Council of the European Union

Brussels, 30 October 2024
(OR. en)

15077/24

Interinstitutional File:
2024/0287(NLE)

ECOFIN 1226
FIN 952
UEM 375
CADREFIN 159

COVER NOTE

From:	Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director
date of receipt:	30 October 2024
To:	Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union
No. Cion doc.:	COM(2024) 509 final
Subject:	Proposal for a COUNCIL IMPLEMENTING DECISION amending Implementing Decision (EU) (ST 10160/21 INIT; ST 10160/21 ADD 1 REV 2) of 13 July 2021 on the approval of the assessment of the recovery and resilience plan for Italy

Delegations will find attached document COM(2024) 509 final.

Encl.: COM(2024) 509 final

EUROPEAN
COMMISSION

Brussels, 29.10.2024
COM(2024) 509 final

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Proposal for a

COUNCIL IMPLEMENTING DECISION

amending Implementing Decision (EU) (ST 10160/21 INIT; ST 10160/21 ADD 1 REV 2) of 13 July 2021 on the approval of the assessment of the recovery and resilience plan for Italy

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amending Implementing Decision (EU) (ST 10160/21 INIT; ST 10160/21 ADD 1 REV 2) of 13 July 2021 on the approval of the assessment of the recovery and resilience plan for Italy

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility[1], and in particular Article 20(1) thereof,

Having regard to the proposal from the European Commission,

Whereas:

(1) Following the submission of the national recovery and resilience plan ('RRP') by Italy on 30 April 2021, the Commission has proposed its positive assessment to the Council. The Council approved the positive assessment by means of the Council Implementing Decision of 13 July 2021[2]. That Council Implementing Decision was amended on 19 September 2023[3], on 8 December 2023[4] and on 14 May 2024[5].

(2) On 10 October 2024, Italy made a reasoned request to the Commission to make a proposal to amend the Council Implementing Decision of 13 July 2021 in accordance with Article 21(1) of Regulation (EU) 2021/241 on the grounds that the RRP is partially no longer achievable because of objective circumstances. On that basis, Italy has submitted an amended RRP.

Amendments based on Article 21 of Regulation (EU) 2021/241

(3) The amendments to the RRP submitted by Italy because of objective circumstances concern 21 measures.

(4) Italy has explained that 13 measures have been amended to implement better alternatives in order to achieve the original ambition of the measure. This concerns: milestone M1C1-59ter and the description of measure IT-C[M1C1]-R[R.1.9] Public employment reform and simplification reform, under Mission 1 Component 1; milestone M1C1-73bis and targets M1C1-85, M1C1-97, M1C1-97bis and M1C1-99 of

[1] OJ L 57, 18.2.2021, p. 17.
[2] ST 10160/21; ST 10160/21 ADD 1
[3] ST 12259/23
[4] ST 16051/23; ST 16051/23 ADD 1
[5] ST 9399/24; ST 9399/24 ADD 1

measure IT-C[M1C1]-R[R1.10] Reform of the public procurement legislative framework, under Mission 1 Component 1; milestones M1C1-72bis, M1C1-72quater, M1C1-72quinquies, M1C1-72sixies of measure IT-C[M1C1]-R[R1.11] Reduction of late payments by public administrations and health authorities, under Mission 1 Component 1; targets M1C2-2 and M1C2-3 of measure IT-C[M1C2]-I[I1] Transition 4.0, under Mission 1 Component 2; target M1C3-9 of measure IT-C[M1C3]-I[I4] Digital tourism hub, under Mission 1 Component 3; milestone M2C2-6 and the description of the measure of measure IT-C[M2C2]-R[R1] Simplification of authorization procedures for renewable onshore and offshore plants and new legal framework to sustain the production from renewable sources and time and eligibility extension of the current support schemes under Mission 2 Component 2; target M2C4-6 and the description of measure IT-C[M2C4]-I[I3.2] Digitalization of national parks under Mission 2 Component 4; target M3C2-5 of measure IT-C[M3C2]-I[I2.1] Digitalisation of the logistic chain, under Mission 3 Component 2; milestone M5C1-9 and targets M5C1-10 and M5C1-11 of measure IT-C[M5C1]-R[R2] Undeclared work, under Mission 5 Component 1; milestone M5C3-12 of measure IT-C[M5C3]-I[I1.4] Infrastructural investments for the Special Economic Zones, under Mission 5 Component 3; milestone M7-10 under measure IT-C[M7]-R[R5] Reform 5 Plan for new Skills – Transitions under component Mission 7 ; M7-30 and the description of measure IT-C[M7]-I[I10] Pilot projects on skills “Crescere Green” under component Mission 7 ; milestone M7-32, target M7-33 and milestone M7-34 under measure IT-C[M7]-I[I12] Grant Scheme for the development of an international, industrial and R&D leadership in zero-emission buses under component Mission 7. On this basis, Italy has requested that the aforementioned measures, including the relevant milestones and targets, be amended Furthermore, Italy has requested to add the following targets: M1C3-9bis for measure IT-C[M1C3]-I[I4] Digital tourism hub, under Mission 1 Component 3; M2C4-6bis for measure IT-C[M2C4]-I[I3.2] Digitalization of national parks, under Mission 2 Component 4; M3C2-5bis for measure C[M3C2]-I[I2.1] Digitalisation of the logistic chain, under Mission 3 Component 2. The Council Implementing Decision of 13 July 2021 should be amended accordingly.

(5) Italy has explained that eight measures have been amended to implement a better alternative allowing to reduce the administrative burden, whilst still reaching the objectives of the respective measure. This concerns: target M1C1-112 and the description of measure IT-C[M1C1]-R[R1.12] Reform of tax administration under Mission 1 Component 1; targets M2C1-15 and M2C1-16bis of measure IT-C[M2C1]-R[R1.2] National Program for Waste Management under Mission 2 Component 2; the description of measure IT-C[M2C2]-I[I4.4.3] Renewal fleet for the National fire brigade command under Mission 2 Component 2; target M2C3-10 of IT-C[M2C3]-I[I3.1] Promotion of efficient district heating under Mission 2 Component 3; milestone M4C1-8 and target M4C1-22 under measure IT-C[M4C1]-I[I.1.3] School Sports Infrastructure Enhancement Plan under Mission 4 Component 1; milestone M5C2-4 under measure IT-C[M4C1]-I[I.1.3] Reform for non-self-sufficient elderly persons under Mission 5 Component 3; measure IT-C[M7]-I[I15] Transizione 5.0 under component Mission 7. On this basis, Italy has requested to remove unnecessary background information or procedural elements that do not contribute to the objectives of the measures, to clarify that certain elements relate to the objectives or the context of the measures, and to simplify descriptions of measures or milestones and targets that cause an unjustified administrative burden for reaching the objectives of the

respective measures. The Council Implementing Decision of 13 July 2021 should be amended accordingly.

(6) The Commission considers that the reasons put forward by Italy justify the amendment(s) pursuant to Article 21(2) of Regulation (EU) 2021/241, and the Council Implementing Decision of 13 July 2021 should be amended accordingly.

(7) The distribution of milestones and targets in instalments should be modified to take into account the amendments to the plan and the indicative timeline presented by Italy.

Corrections of clerical errors

(8) 10 clerical errors have been identified in the text of the Council Implementing Decision, affecting 3 milestones and 7 targets and 10 measures under 10 components. The Council Implementing Decision should be amended to correct these clerical errors that do not reflect the content of the RRP submitted to the Commission on 30 April 2021 and amended on 19 September 2023, 8 December 2023 and 14 May 2024, as agreed between the Commission and Italy. Those clerical errors relate to target M1C1-15 of IT-C[M1C1]-I[I1.6.6] Digitization of the Finance Police under Mission 1 Component 1; milestone M1C1-108 of measure IT-C[M1C1]-R[R1.15] Reform of public accounting rules, under Mission 1 Component 1; target M2C1-17ter of IT-C[M2C1]-I[I1.2] Circular economy flagship projects under M2C1; targets M2C1-23 and M2C1-24 of IT-C[M2C1]-I[I3.4] Fondo Rotativo Contratti di Filiera (FCF) to support supply-chains contracts for the agri-food, fishing and aquaculture, forestry, floriculture and plant nursery sectors under Mission 2 Component 1; target M2C2-47 of IT-C[M2C2]-I[I1.2] Promotion of RES for energy communities and jointly acting renewables self-consumers under M2C2; target M2C2-53 of IT-C[M2C2]-I[I5.2] Hydrogen under M2C2; target M4C2-22 of IT-C[M4C2]-I[I2.1] IPCEI under M4C2; milestone M5C2-2 of IT-C[M5C2-2]-R[R1] Framework law for disability under M5C2; milestone M7-35 of measure IT-C[M7]-I[I13] Adriatic Line Phase 1 (Sulmona compressor station and Sestino-Minerbio gas pipeline) under component Mission 7 ; and the description of the following measures: IT-C[M2C1]-I[I3.4] Fondo Rotativo Contratti di Filiera (FCF) to support supply-chains contracts for the agri-food, fishing and aquaculture, forestry, floriculture and plant nursery sectors under Mission 2 Component 1; IT-C[M2C2]-I[I5.4] Support to start ups and venture capital active in the ecological transition under Mission 2 Component 2. Those corrections do not affect the implementation of the measures concerned.One clerical error has been identified in recital 14 of the Council Implementing Decision of 5 December 2023[6]. This clerical error relates to the fact that the measure IT-C[M2C1-I[I.2.1] Logistics plan for the agri-food, fishing and aquaculture, forestry, floriculture and plant nursery sectors appears as modified in the Council Implementing Decision amending the Implementing Decision of 13 July 2021 on the approval of the assessment of the recovery and resilience plan for Italy of 5 December 2023 and related Commission Staff Working Document: Analysis of the recovery and resilience plan of Italy amending the approval of the assessment of the recovery and resilience plan of 13 July 2021 (SWD). However, the measure was not modified and the changes linked to thate measure cited relate to measure IT-C[M2C1]-I[I.2.2] Agri-solar Park, included in recital 20 among the clerical errors in the text of the Council Implementing Decision.

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Investment 2.2 “Agri-solar park” has been modified as a result of changes in market conditions.

(9) One clerical error has been identified in recital (14) of the Council Implementing Decision of 8 December 2023 amending Implementing Decision of 13 July 2021[7]. This clerical error relates to the fact that the measure IT-C[M2C1-I[I.2.1] Logistics plan for the agri-food, fishing and aquaculture, forestry, floriculture and plant nursery sectors appears as modified in the Council Implementing Decision of 8 December 2023[8]. However, the measure was not modified, and the changes linked to that measure cited in recital (14) relate to measure IT-C[M2C1]-I[I.2.2] Agri-solar Park. This measure IT-C[M2C1]-I[I.2.2] was erroneously included in recital (20) as a clerical error. Instead, it was amended under Article 21 of Regulation (EU) 2021/241 because of changes in market demand resulting from changes in the market conditions, including higher costs affecting procurement procedures. This correction does not affect the assessment or the implementation of the RRP.

Commission’s assessment

(10) The Commission has assessed the amended RRP against the assessment criteria laid down in Article 19(3) of Regulation (EU) 2021/241.

Measures having a cross-border or multi-country dimension or effect

(11) In accordance with Article 19(3), point (db), of and Annex V, criterion 2.13, to Regulation (EU) 2021/241, the measures included in the REPowerEU chapter are expected to a large extent (Rating A) to have a cross-border or multi-country dimension or effect.

(12) Nine measures included in Italy’s REPowerEU chapter have a cross-border or multi-country dimension or effect. Investment 5.SA.CO.I.3 (‘Sardinia-Corsica-Italy 3’), the cross-border electricity interconnection projects between Italy and neighbouring countries (Austria and Slovenia), and the cross-border gas export infrastructure in Poggio Renatico have a cross-border dimension. Other seven investments aim to improve the capacity of the grid to transport electricity or gas northwards and have therefore a multi-country dimension.

(13) The estimated costs of these measures account for a total of EUR 1 923 200 000 representing 17 % of the total estimated costs of the REPowerEU chapter. While the estimated costs of these measures account for an amount that represents less than 30 % of the estimated costs of all measures included in the REPowerEU chapter, other measures included in the REPowerEU chapter better address the objectives set out in Article 21c(3). Although cross-border measures, such as those involving energy electricity interconnection projects between Italy and neighbouring countries, contribute to enhancing the Union’s overall energy security, a larger portion of funding is directed towards measures that have a broader, long-term impact on energy efficiency, decarbonisation and renewable energy deployment in Italy. The measures in the REPowerEU chapter, which are implemented at domestic level in Italy address the broader, long-term objectives that are expected to contribute to the objectives in Article 21c(3), points (a), (b), (c), (d), (e) and (f), of Regulation (EU) 2021/241. In particular, the REPowerEU chapter contains measures for boosting energy efficiency and renewable energy deployment, by scaling up hydrogen production in brownfield

[7] ST 16051/23.
[8] ST 16051/23.

sites, streamlining permitting procedures for renewable energy and by reducing the costs of connection to the gas network of biomethane, addressing energy poverty through investments in energy renovations of public and social housing, incentivising energy demand reduction through investments for strengthening smart grids and the SME support for renewable self-production, addressing internal transmission bottlenecks to support the integration of renewable energy sources and improve Italy's power grid resilience, strengthening the zero-emission public transport, as well as workforce requalification and support for critical raw materials supply chains to ensure that Italy can meet the skills and raw materials demands necessary for the green transition. Consequently, the aforementioned measures included in the REPowerEU chapter better address the objectives set out in Article 21c(3) of Regulation (EU) 2021/241, as they contribute to tackling Italy's immediate and long-term energy transition goals, maximizing the impact on energy efficiency and decarbonisation. These measures also contribute to the broader Union goals by reducing Italy's reliance on external energy sources, accelerating the deployment of renewable energy, and improving energy efficiency at the national level.

Costing

(14) In accordance with Article 19(3), point (i), of and Annex V, criterion 2.9, to Regulation (EU) 2021/241, the justification provided in the amended RRP on the amount of the estimated total costs of the RRP is to a moderate extent (Rating B) reasonable and plausible, is in line with the principle of cost efficiency and is commensurate to the expected national economic and social impact.

(15) The limited modifications involving a cost assessment proposed by Italy do not change the previous assessment of the estimated total costs of the modified RRP. For one modified measure, Italy has provided sufficient information and evidence that the amount of the estimated total costs is not covered by existing or planned Union financing.

Any other assessment criteria

(16) The Commission considers that the amendments put forward by Italy do not affect the positive assessment of the RRP set out in the Council Implementing Decision ST 10160/21 of 13 July 2021 on the approval of the assessment of the RRP for Italy regarding the relevance, effectiveness, efficiency and coherence of the RRP against the assessment criteria laid down in Article 19(3), points (a), (b), (c), (d),(da), (e), (f), (g), (h), (j) and (k).

Positive assessment

(17) Following the positive assessment by the Commission of the amended RRP with the finding that the RRP satisfactorily complies with the criteria for assessment set out in Regulation (EU) 2021/241, in accordance with Article 20(2) of and Annex V to that Regulation, the reforms and investment projects necessary for the implementation of the amended RRP, the relevant milestones, targets and indicators, and the amount made available from the Union for the implementation of the amended RRP in the form of non-repayable financial support should be set out.

Financial contribution

(18) The estimated total costs of Italy's amended RRP is EUR 194 415 951 466. As the amount of the estimated total costs of the amended RRP is higher than the updated maximum financial contribution available for Italy, the total financial contribution

determined in accordance with Articles 20(4) and 21a(6) allocated for Italy's amended RRP should be equal to EUR 71 779 623 788.

Loans

(19) The loan support made available to Italy amounting to EUR 122 601 810 400 remains unchanged.

(20) Council Implementing Decision (ST 10160/21; ST 10160/21 ADD 1 REV 2 of 13 July 2021) on the approval of the assessment of the RRP for Italy should therefore be amended accordingly. For the sake of clarity, the Annex to that Council Implementing Decision should be replaced entirely.

HAS ADOPTED THIS DECISION:

Article 1

The Council Implementing Decision of 13 July 2021 on the approval of the assessment of the recovery and resilience plan for Italy is amended as follows:

(1) Article 1 is replaced by the following:

"Article 1

Approval of the assessment of the RRP

The assessment of the modified RRP of Italy on the basis of the criteria provided for in Article 19(3) of Regulation (EU) 2021/241 is approved. The reforms and investment projects under the RRP, the arrangements and timetable for the monitoring and implementation of the RRP, including the relevant milestones and targets and the additional milestones and targets related to the payment of non-repayable financial support and of the loan, the relevant indicators relating to the fulfilment of the envisaged milestones and targets, and the arrangements for providing full access by the Commission to the underlying relevant data are set out in the Annex to this Decision.";

(2) the Annex is replaced by the text in the Annex to this Decision.

Article 2
Addressee

This Decision is addressed to the Italian Republic.

Done at Brussels,

For the Council
The President