**EXAMPLE PARTIAL PAYMENT**

1. **First Instalment (non-repayable support)**

Your NRRP has an estimated total cost of 40 billion Euros with 200 M&T. The table below summarizes the requirements for the first instalment, if a reform was part of CSR/European Semester, the nature of investments, and if your MS met the specific milestones/targets.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Measure (R &I)** | **M&T** | **Name** | **CSR/ES** | **M&T Fulfilled** |
| C1.R.1 | Milestone | Entry into force of the Building and Construction Authority Act | **Yes** | Yes |
| C1.I.1 **(large)** | Milestone | Energy Performance Audit of Public Buildings | - | No |
| C1.R.2 | Milestone | Entry into force of the updated Environment Protection Act | **Yes** | Yes |
| C1.R.2 | Milestone | Adoption of the Construction and Demolition Waste Strategy  | **Yes** | No |
| C1.I.3  | Milestone | Energy Performance Audit of Public Schools | - | No |
| C2.R.1 | Milestone | National Household Travel Survey | - | Yes |
| C2.R.4 | Milestone | Agreement with Local Councils Associations on the regeneration areas in urban areas | - | Yes |
| C2.R.5 | Target | 15 office facilities that enable remote work for public service officials | - | Yes |
| C3.R.2 | Milestone | Adoption of Smart Specialisation Strategy | **Yes** | No |
| C5.R.3 | Target | Setting up autism units in middle schools | - | Yes |
| C6.R.1 | Target | Additional members of the judiciary (5% increase) | - | No |
| C6.R.2 | Milestone | Entry into force of Criminal Code (Amendment) | - | Yes |
| C6.R.3 | Milestone | Update of the 2008 National Anti-Fraud and Corruption Strategy | **Yes** | Yes |
| C6.R.5 | Milestone | Entry into force of the Proceeds of Crime Act V of 2021 | - | Yes |
| C6.R.6 | Milestone | Entry into force of Act XIX of 2020 amending the Police Act | - | Yes |
| C6.R.7 | Milestone | Entry into force of Act No XLI of 2020 on the judicial review of decisions not to prosecute by the Attorney General | **Yes** | Yes |
| C6.R.10 | Milestone | Entry into force of enabling provision for transfer pricing rules | - | Yes |
| C6.I.1 **(minor)** | Milestone | Entry into force of legislation on digitalisation of the law courts | - | No |
|  | **Total**  | **4,800,000,000 Euros** |

**Applying the Payment Suspension Methodology**

**Step 1: Calculating the Unit Value**

To calculate the instalment payment, begin by determining the unit value by dividing the total investment amount by the number of milestones/targets. In this case, the total investment amount is 40 billion Euros and the number of milestones/targets is 200. Unit value: 40 billion EUR / 200 = 200 million EUR

**Step 2: Correcting the Unit Value**

|  |  |
| --- | --- |
| **a) Investments** | **b) Reforms** |
| Large Investments (i.e., C1.I.1)For missed milestones/targets of large Investments, you need to correct the unit value by a factor of 2.Corrected unit value: 200 million EUR \* 2 = 400 million EUR | Intermediate Step (i.e., C1.R.2)For missing intermediate steps of a reform, the unit value needs to be corrected by a factor of 0,5.Corrected unit value: 200 million EUR \* 0,5 = 100 million EUR |
| Minor Investments (i.e., C6.I.I)For missed milestones/targets of minor investments, you need to correct the unit value with a coefficient of 0,5.Corrected unit value: 200 million EUR \* 0,5 = 100 million EUR | Final Step (i.e., C6.R.1)For missing the final steps of a reform, the unit value needs to be adjusted by a factor of 5.Corrected unit value: 200 million EUR \* 5 = 1 billion EUR |
| Other Investments (i.e., C1.I.3)For missed milestones/targets of investments neither related to large nor minor investments, the unit value does not need to be corrected. |  |

**Step 3: Adjusting the Corrected Unit Value**

|  |  |
| --- | --- |
| **a) Investments** | **b) Reforms** |
| For missed milestones/targets that relate to projects identified as investments of major importance, the corrected unit value may be further adjusted upwards (e.g., by 25%).At the same time, you can also adjust the corrected unit value downwards, as long as the adjustment is proportional to the progress achieved.  | If the missed milestones/targets relate to a reform part of the CSR or the European Semester, the corrected unit value may be further adjusted upwards (e.g., by 25%). |
| Example C1.I.1 Say, although your MS has not completed energy audits for all public buildings – missing the milestone – it nonetheless managed to complete energy audits for 50% of public buildings. Since the milestone has been halfway reached, we can justify a downward adjustment of the corrected unit value.Adjusted value: 400 million EUR \* 0,5 = 200 million EUR | Example C1.R.2Your MS has failed to adopt a Construction and Demolition Waste Strategy (an intermediate step), also failing to meet a milestone of a CSR/ES reform.Adjusted value: 100 million EUR \* 1,25 = 125 million EUR |

 **Step 4: Calculating Instalment Amount**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Missed M/T** | **Large** | **Minor** | **Intermediate** | **Final** | **Progress** | **CSR/ES** | **Instalment Amount: 4.800 million EUR** |
| C1.I.1 | **X** |  |  |  | **X (50%)** |  | * 200 million EUR
 |
| C1.R2 |  |  | **X** |  |  | **X** | * 125 million EUR
 |
| C1.I.3 |  |  |  |  |  |  | * 200 million EUR
 |
| C3.R.2 |  |  | **X** |  |  | **X** | * 125 million EUR
 |
| C6.R.1 |  |  |  | **X** |  |  | - 1.000 million EUR |
| C6.I.1 |  | **X** |  |  |  |  | * 100 million EUR
 |
|  |  |  |  |  |  |  | **Total Payment: 3.050 million EUR** |