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To:	Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union
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Subject:	Proposal for a COUNCIL IMPLEMENTING DECISION amending Implementing Decision (EU) (ST 10149/21 INIT; ST 10149/21 ADD 1 REV 1) of 13 July 2021 on the approval of the assessment of the recovery and resilience plan for Portugal

Delegations will find attached document COM(2024) 418 final.

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EUROPEAN
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Brussels, 17.9.2024

COM(2024) 418 final

2024/0232 (NLE)

Proposal for a

COUNCIL IMPLEMENTING DECISION

**amending Implementing Decision (EU) (ST 10149/21 INIT; ST 10149/21 ADD 1 REV 1)
of 13 July 2021 on the approval of the assessment of the recovery and resilience plan for
Portugal**

Proposal for a

COUNCIL IMPLEMENTING DECISION

amending Implementing Decision (EU) (ST 10149/21 INIT; ST 10149/21 ADD 1 REV 1) of 13 July 2021 on the approval of the assessment of the recovery and resilience plan for Portugal

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,

Whereas:

- (1) Following the submission of the national recovery and resilience plan ('RRP') by Portugal on 22 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 2021². The CID was amended on 17 October 2023³.
- (2) On 1 and 12 August 2024, Portugal 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, Portugal has submitted an amended RRP.

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

- (3) The amendments to the RRP submitted by Portugal because of objective circumstances concern 22 measures.
- (4) Portugal has explained that eight measures have been amended to implement better alternatives in order to achieve the original ambition of the measure. This concerns milestone 1.40 of measure C01-i04 (Construction of East Lisbon Hospital and equipment for hospitals in Lisbon and Vale do Tejo) under component 1 (National Health Service); milestone 12.7 of measure C12-r39 (Promoting circular economy and more efficient waste management) under component 12 (Bioeconomy); targets 15.13 of measure C15-i05 (Decarbonisation of public transport) and 15.14 of measure C15-r30 (Transport Ecosystem Reform) under component 15 (Sustainable Mobility);

¹ OJ L 57, 18.2.2021, p. 17.

² ST 10149/21 INIT, ST 10149/21 ADD 1 REV 1

³ ST 13351/23 INIT, ST 13351/23 ADD 1 REV 1

milestone 19.23 of measure C19-r35 (Functional and organisational reform of public administration) under component 19 (Digital Public Administration); and targets 21.14 and 21.15 of measure C21-r45 (Green Skills) and milestones 21.20, 21.21 and 21.23 of measure C21-r48 (Simplification of the legal and regulatory framework applicable to renewable energy projects) under component 21 (REPowerEU). This also concerns the measure description of investments C07-i03 (Cross-border links) under component 7 (Infrastructure) and C08-i02 (Rural property registry and Land Cover Monitoring System) under component 8 (Forests). On this basis, Portugal has requested to amend the aforementioned milestones, targets and measures. The Council Implementing Decision of 13 July should be amended accordingly.

- (5) Portugal has explained that 12 measures have been amended to implement better alternatives allowing to reduce the administrative burden in order to achieve the original ambition of the measure. This concerns targets 2.16 and 2.18 of measure C02-i04-RAA (Increasing housing conditions in the housing stock of the Autonomous Region of the Azores) under component 2 (Housing); target 4.2 and target 4.5 of C04-i01 (Cultural Networks and Digital Transition) and the description of the respective investment under component 4 (Culture); milestone 5.26 of C05-r13 (Capital market development and promotion of capitalisation of non-financial companies) under component 5 (Investment and Innovation); milestone 10.6 of C10-i03 (Atlantic Defence Operations Centre and naval platform) and milestone 10.8 of C10-i04-RAA (Development of the 'Cluster do Mar dos Açores') under component C10 (Sea); target 11.3 of C11-i01 (Decarbonisation of industry) under component 11 (Decarbonisation of Industry); target 19.19 of C19-i07 (Public administration empowered to create public value) under component 19 (Digital Public Administration) and target 21.1 of C21-i01 (Scaled-up measure: Decarbonisation of Industry) under component 21 (REPowerEU). This also concerns the measure description of investment C02-i01 (Support Programme for Access to Housing) under component 2 (Housing); investment C06-i01 (Modernisation of vocational education and training institutions) of component 6 (Qualifications and Skills); investment C10-i03 (Atlantic Defence Operations Centre and naval platform) and C10-i04-RAA (Development of the 'Cluster do Mar dos Açores') under component 10 (Sea); reform C15-r30 (Transport Ecosystem Reform) under component 15 (Sustainable Mobility); reform C21-r46 (Regulatory framework for renewable hydrogen) and investment C21-i06 (Scaled-up measure: Hydrogen and renewable gases) under component 21 (REPowerEU). On this basis, Portugal has requested that the aforementioned measures, including the relevant milestones and targets, be amended. The Council Implementing Decision of 13 July should be amended accordingly.
- (6) Portugal has explained that, for four measures, it is not possible to prove the achievement of eight milestones and targets because the Portuguese internal procedures do not provide for unequivocal primary evidence that would allow for the explicit verification of the satisfactory fulfilment of the respective milestones and targets. The type of indicators used for the assessment of the satisfactory fulfilment should be modified to allow for this verification, without modifying the objectives and nature of the relevant measures. The specific quantities for these new indicators should be established so that the level of ambition of the respective measures is preserved. This concerns, respectively targets 2.2, 2.29 and 2.3 of measure C02-i01 (Support Programme for Access to Housing) and the intermediary target 2.6 as well as the subsequent target 2.7 of measure C02-i02 (National Emergency and Temporary Accommodation Grant) under component 2 (Housing); target 6.3 and target 6.4 of C06-i01 (Modernisation of vocational education and training institutions) under

component 6 (Qualifications and Skills); and target 19.20 of measure C19-i07 (Public administration empowered to create public value – Investment) under component 19 (Digital Public Administration). On this basis, Portugal has requested that the aforementioned measures, including the relevant milestones and targets, be amended. The Council Implementing Decision of 13 July should be amended accordingly.

- (7) Portugal has explained that one measure is partially no longer achievable, because of lack of demand from technicians of Forest Producer Organisations. This concerns the target 8.16 of measure C08-i05 (More Forest) under component 8 (Forests). On this basis, Portugal has requested to amend the aforementioned target. The Council Implementing Decision of 13 July should be amended accordingly.
- (8) The Commission considers that the reasons put forward by Portugal justify the amendment pursuant to Article 21(2) of Regulation (EU) 2021/241, and the Council Implementing Decision of 13 July 2021 should be amended accordingly.

Corrections of clerical errors

- (9) 36 clerical errors have been identified in the text of the Council Implementing Decision, affecting 27 milestones and targets and 31 measures under eleven 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 22 April 2021, as agreed between the Commission and Portugal. Those clerical errors relate to target 4.5 of C4-i01 (Cultural Networks and Digital Transition) and milestone 4.11 of C04-i02 (Cultural Heritage) and the description of the respective investment under component 4 (Culture); target 5.17 of C05-i04-RAA (Recapitalisation of the Business System of the Azores), target 5.29 and target 5.43 of C05-i06 (Capitalisation of companies and financial resilience/Banco Português de Fomento), target 5.40 of C05-i09 (Scale-up: Mobilising Agendas/Alliances for Business Innovation), target 5.42 of C05-i10 (Scale-up: Green Agendas/Alliances for business innovation), target 5.45 of C05-i11 (Scale-up: Mobilising Agendas/Alliances for Business Innovation (Loans)) and target 5.47 of C05-i12 (Scale-up: Green Agendas/Alliances for business innovation (Loans)) under component 5 (Investment and Innovation); target 6.5 of C6-i02 (Sustainable Employment Commitment) and target 6.7 of C06-i04 (Youth impulse – STEAM), milestone 6.20 of C06-i06 (Capacities in Science) and target 6.28 of C06-i09 (New or renovated schools) under component 6 (Qualifications and Skills); milestone 7.14 and target 7.15 of C07-i05-RAA (Logistic Circuits — Regional Network of the Azores) under component 7 (Infrastructure); milestone 17.21 of C17-i02 (Modernisation of the information systems of the Tax and Customs Authority for rural property taxation) under component 17 (Quality and Sustainability of Public Finances); target 19.21 of C19-i07 (Public administration empowered to create public value) and the description of the respective investment, target 19.33 of C19-r42 (New evaluation system to empower and rejuvenate the public administration workforce) and milestone 19.36 of C19-i08 (Intelligent Territories) under component 19 (Digital Public Administration); and milestone 21.7 of C21-r43 (National Energy Poverty Observatory), milestone 21.22 of C21-r48 (Simplification of the legal and regulatory framework applicable to renewable energy projects), milestone 21.24 and target 21.25 of C21-i06 (Scaled-up measure: Hydrogen and renewable gases), milestone 21.35 of C21-i12 (Scaled-up measure: Decarbonisation of Public Transport), milestone 21.39 of C21-i14 (Bus Rapid Transit Braga) and target 21.43 of C21-i16 (Nazaré Funicular) under component 21 (REPowerEU), the description of the following measures: investment C02-i04-RAA (Increasing housing conditions in the housing stock of the Autonomous Region of the

Azores) under component 2 (Housing); reform C05-r13 (Capital market development and promotion of capitalisation of non-financial companies) under component 5 (Investment and Innovation); investment C07-i02 (Missing links and increasing the capacity of the Network), investment C07-i04 (Business Reception Areas — Road accessibility) and investment C07-i05-RAA (Logistic Circuits — Regional Network of the Azores) under component 7 (Infrastructure); investment C09-i02 (Hydraulic multi-purpose enterprise of Crato, planning phase) under component 9 (Water management); investment C11-i01 (Decarbonisation of industry) under component 11 (Decarbonisation of Industry); reform C17-r32 (Modernisation and Simplification of Public Financial Management) and reform C17-r40 (Simplification of the Tax System) under component 17 (Quality and Sustainability of Public Finances); reform C19-r35 (Functional and organisational reform of public administration) under component 19 (Digital Public Administration); reform C21-r44 (Development of energy efficiency one-stop shops for citizens (Citizens Energy Spaces) and reform C21-r48 (Simplification of the legal and regulatory framework applicable to renewable energy projects) under component 21 (REPowerEU), and the term used to identify the payment instalments in section 2 (Financial support) and the list of milestones and targets covered by the fifth, the sixth, the ninth and the tenth instalments of the non-repayable support and the fifth, the eighth, the ninth and the tenth instalments of the loan support. Those corrections do not affect the implementation of the measures concerned.

- (10) A clerical error has been identified in recital (79) of the Council Implementing Decision of 17 October 2023⁴, which does not reflect the content of the modified RRP submitted to the Commission on 26 May 2023, as agreed between the Commission and Portugal. This clerical error relates to the amount of measures supporting climate objectives relative to the RRP's total allocation, calculated in accordance with the methodology set out in Annex VI to Regulation (EU) 2021/241. Recital (79) of the Council Implementing Decision of 17 October 2023 indicated the following amounts: 41,2% of the RRP's total allocation and 91,1% of the total estimated costs of measures in the REPowerEU chapter. On the basis of the modified RRP submitted to the Commission on 26 May 2023, the measures supporting climate objectives actually account for an amount which represents 40,6% of the RRP's total allocation and 91,1% of the total estimated costs of measures in the REPowerEU chapter calculated in accordance with the methodology set out in Annex VI to Regulation (EU) 2021/241. This correction does not affect the assessment or the implementation of the RRP.

Commission's assessment

- (11) The Commission has assessed the amended RRP against the assessment criteria laid down in Article 19(3) of Regulation (EU) 2021/241.
- (12) The Commission considers that the amendments put forward by Portugal do not affect the positive assessment of the RRP set out in the Council Implementing Decision ST 10149/21 INIT, ST 10149/21 ADD 1 REV 1) of 13 July 2021 on the approval of the assessment of the RRP for Portugal 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), (db), (e), (f), (g), (h), (i), (j) and (k).

Positive assessment

⁴ ST 13351/23 INIT, ST 13351/23 ADD 1 REV 1.

- (13) 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 modified RRP, the relevant milestones, targets and indicators, and the amount made available from the Union for the implementation of the modified RRP in the form of non-repayable financial and loan support should be set out.

Financial contribution

- (14) The estimated total costs of Portugal's amended RRP is EUR 22 215 870 313. As the amount of the estimated total costs of the amended RRP is higher than the updated maximum financial contribution available for Portugal, the total financial contribution calculated in accordance with Articles 20(4), 21a(6) and 21b(2) of Regulation (EU) 2021/241 allocated for Portugal's amended RRP should be equal to EUR 16 325 113 960.

Loans

- (15) The loan support made available to Portugal amounting to EUR 5 890 756 353 remains unchanged.
- (16) Council Implementing Decision ST 10149/21 INIT, ST 10149/21 ADD 1 REV 1) of 13 July 2021 on the approval of the assessment of the RRP for Portugal 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 assessment of the modified RRP of Portugal 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 related to the payment of non-repayable financial support and the additional milestones and targets related to the payment 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.

Article 2

The Annex to the Council Implementing Decision of 13 July 2021 on the approval of the assessment of the recovery and resilience plan for Portugal is replaced by the Annex to this Decision.

Article 3
Addressee

This Decision is addressed to the Portuguese Republic.

Done at Brussels,

For the Council
The President