assessment and the Do No Significant Harm principle; setting a plan to increase the administrative capacity of the entities responsible for the implementation of these projects and reinforcing the coordination between the various levels of government involved, including by streamlining the information flows.</p> <p>This is the only milestone related to the implementation of this measure.</p>		
<p><b>Evidence Provided:</b></p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>1. Decree Law n. 77 of 31 May 2021 converted into Law n. 108 of 29 July 2021 (<a href="https://www.gazzettaufficiale.it/eli/id/2021/07/30/21A04731/sg">https://www.gazzettaufficiale.it/eli/id/2021/07/30/21A04731/sg</a>);</li> <li>2. Law n. 233 of 29 December 2021 (<a href="https://www.gazzettaufficiale.it/eli/gu/2021/12/31/310/so/48/sg/pdf">https://www.gazzettaufficiale.it/eli/gu/2021/12/31/310/so/48/sg/pdf</a>);</li> <li>3. Decree Law n. 80 of 9 June 2021 converted into Law n. 113 of 6 August 2021 ( <a href="https://www.gazzettaufficiale.it/eli/id/2021/06/09/21G00093/SG">https://www.gazzettaufficiale.it/eli/id/2021/06/09/21G00093/SG</a> );</li> <li>4. Directorial Decree 146 of 30 May 2022;</li> <li>5. Decree Law n. 36 of 30 April 2022 (<a href="https://www.gazzettaufficiale.it/eli/id/2022/04/30/22G00049/sg">https://www.gazzettaufficiale.it/eli/id/2022/04/30/22G00049/sg</a> )</li> <li>6. Plan for strengthening the administrative capacity of the institutional bodies responsible for the implementation of the interventions aimed at mitigating hydrogeological risks;</li> </ol>		

7. Decree of the Presidency of the Council of Ministers of 27 September 2021 ( <https://www.gazzettaufficiale.it/eli/id/2021/11/15/21A06670/sg> )
8. Summary document duly justifying how the milestone, including all the constitutive elements, was satisfactorily fulfilled.

**Analysis:**

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

In particular: For the prioritisation of prevention interventions, Article 36 ter (3) of Decree Law n. 77 of 31 May 2021 provides the prioritisation of interventions by appointing the Government Commissioners for the prioritisation of measures necessary for the swiftest implementation of the hydrogeological projects. The Commissioners address the regional administrations for the swift conclusion of the process of approving and authorising all preventive measures; and tackling hydrogeological instability. This legal provision also specifies that they must act in line with the priority criteria, of the Management Plans against the risk of floods (*"Piani di gestione del rischio di alluvioni"*), of the Plans of Hydrogeological Structures (*"Piani di assetto idrogeologico"*) and of the National Risk Assessment in line with Article 6 (*"Risk management"*) of the Decision 1313/2013/EU . The Management Plans against the risk of floods (one per basin) are the operational tool to identify and plan the actions needed to reduce the negative consequences of floods for human health, land, property, the environment, cultural heritage and economic and social activities in line with the Directive 2007/60/CE. The Plans of Hydrogeological Structures are the spatial planning tool through which the Basin Authority seeks to establish spatial planning that ensures a balance and compatibility between hydrogeological dynamics and the increasing anthropisation of the area, and to ensure that existing settlements and infrastructure are made safe and that future activities are developed in a compatible manner. Both are based on the National Risk Assessment and the Risk Management Capability Assessment.

The regional structures responsible for issuing opinions and authorisations for prevention and mitigation of hydrogeological risks, including environmental ones, are bound by the activities indicated by the Commissioners of Government. Article 16 (3) of the Law 233 of 29 December 2021 added to paragraph 3 of the Article 36 ter of Decree Law n. 77 of 31 May 2021 the specification that the interventions will be carried out in coherence with Article 6 of Decision 1313/2013/EU, as well as in line with the Do No Significant Harm principle.

Several legal provisions were adopted to accelerate the procedures for project design and simplify project implementation and financing procedures of the interventions against hydrogeological risks. Paragraph 1 of Article 36-ter of the Decree Law n. 77 of 31 May 2021 specifies that the interventions of prevention and mitigation of hydrogeological instability, including the interventions envisaged under the RRP, are qualified as works of national interest and so are given priority (the priority criteria are defined in Decree Law n. 152 of 6 November 2021). Paragraph 3 of Article 36-ter of the Decree Law n. 77 of 31 May 2021 mandates the Government Commissioners to promote and adopt as a priority the measures necessary for the more rapid implementation of interventions of national interest. The regional structures responsible for issuing opinions and authorisations, including environmental ones, for prevention and mitigation of hydrogeological risks are obliged to assume the activities indicated by the Commissioners of Government as a priority, thus helping to accelerate the procedures for project design. In addition, paragraphs 4 and 5 of Article 10 of Decree Law n. 91 of 24 June 2014 are modified to give to the Government Commissioners the power to make use, in addition to the regional structures, of technical and administrative offices of the municipalities, of the interregional administrations as well as the company ANAS S.p.A., the consortia of reclamation and district authorities, as well as structures existing commissioners for the interventions against hydrogeological risks. Paragraph 11 of the same Article reduces by one half the deadlines for the

public expropriations of public interest as set out by the Decree of the President of the Republic 327/2001. It therefore reduces the time required for the approval of projects involving expropriations of public interest. Paragraph 18 mandates the Upper Institute for Environmental Protection and Research (ISPRA) to provide for the recognition of the functionalities of the platform of the National Directory of Soil Defense Interventions (ReNDiS) for a faster and more efficient management of the assessment and selection of proposals proposed for financing. In parallel, the same paragraph envisages the update, adaptation and enhancement of ReNDiS by the Ministry of Ecological Transition and ISPRA in cooperation with the Ministry of Economy and Finance, with the Department for Policy Planning and Coordination of Economic policy of the Presidency of the Council of Ministers, and in liaison with the Department of Civil Protection of the Presidency of the Council of Ministers and with other central governments with expertise in the field of soil protection and hydrogeological instability . Furthermore, Annex 1 to the Decree of the Presidency of the Council of Ministers of 27 September 2021 accelerates the procedures for project design and sets general principles to simplify project implementation and financing procedures of hydrogeological risk projects. More precisely, stage 1 of Annex 1 specifies that all financing requirements, which can be introduced at any moment, are to be inserted in ReNDiS. Every proposal is given a *Codice Unico di Progetto* (CUP)- Single Project Identifier-. Stage 2 outlines that the *Autorità di Bacino* (Basin Authorities) have a maximum of 30 days to assess the intervention and another 15 days in case there are additional clarifications provided by the Region. Stages 4 and 5 specify that the classification of the proposals submitted and the assessment from an economic and tendering perspective is carried out in a maximum of 60 days by the Ministry of Ecological Transition. Stage 2.4 provides the common criteria for the classification of the interventions. Lastly, Article 23 (5) of the Legislative Decree 36 of 30 April 2022 under letter a) provides for a period of 30 days for the opinion of the State-Regions Conference on the Basin plans (Piani di Bacino), specifying that to proceed without the aforementioned opinion after those 30 days.

Paragraphs 15 to 19 of Article 36-ter aim to harmonise and streamline the information flows to reduce redundancy in reporting between the various information systems of the State and develop a system of indicators for a better identification of hydrological risks, in line with the recommendation of the Italian Court of Auditors. To this end, paragraph 15 provides that, in order to rationalize the different information systems related to the financing and to the reporting of the interventions aimed at mitigating hydrogeological instability, the Ministry of Ecological Transition provides for the recognition and streamlining of its information systems on the subject of interventions for soil protection, in order to ensure homogeneous information flows at national level and coherent between the different systems. This is achieved with the "Internal recognition document of Ministry of Ecological Transition (MiTE) on its information systems regarding interventions for soil defense". With this document two main areas relating to the information systems used by the MiTE, for the physical monitoring of interventions for soil protection are recognised: 1. The Information systems used for the transmission of data to the Unitary Database (BDU) of the National Monitoring System (SNM) regarding the interventions financed with the National Fund for Development and Cohesion and 2. The Information systems used for data transmission to the BDU and to the database Public Administrations (BDAP) financed with ordinary funds. Paragraph 16 provides that ISPRA, in agreement with the Ministry of Ecological Transition draws up a study for the implementation of interoperability processes between systems information for the monitoring of tenders, projects, public works and investments related to the mitigation interventions of hydrogeological instability and carries out the technical and operational activities of its competence for the implementation of the consequent program based on the specific agreement. Paragraph 17 specifies that ISPRA carries out the aforementioned activities after consultation with the competent structures of the Ministry Economy and Finance and the Department for Planning and the coordination of the economic policy of the Presidency of the Council of Ministers as well as in conjunction with the other central administrations with powers in subject of soil defence and hydrogeological defence interventions, in order to make the monitoring

and reporting system of the projects more integrated, effective, fast and efficient , guaranteeing adequate information and publicity to the relevant entities or recipients. Lastly, paragraph 5 of the D.P.C.M. of 27 September 2021 provides that the insertion of "data of a technical, environmental, geographical and financial nature of the interventions and the update of the same data in the ReNDiS platform constitutes "a system of monitoring of funded interventions that is used by the MiTE for verification on the state of implementation of projects related to the mitigation of hydrogeological risks.

To reinforce the coordination of interventions among different government levels, in line with the recommendations of the Italian Court of Auditors, Article 36-ter (15) empowers Commissioners to intervene in all projects related to the mitigation of hydrogeological risks irrespective of the source of funding. The Minister for the Ecological Transition sends an annual report to Parliament, by 30 June each year, on the state of their implementation of those projects. Then, Article 36-ter (16) specifies that The Higher Institute for Environmental Protection and Research (Ispra), in agreement with the Ministry of Ecological Transition, draw up a study for the implementation of interoperability processes between systems information for the monitoring of tenders, projects, works public and investment related to the operations of mitigation of hydrogeological instability and technical activities and operational matters within its remit for the implementation of the resulting programme on the basis of a special agreement.

In relation to the creation of joint databases on incidents, in line with the recommendation of the Italian Court of Auditors which outlined the importance of adopting a unitary system of data for the management of the funding of projects against hydrogeological risks, Section 2.1 of Annex I of the Decree of the Presidency of Council of Ministers of 27 September 2021 identifies the ReNDiS system as a single platform for the requests and procedures related to the funding of projects and also for the publication of a specific "Regional ranking of funding requests". Each request is identified with a single ReNDiS code. The interventions must be identified with their own Unique Project Code (CUP).

As regards the setting-up of maximum deadlines for each intervention phase Annex I of the Decree of the Presidency of the Council of Ministers of 27 September 2021 identifies specific steps related to the submission and assessment of the requests for funding . Specific deadlines are established for the intervention phase (assessment of the interventions by the Basin Authorities, 15 days; the decision of the scores for every project submitted and the delivery of the economic and tendering assessment, 60 days altogether).

For the strengthening of the capacity of the relevant entities Article 17- octies (2) of the Decree Law n. 80 of 9 June 2021 specifies that for the implementation of the interventions aimed at reducing hydrogeological instability, each commissioner benefits from a contingent of non-managerial staff of up to 200 units available until 31 December 2026. Paragraph 3 adds that the Ministry of Ecological Transition is entitled up to 150 units from 2021 with contracts expiring not after 31 December 2026 for the same type of interventions. In addition, Paragraph 5 of Article 23 of the Legislative Decree n. 36 of 30 April 2022 provides under letter b) provides that the Basin Authorities may make use of the support given to the Ministry of Ecological Transition to favour the acceleration of interventions against hydrogeological risks. Lastly, Article 1 of the Directorial Decree 146 of 30 May 2022 adopted by the Director of Sustainable Development and the Director of General Administration, Planning and Natural Assessts sets the plan for strengthening the administrative capacity of institutional bodies responsible for the implementation of projects aimed at reducing hydrogeological risks. The Plan includes lines of intervention aimed at simplifying the procedures for the implementation and financing of the interventions; strengthening of technical support structures for Government Commissioners; developing capacity building of the Basin Authorities ("Autorità di Bacino").

The Decree Law n. 77 of 31 May 2021 converted into Law n. 108 of 29 July 2021 entered into force the day after its publication at the Official Gas provided by Article 67. The Decree Law n. 80 of 9 June 2021 converted into Law n. 113 of 6 August 2021 entered into force the day after its publication at the Official Gas provided by Article 19. The Decree Law n. 36 of 30 April 2022 entered into force the day after its publication at the Official Gas provided by Article 50. As regards the DPCM of 27 September 2022, in line with the national legal framework, in absence of a specific provision related to the entry into force, it has entered into force on the fifteenth day following its publication in the Official Journal. Lastly, the Directorial Decree 146 of 30 May 2022 has the nature of an administrative act and produces effects from the date of adoption and has as such entered into force.

In line with the specifications of the Operational Arrangements, the Decree of the Presidency of the Council of Ministers (DPCM) of 27 September 2021 revises the DPCM of 28 May 2015 for an update of the criteria, the arrangements and the resources intended to finance interventions aimed at mitigating hydrogeological risks. Article 2 specifies that the DPCM of 28 May 2015 is replaced by the DPCM of 27 September 2021. Then, Annex I to the DPCM of 27 September 2021 sets out maximum deadlines for the stages of the financing requests and their assessment, which complements the legal changes introduced by Article 36-ter of the Decree Law n. 77 of 31 May 2021 aimed at accelerating the procedures for project design and simplifying project implementation. As regards the streamlining of information flows and data sources, Article 36 ter (15) of Decree Law n. 77 of 31 May 2021 obliges the Ministry of Ecological Transition (MiTE) to identify and standardise its own information systems on soil protection measures, also using the technical instructions provided by the Ministry of Economic Affairs and Finance, in order to ensure an orderly, homogeneous information flow at national level and consistent between the different systems. Based on that provision, the MiTE developed its internal review document on its own information systems for soil protection, covering two main areas: (i) Information systems used to transmit data to the National Monitoring System (SNM) Unitary Database (BDU) for operations financed by the National Fund for Development and Cohesion and (ii) Information systems used for the transmission of data to the Public Administration Database (BDAP) financed from ordinary funds. On the development of a system of indicators, Finally, Article 2(5) of the DPCM of 27 September 2021 provides that the inclusion of the 'technical, environmental, geographical and financial data of the operations financed' and the updating of the same data in the ReNDiS platform constitute 'a system for monitoring financed operations which is used by the MiTE for the purpose of periodic checks on the state of implementation of hydrogeological risk mitigation programmes'. These data, which can be found in the 'population data sheet', will be the set of indicators used by MiTE for monitoring programmes related to the mitigation of hydrogeological risks. Until now the monitoring of the interventions took place only through procedural-financial indicators, linked to the procurement of interventions. The obligation, deriving from the DPCM of 27 September 2021, to fill in for the request for financing certain fields of the "preliminary form", will allow the development of the indicator "Population benefiting from protection measures against floods and other disasters nature related to the climate " and the "Risk Class"

**Commission Preliminary Assessment: Satisfactorily fulfilled**

<p><b>Number:</b> M2C4-4</p>	<p><b>M2C4.R4.2</b> - Measures to ensure full managerial capacities for Integrated water services</p>
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<b>Name of the milestone:</b> Entry into force of the new legal framework of irrigation purposes	
<b>Qualitative Indicator:</b> Provision in the relevant piece of legislation indicating the entry into force	<b>Time:</b> Q2 2022
<p><b>Context:</b> This milestone is part of a broader reform that has the aim of improving management of water resources and make the system more efficient. The specific objective of this milestone is to set the right incentives for a better use of water resources in the agricultural sector, to introduce a system of penalties for the illegal extraction of water and avoid the expansion of existing irrigation systems. M2C4-4 represents the second step in the implementation of this measure requiring the entry into force of a law setting out the legal framework on water services for their sustainable use and incentivise investment in water infrastructure.</p> <p>The subsequent milestones for the implementation of this reform is M2C4-2, whose fulfilment is expected by the third quarter of 2022. That milestone is the final step in the implementation of this measure and consists of the adoption of a new legal framework aimed at (i) reducing fragmentation of entities through rules and aggregation mechanisms to have a single operator for the entire “Ambito Territoriale Ottimale”, (ii) to provide for incentives for a sustainable use of water in agriculture and (iii) to set a system of regulated prices that takes adequately into account environmental resource use and pollution in accordance with the polluter-pays principle.</p>	
<p><b>Evidence Provided:</b></p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>1. Summary document duly justifying how the milestone, including all the constitutive elements, was satisfactorily fulfilled</li> <li>2. Decree Law n. 36 of 30 April 2022 converted into Law n. 79 of 29 June 2022, as published in the Official Journal;</li> <li>3. Law n. 233 of 29 December 2021 converting the Decree Law n. 152 of 6 November 2021 as published in the Official Journal;</li> </ol>	
<p><b>Analysis:</b></p> <p>The justification and substantiating evidence provided by the Italian authorities cover all constitutive elements of the milestone.</p> <p>In particular:</p> <p>The milestone reinforces the system of penalties for the illegal extraction of water. Paragraph 5 of Article 16 of the Decree Law n. 152 of 6 November 2021 modifies the paragraph 4 of Article 96 of the Decree Law n. 152 of 3 April 2006, by increasing the penalties envisaged for the illegal extraction of water. They are increased from a range of EUR 3 000 to 30 000 to a new one of EUR 4 000 to 40 000 for the serious breaches and from a range of EUR 300 to 1 500 to a new one of EUR 400 to 2 000 for the other breaches. Article 1 (2) specifies that this Decree Law entered into force the day after publication in the Official Journal on 31 December 2021.</p> <p>The first part of Article 16 (6) requires an impact assessment as in Article 4 (7) of the Water Framework Directive to assess the (possibly cumulative) impact on all potentially affected water bodies. It specifies that “ <i>With a view to ensuring the sustainable development of the water systems from an environmental point of view, for applications for use water for irrigation purposes, during the procedure for the release of the relevant title shall be provided, on the basis of appropriate documentation provided by the applicant for impact assessment, including cumulative impact</i></p>	



assessment, in accordance with Article 4(7) of Directive 2000/60/EC of European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy, on all water bodies potentially affected.”. This provision is expected to avoid any use of water for irrigation systems before having undertaken an analysis of its impact on the water systems and on the sustainable use of water resources.

In relation to avoiding the expansion of existing irrigation systems the second part of Article 16 (6) of Decree Law n. 36 of 30 April 2022 converted into Law n. 79 of 29 June 2022 sets the prohibition of expanding the existing irrigation systems following the conditions set in this part of the milestone (*“ it is forbidden to expand the existing irrigation systems, even if aimed at achieving efficiency objectives, if affected water systems are in a less than good state or if it is envisaged to adopt measures aimed at achieving or maintaining the environmental quality of the water systems referred to in Article 76 of the legislative decree 3 April 2006, n. 152, or to prevent further deterioration, even temporary, even in anticipation and taking into account the evolution of climate change”*). Through this legal change the expansion of the irrigation systems when the water systems are not in a good state is forbidden and will be limited also in those cases where they are subject to operations of improvement or maintenance of their quality.

As regards compliance with the further specifications in the Operational Arrangements by which *“The legal framework is expected to privilege the digitalisation to improve the remote control and detection of illegal extraction of water”*, Article 23 (4) of Decree-Law No 36 of 30 April 2022 amends the fourth subparagraph Article 21 of Royal Decree n.1775 of 11 December 1933 (paragraph introduced by Article 96 (9) of the Legislative Decree n. 152 of 2006, adding the following text: *“and prioritising digitalisation to improve control remote and detection of illegal water abstraction”*. That way, in the award of new concessions and the renewal of those existing in relation to irrigation it is expected that those envisaging digitalisation to improve remote control and the identification of illegal water extraction will be privileged.

Article 50 of the Decree Law n. 36 of 30 April 2022 specifies that it entered into force the day after publication at the Official Journal, which happened on 29 June 2022 (n. 150) after having been converted into Law n. 79 of 29 June 2022.

Paragraph 2 of Article 1 of the Law n. 233 of 29 December 2021 specifies that it entered into force the day after its publication in the Official Journal, which happened on 31 December 2021 (n. 48).

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M2C4-5	<b>M2C4.I3.2</b> - Digitization of national parks and marine protected areas	
<b>Name of the milestone:</b> Entry into force of the administrative simplification and development of digital services to visitors to national parks and marine protected areas		
<b>Qualitative Indicator:</b> Entry into force of the administrative simplification and development of digital services to visitors to national parks and marine protected areas		<b>Time:</b> Q1 2022
<b>Context:</b> This measure will set standardised and digitised procedures for the modernisation, efficiency and effective functioning of protected areas in its various dimensions such as nature conservation, administrative simplification of procedures and services to visitors of national parks and marine protected areas. After the intervention the monitoring of natural resources is expected to have improved so as to take the necessary preventive and corrective measures when necessary		

for the protection of biodiversity. It is also 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.

This is the first milestone of this measure, which requires the adoption of a Ministerial Decree for the development of digital services for visitors to national parks and marine protected areas. It will and it is followed by milestone M2C4-6, expected by Q4-2023, which concerns the actual development of digital services for visitors to national parks and marine protected areas and which is expected to be fulfilled by the fourth quarter of 2023.

**Evidence Provided:**

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

1. Summary document duly justifying how the milestone, including all the constitutive elements, was satisfactorily fulfilled;
2. Ministerial Decree n. 167 of 22 March by the Minister of Ecological Transition including the proof of publication in the site of the Ministry ( [https://www.mite.gov.it/sites/default/files/archivio/normativa/dm\\_22\\_03\\_2022\\_digitalizzazione.pdf](https://www.mite.gov.it/sites/default/files/archivio/normativa/dm_22_03_2022_digitalizzazione.pdf) )

**Analysis:**

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

Article 1 of the Ministerial Decree n. 167 of 22 March 2022 by the Minister of Ecological Transition adopts the guidelines on national park entities and marine protected areas.

Those guidelines develop digital services for users of national parks and marine protected areas under Section 1.2 (*“Servizi digitali per i visitatori dei Parchi nazionali e delle Aree marine protette”*), including for instance a digital platform accessible from smartphones and tablets which allows the user to have access to all information on national parks and marine protected areas throughout the national territory. The visitor will be able to find the same functions and structure for all national protected areas, both terrestrial and marine. While services and information are common to all protected areas, they will be specific contents for each area such as mapping, communication routes, timetables, fares, booking and online ticketing, etc. It will also include sections on the environment and its conservation or on sustainable mobility for movements within the area.

This intervention will also contribute to the simplification of administrative procedures and to the provision of services to visitors of national parks and marine protected areas. The Ministry of Ecological Transition, as implementing entity, through SOGEI-Società Generale d’Informatica S.p.A. pursuant to Article 9 (2) of Decree-Law No 77 of 31 May 2021, converted with amendments by Law n. 108 of 29 July 2021 and through the Circular n. 6 MEF RGS — Prot. 12114 of 24 January 2022, will, in cooperation with national parks and marine protected areas, develop a set of digital services for each National Park and Protected Marine Area consisting on the standardisation of new and existing IT systems or the modernisation, efficiency and effective functioning of the procedures. In particular, all services intended for users will be created in such a way that they can be used digitally and with interoperability of data and services. As regards nature conservation as well as for standardised and digitised procedures the guidelines to develop digital services for users of national parks and marine protected areas specify that the Ministry of Ecological Transition has also carried out a set of meetings with the bodies managing the protected areas, in order to identify the needs

of National and Marine Protected Areas Parks and to determine their needs in terms of digital equipment, for the monitoring of pressures on habitats and species of priority interest. The guidelines underline that this survey will result in a special plan of operations targeting protected areas, with one component of digital equipment supplies specific to each national park and marine protected area, and a component of scientific activities and verifications in field. The special plan is expected to be adopted by the end of the third quarter of 2022. The indicators envisaged by the legal framework to monitor the achievement of the objectives of the investment and take the necessary preventive and corrective measures when necessary for the protection of biodiversity will be the number of users of services, broken down by type of service; and the level of user satisfaction, broken down by type of service (Section 3 of the guidelines).

In line with the national legal framework, this Ministerial Decree has the nature of an administrative act and produces effects from the date of adoption and has as such entered into force.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M2C4-27	<b>M2C4.R4.1</b> - Simplification of legislation and strengthening of governance for the implementation of investments in the water supply infrastructures	
<b>Name of the milestone:</b> Entry into force of the simplification of legislation for interventions in primary water infrastructure for the security of water supply		
<b>Qualitative Indicator:</b> Provision(s) in the relevant piece(s) of legislation indicating the entry into force		<b>Time:</b> Q2 2022
<p><b>Context:</b> The objective of this reform is to simplify and make more effective the legal framework for water supply infrastructures and provide assistance when necessary to the implementing bodies with insufficient capacity to undertake and complete those investments within the timelines set originally.</p> <p>The main measures planned to achieve those objectives are mainly through (i) the establishment of a central public financing instrument for investments in the water sector which unifies resources which are rather scattered at present; (ii) simplifying the procedures for reporting and monitoring of the investments financed and (iii) further involving of the Regulator in the planning of the investments to be undertaken and in possible revisions to the plan.</p>		
<p><b>Evidence Provided:</b></p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>1. Law of 9 November 2021, n.156 converting Decree-Law 10 September 2021, n. 121, into law (<a href="https://www.gazzettaufficiale.it/eli/id/2021/11/09/21G00170/sg">https://www.gazzettaufficiale.it/eli/id/2021/11/09/21G00170/sg</a>).</li> </ol> <p>The authorities also provided:</p> <ol style="list-style-type: none"> <li>2. Law of 27 December 2017, n.205 ( <a href="https://www.gazzettaufficiale.it/eli/id/2017/12/29/17G00222/sg">https://www.gazzettaufficiale.it/eli/id/2017/12/29/17G00222/sg</a>)</li> <li>3. Copy of the plan for technical assistance signed between the Ministry of Infrastructure and Sustainable Mobility (MIMS) and Invitalia S.p.A.</li> </ol>		

4. Copy of the Framework contract between the Ministry of Infrastructure and Sustainable Mobility (MIMS) and Sogesid S.p.A

**Analysis:**

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

Article 1 (516) of the Law of 27 December 2017, n.205, as modified by Article 4-bis of Decree-Law 10 September 2021, n. 121 converted into law by Law of 9 November 2021, n.156 merges the sections “aqueducts” and “reservoirs” of the National Plan for interventions in the water sector (Piano Nazionale di interventi nel settore idrico). The former was managed by the Regulatory Authority for Energy, Networks and the Environment (ARERA), which is the water regulator, and the latter by the Ministry of Infrastructure and Sustainable Mobility (MIMS). As a result, the National Plan for interventions in the water sector is the central financing instrument in the water sector.

Article 1 (516) of the Law of 27 December 2017, n.205, as modified by Article 4-bis of Decree-Law 10 September 2021, n. 121 converted into law by Law of 9 November 2021, n.156 indicates that the Regulatory Authority for Energy, Networks and the Environment (ARERA) has to be consulted for the decree establishing the National Plan for interventions in the water sector. According to the aforementioned Article 1 (516), ARERA is consulted for the updates of the National Plan for interventions in the water sector that takes place every three years. Article 1 (516bis) adds that any changes to the National Plan must be implemented after consulting ARERA.

In relation to the provision of support and accompanying measures for implementing bodies not able to carry out investments relating to primary procurement within the foreseen time frame, Article 1 (520) of Decree-Law No 121 of 10 September 2021 converted into Law No 156 of 9 November 2021 (National Action Plan in the water sector) provides that the Ministry of Sustainable Infrastructure and Mobility (MIMS), without new or increased financing, must monitor the progress made in the implementation of the measures of the National Action Plan in the water sector and must ensure support measures for implementing bodies to resolve any problems in the planning and implementation of the measures. The initiatives undertaken until now concern (i) compliance with the deadlines laid down by the relevant milestones and targets in the Council Implementing Decision and (ii) more broadly, the strengthening of the administrative capacity of the various actors involved in the governance of primary water infrastructure. The set of measures adopted to support and accompany operators in the primary water infrastructure sector and to improve administrative capacity, including public procurement, are the following,

- i. Recruitment of technical staff to strengthen the investment implementation and monitoring phase of the projects in the NRRP, in accordance with Article 1 of Decree-Law No 80 of 9 June 2021, converted into law by Law No 113 of 6 August 2021, by which implementing entities are authorised to use the resources of the economic managers of the NRRPs to recruit new technical staff (in addition to that recruited under the ‘1000 experts for the regions’ initiative), including through the dedicated portal provided by the Civil Service ([www.inpa.gov.it](http://www.inpa.gov.it)). The recruitments increase the human capital endowment of the implementing actors, with the effect of strengthening the delivery capacities of the institutions most at risk;
- ii. A plan for technical assistance activities between MIMS and Invitalia S.p.A. pursuant to i dell’art.7, commi 7-bis e 7-terof Decree-Law 76/2020 converted into Law 120/2020 by which Invitalia may be activated at the request of the MIMS Directorate-General for Dams and Water Infrastructure for activities to support the implementing bodies for carrying out tender procedures for the award of services and works;

- iii. A dedicated portal (Capacity Italia) has been set up by Cassa Depositi e Prestiti on the Italian Government Domani website (<https://www.sportellotecnico.capacityitaly.it/s/>), aimed at providing technical assistance for implementing bodies to ask specific questions that may arise during the implementation phase of the projects under the NRRP in the water sector, including a set of Frequently Asked Questions;
- iv. The so-called NRRP Academy: pursuant to Article 7 (7-bis) and (7-ter) of Decree-Law No 76 of 16 July 2020, as amended by Law No 120 of 11 September 2020, the NRRP Academy initiative was launched to provide training to single managers of the implementing entities responsible for the concrete implementation of the NRRP measures with particular reference to public procurement. This training activity takes the form of live webinars accessible on the portal, dedicated to the various aspects of investment implementation;
- v. For structural interventions beyond the implementation of the NRRP, the MIMS has signed a framework agreement with Sogesid S.p.A by which the latter provides technical assistance to the most fragile implementing bodies for the implementation of primary water infrastructure projects. Finally, on the basis of Ministerial Decree N. 259 of 24 June 2022 the seven Basin Authorities are beneficiaries of the resources relating to the 'Fund for the feasibility design of infrastructure and priority settlements for the development of the country, as well as for the project review of infrastructure already financed'. Beneficiary bodies may also use the resources allocated to them to use agreements concluded with other in-house bodies, in order to support design activities with dedicated technical assistance.

As regards the simplification of procedures for reporting and monitoring the investments financed in the water sector, the repeal, by Article 1 (4-bis) (c) of Decree-Law No 121 of 10 September 2021, converted into Law No 156 of 9 November 2021, of Article 1 (517) and (518) of Law No 205 of 27 December 2017, which provided for the differentiation between the 'reservoir' section and the 'aqueducts' section, allowed the creation of a single programming instrument, the 'National Plan for Infrastructure and Safety Measures in the Water Sector'. This simplification significantly accelerates the procedure used in the context of the implementation of the measures referred to in the Prime Ministerial Decree N.133 of 1 August 2019 — 'aqueducts' section, which provided for the transfer of resources to the implementing bodies with a shift beyond that provided for in the Prime Ministerial Decree of 17 April 2019 — 'reservoirs' section. Beyond the requirements of the milestone, on the basis of paragraph 516-bis of Article 1 of the Law of 27 December 2017, n.205, as modified by Article 4-bis of Decree-Law 10 September 2021, n. 121 converted into law by Law of 9 November 2021, n.156, the Ministerial Decree n. 291 of 21 September 2022 adopted the Guidelines setting out the criteria for the selection and assessment of the investment projects in the area of water infrastructure. .

**Commission Preliminary Assessment: Satisfactorily fulfilled**

<b>Number:</b> M4C1-3	<b>M4C1.R2.1 - Teachers' recruitment</b>	
<b>Name of the milestone:</b> Entry into force of the reform on teaching profession.		
<b>Qualitative Indicator:</b> Provision in the law indicating the entry into force of the reform		<b>Time:</b> Q2 2022
<b>Context:</b>		

The Reform 2.1 on the teaching profession aims to attract, recruit and motivate quality teachers, with the overall strategic objectives of improving educational outcomes and the quality of the Italian education system.

As provided in the Council Implementing Decision, milestone M4C1-3 consists of four points: i) improvement and simplification of the public competition procedures; ii) strengthening of the qualification needed to access the teaching profession; iii) establishment of a more effective teachers' mobility framework, in the interest of teaching continuity; iv) setting a career progression linked to the performance evaluation and continuous professional development.

In line with the Council Implementing Decision, the full implementation of the Reform 2.1 on teachers' recruitment is linked to two additional steps: indicatively by Q4 2023, the secondary legislation for the effective implementation of the reform shall enter into force (M4C1-10); indicatively by Q4 2024, at least 70 000 teachers shall be recruited within the reformed recruitment system (M4C1-14).

**Evidence Provided:**

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

1. Summary document duly justifying how the milestone was satisfactorily fulfilled in line with the requirements set out in the Council Implementing Decision Annex and in the further specification of the Operational Arrangements
2. Copy of artt. 58-59 of the Decree-Law n. 73 of 25 May 2021, published in the Official Journal n. 123 of 25 May 2021 and converted into Law n. 106 of 23 July 2021, published in the Official Journal n. 176 of 24 July 2021
3. Copy of Decree-Law n. 36 of 30 April 2022, published in the Official Journal n. 100 of 30 April 2022 and converted into Law n. 79 of 29 June 2022, published in the Official Journal n. 150 of 29 June 2022
4. Copy of art 38 of Decree-Law n. 115 of 9 August 2022, published in the Official Journal n. 185 of 9 August 2022 and converted into Law n. 142 of 21 September 2022, published in the Official Journal n. 221 of 21 September 2022

**Analysis:**

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

In particular:

- Simplification and improvement of the recruitment system based on public competition procedures. The reference in the Council Implementing Decision to recruitment system is further specified in the Operational Arrangements, which describes the characteristics of the reformed public competition procedures, outlining that the hiring competitions - based on the reformed procedures - shall be organized on a regular basis. Criteria shall be based on candidates' cultural and service qualification and on the candidate's ability to teach as measured by a specific test, such as a simulated lesson. Art 59, paragraph 10, of the Decree-Law n. 73 of 25 May 2021, and converted into Law n. 106 of 23 July 2021 provides for teachers to be recruited on a regular basis every year. Art 46 of Decree-Law n. 36 of 30 April 2022, converted into Law n. 79 of 29 June 2022, provides for the further improvement and simplification of the competition procedures. The assessment of candidates is enhanced by testing their knowledge competences to teach and skills (including IT) through two main exams (written and oral). Within the oral examination, a dedicated test is devoted to verifying candidate's ability to teach. The reform also substituted questions based on multi-choice tests with open-ended questions. Paragraph 1, letter b) states that the Ministry of Education shall appoint a dedicated commission which will contribute to the preparation of the written questions. A single evaluation commission at national level shall also be established to ensure uniformity across the country and transparency in the evaluation of

written tests. After having successfully passed the public competition, the candidate will be hired but she/he needs to pass a final test after one-year of probationary period. After the successful completion of the one-year on the job training, the candidate is finally hired as a teacher with a permanent contract in the same place of the probationary period.

- Improvement of the qualification needed to access the teaching profession. In accordance with the requirements of the Council Implementing Decision and with the further specification of the Operational Arrangements, higher qualification in teaching to access the profession in secondary school shall be achieved by strengthening the provision by HEIs (Higher Education institutions) of pedagogical (teacher) training as a requirement for future access to the teaching profession. Art 44 of Decree-Law n. 36 of 30 April 2022, converted into Law n. 79 of 29 June 2022, reinforces the “qualification process” to become a teacher and therefore be eligible to participate to the public competition procedure. The new qualification process requires the acquisition of 60 European Credit Transfer and Accumulation System (ECTS) in pedagogical subjects and methodologies of teaching (equivalent to one year course compared to the current 24 ECTS) to be provided by universities. It also requires passing a final exam which includes a simulated lesson. Transitory arrangements are envisaged until December 2024, allowing people not yet “qualified” to participate in public competitions. The transitory arrangements concern:
  - a) Students/candidates who completed 30 ECTS (including 10 ECTS of traineeship) out of the 60 ECTS (arrangement in place until December 2024);
  - b) Teachers with at least 36 months of experience (in place until December 2024);
  - c) Students/candidates who completed 24 ECTS by October 2022.All the candidates hired through the transitional arrangements will still be required to finalize the “qualification” (namely, obtaining the additional missing 30ECTS and passing the final test) within one year from passing the public competition.

- More Effective mobility framework, limiting teachers' mobility in the interest of teaching continuity. While the Council Implementing Decision more generically refers to the improvement of the teacher's mobility in the interest of teaching continuity, the further specification in the Operational Arrangements states that existing teacher's permanence obligation should be extended to “more than 3 years” for newly recruited teachers. Art 44 paragraph 4, letter g) of Decree-Law n. 36 of 30 April 2022, converted into Law n. 79 of 29 June 2022, provides the minimum permanence in the same location to be longer than 3 years for a sub-group of the newly recruited teachers (those not yet qualified at the moment of the public competition). Art 45 of same Decree-Law includes the teachers' availability to stay in the same job post for more than 3 years as one of the criteria to assign the monetary incentive provided by the “fondo per la valorizzazione del personale docente”. Furthermore, art 38 of Decree-Law n. 115 of 9 August 2022, published in the Official Journal n. 185 of 9 August 2022, converted into Law n. 142 of 21 September 2022 provides that teachers awarded with the permanent incentive (see below) shall remain in the same school for three additional years (six years in total) after their appointment, in order to access and maintain the salary increase. This requirement is expected to further strengthen the retention of qualified teachers by schools. Whilst the minimum permanence in the same location remains set at 3 years in some cases, thereby constituting a minimal deviation from the requirement of the Operational Arrangements, the reform, as such, overall promotes teaching continuity which is the main goal of this part of the reform. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.
- Setting career progression linked to teachers' performance evaluation and continuous professional development. The reference in the Council Implementing Decision to career progression is further specified in the Operational Arrangements which states in particular that setting a career progression must balance seniority and performance in determining career and salary progression. Art 44, paragraph 1, lett. i), article 16-ter of Decree-Law n. 36 of 30 April 2022

envisages a system of training for teachers (compulsory for newly recruited teachers and voluntary for the rest) articulated in three-year cycles. Each cycle, among the teachers who have successfully completed the training cycle, the best performing ones are selected via an evaluation process of the training, of their availability to perform additional tasks such as mentoring, coaching, and organization of extracurricula activities, of their activities in class and of the students' educational outcomes. The best performing teachers shall receive a bonus corresponding to between 10 and 20% of their current salary (the number of beneficiaries being dependent upon the available resources). The bonus can be received again by the same teacher only at the end of another three-year training programme. In addition, art 38 of Decree-Law n. 115 of 9 August 2022, published in the Official Journal n. 185 of 9 August 2022, and converted into Law n. 142 of 21 September 2022, introduces a system of career progression, whose further definition is delegated to collective agreements. The same provision introduces a permanent annual incentive of EUR 5 640, on top of the teacher's standard salary, available to up to 8 000 teachers who have successfully completed three different training cycles in a row. Until a collective agreement is in place, a set of criteria to select recipients of the permanent benefit is immediately applicable and laid out in the same Decree-Law. In particular, the selection shall be based on the scores achieved during the three training cycles (which also take into account performance, notably during teaching activities carried out and evaluated). Only in case of candidates with the same score, the length of permanence in the same location and professional curriculum are also considered. Via this legislative act, Italy has established a legal framework that links career and salary progression to the performance evaluation of candidates in professional trainings and rewards merit and performance, overcoming the previous system, which was overly reliant on seniority. While the new system incentivises more senior teachers to engage with the new training and performance evaluation, it makes the professional training compulsory for newly recruited teachers. The salary progression, which can be considered as a component of career progression, has been adequately defined providing financial incentives for the completion of each training cycle and for a permanent salary increase following the completion of three different training cycles to the best performing teachers. Importantly, the level of salary progression is fixed and its level is considered to be a sizeable permanent incentive to staff to develop their career through strong performances in continuous professional development. The overall framework for career progression will be further specified by the collective agreements process. Whilst not having already set in the law a career progression framework represents a minimal deviation from the wording of this specific constitutive element of the milestone as well as a specific part of the further specifications in the Operational Arrangements, it does not change the nature of this part of the measure because career progression is clearly linked to performance and continuous professional development and does not affect the progress towards the achievement of the reform that the milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M4C1-4	<b>M4C1.I3.2</b> - School 4.0: innovative schools, wiring, new classrooms and workshops
<b>Name of the milestone:</b> School 4.0 Plan to foster the digital transition of the Italian school system is adopted	
<b>Qualitative Indicator:</b> Decree adopting the School 4.0 plan	<b>Time:</b> Q2 2022



**Context:**

This investment aims at updating school facilities and enhancing digital transition of Italian schools through four different initiatives: i) transformation of 100 000 classrooms into innovative learning environments; ii) creation of laboratories for digital profession; iii) digitization of school administrations; iv) development of interior wiring cabling of approximately 40 000 school buildings and related devices.

The milestone M4C1-4 has two main objectives, the transformation of 100 000 classrooms into innovative learning environments (action a) and the creation of laboratories for the digital professions in all high schools (action b). By Q4 2025, Investment 3.2 envisages the creation of 100 000 classrooms to be transformed in innovative learning environments (target M4C1-19).

The other two initiatives of Investment 3.2 mentioned above (point iii and point iv) are described in the adopted School 4.0 plan but are not objectives of the milestone M4C1-4. In fact, as indicated in the plan, these points are either related to measures financed outside the Recovery and Resilience Facility Framework or related to the implementation of other investments of the Italian Recovery and Resilience Plan.

**Evidence Provided:**

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

1. Summary document duly justifying how the milestone, including all the constitutive elements, was satisfactorily fulfilled;
2. Ministerial Decree of the Ministry of Education n. 161 of the 14 June 2022;
3. School 4.0 Plan as an Annex of the Ministerial Decree n.161 of the 14 June 2022;

The authorities also provided:

4. Relevant documentations concerning the financing of ongoing projects ("Progetti in Essere") included in the School 4.0 plan and financed through the Recovery and Resilience Facility resources.

**Analysis:**

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

In particular:

- Ministerial Decree n. 161 of the 14 June 2022 formalizes the adoption of the School 4.0 Plan to implement the Investment 3.2 of the RRP;
- Section 1 of the School 4.0 Plan summarizes the line of actions aimed at fostering digital transition of the Italian school system in line with the description of the Investment 3.2 in the Council Implementing Decision. Specifically:
  - Section 1.2.1 of School 4.0 Plan describes the initiatives aimed at improving the interior wiring cabling of about 40 000 schools buildings and related devices;
  - Section 1.2.4 of School 4.0 Plan describes the initiatives aimed at fostering the digitalization of the school administrations;
- Section 2 of the School 4.0 plan covers point (i) describing the steps foreseen to implement action a) "to transform 100 000 classroom in primary and secondary school into innovative learning environment, in line with the description of the milestone in the Council Implementing Decision. According to the plan, each school shall adopt a "School Strategy 4.0" to enhance their digital transformation. Section 2.2 outlines the characteristics of the new classrooms. In particular, the classrooms shall be equipped with digital screen, devices for the use of the lessons that can also be carried out in videoconference and individual or group digital devices

(notebooks, tablets, etc.), devices for digital communication, for the promotion of writing and reading with digital technologies, for the study of STEM - Science, Technology, Engineering e Mathematics – for digital creativity, for the learning of computational thinking, artificial intelligence and robotics, for the use of contents through virtual and augmented reality. These facilities are expected to enhance the connectivity and foster innovative teaching technologies.

- Section 3 of the School 4.0 plan covers point (ii) describing the steps foreseen to implement action b) to create laboratories for the digital professions in all high schools, in line with the description of the milestone. Section 3.2 summarizes the characteristics of the laboratories and their functioning. Thanks to their advanced digital equipment, the laboratories shall support the creation of new jobs in highly digitalized areas (such as robotics and automation; artificial intelligence; cloud computing; cybersecurity; Internet of Things.) During the designation phase of the Already at an early stage, when the functioning of laboratories is designed, the plan envisages exchanges between the school community and various actors at local and national level to develop career paths adapted to the new challenges of digitization. In particular, the contribution of universities, higher technical institutes (ITS), centres of research, companies and innovative start-ups in During the laboratory management phase and the construction of shared paths PCTO - “ Percorsi per le Competenze Trasversali e l’Orientamento (Pathways for Transversal Skills and Orientation)” has the potential to enhance schools’ educational offer, by supporting the creation of new professions in highly digitalized areas. The plan envisages the potential contribution of universities, higher technical institutes (ITS), centres of research, companies and innovative start-ups.
- Section 4 of the adopted School 4.0 Plan identifies the procedural steps to implement the plan, in particular, providing information on the timeline relative to public calls, award decrees, fund disbursement to schools and public procurement for supply of digital devices and services by implementing entities;
- Section 4.1 establishes that the quota for the implementation of the Investment 3.2 is divided among all the schools of the first and second cycle in proportion to the number of active classes over the school year. A reserve of 40% of the resources in favor of schools in the southern regions is also taken into account in the allocation of resources. In line with the milestone, 40% of the schools benefitting from of the School 4.0 Plan must be located in the South of Italy.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M4C2-4	<b>M4C2.R1.1</b> - Implementation of R&D support measures to foster simplification and mobility	
<b>Name of the milestone:</b> Entry into force of Ministerial Decrees on R&D simplification and mobility linked to the ordinary financing fund.		
<b>Qualitative Indicator:</b> Provision in the decree indicating the entry into force of the law		<b>Time:</b> Q2 2022
<b>Context:</b> The reform is expected to promote a shift towards a more systemic approach to R&D activities, going beyond the current logic of reallocating resources by favouring a sharing approach and shall focus on simplifying red tape in the management of funds dedicated to public-private research activities, generating a significant impact through avoiding dispersion and fragmentation of priorities. Public research bodies (EPR) shall play a key role both as possible project leaders for		

Partnerships, National Campaigns and Territorial Ecosystems, and as potential participants in calls for proposals on the PNR Fund and the Infrastructure Fund. The reform shall be implemented by the Ministry of University and Research (MUR) and the Ministry of Economic Development (MiSE) through the creation of an inter-ministerial steering board.

M4C2-4 includes 4 key elements: 1) creation of a new simplified model to avoid dispersion of priorities, 2) promoting mutual mobility of high-profile figures between academia and the business sector; 3) simplification of funds management; 4) reform the career path of researchers to increase their focus on research activities. No other milestone or targets are foreseen for this reform.

**Evidence Provided:**

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

1. Summary document duly justifying how the milestone was satisfactorily fulfilled in line with the requirements set out in the Council Implementing Decision.
2. Ministerial Decree n.1314 of 14 December 2021, registered to the Court of Auditors on 27 December 2021 and published in the Official Journal n. 109 of 11 May 2022, on the simplification of research funds management;
3. Ministerial Decree n. 330 of 30 March 2022, registered to the Court of Auditors on 13 June 2022 and published in the Official Journal n. 143 of 21 June 2022, promoting mutual mobility of high-profile figures between academia and the business sector;
4. Conversion Law n.79 of 29 June 2022 that amends art.24 of the Law n.240 of 30 December 2010, published in the Official Journal n.150 of 29 June 2022, reforming the career path of researchers to increase their focus on research activities.

**The authorities also provided:**

5. Ministerial Decree n.1233 of 10 November 2021, setting up an inter-ministerial steering board for the implementation of the measures of M4C2 for the RRP.

**Analysis:**

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

In particular:

- In line with description of the measure in the Council Implementing Decision, for the implementation of the actions related to component M4C2 (therefore, also of the reform 1.1) an inter-ministerial steering board between the Ministry of University and Research and the Ministry of Economic Development was created (art.1 of the decree n. 1233 of 10 November 2021);
- The Ministerial Decree 1314 of 14 December 2021, entered into force on 28 December 2021, the day after the registration to the Court of Auditors (art. 24), promotes a more systemic approach to R&D activities through a new simplified model. In particular, in line with the further specifications included in the Operational Arrangements, which requires the simplified model for the selection of research projects to be inspired by international best practices the decree introduces a two-phase evaluation procedure for research project proposals (art.9), managed by a committee of international experts selected by the National Committee for Research Evaluation (art. 8), followed by a final negotiation phase aimed at refining the proposals, including on their scientific aspects, with the direct involvement of the Ministry which undertakes an executive role (art. 10). The negotiation steered by the Ministry is expected to reduce dispersion and fragmentation of research priorities, hence supporting the research focus on key priorities and therefore facilitating the generation of impact. Public Research bodies will play a key role both as possible project leaders for partnerships and as potential participants in calls for proposals (art. 5, comma 1 and 2);

- The Ministerial Decree n. 330 of 30 March 2022, entered into force on 14 June 2022, the day after the registration to the Court of Auditors (art.11), includes relevant incentives to promote mutual mobility of high profiles figures (researchers and managers) between universities, public research bodies and enterprises. Universities and public research bodies can stipulate conventions with enterprises for the temporary mobility of researchers and high-qualified experts (art. 1). During their mobility period, researchers and high-qualified experts will maintain their role and salary. The research performed during their mobility period will be taken into account for the performance evaluation of the researcher (art. 5 and 6). Managers performing a research project in a university or a public research body will hold intellectual property rights (art. 8);
- As regards the simplification of the management of funds, the Ministerial Decree 1314 of 14 December 2021, also introduces a “*performance based approach*” to project implementation (similar to those in place for the RRP), based on the disbursements of funds upon the achievement of milestones and targets (art. 12, 13 and 14). This system will guarantee an adequate cash flow without losing control on the expenditures that will need to be accounted according to the ordinary accounting modalities (art.14). Moreover, during the negotiation phase of the new two-phase evaluation procedure, candidates will be able to integrate their research proposals with new lines of activities or sectors, also accumulating resources coming from other sources of funding (art. 10, comma 3a);
- The law n.79 of 29 June 2022, entered into force the day after the publication in the Official Journal (art. 1, comma 2), amends art. 24 of the law 240 of 30 December 2010, reforming the career path of researchers. The reform departs from the previous system based on two different figures of temporary researchers (type A and B), by creating a unique tenure track, overcoming the complexities of the former system. The new unique contract is expected to facilitate the focus on research activities of researchers by introducing a specific incompatibility between the role of researcher and any other employment relationship or scholarship not awarded for research purposes. Researchers will also be able to suspend the research period in case of illness or maternity/paternity leave (art. 6-decies). Moreover, the teaching and research activities of the researcher will be considered by the National Agency for the Evaluation of University and Research (ANVUR) for the purpose of allocating additional funding to universities. The law also reduces the duration of the research contract from 8 to maximum 6 years. At their request, after their third year, researchers having achieved the scientific qualification will be evaluated for the purpose of an earlier entry into service (art.6-decies). The provisions of this reform are expected to simplify the early stage of the researchers’ career, and accelerate their entry into role. Transitional provisions are also included in the law to ensure a smooth transition to the new system (art. art. 6-terdecies to art. 6-undevicies). In this sense, the old type of research contracts and the new type will run together, allowing universities to also hire researchers of type B for additional 12 months (art. 6-terdecies) and of type A for 36 months (art. 6-quinquiesdecies) from the day of the entry into force of the law. For the next 36 months, universities will be also bound to use at least the 25% of resources allocated to hire researchers with the new system, to researchers who have or who have had in the previous 36 months a contracts of type A (6-septiesdecies).

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M4C2-11	<b>M4C2.I2.1</b> - Important Project of Common European Interest (IPCEI)
<b>Name of the milestone:</b> Entry into force of national legal act allocating the necessary funding to provide support to project participants	

<b>Qualitative Indicator:</b> Provision in the National Legal Act indicating the entry into force of the act	<b>Time:</b> Q2 2022
<p><b>Context:</b> This investment aims to supplement the current Important Project of Common European Interest (IPCEI) fund, referred to in Article 1 (232) of the 2020 Budget Law, with additional resources.</p> <p>This is the second milestone under this measure as it follows M4C2-10, which consisted in the launch of the call for expression of interest for the identification of the national projects meant to be financed. Milestone M4C2-11 foresees the entry into force of the national legal act allocating the necessary funding to support project participants. It will be followed by milestone M4C2-12, which consists of the publication of the list of participants to IPCEI projects and is envisaged by Q2 2023, and by milestone M4C2-22, which foresees that at least 20 companies will receive support through the IPCEI model and is envisaged by Q2 2025.</p>	
<p><b>Evidence Provided:</b></p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>1. Summary document duly justifying how the milestone was satisfactorily fulfilled in line with the requirements set out in the Council Implementing Decision;</li> <li>2. Copy of the national legal act (Ministerial Decree) allocating the necessary funding to the IPCEI fund, issued by the Ministry of Economic Development (MISE) on 27 June 2022 and published on the Official Journal on 5 August 2022.</li> </ol>	
<p><b>Analysis:</b></p> <p>The justification and substantiating evidence provided by the Italian authorities cover all constitutive elements of the milestone.</p> <p>In particular:</p> <p>Article 2, point 1 of the Ministerial Decree of 27 June 2022 indicates that the objective of the Decree is to provide funding to the IPCEI Fund to support projects related to the IPCEIs on Hydrogen Technology, Hydrogen Industry, Microelectronics <sup>3</sup> and Next Generation Cloud Infrastructure and Services. Article 2, point 2 of the Ministerial Decree allocates the budget of EUR 1.5 billion linked to M4C2 Investment 2.1 “Important Project of Common European Interest (IPCEI)” of the RRP in support of the above-mentioned IPCEIs through the IPCEI Fund.</p> <p>In addition, as required in the description of the milestone, Article 4 of the Ministerial Decree of 27 June 2022 indicates the procedures and deadlines to submit projects. Article 4 specifies the detailed procedures related to the submission and assessment of the project proposals, also indicating the relevant documentation. As regards the deadlines for the submission of the projects, Article 4 foresees in particular that the submission of the projects will be opened within 90 days from the notification of the related IPCEI State aid clearance decision and that the assessment of the project proposals by the Ministry will occur within 90 days from their submission.</p> <p>Furthermore, in line with the description of the milestone, the access requirements for potential beneficiaries are indicated in Article 3 of the national legal act. In particular, Article 3, point 2, stipulates that aid may be granted to (i) undertakings meeting the requirements laid down in Article 3 of the Inter-ministerial Decree of 21 April 2021, considered eligible for support by the Italian authorities and identified by the related IPCEI State aid clearance decision and (ii) to research organisations participating in the same projects, which were selected by the Ministry during the preliminary assessment phase and eligible for support on the basis of Article 5 point 3 of the Inter-ministerial Decree.</p>	

<sup>3</sup> IPCEI on Microelectronics and Communication Technologies.

In line with the Council Implementing Decision and in accordance with the commitments referred to in the preliminary assessment of the first payment request with respect to milestone M4C2-10, concerning climate and digital contribution and the DNSH principle, Article 3, points 4 and 5 of the Ministerial Decree of 27 June 2022 indicate that the climate and digital contributions will be ensured and include the specifications concerning the respect of the DNSH principle (Commission Technical Guidance (2021/C58/01)) in terms of eligibility criteria, exclusion list of activities and compliance with the relevant EU and national environmental legislation. As the commitments on DNSH refer to all subsequent procedural steps, compliance with such commitments will be assessed with respect to milestone M4C2-12 and target M4C2-22.

As concerns the commitment to update the list of supported projects based on the progress of the State aid notification procedure, as mentioned above, Article 3, point 2 indicates that aid may be granted to undertakings considered eligible for support by the Italian authorities and identified by the related IPCEI State aid clearance decisions. The list of supported projects is therefore expected to be finalised once all related IPCEI State aid clearance decisions will be issued and, in the context of the fulfilment of the subsequent milestone, M4C2-12, envisaged by Q2 2023, the authorities are expected to finalise and publish such a list on the basis of the projects approved within the various State aid clearance decisions. Finally, as concerns the commitment to report on the implementation of the measure halfway through the life of the scheme and at the end of the scheme, the authorities are expected to provide such reports in the context of the fulfilment of the subsequent milestone, M4C2-12, envisaged by Q2 2023 and target M4C2-22, envisaged by Q2 2025.

In line with the national legal framework, the Ministerial Decree of 27 June 2022 has the nature of an administrative act and produces effects from the date of adoption and has as such entered into force.

**Commission Preliminary Assessment: Satisfactorily fulfilled**

<b>Number:</b> M4C2-17	<b>M4C2.I3.1</b> - Fund for construction of an integrated system of research and innovation infrastructures	
<b>Name of the milestone:</b> Award of contracts for the projects concerning: a) integrated system of research and innovation infrastructures		
<b>Qualitative Indicator:</b> Notification of the award of contracts		<b>Time:</b> Q2 2022
<p><b>Context:</b>  This investment supports the creation or strengthening, on a competitive basis, of research infrastructures of pan-European relevance and dedicated innovation infrastructures, promoting the combination of public and private investments. The measure shall finance 30 infrastructure projects (existing or newly financed) with a research manager for each infrastructure.</p> <p>M4C2-17 is the initial step in the implementation of the investment and requires the award of the contracts to the projects financing the research and innovation infrastructures. Indicatively by Q2 2023, at least 30 research and innovation infrastructures will be funded and at least 30 research managers, one per each infrastructure, will be hired (target M4C2-16).</p>		

**Evidence Provided:**

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

1. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled, including specific details to prove compliance with the DNSH;
2. 49 copies of the contract award notifications to the successful candidates, notified on 25 July 2022 (research infrastructures) and on 4 August 2022 (Innovation infrastructures);
3. One report of the evaluation committee regarding each selection phase (administrative check; technical-scientific evaluation of the proposals, negotiation).

The authorities also provided:

4. 24 contract awards for research infrastructures (Directorial Decrees n. 106, 107, 108, 110, 111, 112 of 20 June 2022 and n. 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131 of 21 June 2022), including their annexes:
  - the full proposals (Annex A);
  - the economic and financial plan (Annex B);
  - Gantt chart (Annex C);
  - Plan of allocations related to the mid-term objectives (Annex D)
  - the contract template (Annex E);
  - Unique Project Identifier (CUP) (Annex F);
5. 25 contract awards for innovation infrastructures (Directorial Decrees n. 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157 of 22 June 2022), including their annexes:
  - The full proposals (Annex A);
  - The contract template (Annex B);
  - Unique Project Identifier (CUP) (ANNEX C);
  - Plan of payments (Annex D);
6. The call for project n.3264 of 28 December 2021 financing research infrastructures;
7. The call for project n. 3265 of 28 December 2021 financing innovation infrastructures;
8. For each successful proposal, an ex-ante DNSH evaluation ("*check list di valutazione ex-ante del principio DNSH*") by the Evaluation Committee and a self-declaration by the successful tenderers on the compliance with the DNSH requirements (including DNSH exclusion list and compliance with the EU and National environmental legislation);
9. Abstracts of the successful proposals;
10. Table comparing the research infrastructure projects with thematic alignment with the European Strategy Forum on Research Infrastructures (ESFRI) areas;
11. Annex 7C– Bridging evaluation table research infrastructures (IR) and innovation infrastructures (ITEC).

**Analysis:**

The Commission considers that there is a clerical error in the text of the Council Implementing Decision as regards the description of investment 3.1 and has undertaken the assessment on a revised basis. In such description, it is stated that up to 30 infrastructure projects shall be financed. However, target M4C2-16 which is expected in Q2 2023 states that at least 30 infrastructures should be funded. This latter figure is the one considered relevant for the fulfilment of M4C2-17 and M4C2-16.

Against this background, the justification and substantiating evidence provided by the Italian authorities cover all constitutive elements of the milestone.

In particular:

- A total of 49 research and innovation infrastructures were awarded contracts following the calls n.3264 and n.3265, launched on 28 December 2021. The contracts awards for the innovation infrastructures were notified to the successful candidates on 4 August 2022 (innovation infrastructures) and on 25 July (research infrastructures) as evidenced by the notifications provided;
- The call n.3264 has financed 24 research infrastructures of medium-high priority according to the National Plan for Research Infrastructures 2021-2027 (PRIN). Resources were allocated in the following 5 European Strategy Forum on Research Infrastructures (ESFRI) areas: Digit; Energy; Environment; Health and Food; Physical Sciences and Engineering; Social and Cultural Innovation);
- The call n.3265 has financed 25 innovation infrastructures coherent with the National Programme for Research 2021-2027 (PNR) and with the smart specializations strategies at the national or regional level. Priority was given to projects with a medium-high Technology Readiness Level (TRL);
- All the research and innovation infrastructures were selected following a competitive call. The selection of the projects was made on the basis of the criteria set out in the Council Implementing Decision: scientific/technological/innovation leadership, their innovation potential (both in terms of open innovation/open data and for proprietary developments), their compliance with the thematic areas or for novel disruptive developments, their translational and innovation plans, the support from industry as a partner for open innovation and/or as users, the strength of the business development activities, IP generation, clear rules for distinguishing open and protected output and licensing plans, their ability to develop and host industrial doctorates, links with the venture or other types of funds to facilitate the development of new start-ups.
- For the call n. 3264, the criteria for the selection of the projects were included in the project proposal template - under point 28 "*extended abstract*", taken into account for the assessment of projects and evaluated according to the selection criteria n. A.1, A.2, A.4, B.1-B.4 of the call for project (art. 10, comma 2), as evidenced by the reports of the evaluation committee and as also explicitly justified by authorities in their summary document and in Annex 7c;
- For the call n.3265, the criteria for the selection of projects are set out in art. 10, comma 5 and are in line with the Council Implementing Decision;
- All the projects proposals were assessed in terms of compliance with the DNSH conditions set out in the Council Implementing Decision. Compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01) as well as the exclusion list and the requirement of compliance with the relevant EU and national environmental legislation were included as eligibility criteria of the projects (art. 6, comma 2c and comma 3 of the call n. 3264; art. 5, comma 6, of the call n.3265) and all tenderers have submitted a declaration of compliance with the DNSH conditions set out in the Council Implementing Decision. An ex-ante DNSH evaluation for each project by the evaluation committee was also performed, as evidenced by the DNSH checklists and by the calls for projects (art. 10, comma 2, criterion B2 for the call. n.3264; art. 8, comma 4, of the call n.3265);
- In line with the Council Implementing Decision, in the summary document the authorities provided a justification on the non-applicability of the Strategic Environmental Assessment (SEA) to the projects concerned specifying that, according to the Italian legislation, the SEA is not applicable to projects but only to programs and plans. In line with the explanation provided by the Italian authorities, the Commission confirms that, the SEA is not applicable to the projects at hand;



- Finally, the Council Implementing Decision refers to a fund as the vehicle for implementing this investment. As indicated above, Italian authorities have awarded contracts to 49 research and innovation infrastructures, by means of two calls of projects, in line with the requirements of the milestone. Whilst a fund was not established, thereby constituting a minimal deviation from a formal requirement of the Council Implementing Decision as to the internal implementation process. The progress towards achieving the investment, which the milestone represents, is not affected. The Fund, whose existence is presupposed, is, in and of itself, not relevant for the fulfilment of the milestone. As such the investment supports the creation or strengthening, on a competitive basis, of research infrastructures of pan-European relevance and dedicated innovation infrastructures, that is the main goal of this part of the investment. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M4C2-18	<b>M4C2.I1.5</b> - Establishing and strengthening of "innovation ecosystems for sustainability", building "territorial leaders of R&D"	
<b>Name of the milestone:</b> Award of contracts for projects concerning innovation ecosystems		
<b>Qualitative Indicator:</b> Notification of the award of contracts		<b>Time:</b> Q2 2022
<p><b>Context:</b> The measure aims at financing temporary networks of research institutions and companies ("innovation ecosystems"), distributed on the national territory, selected through competitive procedures.</p> <p>M4C2-18 requires the notification of the awards of the contracts to the innovation ecosystems (final step). No further milestones and targets are foreseen for this investment.</p>		
<p><b>Evidence Provided:</b> In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>1. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;</li> <li>2. 11 copies of the contract award notifications;</li> <li>3. Report of the evaluation committee regarding each selection phase (pre-selection, analysis of the full proposal, negotiation) against the call's demands;</li> <li>4. List of contractual counterparts.</li> </ol> <p>The authorities also provided:</p> <ol style="list-style-type: none"> <li>5. 11 contract awards (Directorial Decrees n.1049, 1050, 1051, 1052, 1053, 1054, 1055, 1056, 1057, 1058, 1059 of 23 June 2022), including their annexes: <ul style="list-style-type: none"> <li>○ the full proposals (Annex A);</li> <li>○ the cost plan (Annex B);</li> <li>○ the work and payments plan (Annex C);</li> <li>○ the contract template (Annex D);</li> <li>○ Unique Project Identifier (CUP) and concessions code (ANNEX E);</li> </ul> </li> <li>6. The call for projects (Directorial Decree. n. 3277 of 30 December 2021);</li> </ol>		

7. For each successful proposal, an ex-ante DNSH evaluation ("*check list di valutazione ex-ante del principio DNSH*") by the Evaluation Committee and a self-declaration by the successful tenderers on the compliance with the DNSH requirements (including DNSH exclusion list and compliance with the EU and National environmental legislation);
8. Abstracts of the successful proposals;
9. Several procedural acts related to the selection procedure (decree nominating the evaluation committee; acts of the contracts authority approving the assessment of the evaluation committee; notifications to the pre-selected candidates, and so on).

**Analysis:**

In their request for payment, the Italian Authorities made reference to the existence of clerical errors in the Council Implementing Decision, with respect to the description of milestone M4C2-18.

In particular, for M4C2-18 a relevant part of the description of the milestone has been included in the text of Milestone M4C2-19: "*Projects shall be assessed taking into account their feasibility, sustainability, cofunding from other sources (such as. regional funds), involvement of the productive sector, quality of the partners, and impact on social and environmental sustainability*".

In addition, the following part of the description of milestone M4C2-18 is in fact relevant for M4C2-19: "*The National Centres (NCs) shall be created following a competitive call by merging existing world-leading laboratories already present in Universities, and public and private research centres, as well as by setting up new bespoke infrastructure*". This latter aspect was also reflected in the further specifications of the Operational Arrangements for M4C2-18 which are relevant for M4C2-19 only.

The Commission considers that these are clerical errors and has undertaken the assessment on this basis.

Against this background, the justification and substantiating evidence provided by the Italian authorities cover all constitutive elements of the milestone.

In particular:

- The Directorial Decrees n. 1049, 1050, 1051, 1052, 1053, 1054, 1055, 1056, 1057, 1058, 1059 of 23 June 2022 awarded the contracts to 11 innovation ecosystems. The financed innovation ecosystems are: 1) "Tech4You - Technologies for climate change adaptation and quality of life improvement"; 2) "THE - Tuscany Health Ecosystem"; 3) "Sicilian MicronanoTech Research And Innovation Center - SAMOTHRACE"; 4) "Rome Technopole"; 5) "Ecosystem for Sustainable Transition in Emilia Romagna"; 6) "RAISE (Robotics and AI for Socio-economic Empowerment)"; 7) "NODES - Nord Ovest Digitale E Sostenibile"; 8) "MUSA - Multilayered Urban Sustainability Action"; 9) "e.INS Ecosystem of Innovation for Next Generation Sardinia"; 10) "Innovation, digitalisation and sustainability for the diffused economy in Central Italy"; 11) "Interconnected Nord-Est Innovation Ecosystem (iNEST)". The contracts awards for the innovation ecosystems were notified to the successful candidates on 29 July 2022 as evidenced by the notifications provided;
- All the innovation ecosystems were selected following a competitive call, launched on 30 December 2021 (Directorial Decree n. 3277). The selection of the projects was made on the basis of the criteria set out in the Council Implementing Decision, as evidenced by the call (art. 12, comma 2). In particular, in line with the Council Implementing Decision, projects were assessed taking into account their feasibility, involvement of the productive sector and local public entities (also in terms of co-financing), quality of the partners and impact on the territory, also in terms of sustainability;
- The projects activities of the financed projects are coherent with the Council Implementing Decision (art. 6). In particular, each project includes: (a) innovative training activities carried out in synergy by universities and businesses to reduce the work-education mismatch; industrial doctorates; (b) research activities, also carried out through research and

- innovation infrastructures with the participation of enterprises operating in the territory; (c) support for start-ups; (d) involvement of local communities on innovation and sustainability issues (art. 6, comma 1). Innovation ecosystems will have a social sustainability focus (art.1);
- All the projects proposals were assessed in terms of compliance with the DNSH conditions set out in the Council Implementing Decision. Compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01) as well as the exclusion list and the requirement of compliance with the relevant EU and national environmental legislation were included as eligibility criteria of the projects (art. 7, comma 2, bullet point n.4 of the call) and all tenderers had to submit a declaration of compliance with the DNSH conditions set out in the Council Implementing Decision. An ex-ante DNSH evaluation for each project by the evaluation committee was also performed, as evidenced by the DNSH checklists;
  - Finally, in line with the Council Implementing Decision, in the summary document the authorities provided a justification on the non-applicability of the Strategic Environmental Assessment (SEA) to the projects concerned specifying that, according to the Italian legislation, the SEA is not applicable to projects but only to programs and plans. In line with the explanation provided by the Italian authorities, the Commission confirms that, the SEA is not applicable to the projects at hand.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M4C2-19	<b>M4C2.I1.4</b> - Strengthening research structures and supporting the creation of “national R&D leaders” on some Key Enabling Technologies	
<b>Name of the milestone:</b> Award of contracts for projects concerning national R&D leaders on key enabling technologies		
<b>Qualitative Indicator:</b> Notification of the award of contracts		<b>Time:</b> Q2 2022
<p><b>Context:</b></p> <p>The measure aims at creating national research centres, selected with a competitive procedure, able to achieve a critical threshold of research and innovation capacity through collaboration of universities, research centres and enterprises. Key elements of each National Centre are: a) the creation and renewal of relevant research facilities, b) the involvement of private actors in the implementation and implementation of research projects c) support to start-ups and spin off generation.</p> <p>The milestone M4C2-19 requires the notification of the awards of contracts to the national research centres following a dedicated call for projects. M4C2-19 is the first step in the implementation of the measure. The next step is milestone M4C2-9 in Q4 2025 (final step).</p>		
<p><b>Evidence Provided:</b></p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>1. Summary document duly justifying how the milestone was satisfactorily fulfilled in line with the requirements set out in the Council Implementing Decision;</li> <li>2. 5 copies of the contract awards notifications to the successful candidates, notified on 29 July 2022;</li> </ol>		

3. One evaluation report for each selection phase (pre-selection, analysis of the full proposal, negotiation);

The authorities also provided:

4. the call for project (Directorial Decrees n. 3138 of 16 December 2021);
5. Five contract awards (Directorial Decrees n. 1031, 1032, 1033, 1034, 1035 of 17 June 2022), including their annexes:
  - the full proposals (Annex A);
  - the cost plan (Annex B);
  - the work and payments plan (Annex C);
  - the contract template (Annex D);
  - Unique Project Identifier (CUP) and concessions code (ANNEX E);
6. Annex to the evaluation report providing details on the allocation of funds to the relevant intervention fields to comply with the climate tagging requirements set out in the Council Implementing Decision;
7. For each successful proposal, an ex-ante DNSH evaluation ("*check list di valutazione ex-ante del principio DNSH*") by the Evaluation Committee and a self-declaration by the successful tenderers on the compliance with the DNSH requirements set out in the Council implementing Decision;
8. Abstracts of the successful proposals;
9. Ministerial Decree n.470 of 19 May 2022, appointing the evaluation committee;
10. The notification to the preselected candidates for the second stage of the selection procedure.

#### **Analysis:**

In their request for payment, the Italian Authorities made reference to the existence of clerical errors in the Council Implementing Decision, with respect to the description of milestone M4C2-19.

In particular, for M4C2-19 a relevant part of the description of the milestone has been included in the text of Milestone M4C2-18: "*The National Centres (NCs) shall be created following a competitive call by merging existing world-leading laboratories already present in Universities, and public and private research centres, as well as by setting up new bespoke infrastructure*". This latter aspect was also reflected in the Operational Arrangements with respect to milestone M4C2-18.

In addition, the following part of the description of milestone M4C2-19 is in fact relevant for M4C2-18: "*Projects shall be assessed taking into account their feasibility, sustainability, cofunding from other sources (such as regional funds), involvement of the productive sector, quality of the partners, and impact on social and environmental sustainability*". Furthermore, the following incomplete sentence does not allow for any substantive assessment: "*The call for projects to be financed as innovation ecosystems*".

The Commission considers that these are clerical errors and has undertaken the assessment on this basis.

Against this background, the justification and substantiating evidence provided by the Italian authorities cover all constitutive elements of the milestone.

In particular:

- The Directorial Decrees n. 1031, 1032, 1033, 1034 and 1035 of 17 June 2022 financed the creation of the following 5 national research centres: 1. High performance simulations, computation and data analysis; 2. Agricultural Technologies (Agritech); 3. Development of gene therapy and drugs with RNA technology; 4. Sustainable mobility; 5. Bio-diversity. The contracts awards for the national research centres were notified to the successful candidates on 29 July 2022, as evidenced by the notifications provided;

- All the national research centres were selected following a competitive call, launched on 16 October 2021 (Directorial Decree n. 3138). The selection procedure was carried out, in line with the Ministerial Decree n.1314 of 14 December 2021 (art. 10 of the call), complying with international best practices similar to those adopted by the European Innovation Council (evaluation committee formed by international experts, two-phase selection procedures followed by a final negotiation phase centred on the executive elements of the project proposal);
- The call for tenders (art. 1 and 6 of the call), in line with the requirement of the Council Implementing Decision and the further specification of the Operational Arrangements, requires that national research centres are created by merging existing world-leading laboratories already present in Universities, and public and private research centres, as well as by setting up new bespoke infrastructure;
- According to the further specifications of the Operational Arrangements, the term merging should be intended as an aggregation of skills already partially gained in Italy by highly qualified public and private entities. Moreover, National Centers shall leverage the collaboration between Universities Research Institutes and companies and shall have a technological and/or thematic declination consistent with the European Agenda and the contents of the National Recovery and Resilience Plan. In line with the above-mentioned further specifications of the Operational Arrangements, the call specifies that national centres are aggregation of public universities and public research entities and can involve highly qualified private universities, other public research entities and private entities that carry out research activities (art. 1, comma 3 of the call). Furthermore the national research centres will have a technological and/or thematic focus consistent with the European Agenda and the contents of the National Recovery and Resilience Plan (art. 1, comma 3, of the call). Their focus will be on the activities set out in the description of the Council Implementing Decision description (art. 1, comma 4 and art. 6 of the call) notably: the national research centres will aim at creating and/or renewing relevant research facilities; devising and developing research activities, also with the involvement of private actors; supporting start-ups and spin off generation; promoting technology-transfer and giving value to research results;
- All the projects' proposals were assessed with respect to their compliance with the DNSH conditions set out in the Council Implementing Decision. Compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01) as well as the exclusion list and the requirement of compliance with the relevant EU and national environmental legislation were included as an eligibility criterion of the projects (art. 7, comma 2, bullet point n.4 of the call) and all tenderers had to submit a declaration of compliance with the DNSH conditions set out in the Council Implementing Decision. An ex-ante DNSH evaluation for each project by the evaluation committee was also performed, as evidenced by the DNSH checklists;
- The allocation of funds to the relevant intervention fields complies with the tagging requirements set down in the Council Implementing Decision. In this sense, the call for project specifically indicates (art. 3, comma 2 and 3 and art.7, comma 2), by means of Annex VI and VII of Regulation (EU) 2021/241), the intervention fields IF022 (Research and innovation processes, technology transfer and cooperation between enterprises focusing on the low carbon economy, resilience and adaptation to climate change) and IF023 (Research and innovation processes, technology transfer and cooperation between enterprises focusing on circular economy). The respect of the intervention fields were assessed by the evaluation committee, as proved by the evaluation report for the negotiation phase and its annex. In terms of funding, the activities under the interventions fields IF022 and IF023 represent 37% and 15% respectively of the overall

<p>amount of the investment, in line with the requirements laid down in the Council Implementing Decision;</p> <ul style="list-style-type: none"> <li>• Finally, in line with the Council Implementing Decision, in the summary document the authorities provided a justification on the non-applicability of the Strategic Environmental Assessment (SEA) to the projects concerned specifying that, according to the Italian legislation, the SEA is not applicable to projects but only to programs and plans. In line with the explanation provided by the Italian authorities, the Commission confirms that, the SEA is not applicable to the projects at hand.</li> </ul>
<p><b>Commission Preliminary Assessment:</b> Satisfactorily fulfilled</p>

<p><b>Number:</b> M4C2-20</p>	<p><b>M4C2.I3.2</b> - Financing start-ups</p>
<p><b>Name of the milestone:</b> The agreement between IT government and the implementing partner Cassa Depositi e Prestiti (CDP) establishing the financial instrument signed.</p>	
<p><b>Qualitative Indicator:</b> The agreement is signed by Italian Government and Cassa Depositi e Prestiti</p>	<p><b>Time:</b> Q2 2022</p>
<p><b>Context:</b>  The investment is intended to supplement the resources of the National Innovation Fund, the instrument managed by Cassa Depositi e Prestiti to support the development of Venture Capital in Italy. The measure shall finance private investments in innovative small and medium-sized companies.</p> <p>Milestone M4C2-20 requires the signature of the agreement, between the Italian government and Cassa Depositi e Prestiti, setting up the financial instrument as a first step in the implementation of Investment 3.2. Indicatively, by Q2 2025, at least 250 SMEs and start-ups shall receive support through M4C2-21.</p>	
<p><b>Evidence Provided:</b>  In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>1. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;</li> <li>2. A copy of the adopted funding agreement, signed on 28 June 2022, between the Ministry of Economic Development and Cassa Depositi e Prestiti Venture Capital SGR, that also includes the investment policy of the financial instrument;</li> <li>3. Directorial Decree of 28 June 2022, which adopts the funding agreement.</li> </ol> <p>Additional evidenced provided:</p> <ol style="list-style-type: none"> <li>4. Ministerial Decree of 11 March 2022, which enables for the establishment of the Digital Transition Fund.</li> </ol>	
<p><b>Analysis:</b>  The justification and substantiating evidence provided by the Italian authorities cover all constitutive elements of the milestone.</p> <p>In particular:</p>	

1. The Ministerial Decree of 11 March 2022 enabled the establishment of the Digital Transition Fund. The resources used for the investment will supplement the resources of the National Innovation Fund (art. 2);
2. The funding agreement between the above-mentioned parties was signed on 28 June 2022;
3. The financial instrument is dedicated to support innovative start-ups and foster the development of venture capital in Italy (art. 2.1 and 2.2);
4. The funding agreement includes a very comprehensive and detailed investment policy, which in line with the Council Implementing Decision, includes:
  - Chapter 2.1 *“Politica di investimento dello strumento”* and the introductory chapter to describe the investment targets including the fund size, number of operations, amounts to be supported over time differentiated by beneficiary such as SMEs and mid-caps/large companies. In particular, the fund’s size will be of 300 million with a total investment of 700 million and will support at least 250 enterprises with 250 operations. The fund will invest in SMEs and mid-caps/ large companies active in the digital transition and in the in the field of artificial intelligence, cloud, Industry 4.0, cybersecurity, fintech, and blockchain. Progressively, on the basis of market trends and market conditions resources will be allocated over time differentiated by beneficiary and in view of the target M4C2-21;Chapter 2.2 *“Ambito e beneficiari ammissibili”* to define the thematic scope of the fund and the eligible beneficiaries with a specific reference to the digital transition and to DNSH conditions;
  - Chapter 2.3 *“Intermediari finanziari ammissibili e processo di selezione”* to explain the criteria for the selection of the financial beneficiaries and their selection process. More in detail, the financial beneficiaries will be funds with large experience in the sector and evidence of positive results with similar operations;
  - Chapter 2.4 *“Tipo di sostegno fornito”* and the introductory chapter, to define the type of support granted, which is mainly equity but can also include guarantees and loans;
  - Chapter 2.5 *“Rischio/rendimento mirato per ogni tipo di investitore”*; to describe the target risk/return for each type of investor. In particular, the risk expected is in line with market conditions;
  - Chapter 2.6 *“Politica di rischio, politica antiriciclaggio e conflitto di interessi”* to outline the risk policy, antimony laundering conditions and how to address potential conflict of interest. More specifically, the fund will apply the dispositions envisaged by EU and national legislation;
  - Chapter 2.7 *“Governance”* to define the governance structure and defines the roles and responsibilities of the partners, the fund managers, the Board, and of the Investment Committee. In particular, the management body is in charge of the operational side of the investment, and of liaising with other partners. The Board is responsible for the decision making process on the investment strategy and will take into consideration the technical opinion of the Investment Committee;
  - Chapter 2.8 *“Limiti di diversificazione e concentrazione”* to set the diversification and concentration limits, which are in line with best market practices;Chapter 2.9 *“Politica azionaria, compresa la strategia di uscita per investimenti azionari”* to define the equity policy and the exit strategy for equity investments, which will be in line with market best practices;
  - Chapter 2.10 *“Politica di verifica del principio DNSH e della sostenibilità”* to the compliance with the DNSH conditions set out in the Council Implementing Decision. An ex-ante and an-post assessment of compliance with the DNSH exclusion list and the EU and Italian environmental legislation will be carried out before and after concluding each investment (art. 2.10). All investments will also undergo sustainability proofing (art.2.10.6);

- Chapter 2.11: “*Politica di prestito per investimenti di debito, incluse le garanzie richieste e collaterali*” to set up the lending policy for debt investment, including required guarantees and collateral. With regards to this chapter, the Council Implementing Decision requires that the lending policy for debt investment, including required guarantees and collateral, shall be defined in the investment policy. Whilst the investment policy defines quantitative limits that need to be respected, it delegates the definition of critical elements of the lending policy for debt investment to the fund management regulation (“Regolamento di Gestione”). Whilst the lack of definition of critical elements of the lending policy for debt investment constitutes a minimal deviation from the requirement of the Council Implementing Decision, the financial agreement does establish the financial instrument and provide the main terms for its implementation, which are the core objectives of the milestone. This includes the quantitative limits that will need to be respected by the lending policy for debt investment. For this reason, despite this deviation, it is considered that the nature of the measure has not changed and the progress towards achieving the investment, which the milestone represents, is not affected. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.
  - Chapter 2.12: “*Timeline per la raccolta fondi e per attuazione*” to describe the timeline for fund raising and for implementation, which is in line with the target M4C2-21
5. Finally, with the Directorial Decree of 28 June 2022, the Ministry of Economic Development adopted the funding agreement of the instrument.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M5C2-9	<b>M5C2.I3</b> - Housing First and Post Stations	
<b>Name of the milestone:</b> Entry into force of the operational Plan regarding projects on Housing First and Post Stations, defining the requirements of projects that can be presented by local entities, and launch of call for proposal		
<b>Qualitative Indicator:</b> Provisions in the law indicating the entry into force of the Operational plan of interventions.		<b>Time:</b> Q1 2022
<p><b>Context:</b> The objective of this measure is to protect and support the inclusion of marginalised people through housing first and post stations projects. Via the ‘housing first’ approach, municipalities shall make flats available for single individuals, small groups or families in need for a period up to 24 months. Tailored projects for personal development shall be activated in order to foster the beneficiaries’ autonomy, also by improving their employability. The set-up of ‘post stations’ consists in the creation of services and inclusion centres for homeless people. Such centres shall offer, besides a limited overnight shelter, other important services such as health services, catering, goods and post distribution, cultural mediation, job orientation and legal counselling, among others.</p> <p>The milestone consists in the approval of the operational plan regarding projects on Housing First and Post Stations that shall launch the call for proposal and shall define the requirements for projects to be presented by local entities in line with the description of the measure. M5C2-9 is the first step of the measure, to be complemented by the provision of temporary accommodation to at least 25 000 people living in severely material deprivation indicatively by Q1 2026 through M5C2-10.</p>		
<b>Evidence Provided:</b>		
In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:		



1. Self-assessment report endorsed by the Ministry of Labour providing for the summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
2. The adopted operational plan.
3. [Link](#) to the website where the plan can be accessed, included in the summary document.
4. Directorial Decree of 9 December 2021 adopting the operational plan.
5. Directorial Decree of 28 January 2022 amending one part of the operational plan and the text of the operational plan as amended.
6. Explanatory report endorsed by the Ministry of Labour demonstrating how the actions foreseen in the operational plan contribute to achieving the objectives of the milestone as an annex to the self-assessment report.

**Additional evidence provided:**

7. Directorial Decree of 15 February 2022 launching the call for projects and of the call for projects (Avviso Pubblico 1/2022).
8. National guidelines currently in force to combat adults' severe exclusion.
9. National Social Actions and Services Programme 2021-23.

**Analysis:**

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

In particular:

- The operational plan regarding projects on Housing First and Post Stations (p.15-17) defines the general requirements of projects that may be presented by local entities and also specifies that implementing authorities must abide by the *National guidelines to combat adults' severe exclusion* of 5 November 2015 and the *National Social Actions and Services Programme 2021-23* of August 2021, which in turn provide for further requirements.
- In line with the national legal framework, the Directorial Decree of 9 December 2021 adopting the operational plan has the nature of an administrative act and produces effects from the date of adoption and has as such entered into force.
- The launch of the call for proposals occurred on 15 February 2022 and the call further specifies the necessary requirements for eligibility. In particular, the call for proposals includes, for instance, the necessity to follow the *National guidelines to combat adults' severe exclusion* of 5 November 2015, to prioritise the provision of small housing units well integrated in the urban areas and communities, and to proper liaise with other territorial and social services; the possibility to have more than one project in the same social-territorial district to account for the concentration of severe deprivation in certain areas (one project every 300 000 inhabitants respectively on housing first and post stations).
- Projects on Housing First envisage that local entities make flats available for single individuals, small groups or families up to 24 months. The type of projects (namely the delivery of housing structures, including specific structures for individuals with health conditions in post-acute phases, and the provision of individualised services, relying on multidisciplinary teams and coordinating territorial, social and healthcare services and NGOs), target groups (namely individuals and households facing material deprivation, extreme poverty or homelessness) and duration (namely adopting a longer-term perspective up to 24 months) are defined in the operational plan (p. 15-16) and in the call for projects (Avviso Pubblico 1/2022, article 6.7). The *National guidelines to combat adults' severe exclusion* provide that the projects favour cooperation with public and non-profit organisations in finding suitable housing infrastructures.

Complementary development and autonomy programmes for the beneficiaries are described in the call for projects (Avviso Pubblico 1/2022, article 6.7) and in the self-assessment report, in line with the applicable *National guidelines to combat adults' severe exclusion*, and are a key aspect of the projects that, through the housing first approach, ultimately aim for the beneficiaries' full autonomy, eventually overcoming their need to rely on the reception system. Projects in this area should focus on liaising with territorial services for individualised long-term planning, with homecare and socio-healthcare services in case of health conditions, with justice and penitentiary services when appropriate.

- Projects on Post Stations envisage the development of service and inclusion centres for homeless people as described in the operational plan (p.16) which also mentions to the non-exhaustive list of services included in the description of the measure in the Council Implementing Decision. The operational plan (p.17) and the call for projects (Avviso Pubblico 1/2022, article 6.8) also mention the coordination with employment services aimed at job orientation activities and traineeship programmes (“tirocini formativi”).
- The analysis above covers and supports compliance also with the further specifications in the Operational Arrangements since they coincide with part of the text of the milestone.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M5C2-11	M5C2.I4 - Investments in projects of urban regeneration, aimed at reducing situations of marginalization and social degradation	
<b>Name of the milestone:</b> Award of all public contracts for investments in urban regeneration to reduce situations of marginalisation and social degradation, with projects in line with the RRF objectives including the DNSH principle.		
<b>Qualitative Indicator:</b> Notification of all public contracts for investments in urban regeneration to reduce situations of marginalisation and social degradation, with projects in line with the RRF objectives including the DNSH principle.	<b>Time:</b> Q1 2022	
<b>Context:</b> The objective of this measure is to provide municipalities with grants for investments in urban regeneration, to reduce marginalization and social degradation as well as to improve the social and environmental context of urban centres, in full respect of the Do-no-significant Harm principle. This will be achieved, for instance, by supporting the reuse and re-functionalization of public areas and existing public building structures for purposes of public interest, and by improving the urban landscape through renovation of public buildings, with particular attention to the development of social, cultural, educational services, including sport activities.		
Milestone M5C2-11 consists in the notification of all public contracts awarded to at least 300 municipalities. Eligible municipalities must have more than 15 000 inhabitants, be provincial capitals or metropolitan cities. Eligible investments in urban regeneration should concern in the areas of activities described in the measure and in the milestone. The milestone also defines the resources that can be allocated to municipalities depending on their number of inhabitants or on their status as provincial capitals or municipal cities. M5C2-11 is the first step of this measure, complemented by M5C2-12 on the completion of at least 300 projects indicatively by Q2 2026.		
<b>Evidence Provided:</b>		

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

1. Self-assessment report endorsed by the Ministry of Interior providing for the summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
2. Inter-ministerial Decree-Law of 30 December 2021 and its annexes. Press releases by the Ministry of Interior related to the approval of Inter-ministerial Decree-Law and attesting the related notification (“comunicato”) in the Official Journal n. 4 of 7 January 2022.
3. Prime Minister Decree-Law of 21 January 2021 published in the Official Journal n. 56 of 06 March 2021.
4. Inter-ministerial Decree-Law of 4 April 2022 and its annexes. Press releases by the Ministry of Interior related to the approval of the Decree-Law was also provided.
5. Extracts of the relevant parts of the technical specifications of the project extracted from the Codice Unico di Progetto (Unique Project Code) monitoring system (e.g. CUP codes, CUP project descriptions, cost plans, total surface covered by the interventions, energy efficiency improvements when applicable) proving alignment with the Council Implementing Decision description of the investment and target.
6. Press release (“Comunicato”) 25 March 2022 by the Ministry of Interior notably recalling the DNSH principle.

The authorities also provided:

7. Law n. 108 of 29 July 2021 and Law n. 156 of 09 November 2021 on technical assistance.

#### **Analysis:**

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

In particular:

- Inter-ministerial Decree-Law of 30 December 2021 and its annexes complemented by Prime Minister Decree-Law of 21 January 2021 and Inter-ministerial Decree-Law of 4 April 2022 notify all projects awarded to at least 300 municipalities of more than 15 000 inhabitants for investments in urban regeneration to reduce situations of marginalisation and social degradation, with projects in line with the RRF objectives including the DNSH principle.
- The grants are awarded to municipalities of more than 15 000 inhabitants which are not the provincial capitals, to the provincial capital municipalities and to the metropolitan cities as laid out in Decree-Law of 21 January 2021 art.2.
- Projects of urban generation shall consist of at least one of the following interventions as laid out in Decree-Law of 21 January 2021 art.2.1: 1. Reuse and re-functionalization of public areas and existing public building structures for purposes of public interest, including the demolition of abusive works carried out by private individuals in the absence or total discrepancy from the building permit and the arrangement of the relevant areas; 2. Improvement of the quality of the urban landscape and of the social and environmental fabric, including through building renovation of public buildings, with particular reference to the development of social and cultural, educational and didactic services; 3. Green, sustainable and smart transport projects.
- In line with the requirements of the Council Implementing Decision, the Decree-Law of 21 January 2021 art.2.2 provides for the maximum amounts per municipality as follows: EUR 5 000 000 for municipalities with populations ranging from 15 000 to 49,999 inhabitants; EUR 10 000 000 for municipalities with a population of between 50 000 and 100 000 inhabitants; EUR 20 000 000 for municipalities with a population greater than 100,000 inhabitants and for municipalities that are provincial capitals or metropolitan cities.

- Regarding DNSH, gas-condensing boilers shall not be eligible for the interventions under this measure as laid out in the conditionalities in Decree-Law of 4 April 2022 article 6.3. and specified in the press release (“Comunicato”) 25 March 2022 by the Ministry of Interior and Moreover, while the selection criteria did not explicitly include the DNSH given that the selection process preceded the publication of DNSH Technical Guidance (2021/C58/01), Decree-Law of 30 December 2021 article 4.2 and Decree-Law of 4 April 2022 article 6.2 refer to Article 17 of Regulation (EU) 2020/852 and the DNSH Technical Guidance (2021/C58/01). Article 3 of the act of accession and obligation includes the obligation for the entities to comply with DNSH as specified in Decree-Law of 30 December 2021. Annexed to the Decree-Law of 30 December 2021, the act of accession and obligation must be subscribed in order for entities to participate in projects and receive the related resources. It is a binding act and includes sanctions in case of breach of the obligations, up to the loss of financing. To comply with the DNSH principle in the implementation phase, entities are also supported via the checklists verification included in the Operating Guide for compliance with the DNSH principle.
- In line with the further specification set out in the Operational Arrangements, which specifies that calls are expected to target potential beneficiaries based on needs, the selection criteria of the call allowed for the situations of greater marginalisation and social degradation to be identified among the projects presented by applying the social and material vulnerability index (Decree-Law of 30 December 2021 article 2 and Decree-Law of 21 January 2021 article 5). The definition of the index by the National Statistical Institute is also recalled in Decree-Law of 21 January 2021.

With respect to the further specification on the expectation of the deployment of technical assistance, the self-assessment report refers to the provisions related to technical assistance in Law n. 108 of 29 July 2021 and Law n. 156 of 09 November 2021 applicable to all measures in the RRP. The report also explains that the Ministry of Interior is currently assessing and elaborating specific support needs to be potentially advanced.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M5C2-15	<b>M5C2.I5</b> - Urban Integrated Plans - Overcoming illegal settlements to fight labour exploitation in agriculture	
<b>Name of the milestone:</b> Entry into force of the Ministerial Decree setting out the mapping of illegal settlements is adopted by the “Tavolo di contrasto allo sfruttamento lavorativo in agricoltura” and the ministerial decree to allocate resources is adopted.		
<b>Qualitative Indicator:</b> Provision in the law indicating the entry into force of the Ministerial Decree	<b>Time:</b> Q1 2022	
<b>Context:</b> The objective of this measure is to regenerate, revitalize and enhance large degraded urban areas, with particular attention to the creation of new services for the person and the requalification of accessibility and inter-modal infrastructures, allowing the transformation of vulnerable territories into smart and sustainable cities. This investment includes two interventions: (I) support to general projects to deliver and implement urban integrated plans; (II) specific projects to overcome illegal settlements in agriculture, in which local administrations will be supported in the creation of action plans to overcome illegal settlements and provide decent housing solutions for workers in the agricultural sector. Furthermore, under this investment a thematic Fund (Fund of Funds) shall be created, in collaboration with the EIB, targeting the support of private intervention in urban regeneration initiative.		

Milestone M5C2-15 concerns the second type of projects which address illegal settlements housing agriculture workers and consists in the entry into force of a Ministerial Decree that shall allocate resources on the basis of the mapping of illegal settlements carried out by the Working Group on the fight against labour exploitation in agriculture (“Tavolo di contrasto allo sfruttamento lavorativo in agricoltura”). Standards of temporary and long-term housing solutions shall also be defined. Milestone M5C2-15 is the first step in implementation complemented by M5C2-16 on the completion of projects in at least 90% of the areas identified as illegal settlements, indicatively by Q1 2025.

**Evidence Provided:**

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

1. Self-assessment report endorsed by the Ministry of Interior providing for the summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
2. Decree-Law of the Ministry of Labour and Social Policies n.55 of 29 March 2022 published in the Official Journal n. 108 of 10 May 2022 which allocated resources to the municipalities participating in the projects selected for the measure.
3. Draft Directorial Decree integrating Decree n.55 of 29 March 2022 published at the website of the Ministry of Labour and Social Policies ( <https://www.lavoro.gov.it/documenti-e-norme/normative/Documents/2022/DD-UDM-6-del-14092022-M5C2-investimento-5.pdf> ) defining standards for temporary and long-term housing solutions.
4. Data presenting the results of the mapping of illegal settlements carried out by the Working Group on the fight against labour exploitation in agriculture.
5. Official minutes of a meeting of the Working Group endorsing the results of the mapping exercise and establishing criteria for the allocations of resources to municipalities on 1 March 2022.
6. Grant agreement between the Ministry of Labour and Social Policies and the Associations of Municipalities (ANCI) signed on 27 July 2021 to apply the Action Plan to support local authorities in fighting against labour exploitation in agriculture and the Action Plan.

The authorities also provided:

7. The 2020-22 three-year plan to contrast labour exploitation in agriculture (“Piano triennale di contrasto allo sfruttamento lavorativo in agricoltura e al caporalato 2020-2022”) by the Working Group on the fight against labour exploitation in agriculture.
8. Decree-Law n.119 of 23 October 2018 and the Inter-ministerial Decree of 04 July 2019 establishing the Working Group on the fight against labour exploitation in agriculture and their sub-working groups including one with competence on housing.

**Analysis:**

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

In particular:

The Decree-Law n. 55 of 29 March 2022 allocates resources to the municipalities which result hosting illegal settlements on their territory based on the results of a mapping exercise. The mapping exercise was carried out via a survey process at municipal level described in the self-assessment report and in the Action Plan to support local authorities in fighting against labour exploitation in agriculture. The mapping led to the identification of 37 municipalities with illegal settlements hosting agriculture workers. Extracts of the data related to the mapping were also provided. On 1 March 2022 the Working Group on the fight against labour exploitation in agriculture endorsed the

results of the mapping and agreed on the criteria for the allocation of resources among the selected municipalities. The criteria described in the self-assessment report include the long-standing presence of illegal settlements (above 7 years), the estimated number of people residing in the illegal settlements and existing local projects already addressing the issue of illegal settlements.

In line with the national legal framework, in absence of a specific provision related to the entry into force, the Ministerial Decree n. 55 of 29 March 2022 has entered into force on the fifteenth day following its publication in the Official Journal on 10 May 2022. Directorial Decree integrating Decree n.55 of 29 March 2022 provides standards for temporary and long-term housing solutions to be applied in the projects to overcome illegal settlements. In line with article 2 of Decree n.55 of 29 March 2022, the directorial decree is part of the subsequent legal provisions that can be approved in order to select and carry out projects in the implementation phase. The Directorial Decree draws on the relevant existing legal provisions in the field of housing standards and explicitly requires the projects, both on temporary and long-term housing solutions, to be consistent with such legal provisions. In particular, the projects need to be consistent with the 1961 ILO Recommendation R115 – “Recommendation concerning Workers’ Housing”, notably its section on housing standards (Directorial Decree article 1). The projects also need to respect national laws including provisions in construction and public health law, in the field of occupational safety and health that lay out workers’ housing standards (“Testo Unico sulla Salute e Sicurezza sul Lavoro”) and collective bargaining agreements (Directorial Decree article 3). Regional and local laws will also have to be applied and a summary report of such provisions will need to be submitted for each project (Directorial Decree article 4). Lastly, the Directorial Decree provides for the eligibility of projects in the framework of the RRP in case of breach of any of the provisions in the same Decree.

Regarding support to local authorities in creating local action plan as laid out in the description of the measure, the agreement between ANCI and the Ministry of Labour of 27 July 2021 attributes to local administrations a fundamental role in the implementation of the 2020-22 three-year plan to contrast labour exploitation in agriculture which, in turn, recalls the role of local administrations in planning and implementing housing solutions, in collaboration with other entities on the territory. Furthermore, the agreement adopts the Action Plan to support local authorities in fighting against labour exploitation in agriculture. According to the Action Plan, through local multi-sectoral action plans municipalities will propose a set of measures including some to create adequate housing solutions for workers in agriculture. The Action Plan explicitly lays out that a dedicated technical secretariat will deliver specific support actions to ten municipalities in order to elaborate their local multi-sectoral action plans. The self-assessment report provides details on the timing and steps of the roll-out of the plans and projects and specifies that the competent units in the Ministry of Labour will give continuous support to all local implementing authorities.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M5C2-19	<b>M5C2.I6</b> - Innovation Programme for Housing Quality
<b>Name of the milestone:</b> Regions and Autonomous Provinces (including municipalities and/or metropolitan cities located in those territories) signed the agreements to redevelop and increase social housing	
<b>Qualitative Indicator:</b> Agreements with local authorities are signed.	<b>Time:</b> Q1 2022
<b>Context:</b> The objective of this measure is to build new public housing accommodations and redevelop degraded areas, mainly focusing on green innovation and sustainability. The investment shall provide support to: (I) redevelop, reorganize and increase the offer for public housing; (II)	

regenerate areas, spaces and public and private properties; (III) improve the accessibility and safety of urban areas and the provision of services; (IV) develop participatory and innovative management models to support social and urban welfare.

The milestone is the first step in the implementation of the measure and consists in the signature of the agreements for projects in the areas of activities of the measure by regions and autonomous provinces and/or municipalities and/or metropolitan cities located in those territories, covering at least 15 different regions and autonomous provinces. The measure is complemented by target MSC2-20 by which at least 10 000 housing units and at least 800 000 squared meters of public spaces should be covered by projects, indicatively by Q1 2026.

**Evidence Provided:**

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

1. Copy of the agreements and a [link](#) to the website where they can be accessed.
2. Self-assessment report endorsed by the Ministry of Interior providing for the summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
3. Explanatory report demonstrating how the actions foreseen in the agreement contribute to achieving the objectives of the milestone called “PINQUA - Programma Innovativo Nazionale per la Qualità dell’Abitare. Progetti e prime evidenze” published in March 2022.

The authorities also provided:

4. Inter-ministerial Decree-Law n. 395 of 16 September 2020 and annex which establishes the procedure for the call for projects, the evaluation criteria and financing conditions.
5. Ministerial Decree n. 383 of 7 October 2021 and its annexes listing the projects presented, selected and excluded.
6. Directorial Decrees n.17524 of 29 December 2021 and n.804 of 20 January 2022 their annexes further specifying financing and implementation conditions.

**Analysis:**

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

In particular:

- Overall, 158 agreements have been signed between the Ministry and the beneficiaries in 19 regions, exceeding the requirement of the CID of at least 15 Regions and Autonomous Provinces.
- The projects in the measure, consisting of 151 ordinary projects and 7 pilot projects, will target public spaces and housing units and Decree-Law n. 395 of 16 September 2020, article 2, specifies the following eligible activities, in line with the Council Implementing Decision:
  - redevelopment, reorganization and increase of the assets intended for public housing;
  - re-functionalization of areas, spaces and public and private properties also through the regeneration of the urban and socio-economic fabric;
  - improve the accessibility and safety of urban areas and the provision of services and urban-local infrastructures;
  - regeneration of areas and spaces already built, increasing environmental quality and improving climate resilience to climate change also by means of operations with impacts on urban densification;
  - identification and use of innovative management and inclusion models and tools, social and urban welfare, as well as participatory processes.



- The selection process described in the self-assessment report and detailed in the explanatory report has been carried out by a dedicated high-level commission based on criteria that are consistent with the constitutive elements of the milestone. The most relevant criterion focussed on the social impact of projects, namely: the extent to which the project concerns public estate, is well integrated in the urban policy context, concerns areas particularly lacking housing offer, includes public spaces dedicated to social integration and services to foster social inclusion, involves NGOs in the field. Criteria accounting for the inclusion of education and cultural facilities and services and improvement of cultural and natural heritage were also included, contributing to the regeneration of the urban socio-economic fabric concerned and strengthening the provision of services. Criteria on environmental and urban impact were also highly relevant and they included: energy efficiency and sustainability, environmental remediation, use and recycling of materials, the share of areas already in use involved, of green areas and of areas dedicated to each form of sustainable transport (walking, cycling and public transport). Other criteria also favoured projects applying innovative technical tools, including IT tools, innovative management models and participatory processes to develop the projects.
- The self-assessment report and the explanatory report provide further details on the projects selected, including the housing units and public spaces concerned linked to the subsequent target. The projects are expected to deliver 9.8 million of m2 of renewed public spaces and 16.540 housing units, the majority of which for public housing.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M6C1-1	<b>M6C1.R1</b> - Definition of a new organisational model for Territorial healthcare assistance network	
<b>Name of the milestone:</b> Entry into force of the secondary legislation (Ministerial Decree) envisaging the reform of the organisation of healthcare.		
<b>Qualitative Indicator:</b> Provision in the law indicating the entry into force of the legislation.		<b>Time:</b> Q2 2022
<p><b>Context:</b>  This reform establishes a new model of territorial healthcare assistance and creates a new institutional structure of Health-Environment-Climate prevention. In particular, the reform is expected to establish a new organisational model for the territorial healthcare assistance network through the definition of a regulatory framework which identifies structural, technological and organisational standards. In addition, it is expected to define a new institutional structure of Health-Environment-Climate prevention, following an integrated approach (“One Health”) and a holistic vision (“Planetary Health”).</p> <p>Milestone M6C1-1 requires the entry into force of the secondary legislation providing for the definition of a new organisational model of territorial healthcare assistance network. This is the only milestone related to this reform.</p>		
<p><b>Evidence Provided:</b>  In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>1. Summary document duly justifying how the milestone was satisfactorily fulfilled in line with the requirements set out in the Council Implementing Decision;</li> </ol>		



2. Ministerial Decree n. 77 of 23 May 2022 and its annexes (published in the Official Journal n. 144 of 22 June 2022), and a link to access it (<https://www.gazzettaufficiale.it/eli/gu/2022/06/22/144/sg/pdf>); The model of territorial healthcare assistance network is contained in Annex 1 to 3 of the Ministerial Decree;
3. Art. 27 of the Decree Law of 30 April 2022, n. 36, which sets up the national system for prevention which represents the new institutional structure of Health-Environment-Climate prevention included in the reform.

**The authorities also provided:**

4. Document A of 27 June 2022 (Ministry of Health) – Responses to European Commission’s questions of 21 June 2022
5. Document B of 1 August 2022 (Ministry of Health) - Responses to European Commission’s questions of 13 July 2022
6. Document C of 31 August 2022 (Ministry of Health) - Responses to European Commission’s questions of 9 August 2022
6. A set of annexes to the summary document, including:
  - Annex 3.4: “Decree models and standards for Territorial Assistance”;
  - Annex 3.5: “Illustrative report”;
  - Annex 3.6: “Technical and financial report”.

**Analysis:**

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

In particular:

- In line with the requirement of the Council Implementing Decision, Ministerial Decree n. 77 of 23 May 2022 and its annexes define a new organisational model of territorial healthcare assistance network. In line with the national legal framework, in absence of a specific provision related to the entry into force, the Ministerial Decree has entered into force on the fifteenth day following its publication in the Official Journal (I.e. 7 July 2022).
- The model describes a series of specialised structures for territorial healthcare provision and for each of them specifies the minimum organisational standards (such as in terms of number of structures per population, staffing needs and services provided), technological standards (such as ICT tools, medical equipment and eHealth solutions) and structural standards (such as availability of some specific types of premises) to which they shall abide. The new organizational model re-organises the delivery and planning of medical services to strengthen territorial assistance. To this end, the new structures defined by the model will be adapted to population and geographical parameters and the planning and delivery of the services will be made at the district level so to tailor the population needs in specific territories.
- The main institutional structures defined in the new model are:
  - 1) Health Community Houses (one house for every 40/50.000 inhabitants) which shall be places for proximity primary and specialised care provided through a multidisciplinary approach. The Health Community Houses are an innovative and central element of the new organisational model as they represent the single and integrated access point to the healthcare system which connects the patients to a broader set of health and social services within their territory. While the planning of services to be provided by Health Community Houses as well as their medical staffing could vary according to the population needs in the districts, the reform stipulates a minimum set of services to be delivered and of staff requirements for those structures: 7-11 nurses, 1 social worker and 5-8 administrative staff and 2 medical staff (as clarified by Ministry of Health document sent on 2 September 2022).
  - 2) Territorial coordination centres (one centre for every 100.000 inhabitants staffed with 3-5 nurses and additional technical and administrative staff and operational seven days per week) which shall coordinate the activity of territorial healthcare infrastructures (notably

health community houses) and link them to the other district health services, including homecare, hospital healthcare and emergency services. In addition, the territorial health coordination centres, through collection and processing of health data, are expected to play a monitoring role and to provide informative and logistics support to health professionals. These structures are also expected to improve access, continuity and integration of health services within the territory.

- 3) Community Hospitals (one hospital with 20 beds for every 100.000 inhabitants) which shall be infrastructures for the hospitalization of patients, intermediate between home care and general hospitals. These structures will provide health services to patients requiring low intensity treatments or patients with chronic diseases which require continuative assistance and are not suitable for homecare. These structures have also the objective to avoid unnecessary admissions to general hospitals while providing their services in a more suitable environment and closer to the patients' domicile.
- 4) A new institutional structure of Health-Environment-Climate prevention, according to the "One-Health" approach (Sistema nazionale prevenzione salute dai rischi ambientali e climatici) is introduced by Ministerial Decree n. 77 of 23 May 2022 Annex 1, section 14 and article. 27 of the Decree Law of 30 April 2022, n. 36. The structure is composed of representatives of regions and provinces, of the Ministry of Health and of its prevention departments, of zoo prophylactic institutes and of the national institute for health (Istituto superiore di sanità). Its prevention activities cover: the identification and assessment of health issues associated with environmental and climatic risks and the definition and implementation of suitable prevention policies through integration with other sectors; the inclusion of health in decision-making processes involving other sectors, through for instance communication and training activities; the support to other entities in health impact assessment activities; contribution to the development of integrated monitoring methods and systems, relying on modelling and data analysis. The structure is expected to follow the "one health" holistic approach that focuses on human health as deeply linked with environmental sustainability. With the aim of fostering the healthcare system resilience, the new structure is expected to better coordinate local communities and concerned institutions and stakeholders.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M6C1-2	<b>M6C1.I1.1</b> - Community Health Houses to improve territorial health assistance	
<b>Name of the milestone:</b> Approval of an Institutional Development Contract		
<b>Qualitative Indicator:</b> Notification of the approval by Ministry of Health and regions		<b>Time:</b> Q2 2022
<p><b>Context:</b> The investment project consists in the establishment and operationalisation of Community Health Houses, through the activation, development and aggregation of primary care services and implementing (energy efficient) assistance delivery centres for an integrated response to care needs.</p> <p>M6C1-2 requires the approval of an institutional development contract for each Region and Autonomous province, with the Italian Ministry of Health as the responsible and implementing</p>		

Authority and the participation of regional Administrations together with the other entities concerned for Community health houses and identifies parties involved and their obligations. The remaining target (M6C1-3) for the measure envisages the availability of 1350 community health houses by Q2 2026.

**Evidence Provided:**

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

1. Summary document duly justifying how the milestone was satisfactorily fulfilled in line with the requirements set out in the Council Implementing Decision;
2. Copy of the contracts (one for each Region and Autonomous Province), approved and signed and a link to access them (<https://www.pnrr.salute.gov.it/portale/pnrrsalute/dettaglioContenutiPNRRSalute.jsp?lingua=italiano&id=5835&area=PNRR-Salute&menu=missionesalute&tab=2> ). Each Contract has an annexed “Operational Plan” (Piano Operativo).
3. For each Region/Autonomous province, letter notifying the signature of the institutional development contract (and copy of the confirmation of the delivery mail) dated between 17 and 20 of June 2022 and confirming its entry into force by the Ministry of Health.
4. For each Region/Autonomous Province, document of approval of the Contract by the department of general accounting of the Ministry of Finance dated between 15 and 16 of June 2022.

**Analysis:**

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

In particular:

- In line with the requirement of the Council Implementing Decision, all the 21 Institutional and Development Contracts (one per Region and Autonomous Province) have been signed by the Ministry of Health and Regions/ Autonomous Provinces (as entities concerned for the Community Health Houses) between the 30 and 31 of May 2022 and approved by the (general accounting department of the) Ministry of Finance between the 15 and 16 of June. Notification of the approved contract has been sent by the Ministry of Health to the Regions/Autonomous Provinces between 17 and 20 of June 2022 by certified email.
- Art. 3, 4 and 5 of the contract include the obligations of the involved parties, notably the Ministry of Health, Regions/Autonomous provinces (directly or jointly with the entities of the Regional/Provincial Health System) to guarantee the establishment and operationalisation of the Community Health Houses.
- The Ministry of Health (Art. 4 of the contract) is the central administration responsible of the overall implementation of the investment, performing the coordination of the management activities, monitoring, and audit and control of the interventions foreseen by the contract as regards the Community Health Houses. Art. 4 comma 2 of the contract lists the obligations of the Ministry of Health that will be ensured by AGENAS (National Agency for the Regional Health Services).
- Art. 5 of the contract sets out the specific obligations of the Regions/Autonomous Provinces (as the implementing authorities) to guarantee the execution and expected results as regard the Community Health Houses, including, inter alia, the adoption of adequate measures to ensure sound financial management, reporting requirements, the coordination of the project activities and their execution etc. In addition, art.5 comma 2 specifies that Regions and Autonomous Provinces can delegate the execution of the interventions to the entities of the Regional Health Service.

- In line with the requirement of the milestone, the Institutional Development Contract and related Operational Plans, ensures an integrated governance approach, as these refer both to investments of the Recovery and Resilience Plan as well as additional investments from national sources of co-financing (Piano nazionale per gli investimenti complementari al PNRR) as detailed in the annex “Operational Plan”.
- The further specifications of the Operational Arrangement require a single Institutional Development Contract for each Region/Autonomous Province explicitly referring to M6C1 Investments 1.1 Community Health Houses; 1.2 Territorial Coordination Centres; 1.3 Community Hospitals, and M6C2 Investment 1.1: Digital update of Hospitals’ technological equipment. In line with those further specifications, the Institutional Development Contract contains a general part common to all investments and the annexed Operational Plan, with separate sections containing distinct provisions for each one of the above mentioned investments.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M6C1-4	<b>M6C1.11.2</b> - Home as the first place of care and telemedicine
<b>Name of the milestone:</b> Approval of the Guidelines containing the digital model for the implementation of Home Care	
<b>Qualitative Indicator:</b> Guidelines approved by Ministry of Health	<b>Time:</b> Q2 2022
<p><b>Context:</b> The investment consists in the large-scale adoption of telemedicine solutions and supporting healthcare innovation. The goal is to increase the number of people treated in home care to 10% of the population over 65 through investment in hardware and increased service provision. The planned investment concerns the establishment of 600 Territorial Coordination Centres (“Centrali Operative Territoriali”) that are intended to link and coordinate various territorial, social-health and hospital services, as well as the emergency-urgency network.</p> <p>M6C1-4 requires the approval of guidelines which shall streamline the processes necessary to enhance home care through the development of remote monitoring techniques and home automation. The next target for the measure (M6C1-8) requires selecting at least one telemedicine project per region, indicatively by Q4 2023. Target M6C1-7 requires the entry into operation of at least 600 Territorial Coordination Centers, indicatively by Q2 2024. Target M6C1-9 requires to increase the number of people assisted by telemedicine tools by 200 000, indicatively by Q4 2025. The last target, M6C1-6, requires to increase the number of people treated in home care by 800 000 units, indicatively by Q2 2026.</p>	
<p><b>Evidence Provided:</b> In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>1. Summary document duly justifying how the milestone was satisfactorily fulfilled in line with the requirements set out in the Council Implementing Decision; The summary document contains also a confirmation of the adoption of the guidelines signed electronically by a Director General of Ministry of Health.</li> </ol>	

2. Ministry of Health Decree (dated 29 April 2022) containing the digital model for the implementation of home care published in the Official Journal n. 120 of 24 May 2022.
3. Link to the website where the guidelines can be accessed: [https://www.gazzettaufficiale.it/atto/serie\\_generale/caricaDettaglioAtto/originario?atto.data PubblicazioneGazzetta=2022-05-24&atto.codiceRedazionale=22A03098&elenco30giorni=false](https://www.gazzettaufficiale.it/atto/serie_generale/caricaDettaglioAtto/originario?atto.data PubblicazioneGazzetta=2022-05-24&atto.codiceRedazionale=22A03098&elenco30giorni=false)

**Analysis:**

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

In particular:

- The guidelines have been approved on 29 April 2022 and a link to the website where they are published has been provided in the summary document.
- In line with the requirement of the Council Implementing Decision, the guidelines streamline the processes to enhance home care. More precisely, the guidelines define and categorise different types of telemedicine activities, outline the role of technological instruments, streamline actions and responsibilities (who does what and when), and bring together health professionals and technical actors in the workflows. Tele-monitoring is conceived in the guidelines as an essential telemedicine service and its role in conjunction with the other telemedicine services is accurately described. Domestic solutions are conceived in the guidelines as a tool to increase the safety, autonomy and comfort of the patient in order to allow a greater use of telemedicine as an alternative to institutionalisation of patients.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M6C1-5	<b>M6C1.I1.2</b> - Home as the first place of care and telemedicine
<b>Name of the milestone:</b> Institutional Development Contract approved by Ministry of Health and regions	
<b>Qualitative Indicator:</b> Notification of the approved Contract	<b>Time:</b> Q2 2022
<p><b>Context:</b></p> <p>The investment consists in the large-scale adoption of telemedicine solutions and supporting healthcare innovation. The goal is to increase the number of people treated in home care to 10% of the population over 65 through investment in hardware and increased service provision. The planned investment concerns the establishment of at least 600 Territorial Coordination Centres (“Centrali Operative Territoriali”) that are intended to link and coordinate various territorial, social-health and hospital services, as well as the emergency-urgency network.</p> <p>M6C1-5 requires the approval of an institutional development contract for each Region/Autonomous province, which is a contract between Regions/Autonomous Province and Ministry of Health and is a tool to identify the sites for the interventions, parties involved and their obligations. The next target for the measure (M6C1-8) requires selecting at least one telemedicine project per region, indicatively by Q4 2023. Target M6C1-7 requires the entry into operation of at least 600 Territorial Coordination Centers, indicatively by Q2 2024. Target M6C1-9 requires to increase the number of people assisted by telemedicine tools by 200 000, indicatively by Q4 2025. The last target, M6C1-6, requires to increase the number of people treated in home care by 800 000 units, indicatively by Q2 2026.</p>	

**Evidence Provided:**

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

1. Summary document duly justifying how the milestone was satisfactorily fulfilled in line with the requirements set out in the Council Implementing Decision;
3. The 21 institutional development contracts (one for each Region and Autonomous Province), approved and signed and a link to access them (<https://www.pnrr.salute.gov.it/portale/pnrrsalute/dettaglioContenutiPNRRSalute.jsp?lingua=italiano&id=5835&area=PNRR-Salute&menu=missionesalute&tab=2> ). Each Contract has an annexed "Operational Plan" (*Piano Operativo*). For each Region/Autonomous province, letter notifying the signature of the institutional development contract (and copy of the confirmation of the delivery mail) dated between 17 and 20 of June 2022 and confirming its entry into force by the Ministry of Health.
4. For each Region/Autonomous Province, document of approval of the Contract by the department of general accounting of the Ministry of Finance dated between 15 and 16 of June 2022.

**Analysis:**

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

In particular:

- In line with the requirement of the Council Implementing Decision, all the 21 Institutional and Development Contracts (one per Region and Autonomous Province) have been signed by the Ministry of Health and Regions/ Autonomous Provinces (as the other entities concerned for the implementation of Home Care) between the 30 and 31 of May 2022 and approved by the (general accounting department of the) Ministry of Finance between the 15 and 16 of June. Notification of the approved contract has been sent by the Ministry of Health to the Regions/Autonomous Provinces between 17 and 20 of June 2022 by certified email. The Ministry of Health (Art. 4 of the contract) is the central administration responsible of the overall implementation of the investment, performing the coordination of the management activities, monitoring, and audit and control of the interventions foreseen by the contract as regards the Territorial Coordination Centers. Art. 4 comma 2 of the contract lists the obligations of the Ministry of Health that will be ensured by AGENAS (National Agency for the Regional Health Services).
- Art. 5 of the contract sets out the specific obligations of the Regions/Autonomous Provinces (as the implementing authorities) to guarantee the execution and expected results as regard the Territorial Coordination Centers, including, inter alia, the adoption of adequate measures to ensure sound financial management, reporting requirements, the coordination of the project activities and their execution etc. In addition, art.5 comma 2 specifies that Regions and Autonomous Provinces can delegate the execution of the interventions to the entities of the Regional Health Service. In line with the requirement of the milestone, each Contract, through its annex "Operational Plan" (paragraph 6.2 Action Plan) establishes a time schedule for the interventions related to the entry into operation of Territorial Cooperation Centers.
- Article 11 of the Contract and Annex 4 to the Operational Plan provides for the evaluation and monitoring criteria related to the implementation of the investment.
- In line with the requirement of the milestone, Article 6 of the Contract establishes a *Tavolo Istituzionale* chaired by the Minister of health which decides on possible partial defunding and

in case of delays and non-compliance with the timing indicated, assesses the conditions for the activation of the substitutory powers procedure (“Commissioner ad acta”) described in Art. 12 of law decree of 31 May 2021, number 77, converted with modifications by law of 29 July 2021 number 10. This provision (Art. 12 par.6) also defines sanctions for contractors for non-compliance with the terms of the Contract.

- The further specifications of the Operational Arrangement require a single Institutional Development Contract for each Region/Autonomous Province explicitly referring to M6C1 Investments 1.1 Community Health Houses; 1.2 Territorial Coordination Centres; 1.3 Community Hospitals, and M6C2 Investment 1.1: Digital update of Hospitals’ technological equipment. In line with those further specifications, the Institutional Development Contract contains a general part common to all investments and the annexed Operational Plan, with separate sections containing distinct provisions for each one of the above mentioned investments.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M6C1-10	<b>M6C1.I1.3 - Strengthening Intermediate Healthcare and its facilities</b> (Community Hospitals)	
<b>Name of the milestone:</b> Approval of an Institutional Development Contract (Contratto Istituzionale di Sviluppo)		
<b>Qualitative Indicator:</b> Notification of the approval of the Institutional Development Contract	<b>Time:</b> Q2 2022	
<p><b>Context:</b></p> <p>The measure consists of creating at least 380 community hospitals, i.e., healthcare facilities for patients who, following an episode of minor acuity or the relapse of chronic pathologies, require low-intensity and short-term clinical interventions.</p> <p>M6C1-10 requires the approval of an institutional development contract for each Region/Autonomous province, which is a contract between Regions/Autonomous Province and Ministry of Health and to identify the sites for the interventions, parties involved and their obligations. As part of this measure, indicatively by Q2 2026, in accordance with target M6C1-11, 400 community hospitals shall be made available.</p>		
<p><b>Evidence Provided:</b></p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>1. Summary document duly justifying how the milestone was satisfactorily fulfilled in line with the requirements set out in the Council Implementing Decision;</li> <li>2. Copy of the 21 institutional development contracts (one for each Region and Autonomous Province), approved and signed and a link to access them (<a href="https://www.pnrr.salute.gov.it/portale/pnrrsalute/dettaglioContenutiPNRRSalute.jsp?lingua=italiano&amp;id=5835&amp;area=PNRR-Salute&amp;menu=missionesalute&amp;tab=2">https://www.pnrr.salute.gov.it/portale/pnrrsalute/dettaglioContenutiPNRRSalute.jsp?lingua=italiano&amp;id=5835&amp;area=PNRR-Salute&amp;menu=missionesalute&amp;tab=2</a> ). Each Contract has an annexed “Operational Plan” (<i>Piano Operativo</i>).</li> <li>3. For each Region/Autonomous province, letter notifying the signature of the institutional development contract (and copy of the confirmation of the delivery mail) dated between 17 and 20 of June 2022 and confirming its entry into force by the Ministry of Health.</li> </ol>		



4. For each Region/Autonomous Province, document of approval of the Contract by the department of general accounting of the Ministry of Finance dated between 15 and 16 of June 2022.

**Analysis:**

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

In particular:

- In line with the requirement of the Council Implementing Decision, all the 21 Institutional and Development Contracts (one per Region and Autonomous Province) have been signed by the Ministry of Health and Regions/ Autonomous Provinces (as the other entities concerned for the implementation of the Community Hospitals) between the 30 and 31 of May 2022 and approved by the (general accounting department of the) Ministry of Finance between the 15 and 16 of June. Notification of the approved contract has been sent by the Ministry of Health to the Regions/Autonomous Provinces between 17 and 20 of June 2022 by certified email.
- Art. 5 of the contract sets out the specific obligations of the Regions/Autonomous Provinces (as the implementing authorities) to guarantee the execution and expected results as regard the Community Hospitals, including, inter alia, the adoption of adequate measures to ensure sound financial management, reporting requirements, the coordination of the project activities and their execution etc. In addition, art.5 comma 2 specifies that Regions and Autonomous Provinces can delegate the execution of the interventions to the entities of the Regional Health Service.
- In line with the requirement of the milestone, Article 6 of the Contract establishes a *Tavolo Istituzionale* chaired by the Minister of Health which, in case of delays and non-compliance with the timing indicated, assesses the conditions for the activation of the s substitutory powers procedure (“Commissioner ad acta”) described in Art. 12 of law decree of 31 May 2021, number 77, converted with modifications by law of 29 July 2021 number 10.
- The Annex 2 of the Operational Plan (which integrates the contracts) lists all the sites that have been identified for the investments, in line with the requirement of the Council Implementing Decision.
- Paragraph of 6.3 of the Operational Plan referred above, in its operational indications reports that as regards to the technology park of the facilities, i.e. all the tools, licences and interconnections, preference shall be given to aggregate procurement methods, in line with the milestone’s requirement.

The further specifications of the Operational Arrangement require a single Institutional Development Contract for each Region/Autonomous Province explicitly referring to M6C1 Investments 1.1 Community Health Houses; 1.2 Territorial Coordination Centres; 1.3 Community Hospitals, and M6C2 Investment 1.1: Digital update of Hospitals’ technological equipment. In line with those further specifications, the Institutional Development Contract contains a general part common to all investments and the annexed Operational Plan, with separate sections containing distinct provisions for each one of the above mentioned investments.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

Number: M6C2-5	M6C2.I1.1 - Digital update of hospitals’ technological equipment
Name of the milestone: Approval of the Institutional Development Contract	



<p><b>Qualitative Indicator:</b> Notification of the signature of the Institutional Development Contract by Ministry of Health and Italian Regions</p>	<p><b>Time:</b> Q2 2022</p>
<p><b>Context:</b></p> <p>This investment consists in the improvement of the digitalization of healthcare facilities. The investment follows three main lines of interventions, which are: modernisation of large healthcare equipment by substituting obsolete models with technological advanced ones; informatization of the processes of “Dipartimenti Emergenza e Accettazione” (DEA) 1st level and DEA 2nd level hospitals and increase in the number of beds in intensive and semi-intensive care units.</p> <p>The milestone M6C2-5 requires the approval of an institutional development contract for each Region/Autonomous province, which is a contract between Regions/Autonomous Province and Ministry of Health and is a tool to identify the sites for the interventions, parties involved and their obligations. The next milestone for the investment (M6C2-7) is expected by Q4 2022 and concerns the award of all public contracts related to informatization of DEAs. The following target (M6C2-6) requires the entry into operation of 3100 units of new large sanitary equipment, indicatively by Q4 2024. Target M6C2-8 requires the completion of digitization of 280 hospitals, indicatively by Q4 2025. The final target for the measure requires the installation of 7700 additional beds in ICUs and semi-intensive care, indicatively by Q2 2026.</p>	
<p><b>Evidence Provided:</b></p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>1. Summary document duly justifying how the milestone was satisfactorily fulfilled in line with the requirements set out in the Council Implementing Decision;</li> <li>2. The 21 institutional development contracts (one for each Region and Autonomous Province), approved and signed and a link to access them (<a href="https://www.pnrr.salute.gov.it/portale/pnrrsalute/dettaglioContenutiPNRRSalute.jsp?lingua=italiano&amp;id=5835&amp;area=PNRR-Salute&amp;menu=missionesalute&amp;tab=2">https://www.pnrr.salute.gov.it/portale/pnrrsalute/dettaglioContenutiPNRRSalute.jsp?lingua=italiano&amp;id=5835&amp;area=PNRR-Salute&amp;menu=missionesalute&amp;tab=2</a> ). Each Contract has an annexed “Operational Plan” (<i>Piano Operativo</i>).</li> <li>3. For each Region/Autonomous province, letter notifying the signature of the institutional development contract (and copy of the confirmation of the delivery mail) dated between 17 and 20 of June 2022 and confirming its entry into force by the Ministry of Health.</li> <li>4. For each Region/Autonomous Province, document of approval of the Contract by the department of general accounting of the Ministry of Finance dated between 15 and 16 of June 2022.</li> </ol>	
<p><b>Analysis:</b></p> <p>The justification and substantiating evidence provided by the Italian authorities cover all constitutive elements of the milestone.</p> <p>In particular:</p> <ul style="list-style-type: none"> <li>• In line with the requirement of the Council Implementing Decision, all the 21 Institutional and Development Contracts (one per Region and Autonomous Province) have been signed by the Ministry of Health and Regions/ Autonomous Provinces between the 30 and 31 of May 2022 and approved by the (general accounting department of the) Ministry of Finance between the 15 and 16 of June. Notification of the approved contract has been sent by the Ministry of Health to the Regions/Autonomous Provinces between 17 and 20 of June 2022 by certified email.</li> <li>• Art. 5 of the contract sets out the specific obligations of the Regions/Autonomous Provinces (as the implementing authority) to guarantee the execution and expected results as regard the Digitisation of Hospitals, including, inter alia, the adoption of adequate measures to ensure sound financial management, reporting requirements, the coordination of the project activities</li> </ul>	

and their execution etc. In addition, art.5 comma 2 specifies that Regions and Autonomous Provinces can delegate the execution of the interventions to the entities of the Regional Health Service.

- In line with the requirement of the milestone, Article 6 of the Contract establishes a *Tavolo Istituzionale* chaired by the Minister of health which, in case of delays and non-compliance with the timing indicated, assesses the conditions for the activation of the substitutory powers procedure (“Commissioner ad acta”) described in Art. 12 of law decree of 31 May 2021, number 77, converted with modifications by law of 29 July 2021 number 10.
- The Annex 2 of the Operational Plan (which integrates the contracts) lists all the sites that have been identified for the investments, in line with the milestone’s requirement. In particular, the identified sites are listed in section 6.4 (informatization of the processes of “Dipartimenti Emergenza e Accettazione” (DEA) 1st level and DEA 2nd level hospitals), 6.5 (modernisation of large healthcare equipment by substituting obsolete models with technological advanced ones), and 6.6 (increase in the number of beds in intensive and semi-intensive care units, which follows the re-organization plan of milestone M6C2-4 of Q4-2021).
- The further specifications of the Operational Arrangements require a single Institutional Development Contract for each Region/Autonomous Province explicitly referring to M6C1 Investments 1.1 Community Health Houses; 1.2 Territorial Coordination Centres; 1.3 Community Hospitals, and M6C2 Investment 1.1: Digital update of Hospitals’ technological equipment. In line with those further specifications, the Institutional Development Contract contains a general part common to all investments and the annexed Operational Plan, with separate sections containing distinct provisions for each one of the above mentioned investments.

**Commission Preliminary Assessment: Satisfactorily fulfilled**