



Brussels, 12 November 2024
(OR. en)

15114/24

**Interinstitutional File:
2024/0287(NLE)**

**ECOFIN 1231
FIN 953
UEM 377
CADREFIN 160**

LEGISLATIVE ACTS AND OTHER INSTRUMENTS

Subject: 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

COUNCIL IMPLEMENTING DECISION

of ...

**amending the Implementing Decision 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 Facility¹, and in particular Article 20(1) thereof,

Having regard to the proposal from the European Commission,

¹ OJ L 57, 18.2.2021, p. 17.

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. On 13 July 2021, the Council approved the positive assessment by means of an implementing decision ('the Council Implementing Decision of 13 July 2021')². The Council Implementing Decision of 13 July 2021 was amended by Council Implementing Decisions of 19 September 2023³, 8 December 2023⁴ ('the Council Implementing Decision of 8 December 2023') and 14 May 2024⁵.
- (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.

² See documents ST 10160/21 and ST 10160/21 ADD 1 at <http://register.consilium.europa.eu>.

³ See document ST 12259/23 at <http://register.consilium.europa.eu>.

⁴ See documents ST 16051/23 and ST 16051/23 ADD 1 at <http://register.consilium.europa.eu>.

⁵ See documents ST 9399/24 and ST 9399/24 ADD 1 at <http://register.consilium.europa.eu>.

- (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 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 and 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 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 Mission 7; target M7-30 and the description of measure IT-C[M7]-I[I10] (Pilot projects on skills ‘Crescere Green’) under Mission 7; and 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 Mission 7.

On this basis, Italy has requested that the aforementioned measures, including the relevant milestones and targets, be amended. Furthermore, Italy has requested that the following targets be added: 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; and 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 in order to implement better alternatives that allow for the reduction of the administrative burden while still achieving the objectives of those measures. 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 measure 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; and measure IT-C[M7]-I[I15] (Transizione 5.0) under Mission 7. On this basis, Italy has requested that unnecessary background information or procedural elements that do not contribute to the objectives of the measures be removed, that it be clarified that certain elements relate to the objectives or the context of the measures, and that descriptions of measures or milestones and targets that cause an unjustified administrative burden with regard to the achievement of the objectives of those measures or milestones and targets be simplified. 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 amendments pursuant to Article 21(2) of Regulation (EU) 2021/241. The Council Implementing Decision of 13 July 2021 should be amended accordingly.
- (7) The distribution of milestones and targets in instalments should be amended to take into account the amendments to the RRP and the indicative timeline presented by Italy.

Correction of clerical errors

- (8) 10 clerical errors have been identified in the text of the Council Implementing Decision of 13 July 2021, affecting 3 milestones and 7 targets and 10 measures under 10 components. The Council Implementing Decision of 13 July 2021 should be amended in order to correct those clerical errors, which do not reflect the content of the RRP submitted to the Commission on 30 April 2021 and amended by the Council Implementing Decisions of 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 measure 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 measure IT-C[M2C1]-I[I1.2] (Circular economy flagship projects) under M2C1; targets M2C1-23 and M2C1-24 of measure 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 measure IT-C[M2C2]-I[I1.2] (Promotion of RES for energy communities and jointly acting renewables self-consumers) under Mission 2, Component 2; target M2C2-53 of measure IT-C[M2C2]-I[I5.2] (Hydrogen) under Mission 2, Component 2; target M4C2-22 of measure IT-C[M4C2]-I[I2.1] (IPCEI) under Mission 4, Component 2; milestone M5C2-2 of measure IT-C[M5C2-2]-R[R1] (Framework law for disability) under Mission 5, Component 2; and milestone M7-35 of measure IT-C[M7]-I[I13] (Adriatic Line Phase 1 (Sulmona compressor station and Sestino-Minerbio gas pipeline)) under Mission 7. Those clerical errors also relate to the description of measure 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, and of measure 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.

- (9) A clerical error has been identified in recital 14 of the Council Implementing Decision of 8 December 2023. That 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) is listed as one of the measures that Italy had requested be amended by the Council Implementing Decision of 8 December 2023. That measure was not amended, and the changes linked thereto cited in recital 14 of the Council Implementing Decision of 8 December 2023 in fact relate to measure IT-C[M2C1]-I[I.2.2] (Agri-solar Park), which was erroneously included in recital 20. Measure IT-C[M2C1]-I[I.2.2] (Agri-solar Park) was amended pursuant to 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. Seven other investments aim to improve the capacity of the grid to transport electricity or gas northwards and therefore have a multi-country dimension.

- (13) The estimated costs of the measures that have a cross-border or multi-country dimension or effect 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 those 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) of Regulation (EU) 2021/241. 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 set out 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 sites, streamlining permitting procedures for renewable energy and 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 support for small and medium-sized enterprises with regard to 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 material supply chains to ensure that Italy can meet the skills and raw material 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, maximising the impact on energy efficiency and decarbonisation. Those 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 cost 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 with the expected national economic and social impact.
- (15) The limited amendments involving a cost assessment proposed by Italy do not change the previous assessment of the estimated total cost of the amended RRP. For one amended measure, Italy has provided sufficient information and evidence that the amount of the estimated total cost 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 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), of Regulation (EU) 2021/241.

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 cost of Italy's amended RRP is EUR 194 415 951 466. As the amount of the estimated total cost of the amended RRP is higher than the updated maximum financial contribution available for Italy, the total financial contribution determined in accordance with Article 20(4) and Article 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) The Council Implementing Decision of 13 July 2021 should therefore be amended accordingly. For the sake of clarity, the Annex to the Council Implementing Decision of 13 July 2021 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 amended 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 set out in the Annex to this Decision.

Article 2

This Decision is addressed to the Italian Republic.

Done at ..., ...

For the Council

The President
