

16 December 2022

Positive preliminary assessment of the satisfactory fulfilment of milestones and targets related to the second payment request submitted by Portugal on 30 September 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 30 September 2022, Portugal submitted requests for payment for the second instalment of the non-repayable support and the second instalment of the loan support. The payment requests were accompanied by the required management declarations and the summary of audits.

To support its payment request, Portugal provided due justification of the satisfactory fulfilment of the 18 milestones and targets of the second instalment of the non-repayable support and the two milestones of the second instalment of the loan support, as set out in Section 2(1)(1.2) and Section 2(2)(2.2) of the Council Implementing Decision of 13 July 2021 on the approval of the assessment of the recovery and resilience plan for Portugal¹.

In its payment request, Portugal has confirmed that measures related to previously satisfactorily fulfilled milestones and targets have not been reversed. The Commission does not have evidence of the contrary. Upon receipt of the payment request, the Commission has assessed on a preliminary basis the satisfactory fulfilment of the relevant milestones and targets. Based on the information provided by Portugal, the Commission has made a positive preliminary assessment of the satisfactory fulfilment of all 20 milestones and targets.

The milestones and targets positively assessed as part of this payment request demonstrate significant steps in the implementation of Portugal's Recovery and Resilience Plan. They notably highlight the continuation of the reform momentum in key policy areas. This includes, among others, the digital transition in the private and public sectors, including training and upskilling. Milestones and targets also confirm progress towards the completion of reforms and investment projects related to health and social policies, green transition and climate adaptation such as bioeconomy, sustainable transport and forest management and support of companies through the use of financial instruments.

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

¹ ST 10149/21; ST 10149/21 ADD 1 REV 1, not yet published.

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Non-repayable support

Number: 1.6	Related Measure: C01-r03: Completion of the reform of the governance model of public hospitals	
Name of the Milestone: Entry into force of the new management contract template		
Qualitative Indicator: Entry into force of the new management contract template		Time: Q2-2022
<p>Context:</p> <p>The over-arching objective of this reform is to increase efficiency in the hospitals of the National Healthcare System, by, amongst others, reforming the organisation and internal management of the hospitals; by improving articulation with other units of the National Health System; and by focussing responses on the citizens' needs.</p> <p>This milestone requires the entry into force of a performance-based management contract template, approved by the Ministries of Finance and Health, for public managers in state-owned enterprises in the national health system. This is the first step of the implementation of the reform and it will be followed by the following milestones and targets: the entry into force of a new management accounting plan of the National Healthcare System (milestone 1.7 to be completed by Q1 2024); the establishment of new integrated responsibility centres in the hospitals of the National Healthcare System (target 1.8 to be completed by Q4 2022 and target 1.9 to be completed by Q4 2025); the strengthening of home hospitalisation responses in the hospitals of the National Healthcare System (target 1.10 to be completed by Q4 2024); the entry into force of the action plan to strengthen centralised purchasing mechanisms for medicines (milestone 1.11 to be completed by Q2 2024); and the entry into force of the new exclusivity work regime in the National Healthcare System (milestone 1.12 to be implemented by Q1 2023).</p>		
<p>Evidence provided:</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"> 1. Summary document justifying how the milestone is satisfactorily fulfilled; 2. Government Order ('Portaria') No 167-B/2022 of 30 June (published in Portugal's Official Journal 'Diário da República', No 125/2022, first supplement, first series of 30 June 2022, pages 10-24), which establishes the new management contract template to be adopted by public managers of state-owned enterprises in the national health system; 3. The management contract template as an annex to Government Order No 167-B/2022 of 30 June including indication of the entry into force through joint approval of the Ministries of Health and Finance; 4. Implementation Report of 30 June 2022 by the Central Administration of the Health System ('Administração Central do Sistema de Saúde') demonstrating how the provisions in the new management contract template will support the performance of public managers and strengthen their accountability. 		
<p>Analysis:</p> <p>The new management contract template to be adhered to by all future management contracts to be signed by public managers of state-owned enterprises in the national health system, was approved jointly by the Ministries of Health and Finance and entered into force on 1 July 2022, as established in Article 9 of Government Order No 167-B/2022 of 30 June.</p>		

Government Order No 167-B/2022, of 30 June, also establishes the disclosure of (i) the management contracts, (ii) the objectives achieved, and (iii) the bonus granted on the website of the Technical Unit for Monitoring and Control of the Public Business Sector (UTAM - 'Unidade Técnica de Acompanhamento e Monitorização do Setor Público Empresarial'), a technical unit of the Ministry of Finance with administrative autonomy (Article 8). This increase in transparency contributes to an increase in accountability.

In line with the requirements of the CID, the new management contract template:

- i) Applies to all public managers, with executive functions, of state-owned enterprises in the National Health Service (NHS) (Article 2).
 - a. Under the Portuguese legal system, 'public managers' are the members of the Board of Directors of a state-owned enterprise (Article 1 of Decree-Law No 71/2007 of 7 March, published in Portugal's Official Journal 'Diário da República', No 61/2007, first series of 7 March 2007, pages 1742-1748). Under the Portuguese Statute of the NHS, all public managers (that sit on the Board of Directors) of state-owned enterprises in the NHS have executive functions (Article 68 of Decree-Law No 52/2002 of 4 August, published in Portugal's Official Journal 'Diário da República', No 150/2022, first series of 4 August 2022, pages 5-52). Therefore, it is not possible to nominate public managers with no executive functions in the state-owned enterprises of the NHS. Therefore, the new management contract template applies to all public managers of state-owned enterprises in the NHS.
 - b. The implementation of the new management contract template is gradual since the new template is used for nominations of new public managers.
 - c. The implementation of the new management contract template was envisaged to be gradual and prioritised according to the level of efficiency, size and geographical distribution of public hospitals. Going further from the requirement of the milestone, Portugal concluded they had the means to apply the new management contract template to public managers with executive functions of all state-owned enterprises in NHS, with no need to prioritise among them.
- ii) Is adopted by public managers with executive functions that either had not yet signed a management contract by the time Government Order No 167-B/2022 of 30 June entered into force on 1 July 2022, or which have been appointed after its entry into force. The new management contract shall be signed within three months of the public manager's appointment (Article 2)
- iii) Strengthens accountability and encourages performance-based management practices in the following way:
 - a. Provides objective metrics to assess the achievement of financial targets, on which the manager's performance is evaluated. The financial targets have to be in line with the annual and multiannual Activity and Budget Plans (Article 3(4)(b) and 3(6)(b)), and they relate to the operating result of the hospital for the financial year, e.g. operational expenditure per standard patient, expenditure on medicines, expenditure on staff (Article 3(9)(a)). These are included in clause 4(2) of the contract template and paragraphs 1 (a) and paragraph 2 (l) - (m) of the Annex to the contract template.
 - b. Provides objective metrics to assess the achievement of the quality of the service targets. These regard the level of satisfaction of the patients (Article 3(9)(b)) and the response time (Article 3(9)(c)). These metrics and targets are established in clause 4(2) of the contract template and paragraphs 1(b) and paragraph 2 (a) to (d) to 7 of the Annex to the contract template.

- c. Makes the bonus calculation depend on the level of achievement of the pre-established targets (Article 5 (1)). The calculation terms also discourage situations of over investment and/or over employment (Article 5(7)(a) and (b)).
 - d. Lists a set of specific situations under which the bonus shall not be awarded. These situations refer to a poor financial situation of the hospital (Article 6).
 - e. Discourages the focus on the short term by introducing a bonus component that shall only be awarded at the end of the management contract (Article 4 (1) and (3)).
 - f. Introduces the possibility to establish additional targets specific to the manager (which must be compatible with the Activities Plan and Budget of the hospital and must be approved by both Ministries) (Article 3(6)(c)). This enables the alignment of the manager's incentives with the objectives of the Hospital and State).
- iv) Strengthens the monitoring roles of the Ministries of Health and Finance in the following manner:
- Both Ministries approve the objectives to be established in each management contract (Article 3(13) and clause 4 of the management contract template).
 - Both Ministries also approve the effective amount of the bonus to be granted, taking into account the evaluation of the manager and the proposal of the Technical Unit for Monitoring and Control of the Public Business Sector (UTAM), a technical unit of the Ministry of Finance, which has administrative autonomy and supports the decision-making process, (Article 5(3) and clause 5(5) of the management contract template).
- These two approval powers are also additional tools to ensure an integrated and coherent approach in assessing the performance of hospital (via the performance of their managers) and in correcting deviations from the approved budgets (via the award or not of bonuses) in good time (since the bonuses are awarded every year).

As shown above, the new management contract template increases predictability in the management of hospital resources, ensures consistency with the government's health policy and combines autonomy of the manager with enhanced monitoring and accountability. In this way, this milestone contributes to the achievement of the first aim of this reform which is the reform of the organisation and internal management of public hospitals. It also contributes to the over-arching objective of the reform, since by having a performance-based management contract, with both financial and service quality targets, public managers have an incentive to work more efficiently and therefore increase efficiency in the hospitals of the National Health Service.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 1.13	Related Measure: C01-i01: Primary health care services with more answers
Name of the Milestone: Entry into force of the terms for referencing emergency episodes screened in white, blue or green in hospital emergency services for other types of health care services, including primary health care services	
Qualitative Indicator: Entry into force of terms for referencing emergency episodes	Time: Q1-2022
<p>Context:</p> <p>The objective of this investment is to expand primary health care services and reinforce their core role in responding to the health care needs of the population within the National Health Service framework.</p> <p>The referral mechanism established in this milestone is an initial step in the implementation of this investment, contributing to the completion of the integrated information system that shall facilitate the referral of patients between levels of health care and to the reduction of the inadequate or preventable use of emergency health care service. The next steps of this investment are: building of new health units (target 1.14 to be implemented by Q4 2023 and target 1.15 to be implemented by Q2 2026); completion of the national coverage of screening and early diagnosis programmes in primary health care (milestone 1.16 to be implemented by Q1 2026); increase in the response capacity of primary health centres and expansion of their areas of intervention (milestone 1.17 to be implemented by Q2 2026); refurbishment of health facilities and equipment to ensure accessibility, quality and safety conditions in primary health centres (milestone 1.18 to be implemented by Q2 2026); and strengthening of community-based care, home and community interventions (milestone 1.19 to be implemented by Q2 2026).</p>	
<p>Evidence provided:</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"> 1. Summary document justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled; 2. Evidence of publication on the website of the Central Administration of the Health System (<i>'Administração Central do Sistema de Saúde'</i>) and reference to the relevant provisions indicating the entry into force of Administrative Norm ("Circular Normativa") No 11/2022/ACSS (published on 29 July 2022); 3. Screenshot taken on 11 October 2022 of the back-office of the website of the Central Administration of Health System (<i>'Administração Central do Sistema de Saúde'</i>), with the publication of Administrative Norm no 11/2022/ACSS. 4. Amendment of Administrative Norm ("Circular Normativa") No 11/2022/ACSS on 11 November 2022. 5. Screenshot taken on 14 November 2022 of the back-office of the website of the Central Administration of Health System (<i>'Administração Central do Sistema de Saúde'</i>), showing the publication of the amended Administrative Norm no 11/2022/ACSS. 	
<p>Analysis:</p> <p>Administrative Norm No 11/2022/ACSS establishes the terms to refer the less urgent (green), the non-urgent (blue) emergency episodes, as well as the inadequately referred episodes (white) from hospital emergency services to other types of health care services, including primary health care services. It was published on the website of the Central Administration of the Health System</p>	

(‘*Administração Central do Sistema de Saúde*’ - ACSS) on 29 July 2022 (as shown in the screenshot of ACSS’s back office) and it entered into force on 30 July 2022 (as established in its last paragraph on page 6, it entered into force one day after publication). On 11 November 2020, Administrative Norm No 11/2022/ACSS was amended to include a deadline to adopt the Protocols referred in its points 1 and 2 (this amendment was added as point 12). On 14 November 2020, the Amended Administrative Norm 11/2022/ACSS was published on ACSS’s website (as shown in the screenshot of ACSS’s back office) and it entered into force on 15 November 2022 (as established in its last paragraph on page 6, it entered into force one day after publication). In line with the requirements of the CID, the Administrative Norm No 11/2022/ACSS establishes a national framework of administrative rules and procedures for the referral process across the National Health System. In particular:

- i) The obligation to refer the white (cases inadequately referred to the emergency services), blue (non-urgent cases) and green (less urgent cases) emergency episodes in hospital emergency services (point 1).
- ii) The obligation to refer these cases to two other types of health care services (point 1): (i) primary health care services (family health units and personalised health care units); and (ii) the so-called ‘planned hospital responses’ (e.g., outpatient medical appointments in NHS hospitals).
- iii) The obligation to inform the patients (of white, blue or green cases) about the benefits of the referral for him or herself and for the other patients (point 3).
- iv) The obligation to inform the patient who accepts the referral about the location, date and contact details of the referred service (point 4).
- v) The obligation for hospitals and local/regional Groups of Health Centres (where the primary health care units are included) to define protocols detailing the means to make the referral including the directly scheduling of appointments (point 2). According to the Amended Administrative Norm No 11/2022/ACSS, these Protocols have to be adopted by 31 December 2022 (point 12). These protocols, provide the necessary flexibility to accommodate the response capacity and services offer of both hospitals and primary care units across the country. Whereas the Amended Administrative Norm No 11/2022/ACSS establishes the main steps of the process and the essential elements of the protocols across the national health system, the single steps and tasks that each individual hospital and primary care unit has to take to make the referral will be defined in the protocols. The details will depend on the capacity and services offered by each hospital and primary care unit and the means at their disposal and will continuously be updated to incorporate the additional capacities of the new care units and the refurbished care units.
- vi) The administrative proceedings regarding the moment when the hospital shall proceed with the referral (point 5), the encoding of each referral (paragraph 7) and the exceptional cases which shall not be referred (this is a closed list which shall be applied by all hospitals (point 6)).

As explained in the preamble of Administrative Norm No 11/2022/ACSS (including in the amended version), one of the reasons to implement this referral mechanism is to reduce inappropriate or avoidable use of emergency services in NHS hospitals and to increase the use of other types of health care services, including primary health care services. Since the Amended Administrative Norm No 11/2022/ACSS redirects inadequately considered urgent, non-urgent and less urgent cases to the primary health care services where citizens/users are already registered (family and personalised health care units), it contributes to reduce the number of this inadequate and/or preventable use of emergency services and reinforces the role of the primary health care services in responding to the health care needs of the population. By redirecting cases to planned hospital responses, the Amended Administrative Norm No 11/2022/ACSS ensures that the patients get the most adequate response to

their needs by referring the patients to the required medical specialty appointment. Finally, by including three different types of health care (hospital emergency services, primary health care services, and planned hospital responses), the Amended Administrative Norm No 11/2022/ACSS also contributes to the completion of the integrated information system that facilitates the referral of patients between levels of health care.

To ensure the application of Amended Administrative Norm No 11/2022/ACSS, it is established that its implementation is monitored by the Regional Health Administration bodies (point 11).

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 1.20	Related Measure: C01-i02: National Network of Integrated Continued Care and National Network of Palliative Care	
Name of the Milestone: Entry into force of the regulation on the allocation of financial support by the Regional Health Authorities		
Qualitative Indicator: Entry into force of the regulation on the allocation of financial support		Time: Q1-2022
<p>Context:</p> <p>The objective of this investment is to upscale the national networks of palliative and integrated continued care and home-based care. This investment contributes to the country's deinstitutionalisation strategy, and to address the adverse demographic trends the country is facing. To this end, this measure establishes a structured and phased in programme to provide financial support to promoters from the public, social or private sectors.</p> <p>This milestone represents the initial step of the investment and consists of the entry into force of the regulation on the allocation of financial support by the Regional Health Authorities. As such, this milestone provides the legal basis for the implementation of the above-mentioned financial support programme, aiming at strengthening the response capacity of the national networks of integrated continued care and palliative care services in inpatient and outpatient care, as enshrined in target 1.21 (Q4 2025); and home care, as enshrined in target 1.22 (Q4 2023).</p>		
<p>Evidence provided:</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"> 1. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled; 2. Government Order ('Portaria') No 134-A/2022 of 30 March (published in the Official Journal, 'Diário da República', No 63/2022, first supplement, first series of 30 March 2022, pages 2-15), approving the Regulation on the allocation of financial support for the implementation of the investments in the National Network of Integrated Continued Care and the National Network of Palliative Care, foreseen in the Recovery and Resilience Plan 		
<p>Analysis:</p> <p>Portugal adopted a regulation on the allocation of financial support with Government Order No 134-A/2022 of 30 March. Article 135 of the Code of Administrative Procedure of Portugal defines 'administrative regulations' as general and abstract legal norms that, in the exercise of legal-administrative powers, shall produce external legal effects. Thus, as per administrative law, a Government Order ('Portaria') is a regulation. Government Order No 134-A/2022 of 30 March includes as annex (Annex I) the Regulation on the allocation of financial support. According to its Article 1, the regulation was approved as an integral part of Government Order No 134-A/2022 of 30 March, and, according to its Article 2, Government Order No 134-A/2022 of 30 March entered into force on 31 March 2022, i.e. the day following its publication.</p> <p>In line with the requirements of the CID, Government Order No 134-A/2022 of 30 March provides the legal framework to grant financial support by the Regional Health Authorities ('Administrações Regionais de Saúde') (as per Article 4 of Annex I) to promoters from the public, social or private sectors (as per Article 6 of Annex I). In doing so, Government Order No 134-A/2022 of 30 March implements a structured and phased in programme, for the implementation of investments in the National Network of Integrated Continued Care ('Rede Nacional de Cuidados Continuados</p>		

Integrados’) and the National Palliative Care Network (*‘Rede Nacional de Cuidados Paliativos’*) (as per Article 1 of Annex I) aiming at the continuation of actions and measures in the fields of health promotion, disease prevention and treatment, rehabilitation, harm reduction, reintegration and palliative care, meeting the needs of the development and consolidation of *Rede Nacional de Cuidados Continuados Integrados* and *Rede Nacional de Cuidados Paliativos* (as per Article 2 of Annex I). Therefore, the programme is intended to finance projects aiming to upscale and expand the national networks of palliative and integrated continued care (as per point a) of Article 8 and Article 24(3) of Annex I), as well as home-based care (as per point c) of Article 8 and Article 36(2) of Annex I), and extend integrated mental health care responses (as per point b) of Article 8 and Article 32(2) of Annex I). By supporting the strengthening of integrated continued care, the Regulation contributes to addressing the adverse demographic trends of Portugal, characterised by accelerated aging and subsequent long-term care needs. As the regulation encompasses out-patient treatment, it also underpins the overall deinstitutionalisation strategy of the country.

Annex I of Government Order No 134-A/2022 of 30 March is structured as follows:

- i) Chapter I lays down the general provisions;
- ii) Chapter II lays down the provisions relating to the construction, enlargement and/or refurbishment of infrastructure for new responses in the *Rede Nacional de Cuidados Continuados Integrados* and the *Rede Nacional de Cuidados Paliativos* units;
- iii) Chapter III lays down the provisions relating to home-based support teams in integrated continued care for mental health of *Rede Nacional de Cuidados Continuados Integrados*; and
- iv) Chapter IV lays down the provisions relating to integrated continued care teams of *Rede Nacional de Cuidados Continuados Integrados*.

In line with the requirements of the CID, Annex I of Government Order No 134-A/2022 of 30 March also defines the governance model of the financing programme as follows:

- i) Article 5 specifies that the financial support shall be awarded via a competitive process entailing the conclusion of contracts by the funding authorities;
- ii) Article 16 establishes the composition of the assessment committee and the assessment procedures, including a provision specifying that the final decision shall be made by the governing board of the relevant Regional Health Administration (point 7);
- iii) Article 18 lays down the provisions governing the contracts in the framework of the programme, including paragraphs specifying that the grant of financial support shall be formalised by means of a contract between the competent Regional Health Administration and each of the bodies responsible for the projects selected (Article 18, point 1), and that such contract must include the rights and obligations of both parties (Article 18, point 2);
- iv) Article 20 lays down the provisions for the monitoring and evaluation of the projects, under the responsibility of the Regional Health Administration, in order to prevent or detect irregularities and to confirm that the aid is intended for the purposes and objectives for which it was granted (Article 20, point 1);
- v) Articles 21 and 22 complement the preceding article, laying down the provisions for the suspension of funding (Article 21) and the termination of contracts (Article 22);
- vi) Article 30 establishes a technical evaluation committee for construction projects and its composition. This committee (i) shall be composed of members of the competent Regional Health Administration and the Institute of Social Security (*‘Instituto da Segurança Social’*), (ii) shall accompany the execution of the projects relating to construction works provided for in Article 8(a), and (iii) shall draw up opinions and evaluation reports as requested (Article 30, point 1).

The provisions listed above cover different aspects of the financing programme, including the set-up of contracts between the entities providing and receiving such support, and the establishment of the control mechanism, thereby defining the governance model of the programme.

In line with the requirements of the CID, Annex I of Government Order No 134-A/2022 of 30 March defines the requirements that shall be met by applicants:

- i) Article 6: the eligibility criteria to be applied to candidates (such as candidates shall be legal persons governed by private law, whether profit-making or not);
- ii) Article 7: the requirements that applicants for financial support shall comply with (such as applicants shall not be convicted by a court of maladministration of subsidies or other public funding, as per line d));
- iii) Article 8: the types of projects that are eligible for financial support;
- iv) Article 9: the notices of initiation of procedures provided for in Article 13 shall lay down the specific requirements for the projects to be financed (Article 13(3), line f));
- v) Article 15: enumerates the elements constituting grounds for exclusion from the application procedures (such as the applicant making false declarations, as per line e));
- vi) Article 17: the notices of initiation of procedures provided for in Article 13 shall lay down the criteria for the assessment and selection of applications by type of project (Article 13, line o));
- vii) Article 19: the obligations of the entities receiving the financial support (e.g. entities receiving financial support shall be obliged to comply with the requirements and conditions governing the award of financial support, as per point 1, line a));
- viii) Articles 24, 32 and 36 provide the requirements for projects specifically regulated in Chapter II, III and IV respectively;
- ix) Article 28: criteria for assessing applications for projects specifically regulated in Chapter II.

The provisions listed above cover aspects relating to the application and assessment procedures of the financing programme, including the eligibility criteria for applicants, the eligibility and assessment criteria for projects, and the obligations of entities receiving the financial support, thereby defining the requirements for applicants.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 3.3	Related Measure: C03-i01: New generation of equipment and social responses	
Name of the Milestone: Award of contracts of support to promoting bodies for the creation and expansion of the network of social facilities/social responses		
Qualitative Indicator: Award of contracts of support to the promoting bodies for the network of social facilities/responses		Time: Q2-2022
<p>Context:</p> <p>This investment consists of five sub-measures that aim to improve the social services network in continental Portugal. Three of those sub-measures aim to upgrade and expand the infrastructure of the social care services in different social care typologies such as crèches, residential care homes for the elderly, centres for activities and empowerment for inclusion, Autonomous Residences and Home Support Services, and in new typologies such as co-housing. Two other sub-measures of the investment concern the purchase of technical and digital equipment including electric vehicles. and the launch of an innovative model of integrated social support in municipalities.</p> <p>Milestone 3.3. relates to the first three sub-measures and aims to award contracts of support to the creation or renovation of places (vacancies) in the typologies abovementioned. The next and final target 3.4 is associated with milestone 3.3 (due in Q1 2026) and covers the creation of new or renovation of 28 000 places, benefitting children, elderly, people with disabilities, among others. Two other targets will monitor the sub-measures of the investment concerning the purchase of technical and digital equipment including electric vehicles (targets 3.1 and 3.5 due in Q1 2026) and the launch of an innovative model of integrated social support in municipalities (target 3.2 due in Q4 2024).</p>		
<p>Evidence provided:</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"> 1. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled; 2. Implementation report of 9 November 2022 issued and signed by the intermediate recipient, 'Social Security Institute'. It concerns the award of contracts (financing agreements) between the intermediate recipient and the promoting bodies that have applied for the tenders for the creation and expansion of the network of social facilities/social responses; 3. List of signed contracts and the contractual counterparts respectively; 4. Examples of signed contracts with the promoting bodies: <ol style="list-style-type: none"> a) Signed contract of 29 August 2022 with the promoting body Centro Paroquial de Fraternidade Cristã e de Solidariedade de São Lázaro, covering the typology 'crèche' (contract number PRR-RE-C03-i01-02-000009); b) Signed contract of 29 August 2022 with the promoting body Centro Social e Paroquial de Covide, covering the typology 'residential care home for the elderly' (contract number PRR-RE-C03-i01-02-000006); c) Signed contract of 30 August 2022 with the promoting body ABA - Associação Beneficente de Ajuda, covering the typology 'day care centre' (contract number PRR-RE-C03-i01-02-000198); d) Signed contract of 29 August 2022 with the promoting body Ave - Cooperativa de Intervenção Psico-Social CRL, covering the typology 'centre for activities and empowerment for inclusion' (contract number PRR-RE-C03-i01-02-000121); 		

- e) **Signed contract** of 30 August 2022 with the promoting body Santa Casa da Misericórdia de Lisboa, covering the typology 'Autonomous Residence' (contract number PRR-RE-C03-i01-02-000251);
 - f) **Signed contract** of 8 July 2022 with the promoting body, Cruz Vermelha Portuguesa, covering the typology 'Home Support Services' (contract number PRR-RE-C03-i01-02-000109)
 - g) **Signed contract** of 9 November 2022 with the promoting body, CACFF – Centro Assistencial Cultural e Formativo do Fundão, covering the typology 'co-housing' (contract number PRR-RE-C03-i01-03-000013)
 - h) **Signed contract** of 9 November 2022 with the promoting body, Município do Barreiro, covering the typology 'communities of inclusion' (contract number PRR-RE-C03-i01-03-000047);
5. **Tender notices** related to the competitions:
- i) Tender No 02/C03-i01/2021, published on 23 February 2022 on the platform *Balcão dos Fundos* (EU funds platform);
 - ii) Tender No 03/C03-i01/2022, published on 29 July 2022 on the platform *Balcão dos Fundos* (EU funds platform).

Analysis:

The authorities launched two tenders to create and expand the network of social facilities/social responses. The published tenders No 02/C03-i01/2021 and No 03/C03-i01/2022, envisage the creation and renovation of places in the care facilities that operate in the social sector such as non-profit organisations, public entities, or municipalities (as per section 2 of the tenders).

In line with the requirements of the CID:

- i) Section 1 of tender No 02/C03-i01/2021 indicates that the aim is to reinforce, adapt and requalify places in social facilities/social responses covering children, elderly, people with disabilities or families. Section 1 of tender No 03/C03-i01/2022 specifies that the aim is also to expand and improve the social facilities/social responses network. As a result, the creation of places shall provide for an increased number of users benefitting from social care services.
- ii) Tender No 02/C03-i01/2021, section 4 'eligible social responses, typologies of projects to be supported and implementation rules' covers *existing* care typologies, typologies that already operate in the social sector. The eligible typologies for application are defined as follows (a brief description of each is also included in the implementation report, section 2):
 - a) *Crèches*: educational social facility/social response that provides pedagogical support, and care for children aged up to three years old.
 - b) *Residential care homes for the elderly*: collective social facility/social response for permanent or temporary accommodation, intended to provide support to the elderly or other citizens at risk and with loss of independence and/or autonomy.
 - c) *Day care centres*: social facility/social response that provides services to the elderly to meet basic needs and to promote interpersonal relationships within and outside their age group, thus contributing to the maintenance of their socio-family environment.
 - d) *Centres for activities and empowerment for inclusion*: social facility/social response intended for the development of occupational activities for people with disabilities, and which supports their training for inclusion according to their respective needs and capacities.
 - e) *Autonomous Residences*: social facility/social response for temporary or permanent accommodation in apartments or houses located in residential areas of the

community. It is intended to provide support to people with disabilities who can live independently, and aims, through individual support, to provide conditions for an autonomous and inclusive life.

- f) *Home Support Services*: social facility/social response that consists of providing individualised and personalised care at home, to individuals and families that, due to illness, disability, or other impediment, cannot temporarily or permanently ensure the satisfaction of their basic needs and/or activities of daily life.
- iii) Additionally, the expansion of the social network further includes innovative social responses, through innovative typologies (see tender No 03/C03-i01/2022, section 4 and the implementation report, section 2). These innovative typologies are:
 - a) *Co-housing*: social response of temporary or permanent residential nature, which is based on a model of collaborative and community housing with areas of access to shared services, promoting social interaction and social inclusion. It is designed for individuals and families living in a situation of social vulnerability.
 - b) *Communities of inclusion*: social response aimed at excluded and marginalised groups such as homeless people, single-parent families, ex-prisoners, and where a set of integrated actions is developed, through adequate technical support, enabling greater access to the community, its resources, and activities, including temporary or permanent housing.
- iv) The creation and/or renovation of places in the abovementioned typologies serves the benefit of a wide range of people, as mentioned above, covering as per the CID milestone description, children, the elderly, people with disabilities, among other citizens in a position of social exclusion or social vulnerability.
- v) The implementation report of 9 November 2022 confirms that Portugal awarded contracts of support, after a selection process, to promoting bodies that have applied for tenders No 02/C03-i01/2021 and No 03/C03-i01/2022 for the creation and expansion of the network of social facilities/social responses. The awarded contracts of support relate to financing agreements between the intermediate recipient *Social Security Institute* and the promoting bodies that have applied for the tenders. The full list of signed contracts with the promoting bodies is found in annex I of the implementation report of 9 November 2022. The authorities provided eight examples of contracts (one per typology) and have confirmed (on page 6 of the summary document) that the 237 signed contracts for the existing and new typologies are identical to the examples (to the extent that the general clauses included in them are the same).
- vi) The Social Security Institute awarded the contracts to the applications that have been found to be in accordance with the defined regulation and within the available envelope as follows:
 - Clause 1 of the contracts a)-h) specify that the goal is to grant financial support to the applications submitted under the tenders No 02/C03-i01/2021 and No 03/C03-i01/2022. Tender No 02/C03-i01/2021 defines in section 2 point h) of the eligibility criteria, that applicants were required to submit a project in line with articles 3 and 6 of Ordinance No. 701-H/2008, of 29 July, published in Portugal's Official Journal, 'Diário da República', No 145, first series of 29 July 2008, pages 5106-(37) to 5106-(80), which defines the procedures and standards to be adopted in the preparation and planning of public works, and in accordance with the regulations governing the installation and operating conditions of each type of social facility/social response. Tender No 03/C03-i01/2022 defines in section 1, that the typology *communities of inclusion* is governed by Ordinance No 324/2021, of 29 December, published in Portugal's Official Journal, 'Diário da República', No 251, first series of 29 December 2021, pages 62 to 73, while the typology *co-housing* follows the provisions of annex I of the tender in what concerns the nature of the typology, and in what concerns the edification of buildings it should follow the legal regime of the urbanization and building edification defined in Decree-law

555/99 of 16 December, published in Portugal's Official Journal, 'Diário da República', No 291, first series A of 16 December 1999, pages 8912 to 8942, and the rules for accessibility of buildings for citizens with disabilities foreseen in the national legislation.

- The Social Security Institute awarded the contracts in accordance with the available envelope defined in the financial allocation conditions of points 6 (conditions for granting funding) and 12 (fund allocation) of both tenders.
- The applications were also found to be in accordance with the criteria established in the tenders, this is, points 2 (eligibility criteria), 4 (eligible social responses, typologies of projects to be supported and implementation rules) and 5 (eligible and non-eligible expenses), in what concerns tender No 02/C03-i01/2021, and according to points 1 (scope/objectives), 2 (eligibility criteria), 4 (eligible social responses, typologies of projects to be supported and implementation rules), 5 (eligible and non-eligible expenses) and annexes I (co-housing) and II (eligible municipalities for the typology communities of inclusion), in what concerns tender No 03/C03-i01/2022.

These include, for the applicable sections, the relevant regulation that had to be followed.

vii) As required in the CID investment description, in case of new construction of buildings, the tenders ensured that the new buildings shall have a primary energy demand at least 20% below the requirements of nearly zero energy buildings (points 4.5. and 4.6 of tender No 02/C03-i01/2021 and point 4.5 of tender No 03/C03-i01/2022). Such requirement is also reflected in the signed contracts in clause number 7, point 1, item t).

viii) The implementation report of 9 November 2022, section 3, details the process of the awarding of contracts and includes a breakdown by typology, location, and type of intervention. The evidence is in line with the requirements of the CID investment description, which demand the upgrade and expansion of the social care services' network, since it increases the number of places via the typologies mentioned above. This shall be translated in the improvement of the quality of the care provided to the users. The authorities have also sought to obtain wider national territorial coverage, foreseen in the tender for *existing* typologies as part of the eligibility criteria: 'location in areas with reduced cooperation coverage' (section 7).

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 3.24	Related Measure: C03-i06: Integrated operations in disadvantaged communities in the Metropolitan Areas of Lisbon and Porto	
Name of the Milestone: Signature of agreements between the Lisbon/Porto municipalities and the Local Technical Units defining the scope of measures to be supported		
Qualitative Indicator: Signature of agreements on the plans regarding the 12 intervention areas		Time: Q1-2022
<p>Context:</p> <p>This investment aims at combating poverty and social exclusion in the most disadvantaged municipalities of the Metropolitan Areas of Lisbon and Porto through a set of measures linked to the specific needs of these municipalities. The measures are related to different areas of intervention such as health, education, rehabilitation of public spaces, culture, entrepreneurship, civic participation.</p> <p>Milestone 3.24 concerns the signature of agreements between the Metropolitan Areas and the 12 Local Technical units that are responsible for the planning, management, and coordination of the implementation in their respective areas. The agreements define the scope of measures to be supported, their timeline, budget, and performance indicators. The Local Technical Units were defined under milestone 3.23, which was satisfactorily fulfilled as part of the first payment request. Milestone 3.23 covered the approval of the Action Plans for disadvantaged communities in the Metropolitan Areas of Lisbon and Porto. The next milestone related to this investment is milestone 3.25, expected to be fulfilled by Q2 2024, on the publication of a monitoring report by the Metropolitan Areas of Porto and Lisbon regarding the measures undertaken in each of the 12 intervention areas. The final target, target 3.26, is expected to be fulfilled by Q4 2025 on full completion of at least 90% of the supported measures.</p>		
<p>Evidence provided:</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"> 1. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled; 2. 12 signed agreements: <ol style="list-style-type: none"> i) Six agreements between the Metropolitan Area of Lisbon and the Local Technical Units: <ol style="list-style-type: none"> a) Grande Lisboa Área Central, signed on 31 March 2022, and addenda signed on 28 July 2022; b) Arco Ribeirinho Sul – Poente, signed on 31 March 2022, and addenda signed on 1 August 2022; c) Arco Ribeirinho Sul – Nascente, signed on 31 March 2022, and addenda signed on 1 August 2022; d) Grande Lisboa Norte e Nascente, signed on 31 March 2022, and addenda signed on 28 July 2022; e) Grande Lisboa Poente, signed on 31 March 2022, and addenda signed on 28 July 2022; f) Península de Setúbal Sul, signed on 31 March 2022, and addenda signed on 28 July 2022; ii) Six agreements between the Metropolitan Area of Porto and the Local Technical Units: 		

- g) **Interior Norte**, signed on 31 March 2022, and addenda signed on 9 August 2022;
- h) **Centro Oriental**, signed on 30 March 2022, and addenda signed on 3 August 2022;
- i) **Centro Sul**, signed on 31 March 2022, and addenda signed on 28 July 2022;
- j) **Litoral Norte**, signed on 31 March 2022, and addenda signed on 2 August 2022;
- k) **Oriental**, signed on 31 March 2022, and addenda signed on 3 August 2022;
- l) **Sul**, signed on 31 March 2022, and addenda signed on 3 August 2022;

3. **Document listing and describing the measures supported**, issued by the Metropolitan Area of Lisbon, and received on 26 September 2022;
4. **Document listing and describing the measures supported**, issued by the Metropolitan Area of Porto, and received on 26 September 2022;
5. **Terms of reference for the upcoming calls for projects** compliant with the 'Do no significant harm' eligibility criteria:
 - i) **AVISO_02C03-i06.022022_AML_V2**, covering the Metropolitan Area of Lisbon, published on 18 July 2022 on the website of Recuperar Portugal;
 - ii) **AVISO_02C03-i06.032022_AMP**, covering the Metropolitan Area of Porto, published on 9 June 2022 on the website of Recuperar Portugal.

The authorities also provided:

1. Terms of reference of the tender notices of the first phase of the project:
 - i) **Aviso 01C03-i06.022022_1Fase_AML**, covering the Metropolitan Area of Lisbon, published on 1 February 2022 on the website of Recuperar Portugal;
 - ii) **Aviso_01 C03-i06.032022_1Fase_AMP**, covering the Metropolitan Area of Porto, published on 18 February 2022 on the website of Recuperar Portugal.

Analysis:

The Metropolitan Areas of Lisbon and Porto signed agreements with their 12 Local Technical Units, six for each metropolitan area, defining the scope of the measures to be implemented in these areas including their timeline, budgetary support, and the chosen performance indicators.

Before reaching these agreements, the Metropolitan Areas of Lisbon and Porto published tender notices, targeted at their Local Technical Units:

- On 1 February 2022, the Metropolitan Area of Lisbon published tender notice **Aviso 01C03-i06.022022_1Fase_AML** inviting its six Local Technical Units to present their proposals, which were later incorporated into the measures presented in the agreements. Furthermore, the Metropolitan Area of Lisbon selected, for each Local Technical Unit, smaller territorial interventions, composed of two to three parishes within each municipality, denominated as Local Integrated Operations, which can be found in the annex to the agreements a) – f) as listed in the section Evidence provided above.
- On 4 February 2022, the Metropolitan Area of Porto published notice **Aviso_01 C03-i06.032022_1Fase_AMP** inviting its six Local Technical Units to submit their proposals for their plan of action, which was then approved by the Metropolitan Area of Porto and reflected in the signed agreements with the Local Technical Units.

In line with the requirements of the CID, the agreements signed between the Metropolitan Areas of Lisbon and Porto with their 12 Local Technical Units a) to l) as listed in the section Evidence provided above defined the following elements:

- i) The scope of the measures to be supported
 - a) The CID identifies 16 categories of intervention: 1) promotion of health and quality of life of communities; 2) physical upgrading of public space or the strengthening of social, health, housing or sports infrastructure; 3) economic regeneration of socially disadvantaged areas; 4) entrepreneurship of small, local businesses; 5) access to health, developing community health and combating dependencies; 6) active and healthy ageing programmes; 7) projects to combat school failure and drop-out; 8) qualification of adults and certification of skills; 9) diagnosis of population needs and the development of adult literacy, Portuguese language learning and digital inclusion programmes; 10) vocational training and policies; 11) access to culture and creativity; 12) community participation in the management of the programme; 13) empowering local actors in partnership networks; 14) solutions to combat poverty and social exclusion; 15) promotion of sport; and 16) citizenship and access to rights and civic participation.
 - b) The Metropolitan Area of Lisbon defined the scope of the measures to be supported in the annex of agreements a) –f) and in section 2 of the addenda to agreements a) – f).
 - c) Furthermore, the Document listing and describing the measures supported, issued by the Metropolitan Area of Lisbon, includes a description of the measures and of their alignment with the 16 categories required by the description of the milestone 3.24 in the CID and mentioned in point a) above. Section 1.1 of the Document shows the correspondence between each measure and the 16 categories listed in the description of milestone 3.24 in the CID. The provided evidence on the correspondence shows that all the measures are linked to at least one CID category and that all categories mentioned in the CID are covered.
 - d) The Metropolitan Area of Porto defined the scope of the measures to be supported in annex I of the agreements g) – l), and provided in addition a pre-selection of the upcoming projects in annex II of the agreements g) – l).
 - e) The Document listing and describing the measures supported, issued by the Metropolitan Area of Porto, includes a description of the measures and their alignment with the 16 categories required by the description of the milestone 3.24 in the CID. The alignment can be found in section 1.1 and section 2 of the Document. Moreover, section 3 provides a list of pre-selected projects, all of which are aligned with the categories specified in the CID. The evidence shows that the measures and the respective pre-selection of projects are linked to at least one category defined in the CID and all categories mentioned in the description of this milestone in the CID are covered.

- ii) Timeline for the execution of the measures
 - a) The timeline of the measures of the Metropolitan Area of Lisbon can be found in clause 2 of agreements a) –f) and in section 2 of the addenda to the same agreements. The implementation of the measures is planned to be concluded by 31 December 2025, which is in line with the target date for conclusion of implementation for this investment defined in the description of the corresponding investment in the CID.
 - b) The Metropolitan Area of Porto provided the timeline of the measures in clause 4 of agreements g) – l) and annex II of the same agreements. Similarly, the implementation is planned to be concluded by 31 December 2025, in line with the requirements of the description of the corresponding investment in the CID.

- iii) The budgetary support

- a) The CID requires that the metropolitan areas allocate EUR 225 000 000 to the 12 Local Technical Units for the investment. The budgetary support for each Local Technical Unit is defined in clauses 3 of the agreements a) – l) of both metropolitan areas. The overall amount allocated to the six Local Technical Units of the Metropolitan Area of Lisbon is EUR 118,861,383.22, and the overall amount allocated to the six Local Technical Units in the Metropolitan Area of Porto is EUR 119 022 000.00. This sums up to EUR 237 883 383.22, in line with the requirement specified in the description of milestone 3.24 in the CID.
- iv) The performance indicators
 - a) Regarding the Metropolitan Area of Lisbon, the performance indicators can be found in points 1.2 of the addenda to the agreements a) – f) and in point 1.2 of the Document listing and describing the measures supported, issued by the Metropolitan Area of Lisbon. The performance indicators are sub-divided into two types: output and outcome indicators. The output indicators shall measure the number of actions or initiatives created, such as number of square meters rehabilitated in the urban public space, or number of finalised programs promoting culture and art for youth. The outcome indicators relate to who will benefit from the achievement of the actions, for example, number of vulnerable population to benefit from the rehabilitated urban public space or number of vulnerable population to benefit from programs promoting culture and art.
 - b) The Metropolitan Area of Porto defined its performance indicators and also sub-divided them by output and outcome indicators. The indicators can be found in annex IV of the addenda to the agreements g) – l), and in section 1.2 of the Document listing and describing the measures supported, issued by the Metropolitan Area of Porto. Examples of output performance indicators include number of projects to combat school dropout, or number of actions to promote literacy and digital skills; while the outcome indicators include number of population in school who benefited from projects to combat school dropout or number of individuals trained in digital skills (ages 18 – 64, ages 65+).
 - c) The twelve agreements provided, and their selected measures show that they are in line with the goal of the investment that it is to combat poverty and social exclusion in the most disadvantaged municipalities of the Metropolitan Areas of Lisbon and Porto, through a set of actions linked to the needs of the municipalities. This is also ensured as the agreements are aligned with the Action Plans for disadvantaged communities in the Metropolitan Areas of Lisbon and Porto that were part of milestone 3.23 of the first payment request, as it is referenced in pages 1 of the Document listing and describing the measures supported issued by the Metropolitan Area of Lisbon and page 3 of the Document listing and describing the measures supported, issued by the Metropolitan Area of Porto. Given the above reasons and the type of actions, these are expected to promote the empowerment of the communities, the development of new and innovative approaches for social cohesion and interventions in public space, social and sports infrastructures and dwellings, which is in line with the CID.
 - v) ‘Do no significant harm’ compliance
 - a) Both metropolitan areas published tender notices shall be used to define and select more concretely the projects to be implemented in each Local Technical Unit (AVISO_02C03-i06.022022_AML_V2 and AVISO_02C03-i06.032022_AMP). In order to ensure that the upcoming projects comply with the ‘Do no significant harm’ Technical Guidance (2021/C58/01), and with the relevant EU and national

environmental legislation, the tender notices include the required eligibility criteria and correctly apply the exclusion list. This is included for the Metropolitan Area of Lisbon in annexes I and IV, and in points 4.8 to 4.10; and for the Metropolitan Area of Porto in annexes VI and VII and in section 6.3.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 4.1	Related Measure: C04-i01: Cultural Networks and Digital Transition
Name of the Milestone: Technological specifications for the network of cultural facilities	
Qualitative Indicator: Report on the technological specifications for the network of cultural facilities	Time: Q2-2022
<p>Context:</p> <p>The objective of the investment is to upgrade the technological infrastructure of public cultural installations, also fostering their digital transitions. The investment consists of three interventions: the modernisation of the technological infrastructure of cultural facilities; the digitalisation and virtualisation of public collections (such as the Directorate General of Books, Archives and Libraries, the Portuguese National Library, the Évora Public Library, and the Cinematheque) and of the collections under the management of the Directorate General of Cultural Heritage and the Regional Directorates of Culture; and the internationalisation, modernisation and digital transition of books.</p> <p>This milestone constitutes the initial phase of the investment and a preparatory step for the implementation of the modernisation of the technological infrastructure of cultural facilities, and it facilitates indirectly the achievement of the digitalisation and virtualisation of public collections. Specifically, this milestone entails the identification of the technological specifications required for the modernisation of the network of cultural facilities and of the equipment to be procured. Such technological specifications allow the delivery of modernised technological infrastructure for the cultural facilities network, as enshrined in milestone 4.4 (Q4 2024), which, in turn, eases the digitalisation and virtualisation of public collections, as enshrined in milestone 4.3 (Q4 2025). The internationalisation, modernisation and digital transition of books is covered by two targets, entailing the provision of financial support to the digital transition of bookshops, as enshrined in target 4.2 (Q4 2025) and for the translation and edition of literary works, as enshrined in target 4.5 (Q4 2025).</p>	
<p>Evidence provided:</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"> 1. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled; 2. Report on the technological specifications for the network of cultural facilities (dated 30 June 2022 and issued by the Bureau for Cultural Strategy, Planning and Assessment (<i>Gabinete de Estratégia, Planeamento e Avaliação Culturais</i> or <i>GEPAC</i>)). 	
<p>Analysis:</p> <p>In line with the requirements of the CID, a Report on the technological specifications for the network of cultural facilities was prepared by GEPAC. The report identifies the technological specifications (equipment and technical requirements) for the upgrade of the technological infrastructure of public cultural installations. The report covers all six sub-measures of the intervention concerning the modernisation of the technological infrastructure of cultural facilities:</p> <ol style="list-style-type: none"> i) purchase of IT equipment, creation of online mobile libraries, information systems and integrated catalogues for 239 public libraries – introduction (pages 8-9), identification of final 	

recipients (page 9), technological specifications of the equipment, including the expected lifetime of the equipment and waste-management plan (pages 9-12) and expected impact (pages 12-13);

- ii) installation of Wi-Fi coverage in 50 museums, palaces and monuments – introduction (pages 15-16), identification of final recipients (pages 16-17), technological specifications of the equipment, (pages 18-19), and expected impact, including the expected lifetime of the equipment and waste-management plan (pages 19-20);
- iii) purchase of digital and video projection equipment for 155 cine-theatres and public contemporary art centres – introduction (pages 22-23), identification of final recipients (pages 23-28), technological specifications of the equipment, including the expected lifetime of the equipment and waste-management plan (pages 28-30) and expected impact (pages 30-31);
- iv) technological modernisation and up keeping of public laboratories – introduction (page 33), identification of final recipients (pages 33-34), technological specifications of the equipment, including the expected lifetime of the equipment and waste-management plan (pages 34-44) and expected impact (page 44);
- v) technological modernisation of the National Archive of Moving Images (ANIM) - introduction (page 46), identification of final recipients (page 46), technological specifications of the equipment, including the expected lifetime of the equipment and waste-management plan (pages 46-49) and expected impact (page 49);
- vi) installation of the National Archive of Sound – introduction (page 51), identification of final recipients (pages 51-52), technological specifications of the equipment, including the expected lifetime of the equipment and waste-management plan (pages 52-54) and expected impact (pages 54-55).

The accomplishment of this milestone as described above contributes to the achievement of the overall objectives of the investment, such as (i) improving the cultural experience, (ii) reaching new audiences, and (iii) future preservation of works of art and of the cultural heritage.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 5.18	Related Measure: C05-i05-RAA: Economic Recovery of Azorean Agriculture
Name of the Milestone: Publication of the Azores Agriculture Innovation and Digitalisation Programme	
Qualitative Indicator: Publication of the Azores Agriculture Innovation and Digitalisation Programme	Time: Q2-2022
<p>Context:</p> <p>The objective of this investment is to boost agriculture in the Azores, which has a high economic, social and territorial importance for regional cohesion. It aims to contribute to the resilience and sustainable growth of the regional productive potential as well as to mitigate the economic and social impact of the crisis and contribute to the twin climate and digital transition in the agricultural and agri-food sector.</p> <p>This milestone is the first for this investment and concerns the publication of an Innovation and Digitalisation Programme for Agriculture in the Azores, including a plan for the development of a monitoring network and agricultural notices (alerts to be sent to farmers on the likelihood of occurrence of certain pests or diseases impacting the crops) and a plan for the transition to digital and precision farming.</p> <p>Then four additional targets constitute gradual steps towards the strengthening of agriculture in the Azores, namely the setup of new or requalified structures responsible for animal slaughter, and certification of milk quality and food safety (target 5.19, Q2 2024); specialised technical support provided to farms under the Farmers’ Empowerment Programme (target 5.22, Q4 2025); and projects supported under support schemes for innovation in products and processes of production and organisation, green transition and digital transition, aimed at restructuring enterprises in the agricultural processing and marketing sector (target 5.20, Q4 2025) and at restructuring farms (target 5.21, Q4 2025).</p>	
<p>Evidence provided:</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"> 1. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. 2. Revised version of the Innovation and Digitalisation Programme for Agriculture in the Azores, of September 2022 (version 1.1 - first review), and screenshot from 28 October 2022 of the website of the Government of the Azores with the publication of the Innovation and Digitalisation Programme for Agriculture in the Azores: https://portal.azores.gov.pt/documents/2314151/0/PIDAA_VF_1.1_rev.pdf/2084b581-fb2c-6632-d4b8-dbaf425240b0?t=1665413088125. 	
<p>Analysis:</p> <p>In line with the requirements of the CID:</p> <ol style="list-style-type: none"> i) the Innovation and Digitalisation Programme for Agriculture in the Azores of September 2022 was published on the website of the Government of the Azores (https://portal.azores.gov.pt/documents/2314151/0/PIDAA_VF_1.1_rev.pdf/2084b581-fb2c-6632-d4b8-dbaf425240b0?t=1665413088125), as demonstrated by the screenshot of the website of 28 October 2022 submitted by the Portuguese authorities as evidence. 	

- ii) the Innovation and Digitalisation Programme for Agriculture in the Azores of September 2022 includes a plan for the development of a monitoring network and agricultural notices at island level (pages 3-119). This plan contains, amongst others: (i) the objectives of the monitoring network (page 16); (ii) the steps and guidelines for its operationalisation (section 6.1.); and (iii) the timeline for its implementation in each of the islands of the Azores (page 51). In the implementation of the network, for each island it shall be considered which are the most significant crops (table 2 of section 6.4. on page 46), their specific soil and climatic circumstances (paragraph 3 on page 33) and the most significant harmful agents to be monitored (table 3 of section 6.4. on page 47).
- iii) the Innovation and Digitalisation Programme for Agriculture in the Azores of September 2022 includes a plan for the transition to digital reality and precision farming (pages 193-247). The plan contains, amongst others: (i) the summary of its objectives (page 208); (ii) the description of the range of technologies that can be funded to support digital transition and precision farming (point 7 of section 7.3. on pages 234-235); (iii) the description of the support/assistance services and farm entrepreneur support that can be funded, contributing to the digital transition (point 8 of section 7.3. on pages 235-236); and (iv) a reference that software/management platforms, which promote the digitalisation of business processes, can also be funded (line ii) in paragraph 2 on page 236).

The Innovation and Digitalisation Programme for Agriculture in the Azores also includes a plan to develop an integrated Land Monitoring System (pages 120-192). The objective of this plan is to manage the sustainable use of soils in the Azores, empowering farmers and policy makers with information relevant to their activities and social, economic and environmental implications at soil level (paragraph 3 on page 140). Even though the implementation of a Land Monitoring System is not specifically requested by the RRP, it is part of the Innovation and Digitalisation Programme for Agriculture in the Azores and it contributes to the achievement of the objectives of the measure in the CID.

- iv) the Innovation and Digitalisation Programme for Agriculture in the Azores of September 2022 contributes to:
 - a) the resilience and sustainable growth of regional productive potential, through:
 - (i) the development of a monitoring network and agricultural notices at island level, which shall reduce of use of plant protection products and contribute to its sustainable use by the agricultural producer (paragraph 1 on page 26) and the *'development of precision agriculture to allow for a real time assessment of the needs of crops, reducing farm costs, and increasing productivity...'* (point 3 on page 16). Therefore, these measures promote the resilience of farms against elements that can damage the crops and the sustainable growth of their productive potential;
 - (ii) the actual *'implementation of the Land Monitoring System (...) based on soil analyses, as these shall contribute to the adoption of agricultural practices that contribute to the improvement of the environment and the conservation of resources (water, soil, air) in conjunction with sustainable and competitive agricultural production'* (paragraph 2 on page 143);
 - (iii) the plan for the transition to digital reality and precision farming, which mentions that the digital and sustainable transition of farms requires, in most cases, investments in tangible or intangible assets, including on the valorisation and diversification of agricultural production with high standards of quality and sustainability (paragraph 1 of point 7.3. on page 229).

All the measures described above contribute to increasing the resilience of agriculture in the Azores through the reinforcement of the regional productive potential achieved via a strong focus on sustainable and competitive agricultural production.

- b) mitigating the economic and social impact of the crisis on the agricultural sector in the Azores, since as mentioned in the Innovation and Digitalisation Programme for Agriculture in the Azores (in point 6.2. on pages 40-41 and in point 7.5. on page 151):
 - (i) *'emphasis is placed on empowering farmers, not only to enhance infrastructure, precision farming equipment, but, in particular, to enable them to interpret the results for better production and lower financial, social and environmental impact'*; and
 - (ii) farmers shall, normally, have free access to the services provided by the monitoring network and agricultural notices system and the Land Monitoring System.
- c) the twin climate and digital transition in the agricultural sector in the Azores, through:
 - (i) the monitoring network and agricultural notices system, since by joining this system *'the farmer will have a tool to mitigate the environmental impacts of his farming activity...'* (paragraph 4 of point 6. on page 29);
 - (ii) the *'implementation of a Land Monitoring System that will be based on soil analyses, as these are intended to contribute to the adoption of agricultural practices that contribute to the improvement of the environment and the conservation of resources (water, soil, air)...'* (paragraph 2 on page 143); and
 - (iii) the definition of the terms under which the *'the plan for transition to digital reality and precision farming'* is to be implemented, which foresees the financing of a set of agriculture assessment studies and technologies supporting the digital transition of farms and precision farming (pages 231-236).
 In an outermost region, with nine islands with different characteristics such as the Azores, digital connection is essential for the strategy of empowering farmers, regardless of where they live, contributing to territorial cohesion (paragraph 2 of pages 29 and 140).
- d) public investment (point 2. on pages 11, 128 and 201) in innovation, since the Innovation and Digitalisation Programme for Agriculture in the Azores is the base for the implementation of three plans that shall contribute to the innovation in agriculture at crop health level (Agricultural monitoring network and agricultural notices), to sustainable land use (Land Monitoring System) and to the green and digital transition of the agricultural sector in the Azores.
- e) the initiatives included in the three plans and described above, contribute to boost agriculture in the Azores, with a strong focus on sustainability as well as the promotion of local production (as described in points a) and b) above). The implementation of the plans is planned to be concluded by 31 December 2025 (pages 51, 158 and 229).
 In the definition of the plans the fragmentation of the regional territory (which is characterised by islands with specific features) was considered (paragraph 1 of page 15, paragraph 3 of page 33 and paragraph 1 on 132).

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 8.4	Related Measure: C08-i02: Rural property registry and Land Cover Monitoring System
Name of the Milestone: Moving towards a BUPi 2.0 Platform	
Qualitative Indicator: Entry into production of the BUPi 2.0 Platform	Time: Q1-2022
<p>Context:</p> <p>The objective of this measure is to provide the Portuguese State with a broad knowledge base of the territory, in particular as regards the type and boundaries of rural properties, making it possible to identify landowners. This is essential for planning, managing and supporting decisions on the territory's occupation and use.</p> <p>This is the first milestone for this investment and relates to the entry into production of the BUPi 2.0 (Digital Land Registry) platform. This entry into production entails the provision of a BUPi 2.0 platform that is cloud-based, with upgraded and expanded functionalities compared with the pilot BUPi project, that ensures coverage at national level, interoperability with the different systems currently managed by different authorities, including the Tax and Customs Authorities, and allows for the gradual implementation of unique property identification numbers.</p> <p>The future milestones for this investment, which are complementary to 8.4 and shall accomplish the full operationalisation of the BUPi platform, are milestone 8.5, to be implemented by Q4 2023 and that relates to the provision of training on BUPi and milestone 8.6, to be implemented by Q1 2025, on the production and publication of land cover and use maps 2023.</p>	
<p>Evidence provided:</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"> 1. Summary document duly justifying how the milestone (including all constitutive elements) was satisfactorily fulfilled; 2. Certificate of works completion signed on 5 August 2022 by <i>Accenture – Consultores de Gestão S.A</i> (as the contractor) and <i>Estrutura de missão para a Expansão do Sistema de Informação Cadastral Simplificado</i> (as the competent authority) on the provision of infrastructure implementation services and consulting services for the BUPi Platform, with the objective of migrating the BUPi platform to a cloud environment; 3. Certificate of works completion signed on 15 July 2022 by <i>MEO – Serviços de Comunicações e Multimédia, S.A. e ALTRANSPORTUGAL, S.A</i> (as the contractor) and <i>Estrutura de missão para a Expansão do Sistema de Informação Cadastral Simplificado</i> (as the competent authority) on the creation, programming and development and integration of the BUPi application, as the platform for registry of the simplified land registry and integration of existing land registries; 4. Implementation report from 26 October 2022 prepared by <i>Estrutura de missão para a Expansão do Sistema de Informação Cadastral Simplificado</i> on the assessment of the BUPi 2.0 platform; 5. Link to the BUPi 2.0 platform, including a description of the steps for accessing it: https://cidadao.bupi.gov.pt/AutenticacaoAMA/Index?ReturnUrl=%2FCidadao%2FIndex 	
<p>Analysis:</p> <p>In line with the requirements of the CID:</p>	

- i) The BUPi platform was developed to its BUPi 2.0 version (implementation report of 26 October 2022, section 2, pages 3-4) from a pilot project that started in 2017, which consisted of a physical data centre and included limited geographical information of Portuguese municipalities.
- ii) BUPi 2.0 is a cloud-based platform, developed with Microsoft Azure (implementation report of 26 October 2022, section 3.4, page 15).
- iii) The BUPi 2.0 platform expands and upgrades already existing functionalities in the pilot BUPi project. In the pilot BUPi project (implementation report of 26 October 2022, section 2, pages 3-4), there were no interoperability mechanisms with the different systems currently managed by different authorities and the users of BUPi could only consult information from the Tax and Customs Authority and the Institute of Registration and Notary Affairs. BUPi 2.0 entered into production (implementation report of 26 October 2022, section 3.1, pages 6-10') introducing, as compared with its pilot project, functionalities to produce draft Georeferenced Graphical Representations ('*Representação Gráfica Georeferenciada*' or RGGs), to integrate geographical information or to introduce business intelligence and data analytics, among other functionalities. The two certificates of works completion demonstrate that the set of functionalities for the project to be completed and operational were implemented (summary document, section 1.2, page 12). The two certificates of works completion of 5 August 2022 and 15 July 2022 are signed by the contractor and the competent authority, the latter being the manager of the public contract as assigned by the Institute of Registration and Notary Affairs (summary document, section 1.2, page 12).
- iv) The BUPi 2.0 platform ensures coverage at national level (implementation report of 26 October 2022, section 3.2, pages 10). BUPi 2.0 includes all the technological functionalities needed to ensure BUPi's 2.0 potential application in any municipality of the Portuguese territory. These technological functionalities importantly include (implementation report of 26 October 2022, section 3.2, pages 10-14): (i) a cartographical database for the totality of the Portuguese territory, (ii) interoperability mechanisms with databases at national level, as the ones from the General Directorate for Territory, the Tax and Customs Authority and the Institute of Registration and Notary Affairs, (iii) integration via *webservices*, or other mechanisms, of sectorial or thematic based geographic information of any area in Portugal and sourced from both public and private entities, (iv) a cloud-based platform that allows, among others, for the scalability (*on demand*) of the data's accommodation structure, providing the platform with flexibility to add technological resources as computational data processing power to support the platform's increased usage, and (v) a web application with a 3-Tier architecture.
- v) The BUPi 2.0 platform includes mechanisms, such as web services and technical interfaces, that ensure its interoperability with all the different information systems in place related to cadastral geometry, the land registry, and tax matrices currently managed by the Tributary and Customs Authority, the Institute of Registration and Notary Affairs, the General Directorate for Territory, the Order of Solicitors and Enforcement Agents (OSAE), the System of Collection and Management of Cadastral Information (SIRGIC) and with the *iAP*, the Portuguese Public Administration's interoperability platform (implementation report of 26 October 2022, section 3.3, pages 14-15 and diagram in section 3.3, page 15 of the implementation report).
- vi) BUPi 2.0 allows for the gradual implementation of the unique identification property numbers (NIPs), making it possible to identify landowners (implementation report of 26 October 2022, section 3.5, pages 15-17). The implementation of the NIP requires the harmonisation between the property registry and tax matrices information, - within the databases of the Tax and Customs Authority and the Institute of Registration and Notary Affairs -, the information obtained with an RGG process and the data and documentation facilitated by the developer or owner of the property. Figure 2, 3 and 4 in the implementation

report of 26 October 2022 (section 3.5, pages 15-17) evidence the processes to achieve the harmonization of information across these data sources. Once a RGG process is completed by the user in BUPi 2.0, and the information on the property is considered harmonised, citizens, businesses and all public authorities shall be able to obtain a unique identification property number (NIP) for their properties, including information on their boundaries and characteristics. This unique identifier shall be then communicated by BUPi 2.0, exploiting its interoperability mechanisms, to the relevant public authorities.

vii) The BUPi 2.0 platform provides the Portuguese State with a broad knowledge base of the territory, in particular as regards the type and boundaries of rural properties. This is provided by the set of functionalities included in BUPi 2.0 (implementation report of 26 October 2022, section 3.1, pages 6-10) that allow it to obtain, aggregate, process and present data from different sources and entities.

viii) The full operationalisation of the BUPi platform is to be achieved by the implementation of complementary measures in investment RE-C08-i02 (summary document, section 4.1.3, pages 7-8), as the production of reference mapping for the Land Cover Monitoring System (SMOS), including the digital 3-D representation of land through Light Detection and Ranging (LiDAR) coverage, vegetation maps, biomass and timber volume maps, land cover and use maps and Satellite Image Coverage. The production of reference mapping for the SMOS contributes to the full operationalisation of the BUPi platform since it shall expand the geographic information system included in the platform, by providing it with, among others, image cartography or updated land use and occupation cartography.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 8.7	Related Measure: C08-i03: Fuel management breaks — primary network
Name of the Milestone: Publication of the Primary Fuel Management Breaks Structuring Network (RPFGC) contract	
Qualitative Indicator: Publication of the Primary Fuel Management Breaks Structuring Network (RPFGC) contract in BASE.gov	Time: Q1-2022
<p>Context:</p> <p>The investment aims at creating horizontal discontinuities in the forest landscape (i.e. fuel management breaks) through a primary network of fuel management breaks. Fuel management breaks help isolate fire outbreaks, protect communication routes, social infrastructures and equipment, reduce the average area destroyed by fires by compartmentalising the landscape, facilitate fire-fighting actions and ensure the safety of firefighters by creating escape routes.</p> <p>This is the first milestone of this investment and requires the award and publication of the contract for the implementation of the Primary Fuel Management Breaks Structuring Network (RPFGC). It paves the way for two additional targets contributing to create horizontal discontinuities in the landscape to isolate fire outbreaks, namely: the creation of easement areas in the Structural Primary Network Fuel Interruption Boxes, object of target 8.8 (Q3 2025); and the implementation of the Primary Fuel Management Breaks Structuring Network at national level, object of target 8.9 (Q4 2025).</p>	
<p>Evidence provided:</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"> 1. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled; 12 contracts for the implementation of the Primary Fuel Management Breaks Structuring Network. The contracts were signed between the Institute for Nature Conservation and Forests, IP. and (i) Floponor, S. A. for Lots 1 and 2; (ii) Radicular – Gestão de Espaços Verdes, Lda. for Lot 3; (iii) Ambiflora – Serviços de Silvicultura e Exploração Florestal, Lda. for Lot 4; (iv) Floresta Jovem, Lda. for Lot 5; (v) Advanced Green, Engenharia Natural e Urbana, Lda. for Lot 6; (vi) Vibeiras – Sociedade Comercial de Plantas, S. A. for Lot 7; (vii) Nova Floresta – Serviços e Gestão Florestal, Lda. for Lot 8; (viii) Prosilcôa, Unipessoal, Lda. for Lot 9; (viii) Greenclon, Lda. for Lot 10; and (ix) Florecha – Forest Solutions, S. A. for Lots 11 and 12. <p>The contracts are published on the Government portal for online public contracts (BASE.gov) and can be accessed on the following links. Screenshots of the portal with the publication of the contracts were also provided:</p> <p>Lot 1: https://www.base.gov.pt/Base4/pt/detalhe/?type=contratos&id=9335449;</p> <p>Lot 2: https://www.base.gov.pt/Base4/pt/detalhe/?type=contratos&id=9335459;</p> <p>Lot 3: https://www.base.gov.pt/Base4/pt/detalhe/?type=contratos&id=9335471;</p> <p>Lot 4: https://www.base.gov.pt/Base4/pt/detalhe/?type=contratos&id=9335484;</p> <p>Lot 5: https://www.base.gov.pt/Base4/pt/detalhe/?type=contratos&id=9335491;</p>	

Lot 6: <https://www.base.gov.pt/Base4/pt/detalhe/?type=contratos&id=9335499>;
Lot 7: <https://www.base.gov.pt/Base4/pt/detalhe/?type=contratos&id=9335505>;
Lot 8: <https://www.base.gov.pt/Base4/pt/detalhe/?type=contratos&id=9335517>;
Lot 9: <https://www.base.gov.pt/Base4/pt/detalhe/?type=contratos&id=9335523>;
Lot 10: <https://www.base.gov.pt/Base4/pt/detalhe/?type=contratos&id=9335534>;
Lot 11: <https://www.base.gov.pt/Base4/pt/detalhe/?type=contratos&id=9335542>;
Lot 12: <https://www.base.gov.pt/Base4/pt/detalhe/?type=contratos&id=9335550>.

3. **Tender notice CP/10/2022/ICNF/SEDE** - purchase of services for the implementation of the Primary Fuel Management Breaks Structuring Network – announced on the following websites:
 - i) Portugal’s Official Journal ‘Diário da República’, No 55/2022, second series of 18 March 2022, procedure No 3425/2022 (<https://dre.pt/application/file/180724108>);
 - ii) The supplement to the Official Journal of the European Union (<https://ted.europa.eu/udl?uri=TED:NOTICE:147088-2022:TEXT:PT:HTML&src=0>);
and
 - iii) The Government portal for online public contracts (BASE.gov) (<https://www.base.gov.pt/Base4/pt/detalhe/?type=anuncios&id=320237>).
4. **Technical specifications of the tender CP/10/2022/ICNF/SEDE** (*‘Caderno de Encargos’*);
5. **Annex I of the technical specifications of the tender** procedure, with the description of the operations that will be carried out;
6. **Annex II of the technical specifications of the tender** procedure (13 pictures with the geographical illustration of the complete network and of each of the 12 Lots).

The authorities also provided:

1. **Decree-Law No 82/2021 of 13 October** (published in Portugal’s Official Journal, *‘Diário da República’*, No 199/2021, first series of 13 October 2021, pages 2 – 47), establishing the Integrated Rural Fire Management System (*‘Sistema de Gestão Integrada de Fogos Rurais’*) in mainland Portugal and laying down its operating rules.
2. **Council of Ministers Resolution No 28/2022 of 28 February** (Published in Portugal’s Official Journal, *‘Diário da República’* No 41/2022, first series of 28 February 2022, pages 3 – 4) from the Minister of State for the Economy and the Digital Transition for the Prime Minister, approving the expenditure for the execution of the projects for the implementation of the Primary Fuel Management Breaks Structuring Network.
3. **Primary network Manual** of 20 May 2014 by the Forest Protection and Development Division of the Ministry of Agriculture, the Sea, the Environment and Spatial Planning and by the Institute for Nature Conservation and Forests, IP. defining the technical rules for the planning of the primary network of fuel management breaks.

Analysis:

Tender CP/10/2022/ICNF/SEDE for the purchase of services for the implementation of the Primary Fuel Management Breaks Structuring Network (RPFGC) was published in Portugal’s Official Journal *‘Diário da República’*, No 55/2022, second series of 18 March 2022, procedure No 3425/2022 on 18

March 2022. The 12 contracts for the implementation of the RPFGC were all signed afterwards, one for each of the 12 Lots of the RPFGC on 28 June 2022, except for Lots 4, 11 and 12 which were signed on 29 June 2022 and Lot 10 which was signed on 4 July 2022.

In accordance with Article 7(d) of Decree-Law No 82/2021 of 13 October, which establishes the Integrated Rural Fire Management System ('Sistema de Gestão Integrada de Fogos Rurais', SGIFR) in mainland Portugal and lays down its operating rules, the Institute for Nature Conservation and Forests, IP. (ICNF) is responsible for coordinating the measures to create the infrastructures for the RPFGC and for ensuring its implementation.

In line with the requirements of the CID, the 12 contracts were signed between the competent authority for the implementation of the RPFGC, Institute for Nature Conservation and Forests, IP. and forest management companies.

The RPFGC has the objective to *"isolate fire outbreaks, protect communication routes, social infrastructures and equipment, reduce the average area destroyed by fires by compartmentalising the landscape, facilitate fire-fighting actions and ensure the safety of firefighters by creating escape routes"* (Clause 1(3) in the 12 contracts). In addition, the RPFGC contributes to create horizontal discontinuities in the landscape (Clause 32 of the technical specifications of the tender; line i) of point 2.5(b) of Annex I of the technical specifications of the tender; and Clause 1(3) of the 12 contracts).

The 12 contracts indicate that the selection for the awarding of the contracts was made based on a public (competitive) tender procedure (page 1 line a) in the 12 contracts), which was published in Portugal's Official Journal 'Diário da República' (No 55/2022, second series of 18 March, procedure No 3425/2022), in the supplement to the Official Journal of the European Union and in the Government portal for online public contracts (BASE.gov). 30 applications were received for this tender (as per point 4.3.2.1 on page 16 of the summary document). Tender CP/10/2022/ICNF/SEDE (in Article 4(1)) and the announcement of the call for tender in Portugal's Official Journal 'Diário da República', No 55/2022, second series of 18 March 2022, procedure No 3425/2022 (in point 10.) specify the period during which it was open for applications (30 days).

The technical specifications of the tender for the acquisition of services for the creation of the RPFGC set out the requirement that the investments need to comply with two legislative texts: Council of Ministers Resolution No 28/2022 of 28 of February and the Decree-Law No 82/2021 of 13 October (Clause 25(2) of the technical specifications of the tender). Via this link, and in line with the requirements of the CID, it is ensured that the RPFGC

- i) contributes to isolate potential fire outbreaks, protect communication routes, social infrastructures and equipment, reduce the average area destroyed by major fires (paragraph 7 of Council of Ministers Resolution No 28/2022 of 28 of February) by compartmentalising the landscape (as described in the works to be performed in Clause 32 of the technical specifications of the tender and specified in Article 48(2) of the Decree-Law No 82/2021 of 13 October), facilitate fire-fighting interventions (as specified in paragraph 7 of the Council

of Ministers Resolution No 28/2022 of 28 of February) and ensure the safety of firefighters by creating escape routes as a consequence and specified technically in point 2.4 of Annex I of the technical specifications of the tender, defining that reversing zones shall be constructed or improved to create escape routes and to ensure the safety of firefighters.

- ii) aims at establishing the network in strategic locations in rural areas and with favourable conditions for fighting rural fires (Article 48(1) of Decree-Law No 82/2021 of 13 October). It also determines the aspects to consider when planning, installing and maintaining the RPFGC (Article 48(3) of Decree-Law No 82/2021 of 13 October).

Moreover, the Primary Network Manual of 20 May 2014 sets out the technical criteria to define the RPFGC, defining that as a first step priority areas to be protected need to be identified (point 5.1.1. of the Primary Network Manual) and that once they have been identified, the network is defined according to pre-established guidelines (point 5.1.2. of the Primary Network Manual).

The eligible areas for intervention for the implementation of the Primary Fuel Management Breaks Structuring Network were considered at national level (Clause 25 of the tender specifications) and then defined as illustrated in the maps included in the tender specifications (Clause 26(1) and Annex II). As referred to in section 4.1.3 of the summary document, the RPFGC was defined in priority areas to be protected (considering the risk of fire) and which have favourable conditions for fighting rural fires through the implementation of fuel management breaks, with the aim of meeting the final goal of 37.500 ha (as defined in Target 8.9 and demonstrated in section 4.3.1.1 of the summary document).

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 8.14	Related Measure: C08-i05: More Forest Programme		
Name of the Target: Creation of regional and sub-regional structures of the National Authority for Emergency and Civil Protection (ANEPC)			
Quantitative Indicator: Number of regional and sub-regional structures	Baseline: 0	Target: 6	Time: Q2-2022
<p>Context:</p> <p>The investment aims at upgrading the fire prevention and firefighting system, shifting from the model of combating fires to the model of prevention; and at strengthening the actions of Forest owners' organisations and Competence Centres in the forestry sector.</p> <p>This is the first target for this investment and concerns the strengthening of the operational response capacity of the National Authority for Emergency and Civil Protection in the fight against rural fires. It requires the entry into operation of two Regional and four Sub-Regional Commands of the National Authority for Emergency and Civil Protection.</p> <p>It is followed by target 8.13 (Q4 2024), which covers the reinforcement of the entities of the Ministry of Internal Affairs with vehicles and operational equipment. Another milestone of this investment is milestone 8.15, also part of this payment request, and requires the publication of the initial report on programme contracts between the Institute for Nature Conservation and Forests, I.P. and Forest owners' organisations and the Competence Centres. The final target related to this investment is target 8.16 that concerns the implementation of a national training programme for the technicians of 150 Forest owners' organisations, to be implemented by Q4 2025.</p>			
<p>Evidence Provided:</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"> 1. Summary document duly justifying how the target (including all the constitutive elements) was satisfactorily fulfilled; 2. Order of the Minister No 3212-A/2022 of 15 March (published in Portugal's Official Journal, 'Diário da República', No 52/2022, second series of 15 March 2022, pages 547-(2) and 547-(3)) from the State Secretary of Internal Administration², which establishes the location of Sub-regional Commands; 3. Order of the Minister No 11198/2020 of 13 November (published in Portugal's Official Journal, 'Diário da República', No 222/2020, second series of 13 November 2020, pages 31 – 32) from the State Secretary of Internal Administration³, which establishes the entry into operation of the two Regional Emergency and Civil Protection Commands, including the relevant provisions indicating the entry into force of the order; 4. Order of the Minister No 10970-A/2022 of 9 September (published in Portugal's Official Journal, 'Diário da República', No 175/2022, second series of 9 September 2022, pages 293-(2) and 293-(3)) from the State Secretary of the Civil Protection⁴, which establishes 			

² following delegation of powers established by point 1(a) of Order of the Minister No 12094/2021 of 13 December (published in Portugal's Official Journal, 'Diário da República', No 239/2021, second series of 13 December 2021, pages 32 – 33) of the Minister of Internal Administration, which have entered into force on the date of its signature (6 December 2021) as per point 7.

³ following delegation of powers established by point 1(a) of Order of the Minister No 798/2020 of 21 January (published in Portugal's Official Journal, 'Diário da República', No 14/2020, second series of 21 January 2020, pages 62 – 63) of the Minister of Internal Administration, which have entered into force on the date of its signature (30 December 2019) as per point 8.

⁴ following delegation of powers established by point 1(a) of Order of the Minister No 6606/2022 of 25 May (published in Portugal's Official Journal, 'Diário da República', No 101/2022, second series of 25 May 2022, pages 39 – 40) of the Minister of Internal Administration, which have entered into force one day after its publication (26 May 2022) as per point 9.

- the entry into operation of the four Sub-Regional Emergency and Civil Protection Commands, including the relevant provisions indicating the entry into force of the order;
5. **Decree-Law No 45/2019 of 1 April** (published in Portugal's Official Journal, 'Diário da República', No 64/2019, first series of 1 April 2019, pages 1798 – 1808), establishing the organisation of the National Authority for Emergency and Civil Protection, and aiming to create its new internal organisation, composed of National, Regional Commands and Sub-Regional Commands, including the relevant provisions indicating the entry into force of the decree-law;
 6. **Order 'Despacho' of the President of National Authority for Emergency and Civil Protection of 17 November 2022**, certifying the renovation of the two Regional Emergency and Civil Protection Commands with information technology and communications equipment.

The authorities also provided:

1. **Certificate by IP Telecom of 8 November 2022**, certifying that four sub-regional commands are in operation, as per Order of the Minister No 10970-A/2022 of 9 September.

Analysis:

Decree-Law No 45/2019 of 1 April establishes a new internal organisation of the National Authority for Emergency and Civil Protection (ANEPC), composed of National, Regional Commands and Sub-Regional Commands.

This target concerns the entry into operation of

- i) two Regional Emergency and Civil Protection Commands (hereinafter 'Regional Commands'), of Viseu and Évora, which were set up in the existing infrastructures of the District Commands of Operations and Rescue (point 5 of Order of the Minister No 11198/2020 of 13 November). In addition, infrastructure renovations for these two Commands were also foreseen. There are five Regional Commands in total (two of which in scope of this sub-investment); and
- ii) four Sub-Regional Emergency and Civil Protection Commands (hereinafter 'Sub-Regional Commands'), of Alto Tâmega, Oeste, Tâmega e Sousa and Médio Tejo, which were set up in new infrastructures in the Intermunicipal Communities (as determined in Article 23(1) of Decree-Law No 45/2019 of 1 April). There will be 23 Sub-Regional Commands in total (four of which in scope of this sub-investment).

In line with the requirements of the CID:

- i) the two Regional and four Sub-Regional Commands have entered into operation in accordance with Article 38(1) of Decree-Law No 45/2019 of 1 April, which determines that the regional and sub-regional structures of ANEPC shall enter into operation in phases, defined by an Order of the Minister of the member of government responsible for internal administration:
 - a) The two Regional Commands entered into operation on 14 November 2020, under Order of the Minister No 11198/2020 of 13 November (published on 13 November 2020 and entered into force one day after its publication as per its point 7), which specifies the conditions for the set-up and operation of the regional emergency and civil protection commands (point 1) and defines their location (point 4). In addition, Order of the Minister 10970-A/2022 of 9 September clarifies that the Regional Commands were set up and are in operation under Order of the Minister No 11198/2020 of 13 November (paragraph 4 in the preamble and point 5). Order of the Minister No 11198/2020 of 13 November was signed by the State Secretary of Internal

Administration following a delegation of powers by the Minister of Internal Administration, established by point 1(a) of Order of the Minister No 798/2020 of 21 January.

- b) The four Sub-Regional Commands entered into operation on 1 September 2022, under Order of the Minister 10970-A/2022 of 9 September (which entered into force on 1 September 2022 as per its point 6), which provides for the entry into operation of five Sub-Regional Commands (four of which in scope of this sub-investment), in a pilot regime (point 2). Order of the Minister 10970-A/2022 of 9 September was signed by the State Secretary of the Civil Protection following a delegation of powers by the Minister of Internal Administration, established by point 1(a) of Order of the Minister No 6606/2022 of 25 May.

The certificate by IP Telecom (an independent expert as stated in point 4.3.2. of the summary document) of 8 November 2022 concludes (in point 5), based on on-site verifications, that the four Sub-Regional Commands are in operation and clarifies (also in point 1) that the mention to 'pilot regime' (in the Order of the Minister 10970-A/2022 of 9 September) refers to the fact that these Sub-Regional Commands shall be used as pilots for the entry into operation of the remaining 18 sub-regional commands on 1 January 2023 (point 4 of the Order of the Minister 10970-A/2022 of 9 September). This clarification is also included in point 4.3.2. of the summary document.

- ii) the Order by the President of ANEPC of 17 November 2022 certifies the renovation of existing infrastructure of the two Regional Emergency and Civil Protection Commands with new information technology and communications equipment. The President of ANEPC is the relevant authority to certify this conclusion since (i) the President of ANEPC is responsible for promoting and coordinating civil emergency planning activities, in accordance with the guidelines of the Member of the Government responsible for internal administration (line a) of Article 12(1) of Decree-Law No 45/2019 of 1 April); and (ii) as part of civil emergency planning, it is the responsibility of ANEPC to provide the necessary means for civil protection operations (line b) of Article 4(4)). In addition, since the scope of this renovation is the acquisition of new technological and communications equipment for the day-to-day operation of the Regional Commands of the ANEPC, ANEPC is the authority best placed to certify that this equipment was delivered and that it is fit for purpose.
- iii) the entry into operation of the two Regional and four Sub-Regional Emergency and Civil Protection Commands contribute to upgrading the fire prevention and firefighting system by strengthening the operational response capacity of the ANEPC (paragraph 1 in the preamble of Order of the Minister 10970-A/2022 of 9 September). In addition, as referred to in section 4.2.1. of the Summary document, the Commands ensure the territorial decentralization of the coordination structures for the response to rural fires, bringing these services closer to the territories under their responsibility, enabling effective and efficient firefighting.

The entry into force of the four Sub-Regional Commands was provided by (i) Decree-Law No 45/2019 of 1 April, setting up the legal basis for the creation of a new internal organization of ANEPC, composed of National, Regional Commands and Sub-Regional Commands; (ii) Order of the Minister No 3212-A/2022 of 15 March (published on 15 March 2022 and entered into force one day after its publication (point 5)) establishing the location of the Sub-Regional Commands (point 2) and defines (paragraph 4 in the preamble) that the next steps of the creation process for these four Sub-Regional Commands are the set up and the entry into operation; and (iii) Order of the Minister 10970-A/2022 of 9 September (which entered into force on 1 September), determining the set up and entry into operation (paragraph 6 in the preamble) of these four Sub-Regional Commands. Even though, the legal term 'entry into force' (which is used in the verification mechanism of the Operational Arrangements) is not mentioned in the evidences described above, the fact that the four Sub-regional Commands have been (i) legally established in Decree-Law No 45/2019 of 1 April;

(ii) their location was defined; and (iii) they have been set-up and have entered into operation in line with the requirement established in the target, is considered as equivalent to their entry into force (i.e. actual existence).

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 8.15	Related Measure: C08-i05: More Forest Programme	
Name of the Milestone: Publication of the initial report by the Institute for Nature Conservation and Forests, I.P		
Qualitative Indicator: Publication of a report on programme contracts between the Institute for Nature Conservation and Forests, I.P. and the Forest owner's organisations (OPFs) and the Competence Centres		Time: Q2-2022
<p>Context:</p> <p>The investment aims at upgrading the fire prevention and firefighting system, shifting from the model of combating fires to the model of prevention. It also aims at strengthening the actions of the Forest owners' organisations and Competence Centres that bring together producers, industry, the national scientific and technological system and local authorities in the forestry sector, by involving specialists and boosting the technical qualifications of all the actors involved in these entities.</p> <p>This milestone requires the publication of the initial report by the Institute for Nature Conservation and Forests, I.P., paving the way for the strengthening of the actions of Forest owners' organisations and Competence Centres in essential areas for the sustainability of forest resources. This milestone shall be followed by the implementation of a national training programme provided for the technicians of 150 Forest owners' organisations, object of target 8.16 (Q4 2025). Two other sub-investments in this measure concern the entry into operation of two regional and four sub-regional structures of the National Authority for Emergency and Civil Protection, object of target 8.14 (Q2 2022) which is also part of the second payment request, and the reinforcement of the entities of the Ministry of Internal Affairs with vehicles and operational equipment, object of target 8.13 (Q4 2024).</p>		
<p>Evidence provided:</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"> 1. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled; 2. Initial report issued by the Institute for Nature Conservation and Forests, I.P. on programme contracts between the Environmental Fund and the Forest owners' organisations and the Competence Centres, published on 9 September 2022. <p>The authorities also provided:</p> <ol style="list-style-type: none"> 1. Two screenshots of the following websites with the publication of the Initial Report: <ol style="list-style-type: none"> i) Environmental Fund (https://www.fundoambiental.pt/ficheiros/mais-floresta-icn_relatorioinicial_c08_i05_maisfloresta_12set-pdf.aspx), published on 9 September 2022; ii) Institute for Nature Conservation and Forests, I.P. (https://www.icnf.pt/api/file/doc/46341df5521eb673) published on 26 September 2022. 2. Technical Collaboration Protocol between the Institute for Nature Conservation and Forests, I.P. and the Environmental Fund of 30 August 2022, with the terms and conditions of the collaboration between the Environmental Fund and the Institute for Nature Conservation and Forests, I.P. in the implementation of some investments of the RRP, including the one in the scope of this milestone. 3. Four programme contracts signed between the Environmental Fund and the Competence Centres (Centro PINUS, Filcork, Município de Alcoutim and Centro UNAC). 4. Six programme contracts signed between the Environmental Fund and the Forest owners' organisations (Baladi, Fenaflorresta, Forestis, Forum Florestal, UNAC and FNAPF). 		

5. **Decree-Law No 114/2021 of 15 December** (published in Portugal's Official Journal, 'Diário da República', No 241/2021, first series of 15 December 2021, pages 14-38), establishing some changes to the Environmental Fund and to the organisation of the Secretariat-General of the Ministry of the Environment.
6. **Order of the Minister No 643-C/2022 of 14 January** (published Portugal's Official Journal, 'Diário da República', No 10/2022, second series of 14 November 2022, pages 528-(4) to 528-(11)) from the Minister for the Environment and Climate Action, approving the regulation laying down the Rules and Procedures for the Conclusion of Programme Contracts between the Environmental Fund and the Forest owners' organisations and the Competence Centres.
7. **Decree-Law No 135/2012 of 29 June** (published in Portugal's Official Journal, 'Diário da República', No 125/2012, first series of 29 June 2012, pages 3326-3330), established the Institute for Nature Conservation and Forests, I.P..

Analysis:

The initial report issued by the Institute for Nature Conservation and Forests, I.P. (ICNF) on programme contracts between the Environmental Fund and the Forest owners' organisations (OPFs) and the Competence Centres (CCs) was published on the websites of the Environmental Fund https://www.fundoambiental.pt/ficheiros/mais-floresta-icn_relatorioinicial_c08_i05_maisfloresta_12set-pdf.aspx, on 9 September 2022; and the ICNF <https://www.icnf.pt/api/file/doc/46341df5521eb673>, on 26 September 2022, as demonstrated by two screenshots of these websites submitted by the Portuguese authorities as evidence.

In line with the requirements of the CID, the initial report:

- i) provides details on the programme contracts between the Environmental Fund and the OPFs, including the list of OPFs selected to sign the different contracts (table 1, page 15) and the objectives and targets (in line with Clause 1 of the contracts and with the actions 3.5, 4.1, 4.2 and 4.3 of Article 4(1) of the Order of the Minister No 643-C/2022) to be achieved each year until the end of 2025 (annexes 2 to 7, pages 19 to 30 of the initial report). The description of the targets presents the actions to perform, the respective quantitative targets (number of actions) and their unit of measure;
- ii) provides details on the programme contracts between the Environmental Fund and the CCs, including the list of CCs selected to sign the contracts (table 1, page 3) and the objectives and targets (in line with Clause 1 of the contracts and with the actions foreseen in Article 4(2) of the Order of the Minister No 643-C/2022) to be achieved each year until the end of 2025 (annexes 1 to 4, pages 5 to 12 of the initial report). The description of the targets presents the actions to perform, the respective quantitative targets (number of actions) and their unit of measure.

The CID required the contracts to be signed between the ICNF and the OPFs and the CCs. However, the contracts were signed between the Environmental Fund and the OPFs and the CCs. Whilst this constitutes a minimal formal deviation from the requirement of the CID, this investment was, at the time of the adoption of the CID under the responsibility of the Permanent Forestry Fund which in turn worked under the administrative umbrella of the ICNF (Article 3(3) of Decree-Law No 135/2012 of 29 June). However, in December 2021, the Permanent Forestry Fund was merged into the Environmental Fund (Article 7(2) of Decree-Law No 114/2021 of 15 December).

In this context, Order of the Minister No 643-C/2022 of 14 January, defined that the programme contracts were to be signed between the Environmental Fund and the eligible entities. Hence, and according to the newly established framework, the contracts were signed between the Environmental Fund and the OPFs and the CCs. Since the Environmental Fund has been transferred all the powers,

rights and obligations of the Permanent Forestry Fund (Article 7(1) of Decree-Law No 114/2021 of 15 December) and given that the ICNF remains responsible for the monitoring, control and evaluation of the programme contracts (as per Article 14 of Order of the Minister No 643-C/2022 of 14 January, and operationalized through the Technical Collaboration Protocol between ICNF and Environmental Fund), the progress towards achieving the investment that this milestone represents is not affected. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

In line with the requirements of the CID:

- i) following the publication of the initial report, an implementation and progress of the programme contracts shall be published every semester. This requirement is addressed through the inclusion:
 - a) in the initial report paragraph 2 on page 3 for the CCs and paragraph 6 on page 14 for the OPFs mentioning that, following the publication of the initial report, the implementation and progress of the programme contracts shall be published every semester on the websites of the ICNF and that of the Environmental Fund;
 - b) in all the programme contracts signed, of an obligation (Clause 7, line d)) requiring the OPFs and CCs to submit every semester a report to the ICNF (in accordance with a form to be made available by the ICNF);
 - c) in the Technical Collaboration Protocol between the ICNF and Environmental Fund, an obligation for the ICNF to produce and publish, every semester, reports for the monitoring of the implementation and progress of investments (Clause 4, line d));
 - d) in Article 14(3) of the Order of the Minister No 643-C/2022 of 14 January, the indication that the ICNF shall submit to the Environmental Fund a semestral overall monitoring report on the implementation of the programme contracts and a final implementation report with the publication of the results achieved.
- ii) the actions to be performed following the programme contracts with the CCs include the development of studies, guides of good practice and production of elements contributing to the provision of good training and information to the actors in the forestry sector, which supports the (i) increased knowledge, innovation and digitalisation in the forestry sector; (ii) promotion of good soil management practices; (iii) improvement of the management of agro-forestry areas; (iv) development of proposals for more resilient and sustainable forest management; (v) promotion and development of the multifunctional potential of forests and increase in carbon sequestration; and (vi) promotion and development of a sustainable and circular forest bioeconomy, as stated in Clause 1 of the contracts and paragraph 2 on page 2 of the initial report. These actions shall result in an active management of agricultural and forestry territories and contribute to a more resilient forest and to the sustainability of forest resources (line d) page 2 of the contracts), and, as a result, improve the fire prevention system by reducing the risk of fires and shifting from the model of combating fires to the model of prevention.
- iii) the programme contracts with the OPFs are in line with the objective of preventing rural fires (paragraph 3 on page 14 of the initial report) and shifting from the model of combating fires to the model of prevention. These actions are expected to strengthen these organisations in essential areas for the sustainability of forest resources (line d) page 2 of the contracts), such as, carrying out minor post-fire stabilisation actions, awareness-raising and information campaigns aimed at the agro-forestry sector and the general population, development of the certification of sustainable forest management and the introduction of sales quotations for wood, cork, resin and pine (Clause 1 of the contracts and paragraph 3 on page 13 of the initial report). The main purpose of these actions include to (i) promote the active planning and management of vulnerable agricultural and forestry areas of high environmental value; (ii) protect biodiversity by supporting the restoration of agricultural and forest ecosystems, in particular burnt areas; and (iii) increase the resilience of these territories by reducing the risk

of fires through effective and efficient prevention and, if fires occur, reducing damage through effective and efficient fighting, awareness-raising and information campaigns aimed at the agro-forestry sector and the general population (paragraph 4 on page 14 of the initial report).

- iv) the actions of the OPFs and CCs in the forestry sector shall be strengthened, since specialists are foreseen to be involved (expenditures for the acquisition of technical and specialized services are foreseen in Clause 5(1) of all the contracts) in the development of the actions defined in the programme contracts, which shall result in the boosting of the technical qualifications of all the actors involved in these entities (i.e. the technicians from these entities, which shall be involved in preparing these actions, and the forest owners and other associates of these entities that shall benefit from the them) in areas that are essential for the sustainability of forest resources (line d) on page 2 of the contracts with the CCs and paragraph 4 on page 2 and paragraph 5 on page 14 of the initial report).

In addition, following article 8 (3) of the Order of the Minister No 643-C/2022 of 14 January and as foreseen in the initial report (paragraph 2 on page 16), further actions are planned to be implemented in a second phase. This covers the actions listed in Article 4(1) of the Order of the Minister No 643-C/2022 of 14 January but not covered by the above-mentioned programme contracts already signed with the OPFs. In that sense, new contracts are expected to be signed (covering these remaining actions) and objectives and targets defined in line with these actions, which are planned to be implemented by 31 December 2025. Its implementation shall be monitored in the implementation and progress reports of the programme contracts published every semester.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 9.9	Related Measure: C09-i02: Hydraulic multi-purpose enterprise of Crato
Name of the Milestone: Publication of the planning documentation of the measure, fully incorporating any result and condition from the EIA	
Qualitative Indicator: Publication of the planning documentation of the measure, fully incorporating any result and condition from the EIA	Time: Q1-2022
<p>Context:</p> <p>This measure concerns the construction of a dam in the Crato valley to ensure water provision for agriculture and human consumption. The objectives of the measure are to provide water for irrigation, to counter the desertification of the region, to contribute to agriculture diversification, and to ensure drinking water supply. The installation of photovoltaic panels and a mini-hydro energy plant will also contribute to increasing electricity generation from renewable sources.</p> <p>This milestone concerns the publication of the planning documentation of the project fully incorporating any result and condition from the published and completed Environmental Impact Assessment required to achieve compliance with the ‘Do no significant harm’ Technical Guidance (2021/C58/01).</p> <p>It is the first milestone of this investment and it is followed by two further milestones (9.10 in Q3 2025 and 9.11 in Q4 2025). Milestone 9.10 requires the adoption of an updated design of the dam, hydro and solar power generation and irrigation, allowing for a final check of whether the results and conditions from the comprehensive and cumulative EIA that are required to achieve compliance with the ‘Do no significant harm’ Technical Guidance (2021/C58/01) have been fully incorporated into the project design. Milestone 9.11 relates to the entry into operation of the dam, hydro and solar power generation and irrigation, fully respecting the results and conditions set by the EIA and achieving good status of the affected water bodies by Q4 2025.</p>	
<p>Evidence provided:</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"> 1. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled; 2. Published planning documentation of the measure <ol style="list-style-type: none"> i. Environmental Impact Study entitled Evaluation of the Sustainability and Integrated Development of Water and Energy Resources of the Crato Multipurpose Hydraulic Development of the Consolidated Environmental Impact Assessment Report (<i>Avaliação da Sustentabilidade e Desenvolvimento Integrado dos Recursos Hídricos e Energéticos do Aproveitamento Hidráulico de Fins Múltiplos do Crato Estudo de Impacte Ambiental Consolidado Relatório</i>) by the project developer Intermunicipal Community of Alto Alentejo CIMAA (published in May 2022 on the integrated environmental licencing system portal SILIAMB : https://siliamb.apambiente.pt/anexo/?extern=true&code=71b40cea65b5de874de4e4eb207c0a8%206), ii. Updated planning documentation of the execution of the measure showing the integration of any and all results and conditions from the Environmental Impact Declaration entitled ‘Planning document of the execution of the measure showing the integration of any and all EIA results and conditions’ (<i>Documento de planeamento de execução da medida evidenciando a integração de todo e qualquer resultado e condição da DIA</i>), by Intermunicipal Community of Alto Alentejo CIMAA published on 25 November on its website and accessible on 	

<https://www.cimaa.pt/download/aproveitamento-hidraulico-de-fins-multiplos-do-crato-documentacao-de-planeamento-versao-de-25-de-novembro-de-2022/>

3. **Environmental Impact Declaration** (*Declaração de Impacte Ambiental – DIA*) included in the single environmental permit (*Título Único Ambiental TUA20220901002002*) (code APA08560963) issued by the Portuguese environmental agency, Agência Portuguesa do Ambiente, on 1 September 2022 (published and accessible on the portal of the Information system on Environmental Impact Assessment <https://siaia.apambiente.pt/AIA.aspx?ID=3473>)
4. **Report** by the Portuguese environmental agency, Agência Portuguesa do Ambiente, entitled ‘Technical documentation as part of the verification of compliance with milestone 9.9 of the RRP’ (*Documentação técnica no âmbito da verificação do cumprimento do Marco 9.9 do PRR*) published in September and updated in October, (published and accessible on the portal of the Information system on Environmental Impact Assessment (Information System on Environmental Impact Assessment (*Sistema de Informação sobre Avaliação de Impacte Ambiental SIAIA*) <https://siaia.apambiente.pt/AIA.aspx?ID=3473>), demonstrating how the Environmental Impact Assessment procedure has been carried out in full and substantive compliance with Directive 2011/92/EU, with the relevant assessments in the context of Directive 2000/60/EC, and the ‘Do no significant harm’ Technical Guidance (2021/C58/01).
5. **Statement** by the Portuguese environmental agency, Agência Portuguesa do Ambiente, of 25 November 2022 declaring that all results and conditions of the Environmental Impact Declaration have been included in the updated planning documentation.
6. **Decree-Law No 151-B/2013** (published in Portugal’s Official Journal, ‘*Diário da República*’, No 211/2013, second supplement, first series of 31 October 2013, pages 6-31, amended by Decree-Law No Decree-Law No 47/2014 of 24 March, Decree-Law No 179/2015 of 27 August, Law No 37/2017 of 2 June, 152-B/2017 of 11 December, Decree-Law No 102-D/2020 of 10 December and Law No 75-B/2020 of 31 December, hereforth Decree-Law No 151-B/2013, as amended), which transposes into Portuguese law Directive 2011/92/EU and which makes it legally binding that all results and conditions of the Environmental Impact Declaration are incorporated into the project.

The authorities also provided:

1. **Decree-Law No 62/2022 of 26 September** (published in Portugal’s Official Journal, ‘*Diário da República*’, No 62/2022, first series of 26 September 2022, pages 2-7), creating the Enterprise of Hydraulic Use of Multiple Purposes of Crato (Empreendimento de Aproveitamento Hidráulico de Fins Múltiplos do Crato (EAHFMC)) and classifying it as an enterprise of national public interest.
2. **Declaration of conformity** of the Environmental Impact Study by the Portuguese environmental agency, Agência Portuguesa do Ambiente to Intermunicipal Community of Alto Alentejo CIMAA on 30 June 2022.
3. **Memorandum** issued by the project developer Intermunicipal Community of Alto Alentejo CIMAA published on 9 November 2022 on its website and accessible on the link: <https://www.cimaa.pt/download/re-c09-i02-aproveitamento-hidraulico-de-fins-multiplos-do-crato-memorando-nos-termos-do-n-o-1-do-mecanismo-de-verificacao-do-cumprimento-do-marco-9-9/> setting **out** how the ‘Do no significant harm’ Technical Guidance is addressed.
4. **Statements on the review of territorial management instruments** by the mayors of the **relevant** municipalities, committing to the requirement to split the irrigation perimeter into batches not exceeding 100 hectares:
 - a. **Statement by the mayor of the municipality of Crato**, signed on 28 September 2022

- b. **Statement by the mayor of the municipality of Alter do Chão**, signed on 28 September 2022
 - c. **Statement by the mayor of the municipality of Avis**, signed on 29 September 2022
 - d. **Statement by the mayor of the municipality of Fronteira**, signed on 28 September 2022
 - e. **Statement by the mayor of the municipality of Sousel**, signed on 28 September 2022
5. **Report** entitled 'Secondary Irrigation Infrastructures - Preliminary Study' (*Infraestruturas Secundárias de Rega – Estudo Prévio*) published in October 2021 (on portal of the Information system on Environmental Impact Assessment (SIAIA) and accessible on the link: <https://siaia.apambiente.pt/AIA.aspx?ID=3473>), which contributes an analysis of the agricultural models and practices of the project.
 6. **Technical study** entitled 'Component C) Study of Photovoltaic Plants- 1st Phase' (*Componente C) Estuda das Centrais Fotovoltaicas- 1ª fase*), published in September 2021 and accessible on the Information system on Environmental Impact Assessment portal SIAIA <https://siaia.apambiente.pt/AIA.aspx?ID=3473>, on the use and location of on-land and floating photovoltaic panels.
 7. **Document from the Recuperar Portugal Task Force** entitled Reply of Recuperar Portugal Task Force to the European Commissions' Observation Letter (2nd payment request) (Resposta da Estrutura de Missão Recuperar Portugal à Observations Letter (2nd payment request) da Comissão Europeia) showing a carbon dioxide emissions reduction of more than 80 000 through the photovoltaic plant.]

Analysis

The dam project is located in the river basin of the Tagus in a zone close to the boundary of the Guadiana river basin. The project developer, Intermunicipal Community of Alto Alentejo (CIMAA), published the Environmental Impact Study in May 2022. This is the original planning documentation for this project, which outlines the project developer's analysis of the potential environmental impact of the project and forms one of the key bases of analysis by the independent environment agency Agência Portuguesa do Ambiente (APA).

APA issued the Environmental Impact Declaration on 1 September 2022, assessing the environmental viability of the project and defining measures to prevent, minimise or offset impacts from the project, taking into consideration the public consultation phase, the opinions from other public authorities and in particular of the Evaluation Committee it set up for the Environmental Impact Assessment (EIA) procedure of this project.

APA also published, alongside the Environmental Impact Declaration, a report demonstrating how the EIA procedure has been carried out in full and substantive compliance with Directive 2011/92/EU, with the relevant assessments in the context of Directive 2000/60/EC, and the 'Do no significant harm' Technical Guidance (2021/C58/01).

In line with the requirements of the CID:

- i) APA conducted an EIA in accordance with Decree-Law No 151-B/2013 as amended, which transposes into Portuguese law Directive 2011/92/EU, and published its findings in the Environmental Impact Declaration on the *Information system in Environmental Impact Assessment* web portal SIAIA.
- ii) By issuing its Declaration of Conformity, which attests that the information contained in the Environmental Impact Study is appropriate for the EIA procedure, APA confirms that the Environmental Impact Study is based on the most up-to-date, comprehensive and accurate data.

- iii) The Environmental Impact Study includes monitoring data on biological quality elements that are specifically sensitive to hydromorphological alterations (Memorandum of the Intermunicipal Community of Alto Alentejo, page 12) and on the expected status of the water body as a result of the new activities, as compared to its current one (Environmental Impact Study, page 1268).
- iv) The Environmental Impact Study included projected water flows in the baseline scenario (no investment) as well as after the investment (Environmental Impact Study, page 80), which were available for the public consultation, taking into account the adverse impacts of climate change based on the best available specific prediction, including a plausible worst-case scenario of 'Representative Concentration Pathway of 8.5' (Environmental Impact Study, Chapter 2, pages 42 and 43).
- v) The purpose of the investment as compared to alternatives in terms of their goals and means is justified in the Environmental Impact Study (pages 21-27), its chapter 3 (page 1230) and the Report / Secondary Irrigation Infrastructures - Preliminary Study.
- vi) In the Memorandum published after the publication of APA's Environmental Impact Declaration, the Intermunicipal Community of Alto Alentejo accepts APA's declaration and commits to incorporate its results and conditions into the project.
- vii) The updated planning documentation of the execution of the measure showing the integration of any and all EIA results and conditions is published on the website of the Intermunicipal Community of Alto Alentejo CIMAA. This documentation incorporates the results and conditions of the Environmental Impact Declaration into the design of the project. Notably, in addition to the legal requirement that such conditions must be complied with in the implementation of the project that stems from Decree-Law No 151-B/2013 as amended, the updated planning documentation includes explanations from the contractor on how it will implement each of the results and conditions from the Environmental Impact Declaration. APA has confirmed that the results and conditions of the Environmental Impact Declaration have been included in the updated planning documentation. Whilst, under milestone 9.9, it is assessed whether those have been incorporated into the planning documentation, which is considered to have taken place, the final assessment on whether those have been complied with will take place in milestone 9.10, also on the basis of the further studies that the contractor has been required to undertake as a result of the Environmental Impact Declaration.

In order for the investment to comply with the 'Do no significant harm' Technical Guidance (2021/C58/01), the CID sets the conditions that, besides being in line with the requirements of the Environmental Impact Declaration, the measure does i) a) neither significantly or irreversibly impact affected water bodies, b) nor prevent the specific water body to which it relates nor other water bodies in the same river basin to achieve good status or potential by Q4 2025; and ii) does not cause significant negative impact on protected habitats and species directly dependent on water. These conditions are complied with in the following way:

- i) APA issued a positive Environmental Impact Declaration with conditions (Environmental Impact Declaration, page 2).
- ii) APA found that the construction of the dam leads to 'significant and permanent changes in the physical characteristics of the water body where it is built', including the deterioration of the status of that directly affected water body (Seda river with the EU Surface Water Body Code PT05TEJ0997) that is in moderate and bad status according to the Third River Basin Management Plan (Environmental Impact Declaration, page 45 and Technical documentation in the context of verification of compliance with Milestone 9.9 of the RRP, chapter Additional Technical Note on compliance with Directive 2000/60/EC Addendum 1, page 2). APA then uses the derogation foreseen under Article 4(7) of the Water Framework Directive to justify a temporary deterioration of the water status by the overriding public interest of constructing the dam (Technical documentation in the context of verification of compliance with

Milestone 9.9 of the RRP, chapter Additional technical note on compliance with Directive 2000/60/EC Addendum 1, page 1).

- iii) To justify compliance with provision i) a) of the CID requirements, APA explains that the construction of the dam inevitably leads to a significant and permanent change in the physical characteristics of the water body, in the sense that the flow of the water body is interrupted, and that all other impacts on the affected water bodies are not significant, permanent, and/or can be mitigated (report Technical documentation in the context of verification of compliance with Milestone 9.9 of the RRP, chapter Additional technical note on compliance with Directive 2000/60/EC Addendum 1, page 1). To justify compliance with provision i) b) of the CID conditions, APA states in its report Technical documentation as part of the verification of Milestone 9.9 compliance (Technical documentation in the context of verification of compliance with Milestone 9.9 of the RRP, chapter Additional Technical Note on compliance with Directive 2000/60/EC Addendum 2) that the impacts resulting from the implementation of the project do not prevent the water body directly affected by the project (Seda river basin with the EU Surface Water Body Code PT05TEJ0997)) to achieve good status by Q4 2025 (Technical documentation in the context of verification of compliance with Milestone 9.9 of the RRP, chapter Additional Technical Note on compliance with Directive 2000/60/EC Addendum 2, page 1) and confirms that this is also the case for other water bodies belonging to the same river basin district (Additional Technical Note on compliance with Directive 2000/60/EC Addendum 2, page 1). In the light of these explanations, the Commission considers that even if the impact to the water body is significant, it is only temporary and not irreversible, given that the intervention does not prevent the water body to attain good status by Q4 2025, due to the mitigating measures described in the Environmental Impact Declaration. In addition to condition i) b) above, as set by the CID, achieving good status is a requirement of milestone 9.11 in order to ensure compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01). Milestone 9.11 requires the achievement of good status of all relevant water bodies affected by the investment by Q4 2025. The Commission will assess whether this was achieved under that milestone.
- iv) APA sets out the relevant measures to mitigate the impact of the project of the water bodies in the annex to its report Technical documentation in the context of verification of compliance with Milestone 9.9 of the RRP, chapter Additional Technical Note on compliance with Directive 2000/60/EC Addendum 2. The Commission considers the assessment by APA to be technically ambitious that these mitigating measures will achieve good water status of the Seda River (and all other relevant water bodies affected by the investment) by Q4 2025. In line with the requirement that the measures identified in the Environmental Impact Declaration necessary to ensure compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01) be integrated into the project (which has been done) and then complied with at the stages of the construction, operation and decommissioning of the infrastructure, it is expected that APA will closely monitor the implementation of the mitigating measures and their effects on the water status, including making use of the possibility by APA to adjust and propose additional mitigating measures, if needed, to achieve good water status by Q4 2025, in accordance with milestone 9.11.
- v) The measure is compliant with the Water Framework Directive (Directive 2000/60/EC) as it integrates the assessment of this Directive into the EIA procedure (APA report Technical documentation in the context of verification of compliance with Milestone 9.9 of the RRP, page 3).
- vi) The Portuguese authorities provided evidence that the project does not cause significant negative impact on protected habitats and species directly dependent on water. APA confirms that the implementation of mitigation and compensation measures set out in the Environmental Impact Declaration will mitigate the impacts generated by the project on the species and habitats dependent on the Seda stream (EU Surface Water Body Code

PT05TEJ0997A) (Additional Technical Note on compliance with Directive 2000/60/EC Addendum 2, page 1 and Additional Technical Note on compliance with Directive 2000/60/EC Addendum 3, (pages 1, 2). In line with the requirement that the measures identified in the Environmental Impact Declaration necessary to ensure compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01) be integrated into the project (which has been done) and then complied with at the stages of the construction, operation and decommissioning of the infrastructure, it is expected that APA will closely monitor the implementation of the mitigating measures and their effectiveness in protecting biodiversity on the basis of site-specific conservation objectives for the relevant Natura 2000 sites, including making use of the possibility by APA to adjust and propose additional mitigating measures, if needed, to ensure continued full compliance with Directive 2011/92/EU and the 'Do no significant harm' Technical Guidance (2021/C58/01), in accordance with milestones 9.10 and 9.11."

The project's main characteristics are in line with the requirements of the CID:

- i) The planning documentation confirms that the objectives of the measure are to ensure drinking water supply, counter the desertification of the region, diversify agriculture and contribute to the reconfiguration of energy production in the area (Environmental Impact Study, page 21).
- ii) The measure consists of the construction of a dam in the Crato valley to ensure the provision of water for human consumption and agriculture reconfiguration, while offering a privileged site to install floating photovoltaic panels and producing electricity autonomously from the projected mini-hydro plant. (Environmental Impact Declaration, page 2 and Environmental Impact Study, page 21).
- iii) On the photovoltaic plant, Portugal has done more than required in the CID (Technical study entitled Component C) Study of Photovoltaic Plants- 1st Phase, page 3). In addition to installing floating panels, Portugal is adding on-land panels. While the installation of floating panels foresees a reduced capacity compared to the initial project (due to technical, economic and environmental reasons), together with on-lands panels, these make up the photovoltaic plant, which will provide twice the capacity foreseen in the CID, by providing a capacity of 150MW instead of the 75MW required by the CID (Environmental Impact Declaration, pages 2 and 3).
- iv) Opting for the combination of floating and onshore solar panels makes it possible to ensure the 60% of the region's energy needs being produced (Summary document, page 8) and a reduction in carbon dioxide emissions of more than 80 000 tonnes per year (Document from the Recuperar Portugal Task Force, page 9).
- v) The project will contribute to diversify agricultural activity as irrigation allows for a diversification and increased production of crops, such as nuts, fruit, vegetables, and increasing the potential of existing activity, such as pastures and feedstock (Environmental Impact Study, page 42 and Chapter 3, page 236). The project is expected to attract inhabitants to this area as around 500 jobs are expected to be created in the various sectors linked to the project, including qualified workers, which is expected to make it attractive for people to move there from other territories." (Environmental Impact Declaration, page 46). The project will introduce a water-efficient management system through the introduction of this strategic reserve (Environmental Impact Declaration, page 42).
- vi) The storage reservoir will be at an elevation of 248 metres with a maximum storage height of 48 metres (Environmental Impact Study, pages 16 and 77).
- vii) It will have a storage capacity of 116.2 hm³, 0.1% more than required in the CID (Environmental Impact Study, page 77).
- viii) It will strengthen the supply of the Póvoa and Meadas dam from the Pisão dam by connecting the former with the latter (Environmental Impact Declaration, pages 42 and 44).

- ix) It includes lifting stations for irrigation, ducts, balancing reservoirs and distribution networks, irrigation networks and improvement of agricultural access (Environmental Impact Declaration, page 2).
- x) The project will ensure redundancy in the public water supply providing enough water to serve the populations of Alter do Chão, Avis, Crato, Fronteira, Gavião, Nisa, Ponte de Sor and Sousel (approximately 55 000 persons) (Decree-Law No 62/2022 of 26 September 2022, page 2).
- xi) The irrigation perimeter shall be divided into batches with an area not exceeding 100 ha, as the mayors of the relevant municipalities have committed to in signed declarations (Statements on the review of territorial management instruments).
- xii) The Portuguese authorities carried out a cumulative impact assessment, meaning that they included in the EIA all elements of this multi-purpose measure (Environmental Impact Declaration, pages 1-3). They also assessed whether there were other existing or planned infrastructure in the river basin and came to the conclusion that this was not the case (Summary document, page 32).

In relation to this measure, the CID requires that *“Any measures identified in the framework of the EIA and the assessment under Directive 2000/60/EC as necessary to ensure compliance with the ‘Do no significant harm’ principle shall be integrated into the project and strictly complied with at the stages of construction, operation and decommissioning of the infrastructure”*. A number of conditions that resulted from the Environmental Impact Declaration and were necessary to ensure compliance with the ‘Do no significant harm’ principle contradict a limited number of other CID requirements. As such, it is not possible for Portugal to literally fulfil each of the requirements as identified.

In accordance with Article 17(4) in conjunction with Article 5(2) of Regulation (EU) 2021/241, the Recovery and Resilience Facility shall only support measures respecting the principle of ‘do no significant harm’. In this respect, together with the repeated references in the description of the measure and description of the milestone to integrating the results of the EIA procedure as necessary to ensure compliance with the ‘Do no significant harm’ principle, the requirements in the CID are to be interpreted in line with this overall context of needing to respect the DNSH principle, both generally and specifically in relation to the outcome of the EIA. Given that the EIA has been conducted in line with Union law, where the Commission finds the necessary changes to the scope of the project both plausible and necessary in order to respect the ‘Do no significant harm’ principle, the evidence put forward by the Portuguese authorities has minor deviations compared to a number of CID requirements. This applies to the following requirements of the CID:

- xiii) APA ruled in favour of a version of the project, which eliminates a downstream enhanced inflow system and a downstream bypass pipe, a lift station and an elevation line, which had been required by the CID (Environmental Impact Declaration, page 3 and *Relatório para cumprimento do ponto 3, alíneas a) e b) do mecanismo de verificação do Marco 9.9 do PRR*, page 6). These elements were part of an alternative to the project, which APA ruled against for not being technically, environmentally and economically feasible. The chosen version of the project, therefore, does not drain or pump water from two tributary rivers to the reservoir.
- xiv) A smaller annual average volume for public water supplies (52hm³ vs 57.83 hm³/year, Environmental Impact Study, page 18) stems from the integration of results and conclusions of the Environmental Impact Declaration, leading to a revision in the average annual volumes (Summary Document, page 11).
- xv) The CID requires the planned mini-hydro plant to have a 1 MW capacity. However, the capacity will be smaller than 1MW due to the exclusion in the Environmental Impact Declaration of irrigation from the Ribeira de Seda river. The size of the mini-hydro project is

currently under review and therefore no capacity figure can be put forward yet (Environmental Impact Declaration, page 62).

- xvi) The CID requires the creation of 5 078 hectare of new irrigation blocks (Alter do Chão, Avis, Crato, Fronteira and Sousel). However, the effectively irrigated area will be smaller (4 660 ha) as the Environmental Impact Declaration specifically required the exclusion of two areas from the irrigation blocks where breeding and feeding habitats for endangered birds were detected (Environmental Impact Declaration, page 57).

The Commission considers that the milestone is satisfactorily fulfilled, taking into account that a contextual interpretation of the requirements of the milestone leads to the conclusion that the deviations from the literal requirements of the CID, described above, were necessary to comply with the requirement to integrate the results of the EIA, as mandated by the CID, in order to ensure compliance with 'Do no significant harm' Technical Guidance (2021/C58/01) and the eligibility condition of Article 5(2) of the RRF Regulation.

- xvii) The CID required the dam to have a flooded area of 7.24 km². However, a flooded area of 7.25km² was accomplished (Environmental Impact Study, page 77). Whilst this constitutes a minimal substantive deviation from the requirement of the constitutive element of the CID, this does not affect the progress towards achieving the investment RE-C09-i02: Hydraulic multi-purpose enterprise of Crato that milestone 9.9 represents. As such, the investment overall supports the provision of drinking water supply, counter the desertification of the region, enhance the diversification of agriculture and contribute to the reconfiguration of energy production in the areas that are the main goals of this part of the investment. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled. This applies to the following CID requirement: The flooded area will be 7.25km² as opposed to 7.24km² in the CID, a 0.1 percent difference. (Environmental Impact Study, page 77).

The Commission considers one CID requirement met despite a clerical error in the text.

- xviii) The CID requires the project to ensure 50.3 hm³/year for public drinking water supply to provide enough water to serve the approximately 55 000 inhabitants of Alter do Chão, Avis, Crato, Fronteira, Gavião, Nisa, Ponte de Sor and Sousel. However, this figure should have referred to public drinking water supply (3.3 hm³/year) and irrigation (47 hm³/year) and should be treated as a clerical error as the Portuguese plan submitted to the Commission was wrongly reflected in the Commission proposal (see updated figure in the Memorandum from the project developer Intermunicipal Community of Alto Alentejo, page 1). In any case, the project will ensure the water supply of the above-named communities (summary document, page 11).

This assessment is without prejudice to the infringement procedure INFR 2015/2002 and ruling by the European Court of Justice (Case 290/18, Judgment of 5 September 2019).

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 12.2	Related Measure: C12-i01: Bioeconomy	
Name of the Milestone: Approval of the projects submitted by the Consortia for the development of new bioeconomy products, technologies and processes in the textile and clothing, footwear and natural resin sectors		
Qualitative Indicator: Approval of the projects for the development of new bioeconomy products, technologies and processes	Time: Q2-2022	
<p>Context:</p> <p>The investment aims at the development of the bio-economy by supporting the incorporation of bio-based materials in production processes. This (sub)investment aims to provide financial support for the development of new products, technologies and pilot processes integrating bio-based resources in specific sectors relevant for the Portuguese economy: textile and clothing, footwear and natural resin sectors. The financial support is awarded through programme contracts with consortia.</p> <p>Milestone 12.2 relates to the approval by the selection committee of the projects submitted by the three Consortia for the development of new bioeconomy products, technologies and processes in the textile and clothing, footwear and natural resin sectors. It is the initial milestone for this (sub)measure. The target 12.3 (Q4 2025) is the final target for this (sub)investment and concerns the development of 15 new products, technologies and pilot processes integrating bio-based resources. Investment C12.i01 also includes other (sub)investments aiming at forest management activities and covered by other specific milestones and targets (milestone 12.1 and target 12.4).</p>		
<p>Evidence provided:</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"> 1. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. The summary document includes (Table 3) the list of the projects selected, with the references to the contract, the project description, the area covered, the final recipients, and the financed value of the project for every project selected; 2. Notice No 01/C12-i01/2021, call for the constitution of consortia; 3. Final report on the selection of the consortia by the selection committee of 16 February 2022, approved and signed by the director of the environmental fund; 4. Notice No 02/C12-i01/2022, call for presentation of projects; 5. Minutes of the coordinating meeting of 17 May 2022 on the selection of the projects presented by the consortia; 6. Formal decision of 23 May 2022 by the director of the Environmental Fund on the selection of the projects presented by the consortia; 7. Financing contracts with the three consortia <ol style="list-style-type: none"> i) BE@T financing contract of 23 May 2022 between the Environmental Fund and the consortia BE@T – Bioeconomy of Textiles and Clothing; ii) BioShoes4All financing contract of 24 May 2022 between the Environmental Fund and Associação Portuguesa dos Industriais de Calçado, Componentes, Artigos de Pele e seus Sucedâneos as promoter of the consortia BioShoes4All – Innovation and Empowerment of the Footwear Field for Sustainable Bioeconomy; iii) RN21 financing contract of 23 May 2022 between the Environmental Fund and ForestWISE – Association for the Collaborative Laboratory for Integrated Forest and Fire Management as promoter of the consortia RN21 – Innovation in the Field of Natural Resina for Strengthening the National Bioeconomy; 8. DNSH compliance declaration of the three consortia 		

- i) **BE@T DNSH compliance declaration** of 23 May 2022
- ii) **BioShoes4all DNSH compliance declaration** of 23 May 2022
- iii) **RN21 DNSH compliance declaration** of 23 May 2022

Analysis:

In line with the requirements of the CID, the projects submitted by the Consortia have been approved by the selection committee as shown by the minutes of the coordinating meeting of 17 May 2022 and the formal decision and the financial support has been awarded through three separate financing contracts established with the selected consortia: BE@T in the textile sector, BioShoes4All in the footwear sector and RN21 in the resin sector (BE@T financing contract of 23 May 2022, BioShoes4all financing contract of 24 May 2022, RN21 financing contract of 23 May 2022).

Each of the Consortia include businesses, R&I institutions (higher education institutions, scientific and technological institutions) and end-users (NGOs and associations). The final report on the selection of the consortia by the selection committee of 16 February 2022 includes the full list of organisations participating in the Consortia: table 9 (page 23) for BE@T, table 10 (page 24) for BioShoes4All and table 11 (page 25) for RN21 from which it can be verified that each of the Consortia include businesses, R&I institutions (higher education institutions, scientific and technological institutions) and end-users (NGOs and associations).

The Consortia have been selected through a competitive process.

Notice No 01/C12-i01/2021, the call for the formation of Consortia was published on 10 May 2021 and had a continuous deadline of 60 days for submission of applications (page 36), with a view to selecting a consortium for each sector (textile and clothing, footwear and natural resin). Notice No 01/C12-i01/2021 was published on the website of the Environmental Fund (<https://www.fundoambiental.pt/apoios-prr/bioeconomia.aspx>).

On 16 February 2022, the final report on the selection of the Consortia was published on the website of the Environmental Fund with the final ranking of the Consortia (Table 2). The consortium with the higher final rating per sector was selected.

The Consortia fall within one of the three following programmes: ‘Promoting a sustainable and circular bioeconomy in the Textile and Clothing Sector’, ‘Promoting the sustainable and circular bioeconomy in the footwear sector’ and ‘Promotion and enhancement of natural resin’. Notice No 01/C12-i01/2021 in its Chapter 1 (page 5), states that ‘This call refers to the main strategic axes for the transition from a bioeconomy to three sectors — Textile and Clothing, Footwear and Resina [...]’ and ‘The investments supported are aimed at the modernisation and development of a national bio-based industry to increase the incorporation of bio-based materials in the production of high added value products in three sectors: (a) manufacture of textiles and clothing; (b) footwear manufacture and (c) natural resin’. The objectives to be achieved by each sector are described in Chapter 2 (pages 7 to 12).

The selected projects focus on a low-carbon economy, resilience and adaptation to climate change through the application of clean technology solutions, low-impact alternatives and the use of Best Available Techniques. As an annex to the financing contracts, each consortium quantifies the expected contribution to environmental objectives (Fiche 1 of each financing contract: BE@T financing contract, BioShoes4all financing contract, RN21 financing contract). These are: reduction of consumption of fossil-based raw materials and substitution of bio-based raw materials; reduction of GHG emissions; description of the life cycle of the new products; increased integration and valorisation of bio-based raw materials/waste/by-products; increasing resource efficiency in

manufacturing processes; reducing the use of critical chemicals; and increasing the culture of low carbon and sustainable production and consumption.

Fiche 1 of each contract (BE@T financing contract of 23 May 2022, BioShoes4all financing contract of 24 May 2022, RN21 financing contract of 23 May 2022) specifies the contributions of the projects to a low-carbon economy, resilience and adaptation to climate change through the application of clean technology solutions, low-impact alternatives and the use of Best Available Techniques.

The clause 2 (investment objectives) of each financing contract (BE@T financing contract of 23 May 2022, BioShoes4all financing contract of 24 May 2022, RN21 financing contract of 23 May 2022) obliges the consortium to align its activities with the policy area '022 — Research and innovation processes, technology transfer and cooperation between enterprises, focusing on the low-carbon economy, resilience and adaptation to climate change'.

The selection criteria for the projects require that the projects ensure a reduction of direct and indirect greenhouse gases. According to the criteria of Notice No 02/C12-i01/2022 (page 8), Consortia should justify that the projects ensure a reduction in direct and indirect carbon emissions.

In an annex to the contracts, each consortium quantifies the expected contribution to GHG emission reduction, as shown in the Fiche 3 in each contract (BE@T financing contract of 23 May 2022, BioShoes4all financing contract of 24 May 2022, RN21 financing contract of 23 May 2022). This is done with a description, for each measure, of the respective expected contribution, quantification and reference points.

All selected projects comply with the 'Do no significant harm' technical Guidance (2021/C58/01) through the use of an exclusion list and with the relevant EU and national environmental law. Notice No 02/C12-i01/2022 (page 28) introduces the list of excluded activities. According to the criteria of Notice No 02/C12-i01/2022 (page 6), Consortia should justify that projects comply with the 'Do no significant harm' technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement for compliance with applicable EU and national environmental law. All selected consortia submitted the required DNSH checklist as Fiche 4 annexed to each contract (BE@T financing contract of 23 May 2022, BioShoes4all financing contract of 24 May 2022, RN21 financing contract of 23 May 2022). In addition, the leader of each consortium submitted a duly signed Declaration of Compliance with the Do No Significant Harm (DNSH) principle and with applicable environmental legislation at EU and national level (BE@T DNSH compliance declaration of 23 May 2022, BioShoes4all DNSH compliance declaration of 23 May 2022, RN21 DNSH compliance declaration of 23 May 2022).

Notice No 01/C12-i01/2021 (page 7) includes the list of actions supported. From this list, it can be concluded that the activities supported include research, development and productive innovation projects, digitalisation projects and advanced production technologies, dedicated training and empowerment programmes, production of domestic natural resin, and awareness raising measures for sustainable production and consumption. In accordance with Notice No 02/C12-i01/2022, each consortium indicated in the project fiches as an annex to the three financing contracts (BE@T financing contract of 23 May 2022, BioShoes4all financing contract of 24 May 2022, RN21 financing contract of 23 May 2022) the number of actions included in its project proposal for each activity type: research, development and innovation actions (R & D + I); new products with better ecological footprint; industrial pilot projects with a technological readiness level (TRL) greater than or equal to 7 until 8; technical/scientific publications; platforms/databases; communication and marketing campaigns; dedicated training and capacity building programmes; industrial symbioses. The RN21 financing contract of 23 May 2022 includes the activities linked to the production of domestic natural resin (notably in the project fiches).

The selected projects contribute to waste management in the textile and clothing, footwear and resin processing sectors. In accordance with Notice No 02/C12-i01/2022 (page 18), each consortium

demonstrated in the project Fiche 1 annexed to the contracts (BE@T financing contract of 23 May 2022, BioShoes4all financing contract of 24 May 202, RN21 financing contract of 23 May 2022) the increased integration and valorisation of bio-based raw materials/waste/by-products in their production processes.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 15.10	Related Measure: C15-i04: Bus Rapid Transit Boavista – Império
Name of the Milestone: Signature of the contract for the construction of a Bus Rapid Transit line between Praça do Império and Praça Albuquerque Mouzinho in Porto	
Qualitative Indicator: Signature of the contract for the construction of a bus rapid transit line between Praça do Império and Praça Albuquerque Mouzinho in Porto	Time: Q1-2022
<p>Context:</p> <p>The objective of this measure is to increase the attractiveness of public transport in Porto and attract more users while reducing greenhouse gas and pollutant emissions and encouraging the modal shift away from roads. This investment consists of the creation of a new Bus Rapid Transit system (operated by electric buses) of 3,8 km and the construction of 7 stations between Praça do Império and Praça Mouzinho de Albuquerque in Porto, providing a connection to the Porto metro network.</p> <p>Milestone 15.10 concerns the signature of the project implementation contract for the construction of the Bus Rapid Transit line between the public authorities and the contractor selected in a tender process. This is the first milestone for this measure and is followed by the final target 15.11 that is the completion of the works (to be implemented by Q4 2023). The final target requires the completion of the 3.8 kilometres construction works and the new bus rapid transit line to be ready for the immediate operation of the planned transport services.</p>	
<p>Evidence provided:</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"> 1. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled; 2. Signed project implementation contract (and its annexes) of 23 March 2022 between the public authorities (Metro Do Porto S.A.) and the contractor selected in a tender process, in addition to an addendum of the contract signed on 06 May 2022; 3. Act of the Board of Directors of Metro do Porto of 28 February 2022, awarding the public tender process to the winning contractor; 4. Tender notice, published as national publication on 08 July 2021 (n. º 8845/2021) in the platform Diario da Republica Electronico, that may be accessed at https://dre.pt/dre/detalhe/anuncio-procedimento/8845-2021-166660375, and as international publication on 09 July 2021 (n. 348921-2021-PT) in the platform TED Tenders Electronic Daily, available at https://ted.europa.eu/udl?uri=TED:NOTICE:348921-2021:TEXT:PT:HTML. <p>The authorities also provided:</p> <ol style="list-style-type: none"> 5. A study on passenger demand related to the project and carried out by <i>Metro do Porto</i>, published in January 2022; 6. Cost Benefit Analysis of the project carried out by <i>Metro do Porto</i>, published in January 2022; 7. Technical opinion by Metro do Porto describing the zero-emission electric vehicles that shall operate in the Bus Rapid Transit system of 28 July 2022; 	

8. Map indicating the exact location of the stations to be built in the framework of the project implementation contract.

Analysis:

The project implementation contract for the construction of a bus rapid transit line was signed on 23 March 2022 between Metro do Porto, S.A. and the contractor (Alberto Couto Alves, S.A. and Alves Ribeiro, S.A.). The project implementation contract concerns the design and construction of a bus rapid transit line that links Praça do Império and Praça Albuquerque Mouzinho in Porto (Clause 1 of project implementation contract and map indicating the exact location of the stations).

The contractor was selected through a public tender process that started on 08 July 2021, as set out in the Act of the Board of Directors of *Metro do Porto* of 28 February 2022, awarding the public tender process. The tender notice was available both at national and international level.

In line with the requirements of the CID, the bus rapid transit line Boavista-Império shall be developed around the streets 'Avenidas da Boavista' and 'Avenida do Marechal Gomes da Costa' and shall entail a total street coverage of approximately 4,2 km and eight surface stations, which are: Casa da Música, Bom Sucesso, Guerra Junqueiro, Bessa, Pinheiro Manso, Serralves, João de Barros e Império' (project implementation contract, Annex III 'Technical conditions of the execution of the contract', 1.1.4). This entails a longer line (4.2 vs. 3.8 km) and more stations (8 vs. 7) compared to the requirements of the CID. As the map indicating the exact location of the stations demonstrates, the line shall provide a connection to the Porto Metro network, due to the proximity between the Metro stop Casa da Música and the homonymous line stop foreseen in the project implementation contract.

The investment is expected to increase the attractiveness of public transport in Porto and attract more users, as is shown in the study on passenger demand related to the project and carried out by *Metro do Porto*, which demonstrates that the bus rapid transit line is estimated to increase the number of annual passengers of 7.4 million in Porto, to reach a total increase of 42.7 million passengers in 2027 (pages 11 and 41 of the study on passenger demand). Consequently, the line would reduce the number of passengers using individual transport, encouraging the modal shift away from roads.

This modal shift is also expected to reduce greenhouse gas and pollutant emissions (pages 11 and 41 of the study).

The Bus Rapid Transit system shall be operated by electric buses as indicated in the technical opinion expressed by Metro do Porto. The buses that shall be acquired to operate on the line are considered zero-emission electric vehicles, in particular hydrogen fuel-cell electric vehicles.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 16.1	Related Measure: C16-r31: Digital transition of the business environment
Name of the Milestone: Entry into force of the review of the training content included in the National Qualifications Catalogue regarding modules on the field of Digital Skills and the legislation or regulation for the creation of digital signatures and seals	
Qualitative Indicator: Entry into force of the review of the training content included in the National Qualifications Catalogue regarding modules on the field of Digital Skills and the legislation or regulation for the creation of digital signatures and seals	Time: Q1-2021
<p>Context:</p> <p>The objective of the measure is to improve the Portuguese business environment by making it digitally more competitive and resilient in the current global economic and social context. The reform consists of a single milestone with the following elements:</p> <ol style="list-style-type: none"> i) Review of the formative content included in the National Qualifications Catalogue, specifically relating to digital skills for use in a professional context. ii) Creation of the legal and regulatory framework necessary for the creation of digital signatures and seals in the areas of cybersecurity, privacy, sustainability and usability. <p>The review of the formative content included in the National Qualifications Catalogue is instrumental for the implementation of the training courses, objects of milestone 16.2, also part of this payment request, and targets 16.3 and 16.4 (both to be implemented by Q3 2025), that are part of investment C16.i1 'Digital Empowerment of Enterprises'. The regulatory framework necessary for the creation of digital signatures and seals is also instrumental for the implementation of investment C16.i3 'catalyst for the Digital Transition of Enterprises', in particular for target 16.14 (to be implemented by Q4 2022), that foresees the creation of new platforms for sending digital invoices; cybersecurity certification; privacy certification; usability certification; and sustainability certification, including the related dissemination campaigns on all platforms.</p>	
<p>Evidence provided:</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"> 1. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled; 2. Government Order 'Portaria' No 250-A/2020 of 23 October (published in Portugal's Official Journal, 'Diário da República' No 207/2020, first series of 23 October 2020, pages 16-(2) – 16-(8)) establishing the 'Youth + Digital Programme', a training programme for the acquisition of skills in the digital field; 3. Government Order 'Portaria' No 179/2021 of 27 August (published in Portugal's Official Journal, 'Diário da República' No 167/2021, first series of 27 August 2021, pages 27 – 34) which establishes the 'Digital Competence Certificate programme'; 4. Labour and Employment Bulletin 'Boletim do Trabalho e Emprego', No 40 of 29 October 2020; 5. Labour and Employment Bulletin 'Boletim do Trabalho e Emprego', No 15 of 22 April 2021; 6. Labour and Employment Bulletin 'Boletim do Trabalho e Emprego', No 17, of 8 May 2021; 7. Labour and Employment Bulletin 'Boletim do Trabalho e Emprego', No 29, of 8 August 2022; 	

8. **Decree Law No 12/2021 of 9 February** (published in Portugal's Official Journal, 'Diário da República' No 27/2021, first series of 9 February 2021, pages 4 – 16) on the implementation in the internal legal order of Regulation (EU) No 910/2014, and which provides a framework for electronic identification and trust services for electronic transactions;
9. **Communication 01/2021 of the National Security Office** ('Presidência Do Conselho De Ministros, Gabinete Nacional De Segurança'), on the use of qualified electronic signatures and seals on electronic invoices;
10. **Government Order 'Portaria' No 305/2020 of 29 December** (published in Portugal's Official Journal, 'Diário da República' No 251/2020, first series of 29 December 2020, pages 487 – 488), which defines the terms and conditions of use of the System for the Certification of Professional Attributes;
11. **Decree Law No 65/2021 of 30 July** (published in Portugal's Official Journal, 'Diário da República' No 147/2021, first series of 30 July 2021, pages 8 – 21), that regulates the legal framework for cyber security;
12. **Portuguese Normative Document 'Documentos Normativos Portugueses', DNP TS 4577-1 – cybersecurity**, published on the Bulletin of the National Standards Body, the Portuguese Institute for Quality (IPQ) '*Instituto Portugues da Qualidade*' of 15 November 2021;
13. **Portuguese Normative Document 'Documentos Normativos Portugueses', DNS TS 4577-4 - accessibility** published on the Bulletin of the National Standards Body, the Portuguese Institute for Quality (IPQ) '*Instituto Portugues da Qualidade*' of 15 December 2021;
14. **Portuguese Normative Document 'Documentos Normativos Portugueses', DNP TS 4577-2- privacy**, published on the Bulletin of the National Standards Body, the Portuguese Institute for Quality (IPQ) '*Instituto Portugues da Qualidade*' of 18 April 2022;
15. **Portuguese Normative Document 'Documentos Normativos Portugueses', DNP TS 4577-3 – sustainability**, published on the Bulletin of the National Standards Body, the Portuguese Institute for Quality (IPQ) '*Instituto Portugues da Qualidade*' of 18 April 2022;

The authorities also provided:

1. **Screenshots from the website of the National Qualifications Catalogue** showing the newly approved training paths under the 'Digital Competence Certificate' (anqep.gov.pt);
2. **Explanatory document that summarises the legislative amendments in the field of digital signatures**, from the Portugal Digital Task Force ('Estrutura de Missão Portugal Digital');
3. **Explanatory document that summarises the legislative amendments in the field of digital seals**, from the Portugal Digital Task Force ('Estrutura de Missão Portugal Digital');
4. **Screenshots from the website of the National Qualifications Catalogue** showing the date of publication of five training paths part of 'Youth + Digital Programme' not published in the Labour and Employment Bulletin (anqep.gov.pt).

Analysis:

Review of the formative content included in the National Qualifications Catalogue
Government Order No 250-A/2020 of 23 October established the 'Youth + Digital Programme' and, by its Article 14, it entered into force on 24 October 2020.

In line with the requirements of the CID,

- i) article 4 of Government Order No 250-A/2020 of 23 October establishes that the creation of new training paths or the updating of existing ones was done according to the needs of

the digital labour market, and that the training paths of the programme are in the digital field and form part of the National Qualifications Catalogue and are made available on the website www.catalogo.anqep.gov.pt.

ii) Under this framework, 11 short and medium term training paths have been created, incorporated in the National Qualifications Catalogue, and have been published in the Labour and Employment Bulletin (LEB) No 40 of 29 October 2020 (eight training paths-created by the integration of their specific modules), on page 3555, No 17 of 8 May 2021 (two training paths), at page 1697, and No 29 of 8 August 2022 (one training paths), on page 3369. The bulletins, respectively on page 3553, 1696 and page 3366, also indicate that the approval of the training path was a competence of the National Agency for Qualification and Vocational Education ('Agência Nacional para a Qualificação e Ensino Profissional' - ANQEP). These training paths are:

- Management of social networks (modules 10784 e 10785, LEB No 40, of 29 October 2020)
- UX/UI Design (modules 10786 and 10787, LEB No 40, of 29 October 2020)
- Data analysis (modules 10796, 10797, 10805 - 10811, LEB No 40, of 29 October 2020)
- Business Intelligence (modules 10796 - 10804, LEB No 40, of 29 October 2020)
- JAVA programming (modules 10788 - 10791, LEB No 40, of 29 October 2020)
- .NET Programming (modules 10788 - 10790, 10792, LEB No 40, of 29 October 2020)
- Web Programming (modules 10788 - 10790, LEB No 40, of 29 October 2020)
- Python programming (modules 10788 - 10790 and 10793 - 10795, LEB No 40, of 29 October 2020)
- Customer Relationship Management (LEB No 17, of 8 May 2021)
- Automation system (LEB No 17, of 8 May 2021)
- Visual no-code programming (LEB No 29, of 8 August 2022)

iii) In addition, five other training paths specifically developed for the 'Youth + Digital Programme' have been incorporated in the National Qualifications Catalogue without a prior publication in the Labour and Employment Bulletin. The document with the screenshots from the National Qualifications Catalogue shows that these five training paths have been added on 23 October 2020. These training paths are:

- Productivity and Collaboration Tools
- Advanced tools for productivity and collaboration
- Digital trade – Business strategy
- Digital trade – Operationalisation
- Cybersecurity

Government Order No 179/2021 of 27 August, which entered into force on 28 August 2021 by its article 16, established the 'Digital Competence Certificate' a program for the acquisition and certification of competencies in the area of digital technologies and media. In line with the requirements of the CID,

i) article 2 of Government Order No 179/2021 of 27 August establishes that the strategic objective of the 'Digital Competence Certificate' programme shall contribute to raising the digital skills of the Portuguese population, as a factor for social inclusion and promoting employability, in response to the emerging needs of the digital economy and society.

- ii) Within this program, 13 short and medium training paths have been incorporated in the National Qualifications Catalogue as published in the Labour and Employment Bulletin No 15 of 22 April 2021, page 1295 and as shown also by the document with the screenshots from the National Qualifications Catalogue. The bulletin, on page 1292, also indicates that the approval of the training paths was a competence of the ANQEP. The short and medium training paths are:
- Digital skills at basic level:
 - Search, analyse and organise content
 - Communicating and interacting through digital technologies
 - Creating and editing digital content
 - Protecting devices and personal data and identifying risks to health and the environment
 - Middle-level Digital Competences:
 - Analyse, organise and retrieve digital content
 - Communicating and collaborating through digital technologies
 - Create and edit digital content in different formats
 - Protecting devices, personal data, health and the environment
 - Advanced Digital Skills:
 - Filter, analyse and retrieve digital content
 - Communicating, sharing and collaborating through digital technologies
 - Create and integrate digital content in different formats
 - Promoting privacy and security in digital environments
 - Resolve technical problems in digital environments

Legislation or regulation necessary for the creation of digital signatures

Decree Law No 12/2021 of 9 February, which entered into force 30 days after its publication, on 9 February 2021, by its Article 37, provides a framework for electronic identification and trust services for electronic transactions. In line with the requirements of the CID, Decree Law No 12/2021 of 9 February:

- i) ensures the implementation in the internal legal order of Regulation (EU) No 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions (Article 1);
- ii) regulates the validity, effectiveness and probative value of electronic documents, the recognition and acceptance, in the Portuguese legal system, of means of electronic identification of legal persons and lays down the rules applicable to the State Electronic Certification System — Public Key Infrastructure (Article 1);
- iii) indicates that the decree applies to electronic documents drawn up both by private individuals and by the public administration (Article 2).

As explained in the submitted explanatory document that summarises the legislative amendments in the field of digital signatures, Decree-Law No 12/2021 of 9 February consolidated existing legislation both on the validity, effectiveness and evidentiary value of electronic documents and on the State Electronic Certification System. These provisions are complementary to the implementation in the internal legal order of Regulation (EU) No 910/2014 by consolidating existing legislation and clarifying its relationship with the Regulation (EU) No 910/2014.

In addition, Government Order No 305/2020 of 29 December, which has entered into force on 30 December 2020 by its Article 4, makes it possible to use the business attributes of the System for the Certification of Professional Attributes for signing electronic invoices reinforcing the availability

of qualified electronic mechanism for digital signatures that includes the certification of business attributes. Such a digital signature mechanism can be used for several ordinary business activities such as, among others, the signing of contracts, signing of invoices and the signature of minutes and deliberations of the corporate bodies.

Communication 01/2021 of the National Security Office (national supervisory body for the purposes of Article 17 of Regulation (EU) No 910/2014 (the Regulation on electronic identification and trust services for electronic transactions in the internal market - eIDAS Regulation)) on the use of qualified electronic signatures and seals on electronic invoices, clarifies market doubts about the correct use of qualified electronic signature for sending electronic invoices, making recommendations on the affixing of qualified electronic signatures or electronic seals to the electronic invoice and the use of various types of qualified signature/seal creation devices, as well as clarifying that there is no need to introduce new authentication credentials when an electronic invoice is issued, which is key to ensuring the efficiency of the solution to be developed by the Agency for Administrative Modernisation.

The amendments and regulatory clarifications introduced by Decree-Law No 12/2021 of 9 February, by Government Order No 305/2020 of 29 December, and by the Communication 01/2021 of the National Security Office, are a necessary step to enable the implementation of the measure 'Dematerialisation of invoices' included in investment C16.i3 'catalyst for the Digital Transition of Enterprises' of the Portuguese recovery and resilience plan.

Creation of digital seals in the areas of cybersecurity, privacy, sustainability and usability

Decree Law No 65/2021 of 30 July, which has entered into force in July 2022 by its Article 23, regulates the legal framework for cyber security and defines the cybersecurity certification and obligations for the implementation of Regulation (EU) 2019/881 of the European Parliament of 17 April 2019. In line with the requirements of the CID, Decree Law No 65/2021 of 30 July, by its Article 1:

- i) transposes the Directive (EU) 2016/1148, of the European Parliament and of the Council, of 6 July 2016, on measures to ensure a high common level of network and information security across the Union;
- ii) executes in the national legal order the obligations arising from Regulation (EU) 2019/881, of the European Parliament and of the Council of 17 April 2019, allowing for the implementation of a national cybersecurity certification framework;
- iii) regulates the security requirements of networks and information systems that shall be met by the Public Administration, by critical infrastructure operators and by essential service operators.

In addition, four different Portuguese normative documents also provide for the normative and regulatory conditions necessary for the implementation of the certification seals in the four dimensions of: cybersecurity, privacy and data protection, accessibility/usability and sustainability. These Portuguese normative documents enable the creation of a certification system that allows companies to guarantee their customers and partners that they achieved the label of digital maturity in the four considered dimensions. This framework of officially recognised certification is instrumental to create a safer and more trustworthy digital business environment. These Portuguese normative documents, for each envisaged dimension, have been published in the Bulletin of the National Standards Body, the Portuguese Institute for Quality '*Instituto Portugues da Qualidade*' (IPQ), namely:

- i) Cybersecurity, '*Documentos Normativos Portugueses*', DNP TS 4577-1, entered into force on 21 December 2021.

http://www1.ipq.pt/PT/Normalizacao/AtividadeNormativa/Entrada_Vigor_Documentos_Normativos/Listas/Publica%C3%A7%C3%A3o%20Oficial%20de%20novembro%20de%202021.pdf

- ii) Accessibility, '*Documentos Normativos Portugueses*', DNS TS 4577-4, entered into force on 13 December 2021.
http://www1.ipq.pt/PT/Normalizacao/AtividadeNormativa/Entrada_Vigor_Documentos_Normativos/Listas/Publica%C3%A7%C3%A3o%20Oficial%20de%20dezembro%20de%202021.pdf
- iii) Privacy, '*Documentos Normativos Portugueses*', DNP TS 4577-2, entered into force on 7 April 2022.
http://www1.ipq.pt/PT/Normalizacao/AtividadeNormativa/Entrada_Vigor_Documentos_Normativos/Listas/Publica%C3%A7%C3%A3o%20Oficial%20de%20abril%20de%202022.pdf
- iv) Sustainability, '*Documentos Normativos Portugueses*', DNP TS 4577, entered into force on 7 April 2022.
http://www1.ipq.pt/PT/Normalizacao/AtividadeNormativa/Entrada_Vigor_Documentos_Normativos/Listas/Publica%C3%A7%C3%A3o%20Oficial%20de%20abril%20de%202022.pdf

The bulletins of the National Standards Body, of 15 November 2021, 15 December 2021 and 18 April 2022, that published the above Portuguese normative documents, in their section 1.2, indicate that the above Portuguese normative documents entered into force on the day of their issuance ('*edição*'), specified on the first page of each Portuguese normative document.

The above Portuguese normative documents provide for rules and standards that operators need to attain in order to obtain the relevant certification. The summary document also clarifies that the regulation on accessibility encompasses the concept of usability to take into account also the needs of people with disabilities. The Portuguese normative document DNS TS 4577-4 on accessibility defines in point 3.11 the concept of usability and a usability test is also mentioned in the requirements for the certifications (Quadro A.1 - TU.1).

As specified in the explanatory document that summarises the legislative amendments in the field of digital seals (page 3, second paragraph), and as also illustrated in the below link, the Portuguese Institute for Quality (IPQ) is the authority responsible for the official publication of the above Portuguese normative documents DNP TS 4577-1 on Cybersecurity, DNS TS 4577-4 on Accessibility, DNP TS 4577-2 on Privacy, and DNP TS 4577-3 on Sustainability:

http://www1.ipq.pt/PT/Normalizacao/AtividadeNormativa/Entrada_Vigor_Documentos_Normativos/Paginas/Entrada-vigor-Documentos-Normativos.aspx

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 16.2	Related Measure: C16-i01: Digital Empowerment of Enterprises	
Name of the Milestone: Start of the Portugal Digital Academy and Employment + Digital programmes		
Qualitative Indicator: Start of the Portugal Digital Academy and Employment + Digital programs	Time: Q1-2022	
<p>Context:</p> <p>This measure consists of two training programmes to increase the digital skills of the employed workforce, including employees and managers, with a particular focus on enterprises in the industry, commerce, services, tourism and agriculture sectors. The investment is expected to contribute to the development of lifelong vocational skills and training practices and to improve the ability of companies to face challenges and seize the opportunities brought by technology.</p> <p>This milestone concerns the setting up of the two training programmes:</p> <ul style="list-style-type: none"> • Portugal Digital Academy, with the launch of the online training platform that includes a diagnostic tool and dedicated content for digital skills training; • Employment + Digital, with the start of the deeper face-to-face and blended digital skills training. <p>It is the first milestone for this investment. Two future targets will monitor the execution of the training programmes. Under target 16.3, to be implemented by Q3 2025, 200 000 training participants should have completed a face-to-face or blended reskilling and upskilling focusing on digital skills under the Employment + Digital programme. Under target 16.4, to be implemented by Q3 2025, 800 000 training participants should have received a digital skills diagnostic, an individual training plan and have completed an online, blended or in-person module in the Portugal Digital Academy programme.</p>		
<p>Evidence provided:</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"> 1. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled; 2. Supplementary document on Portugal Digital Academy and Employment + Digital, provided by the Portugal Digital Task Force ('Estrutura de Missão Portugal Digital') including: <ol style="list-style-type: none"> i) for Portugal Digital Academy, the outline of the diagnostic procedures that are defined to assess digital skills, the proof of accessibility of the platform and the link to the platform; ii) For Employment + Digital: list of the economic sectors targeted, the course content and the list of the partners and stakeholders selected for the implementation of the programme; 3. Certificate of the works related to Portugal Digital Academy and confirmation that the platform is operational, signed on 20 October 2022 by the Executive Director of the Portugal Digital Task Force; 		

4. **Cooperation Agreement I** between the Institute for Employment and Vocational Training (and the Confederation of Business of Portugal, for the first phase of the Employment + Digital programme;
5. **Cooperation Agreement II** between the Institute for Employment and Vocational Training and the Confederation of Commerce and Services of Portugal, for the first phase of the Employment + Digital programme;
6. **Mapping of courses** carried out in the first phase of the Employment + Digital programme, provided by the Portugal Digital Task Force;
7. **Confirmation of start** of the training of the first phase of the Employment + Digital Programme – provided by the Institute for Employment and Vocational Training, on 17 March 2022, on the courses of the Confederation of Business of Portugal;
8. **Confirmation of start** of the training of the first phase of the Employment + Digital Programme – provided by the Institute for Employment and Vocational Training, on 17 March 2022, on the courses of the Confederation of Commerce and Services of Portugal;
9. **Government Order 246/2022 of 27 September** (published in Portugal’s Official Journal, ‘Diário da República’ No 187/2022, first series of 27 September 2022, pages 44-57), which establishes the second phase of the ‘Employment + Digital’ programme;
10. **Government Order 179/2021 of 27 August** (published in Portugal’s Official Journal, ‘Diário da República’ No 167/2021, first series of 27 August 2021, pages 27-34) which establishes the ‘Digital Competence Certificate’ programme with the objective to contribute to raising the digital skills of the Portuguese population.
11. **Confirmation of start of the training of the second phase of the Employment + Digital Programme**, including the list of training started – provided by the Institute for Employment and Vocational Training;
12. **The implementing regulation of the second phase of the Employment + Digital Programme**, approved by the board of directors of the Institute for Employment and Vocational Training on 13 October 2022 – published on https://www.iefp.pt/documents/10181/11688978/REGULAMENTO+ESPECIFICO+E_D.pdf/43ecb4aa-d1a4-4386-818e-b95b5def73c7;
13. **Open call for tender for the second phase of the Employment + Digital programme**, for training entities other than the Institute for Employment and Vocational Training – published on https://www.iefp.pt/documents/10181/11688978/AVISO+Abertura+Candidaturas+Formacao+Emprego_mais_Digital.pdf/762db9c7-49cc-4d8a-9d9b-40fcd94e78f9.

Analysis:

Portugal Digital Academy

The certificate of the works related to Portugal Digital Academy, signed by the Executive Director of the Portugal Digital Task Force, presents the works carried out to develop the online platform and its current status of operations. In line with the requirements of the CID:

- i) The online platform for the programme Portugal Digital Academy is operational and the first set of online trainings are launched and are accessible to trainees (section1);
- ii) Access to the Portugal Digital Academy platform is open to any user (including employees and managers of the workforce) through the website: <http://academiaportugaldigital.pt> (section1). The website itself presents the platform as a tool that allows citizens and

businesses to self-assess their digital skills and receive personalised digital skills training plans and access training resources to explore other professional paths;

- iii) The diagnostic tool was developed on the basis of five areas of competence: i) Search, evaluate and filter internet information, ii) Communicate, interact and share information on the Internet, iii) Digital content creation, iv) How to use the internet securely, and v) Troubleshooting in digital environment. The diagnostic tool is aligned with the 'Digital Competence Certificate' programme, established by Government Order 179/2021 of 27 August that aims to contribute to raising the digital skills of the Portuguese population, as a factor of social inclusion and promotion of employability, in response to the emerging needs of the digital economy and society (section 2);
- iv) at the end of the diagnosis and based on its outcome, the user is proposed a set of trainings courses to improve the digital skills. The users can in any case access all courses available in the platform (section 3).

The supplementary document on Portugal Digital Academy, provided by the Portugal Digital Task Force, on pages 2-10, contains a series of illustrative screenshots to present the platform, its diagnostic tool and the offer of digital training courses.

On the basis of the provided evidence it was possible to test that the platform is available at the provided link and confirm that the Portugal Digital Academy platform is operational and open to all citizen and workers including employees and managers in accordance with what has been described.

For what concerns the impact on the business sector the platform Portugal Digital Academy is open to everybody. The measure description in the CID requires the platform to focus on workers across the industry, trade, services, tourism and agriculture sector. The provided summary document explains that in Portugal 82% of the population employed works in the private sector (data from the National Institute of Statistics for 2021). Further the summary document explains that the categories mentioned in the CID cover the entirety of the activities in the private sector distributed as follows (in terms of share of workers): agriculture (2.7 %), industry (19.6 %), trade (18.9 %), tourism (8 %) and services (50.8 %). The fact that the platform is not reserved to employees and managers does not prevent this category from benefiting from the platform, in line with the requirements of the CID. Further, only the training delivered to employees and managers from the business sector will count toward the final target 16.4 to be fulfilled by Q3 2025.

Portugal Digital Academy, being open to all workers including those that have or will benefit from Employment + Digital programme offers a further training opportunity that reinforces and complements the face-to-face and blended training offered under the Employment + Digital programme.

Employment + Digital

As explained in the preamble of the Government Order 246/2022 of 27 September, the programme Employment + Digital has been implemented in two phases: a first phase was set up as a pilot project

to experiment with the training model, and a second phase has been then designed to scale up the training programme.

The framework of the first phase of the programme Employment + Digital is set out in the Cooperation Agreements between the Institute for Employment and Vocational Training (IEFP) and, respectively, the Confederation of Business of Portugal (CIP) and the Confederation of Commerce and Services of Portugal (CCP) (cooperation agreements I-II). This framework and its implementation are aligned with the CID requirements as:

- i) The programme provides a set of specialised digital training actions that respond to the cross-cutting needs of the associated companies of the two confederations (clause 1 of cooperation agreements I-II);
- ii) The objective of the training programme is to: i) increase digital skills of workers and transform the economy; ii) promote the empowerment and digital inclusion of people and the transformation of businesses, thereby contributing to the competitiveness of businesses; iii) support a faster match between the supply and demand of skills and qualifications in the digital labour market by providing the development of specific skills through training; and iv) provide digital skills to keep up with the changes brought about by the digitalisation of processes and procedures and innovation in the areas of trade and services (clause 3 of cooperation agreements I-II);
- iii) The actual training courses provided during the first phase of Employment + Digital can be seen in the document that provides the mapping of courses provided by the Portugal Digital Task Force. The title of the courses confirms the alignment with the requirements of the CID;
- iv) The economic sectors to be targeted, their main digital challenges and the partners and stakeholders for the implementation of the programme are identified. The sectors targeted and their main digital challenges are those of the associated companies of the two confederations (clause 3 of cooperation agreements I-II);
- v) As indicated in the supplementary document on Portugal Digital Academy and Employment + Digital, overall, a total of 41 business associations contributed to the implementation of the first phase of Employment + Digital (listed on page 12 and 13). In addition, the following sectors have been particularly targeted during the first phase (listed on page 9): footwear, ceramics, canned fish, cork, metallurgical and metal mechanical, textiles, foundry, graph, wholesaler and retail, family and community support services, personal support services (beauty and related care), business/business support services (logistics, marketing);
- vi) Two documents, named Confirmation of start of training, have also been provided by the Institute for Employment and Vocational Training (the partner training institute) that confirm the start of implementation of the first phase of Employment + Digital programme, respectively for the Confederation of Business of Portugal and the Confederation of Commerce and Services of Portugal.

The second phase of the Employment + Digital programme will be implemented directly with training actions delivered by the Institute for Employment and Vocational Training, and through a call for tenders open to other training entities. Hence it will be open also to entities other than the associated companies of the Confederation of Business of Portugal and the Confederation of Commerce and Services of Portugal object of the first phase.

Government Order 246/2022 of 27 September, in its article 1, establishes the second phase of the Employment + Digital programme. This framework and its implementation are aligned with the CID requirements as:

- i) The Employment + Digital programme is established in the context of the governmental policies to address the challenges brought by the digital transition, with the aim to improve the digital skills of workers, prevent the risk of technological unemployment, improve the conditions for progress and occupational mobility and improving the quality of employment (preamble).
- ii) Employment + Digital aims to respond to the challenges and opportunities of the various economic sectors, including industry, trade, services, tourism, agriculture, the maritime economy and construction, which are heavily impacted by the digital transformation processes and the COVID-19 pandemic (preamble).
- iii) Employment + Digital's strategic objective is to train and reskill workers, and managers of enterprises and social economy entities in order to respond to the challenges and opportunities of the various business sectors heavily impacted by the digital transition processes (Article 2).
- iv) There is a link between Employment + Digital and the Portugal Digital Academy program as this tool is identified as the preferred tool for the initial and final digital skills diagnosis (Article 3).
- v) Partners, stakeholders and economic sectors that will be eligible to deliver the Employment + Digital specific training projects are the social partners sitting in the Standing Committee on Social Dialogue (CPCS) and their associated sectoral and regional organisations, the social economy entities and other training bodies. All these entities have to be certified by the Directorate-General for Employment and Labour Relations (DGERT). In addition, also higher education institutions and the centres of the Institute for Employment and Vocational Training (IEFP) feature among the identifies training bodies (Article 8).
- vi) The training pathways should, where possible, consist of digital skills related courses which are available in the National Qualifications Catalogue (CNQ) (<https://catalogo.angep.gov.pt/>) and should also be related to the specific digital needs of each sector of activity (Article 6).

The implementing regulation of the second phase of the Employment + Digital Programme, provided by the Institute for Employment and Vocational Training, in section 4 ('preferential sector of activity and priority area of training') identifies the priority areas for training and the priority sectors to be targeted. These requirements are also reflected in the specifications of the open call for tender for training entities other than the Institute for Employment and Vocational Training (in section 4 'eligible actions'). This framework is in line with the CID requirements as:

- i) in terms of digital challenges to be addressed by the courses the following are listed: Productivity and collaboration tools, Digital trade -, business strategy & operationalisation, Cybersecurity, Social media management, UX (user experience)/UI (user interface) design, Data analysis, Business intelligence, Programming languages, Robotics, Customer relationship management, Automation systems, Industry 4.0;
- ii) for what concerns the economic sectors to be targeted the employees of the following are listed: Automotive, Civil construction work, Electrical and electronic, Pharmaceuticals, Forestry and paper sector, Wood and furniture, Marble, Granite and Ceramics, Health,

Moulds, Navy, Chemicals, Petrochemicals and refineries, Restaurants and hotels, Information and electronic technologies, Agriculture, Sea economy, Commerce, and Social sector.

The start of the training for the second phase, in line with the requirements of the CID, is confirmed by the document provided by the Institute for Employment and Vocational Training ('Confirmation of start of the training of the second phase of the Employment + Digital'). This public entity could start the training courses without the need to have recourse to a tendering procedure and has already initiated training measures for employees in the priority sectors identified above and for training in the areas also defined above. The document 'Confirmation of start of the training of the second phase of the Employment + Digital' lists 16 courses that started between 27 and 30 September 2022 for a number of training participants between 12 and 22, depending on the course.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 17.15	Related Measure: C17-i02: Modernisation of the information systems of the Tax and Customs Authority for rural property taxation	
Name of the Milestone: Complete the implementation of pre -filling of the Model 1 declaration of the municipal immovable property tax (IMI), on the basis of the data available to the Tax and Customs Authority		
Qualitative Indicator: Complete the implementation of pre-filling of the Model 1 declaration of the municipal immovable property tax (IMI)		Time: Q2-2022
<p>Context:</p> <p>The objective of this investment is to advance with the digitalisation of all processes related to rural property taxation and the development of pre-filling services for specific declarative obligations, notably for immovable property taxation and specific transactions subject to stamp duty.</p> <p>This milestone relates to the completion of the implementation of pre-filling of the Model 1 declaration of the municipal immovable property tax, on the basis of the data available to the Tax and Customs Authority. This is the first milestone envisaged for the completion of this investment. The other milestones for this investment are: milestone 17.16, which is expected to be implemented by Q4 2025, and concerns the delivery of the information system supporting the simplified assessment of rural property; and milestone 17.17, which is expected to be implemented by Q4 2025, and requires the completion of the soil and climate characterisation and assessment of the economic potential of rural properties.</p>		
<p>Evidence provided:</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"> 1. Summary document duly justifying how the milestone (including all constitutive elements) was satisfactorily fulfilled; 2. Implementation report from 20 October 2022 prepared by the Portuguese Tax and Customs Authority on the implementation of the pre-filling of the Model 1 declaration of the municipal immovable property tax (IMI); 3. Evidence of the effective data sharing between the information systems of the Tax and Customs Authority and of municipalities, as included in section 2 of the implementation report. 		
<p>Analysis:</p> <p>The Model 1 declaration for the municipal immovable property tax (<i>Imposto Municipal sobre Imóveis</i> or IMI) is exclusively used for the registration or modification of urban properties in the respective Tax and Customs' Authority urban property registry or so-called urban property matrix (implementation report of 20 October 2022, section 1, subsection (a), page 5, third paragraph).</p> <p>In line with the requirements of the CID,</p> <ol style="list-style-type: none"> i) the pre-filling of the Model 1 declaration of IMI was made available on the Tax and Customs Authority online platform (<i>'Portal das Finanças'</i>) (implementation report of 20 October 2022, section 1, subsection (b)), taking advantage of available information within the Tax and Customs Authority property registry and of documents electronically received by the Tax and Customs Authority from municipalities (implementation report of 20 October 2022, section 1, subsection (a), page 5). 		

The pre-filling of the Model 1 declaration of IMI is completed since it is available for all the circumstances for submitting it where pre-filling can be implemented on the basis of the available data to the Tax and Customs Authority (implementation report of 20 October 2022, section 1, subsection (a), page 5-6). These circumstances are: (i) new property, (ii) improved/modified property, (iii) improved/modified/reconstructed property, (iv) requirement for evaluation and (v) change of use of the building.

The option of pre-filling the Model 1 declaration of IMI is available to the taxpayer in the Tax and Customs Authority online platform for properties already registered within the urban property matrix for which there has been a modification of its characteristics, (implementation report of 20 October 2022, section 1, subsection (a), page 6 and flowchart in section 1, subsection (c), page 13). In case the taxpayer has communicated to the Tax and Customs Authority urban operations, or properties' documentation has been requested to municipalities, these can be consulted by the taxpayer and attached to the online declaration. In case of a registration of a property, the taxpayer can associate to the online declaration documentation related to urban development operations or documentation shared by municipalities.

The pre-filling of the Model 1 declaration of IMI takes advantage of existing information about properties in the information systems of the Tax and Customs Authority and municipalities, as evidenced by the systems and workflows put in place for data sharing between both (implementation report of 20 October 2022, section 1, subsection (c), pages 10-13). These systems, and associated workflows, are available on the Tax and Customs online platform ('*Portal das Finanças*'), are the GPUrb ('*Operações Urbanísticas*' or urban operations) and the GPA ('*Plantas de Arquitectura*' or architectural plans):

- The GPUrb (implementation report of 20 October 2022, section 1, subsection (c), pages 10-11) allows municipalities to communicate to the Tax and Customs Authority and associate documentation on authorised and/or approved urban operations. This system also allows the Tax and Customs Authority services to associate to the declaration documentation on properties registered within the urban property matrix or related with their matrix and/or evaluation status. The implementation report of 20 October 2022 (see flowchart in section 1, subsection (c) page 11) demonstrate the different steps part of the work flows associated with the GPUrb system.
 - The GPA (implementation report of 20 October 2022, section 1, subsection (c), pages 11-12) allows municipalities to share information on architectural plans with the Tax and Customs Authority when the later has requested further information in the context of the validation of a Model 1 declaration for the IMI. The implementation report of 20 October 2022 (see flowchart in section 1, subsection (c) page 12) demonstrate the different steps part of the workflows associated with the GPA system.
- ii) Data sharing between the information systems of the Tax and Customs Authority and of municipalities has taken place. In the period from January to end-June 2022, a total of 14,765 and 2,557 documents were shared via GPUrb and GPA, respectively (implementation report of 20 October 2022, section 2, subsection (b), page 14).

The online submission of the Model 1 declaration of IMI is only mandatory for legal persons and for natural persons with organised accounts, with the use of the pre-filling option and the association by the taxpayer of documents electronically received by the Tax and Customs Authority from municipalities being facultative (implementation report of 20 October 2022, section 2, subpart (b), page 15, first paragraph). From January to end-June 2022

approximately 38.3% of the Model 1 declarations submitted online (37.8% from legal persons and 67.2% from natural persons) benefited from the pre-filing functionality (implementation report of 20 October 2022, section 2, subpart (b), page 16). Out of all declarations submitted online, in 8.1% of the cases documents could have been attached by the taxpayer or by the Tax and Customs' Authority services.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 19.11	Related Measure: C19-i04: Efficient, secure and shared digital critical infrastructures		
Name of the Target: Secure mobile communications system for government employees			
Quantitative Indicator: Percentage of government area employees with access to a secure voice, messaging and video communications system	Baseline: 0	Target: 95	Time: Q2 2022
<p>Context:</p> <p>The objective of the measure is to increase the resilience of government critical digital infrastructures, namely emergency and security communications networks, as well as of the government computer network (RING).</p> <p>This target is the first of this investment and concerns granting access to secure mobile voice, messaging and video communications to, at least, 95% of the government employees who are users of the government computer network (RING). There are four milestones covered by this investment: the partial and complete upgrade of critical digital infrastructures (milestones 19.12 and 9.13, Q4 2023 and Q4 2025, respectively); the upgrading of the IT system of security forces and services (milestone 19.14, Q4 2024); and the strengthening of the Government’s IT network management centre (milestone 19.15, Q1 2026).</p>			
<p>Evidence Provided:</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"> 1. Summary document duly justifying how the target (including all the constitutive elements) was satisfactorily fulfilled; 2. Implementation Report, issued by the Government Computer Network Management Centre on 16 September 2022; 3. Calculation Methodology Report, issued by the Government Computer Network Management Centre (CEGER) on 16 September 2022. 4. Anonymised list of active users of the Secure Mobile Communications System, prepared by the Government Computer Network Management Centre on 13 October 2022. 			
<p>Analysis:</p> <p>The target requires that 95% of government area employees have access to a secure voice, messaging and video communications system. In line with the further specifications of this target in the Operational Arrangements, ‘government area employees’ should be understood as employees of the Government who are network users (RING). Given that network users include support staff (such as administrative technical support or public relations unit staff) who not only do not need but should not have access to secret or classified information that would be contained on such secure mobile communications system, and taking into account the drafting of the RRP, the government area employees in target 19.11 should be interpreted as government members and their closest staff who would need access to such a secure system; notably RING users except support staff.</p> <p>Between 24 August 2022 and 6 September 2022, the new secure mobile application, the Secure Mobile Communications System, was installed centrally and technical quality tests were carried out,</p>			

after which the Secure Mobile Communications System was made available to all users (pages 2-3 of the Implementation Report of 16 September 2022).

According to the Calculation Methodology, based on data from the 'Operational User Creation Management application' as a data source, which is the application used by the Government Computer Network Management Center to register and create users in the government computer network (RING), there were 1137 RING users on 15 September 2022 (see page 6). Out of these 1137 users, 219 were support staff, based on their job function (see page 5). Therefore, the remaining 918 RING users would need access to the Secure Mobile Communications System (see page 6).

In line with the requirements of the CID, on 15 September 2022, 876 RING users had already installed and activated on their mobile devices the Secure Mobile Communications System, corresponding to 95.42 % of the 918 RING users that would need access to the secure system, as specified in the description of the present target in the CID and the further specifications of the same target in the OA (page 12 of the Implementation Report of 16 September 2022 and pages 1-8 of the anonymised list of active users).

Commission Preliminary Assessment: Satisfactorily fulfilled

Loan support

Number: 5.30	Related Measure: C05-i06: Capitalisation of companies and financial resilience/Banco Português de Fomento	
Name of the Milestone: Notification to the European Commission of the successful passing of the pillar assessment for BPF		
Qualitative Indicator: Notification to the European Commission of the successful passing of the pillar assessment for BPF		Time: Q1-2022
<p>Context:</p> <p>The objective of the measure is to address the structural problem of firms' undercapitalisation. To this end, the national promotional bank (<i>Banco Português de Fomento</i>) will be recapitalised with a capital buffer of EUR 250 000 000, with the aim of supporting Portuguese firms in the context of implementing InvestEU. The measure also includes the creation of a special purpose vehicle, which should invest EUR 1 300 000 000 in viable Portuguese firms mainly in the form of equity and quasi-equity.</p> <p>This is the first milestone of the sub-investment and requires a notification to the European Commission of the successful passing of the pillar assessment by <i>Banco Português de Fomento</i>. The second milestone (5.31), also part of this payment request, refers to the capital transfer of EUR 250 000 000 from the Portuguese Government to <i>Banco Português de Fomento</i>, and the adoption of an investment policy to regulate the use of these funds. The final target (5.32) concerns the full allocation of the funds provided by the recapitalisation of <i>Banco Português de Fomento</i>, to be implemented by Q4 2025. For the other sub-invest, the creation of a special purpose vehicle, milestones 5.27 and 5.28 are the adoption of a legislative act to regulate the special purpose vehicle and the adoption of an investment policy, respectively (both were implemented by Q4 2021). The final target 5.29, the delivery of the full amount of the funds to companies, is to be implemented in Q4 2023.</p>		
<p>Evidence provided:</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"> 1. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled; 2. Final pillar assessment report issued and signed by the external auditor on 12 October 2022, certifying the outcome of the pillar assessment for Banco Português de Fomento; 3. Email notifying the European Commission of the conclusion of the pillar assessment of Banco Português de Fomento performed by the external auditor ("<i>Email Final Report</i>" of 12 October 2022). 		
<p>Analysis:</p> <p>The 'pillar assessment' constitutes a mandatory process which external entities implementing European Union (EU) funds in indirect management must undergo, in line with EU Regulation 2018/1046.</p> <p>Its purpose is to verify whether entities, to be entrusted by the European Commission with budget implementation tasks under indirect management, demonstrate a level of protection of the Union's financial interest equivalent to that existing when the European Commission implements the budget itself, in line with the European Commission's guidance on indirect management of March 2021. In</p>		

the context of InvestEU, *Banco Português de Fomento* (BPF) had eight pillars assessed by an external auditor, as reported in the pillar assessment report of 12 October 2022.

In line with the requirements of the CID:

- i) The European Commission was notified through “*Email Final Report*” of 12 October 2022, of the outcome of the auditor's finalised pillar assessment of BPF, in line with Regulation No. 2018/1046 of the European Parliament and of the Council;
- ii) The successful passing of the pillar assessment for BPF is certified by the final pillar assessment report issued by the external auditor on 12 October 2022. In this document, and in line with the European Commission’s guidance on indirect management of March 2021, BPF is assessed under eight pillars. The auditor provided a positive evaluation of all eight pillars.

However, sub-pillar 6B (“tax avoidance and non-cooperative jurisdictions”) received a negative opinion. The auditor’s findings on sub-pillar 6B concerned in particular some new rules and processes which BPF had designed to address some shortcomings in this domain, but which had not yet been implemented at the time of the audit and could therefore not be assessed (“*final pillar assessment report*”, pages 82-84).

Based on these results, and in accordance with sections 3.5.8 and 3.5.9 of the European Commission’s guidance on indirect management of March 2021 and with Article 154(5) of the Financial Regulation (2018), the failure of a sub-pillar does not in itself prevent the overall pillar assessment from being successfully passed, as the outstanding findings can be addressed by supervisory measures to be implemented by the pillar-assessed entity. Such measures will be negotiated outside of the pillar assessment process and will have to be defined before BPF can be entrusted with the implementation of any EU budgetary guarantees.

Following the receipt of the auditor’s final report, justifying the satisfactory fulfilment of this milestone, the Commission has begun the next steps in the pillar assessment process. The European Commission has notified BPF by formal letter on 16 November 2022 that the pillar assessment process is confirmed and that based on the results of the auditor’s assessment “[...] *the Commission may proceed to entrust budget implementation tasks to BPF under indirect management [...]*”.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 5.31	Related Measure: C05-i06: Capitalisation of companies and financial resilience/Banco Português de Fomento	
Name of the Milestone: Capital transfer of EUR 250 000 000 from the Portuguese Government to BPF and adoption of the investment policy for BPF		
Qualitative Indicator: Capital increase and development of investment policy for BPF to implement InvestEU, establishing a set of eligibility criteria to ensure that the objectives of the RRF are met	Time: Q1-2022	
<p>Context:</p> <p>The objective of the measure is to address the structural problem of firms' undercapitalisation. To this end, the national promotional bank (<i>Banco Português de Fomento</i>), will be recapitalised with a capital buffer of EUR 250 000 000, with the aim of supporting Portuguese firms in the context of the implementation of InvestEU. The measure also includes the creation of a special purpose vehicle, to invest EUR 1 300 000 000 in viable Portuguese firms mainly in the form of equity and quasi-equity.</p> <p>This milestone demands the capital transfer of EUR 250 000 000 from the Portuguese Government to <i>Banco Português de Fomento</i>, and <i>Banco Português de Fomento's</i> adoption of an investment policy to implement InvestEU. This is the second milestone of the sub-investment, following milestone 5.30, in the same payment request, that relates to <i>Banco Português de Fomento's</i> successful passing of the pillar assessment. The final target (5.32), the full allocation of the funds provided by the recapitalisation of <i>Banco Português de Fomento</i>, will be implemented by Q4 2025. For the other sub-investment related to the creation of a special purpose vehicle, milestones 5.27 and 5.28 cover the adoption of a legislative act to regulate the special purpose vehicle, and the adoption of an investment policy for the special purpose vehicle, respectively (both were implemented by Q4 2021). The final target (5.29), the delivery of the full amount of the funds to companies, is to be implemented by Q4 2023.</p>		
<p>Evidence provided:</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"> 1. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled; 2. Proof of operation certifying the amount of capital transferred to BPF ('Comparativo da operação'), of 19 September 2022; 3. Investment policy, signed and adopted by BPF on 16 September 2022 (published and accessible on the BPF website); 4. 'Despacho' of 15 September 2022, approved by the Minister of Economy and the Sea on 15 September 2022; 5. Link to the publication of the investment policy on BPF's website: (Bpf_investeu_politica_de_investimento.pdf (bpfomento.pt)); 6. Extract from the investment policy showing alignment with the DNSH Technical Guidance (2021/C58/01). <p>The authorities also provided:</p> <ol style="list-style-type: none"> 1. Unanimous social deliberation ('<i>Deliberação Social Unânime por Escrito</i>') of 16 September 2022 for the capital increase of <i>Banco Português de Fomento</i>. 		
Analysis:		

In line with the requirements of the CID:

- i) Through the Unanimous social deliberation of 16 September 2022, the shareholders of *Banco Português de Fomento* (BPF) agreed on a capital increase, to provide BPF with a capital buffer of EUR 250 000 000. The capital transfer of EUR 250 000 000 from the Portuguese Government to BPF is formally documented in the Proof of operation of 19 September 2022, which certifies the amount of capital transferred to BPF.
- ii) BPF developed the investment policy to implement InvestEU, which was approved by the Minister of Economy and the Sea on 15 September 2022 through 'Despacho' of 15 September 2022 and adopted (signed) by BPF on 16 September 2022.
- iii) The investment policy establishes:
 - a) Eligibility criteria in line with the Recovery and Resilience Facility objectives, as outlined in Section 4.3 of the Investment Policy, including alignment with the DNSH Technical Guidance (2021/C58/01) (see I, Investment Policy, Annex I). This set of eligibility criteria targets the financial instruments of the fund towards economically and financially viable companies, which comply with the DNSH principle, providing for a further safeguard to ensure that the objectives of the RRF are met, such as: mitigating the economic impact of the coronavirus pandemic, increasing the resilience of Portuguese companies and preparing them for the challenges and opportunities of the green and digital transitions;
 - b) The strategy and objectives of the fund, developed in the context of the signature of an 'InvestEU guarantee agreement' (section 3.1.2 of the signed investment policy document).

Commission Preliminary Assessment: Satisfactorily fulfilled