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Launching the recovery

A Recovery plan for Europe:

The Recovery and Resilience Facility

ITALY

7 July 2021

Recovery and Resilience Facility

Functioning

- National recovery and resilience plans **with reforms and investments for the years up to mid-2026.**
- Member States present plans by **30 April 2021 as a rule**
- Payments **in instalments, when milestones and targets are met**
- Member States **report twice a year** in the framework of the European Semester

Grants and Loans

- **Grants:** €312.5 billion
- **Loans:** €360 billion
- Maximum allocation according to agreed key
- **Pre-financing of up to 13%** available in 2021

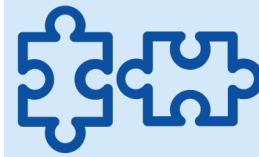
Assessment Criteria

- **Appropriate contribution to the 6 pillars**
- **Climate transition:** 37%
- **Digital transformation:** 20%
- Addressing **country-specific recommendations**
- Appropriate balance between **reforms and investments**
- **Do-no-significant-harm** principle for all reforms and investments
- **Solid audit and control system** to ensure that the financial interests of the Union are protected

Overview of the Italian RRP



6 "missions"
16 components



190 measures
58 reforms and
132 investments

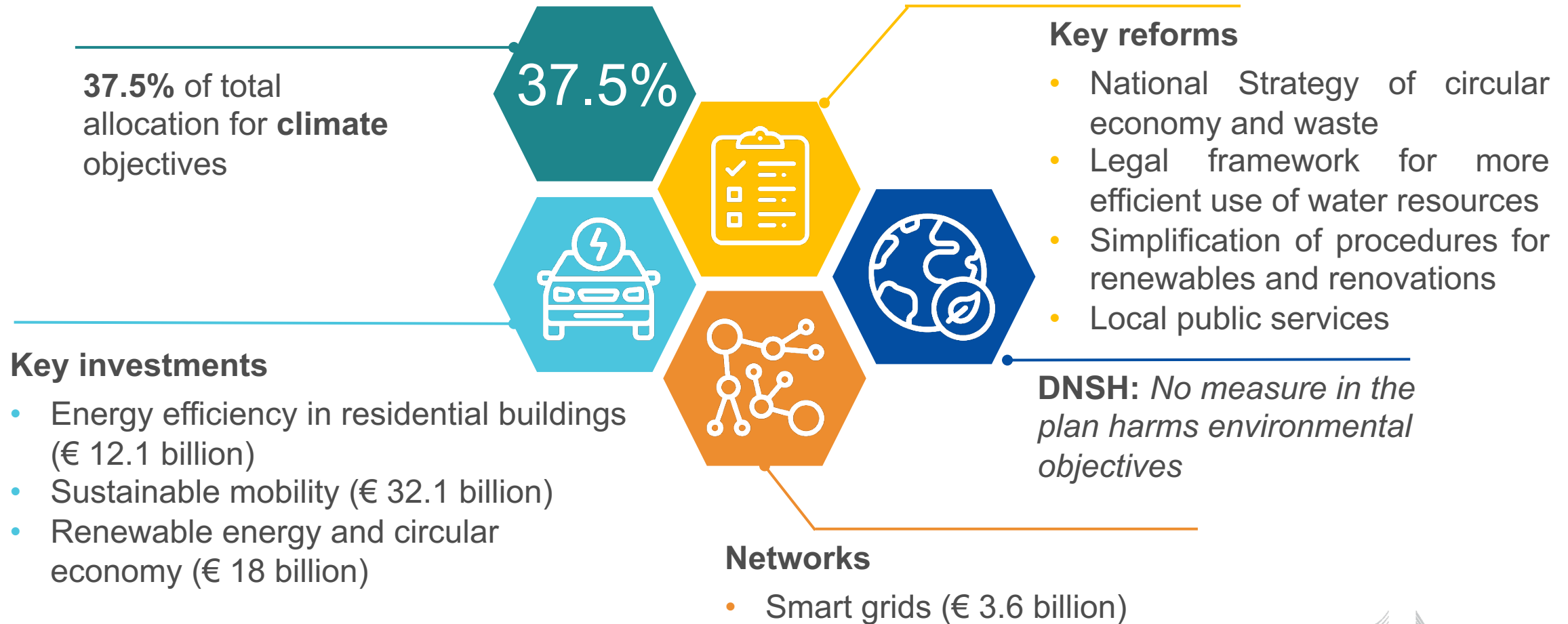


525 Milestones
& Targets



€ 191.5 billion
€ 68.9 bn grants
€ 122.6 bn loans

Green transition



Digital transition

25.1% of total allocation for **digital** objectives

25.1%

Key reforms

- Improved interoperability and cloud migration for public administrations
- Set-up of a «Digital PA Transformation Office»

Key investments

- Development of fixed ultra-broadband and 5G networks (€6.7 bn)
- Digitalisation of businesses (€13.4 bn)
- Digitalisation of the public administration (€ 6.1 bn)

Sector-specific actions

- Public administration
- Justice
- Health
- Education

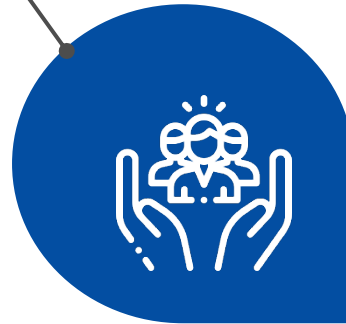
Cross-border/multi-country projects

- Deployment of 5G networks along the European 5G corridors
- Participation in Cloud and 2nd Microelectronics planned IPCEIs

Resilience

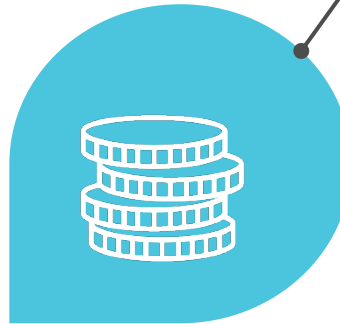
Labour market

- Active Labour Market Policies
- Tackling undeclared work
- New (child)care facilities



Supporting private investment

- Incentivising private investment (Transition 4.0 and Superbonus)
- Supporting investments in strategic value chains and key sectors



Improving business environment

- Improving sectoral regulations
- Annual competition laws
- Simplifying public procurement
- Efficient local public services
- Reducing late payments



Health sector

- Strengthening proximity healthcare and enhancing telemedicine
- Technological and digital update of the health system

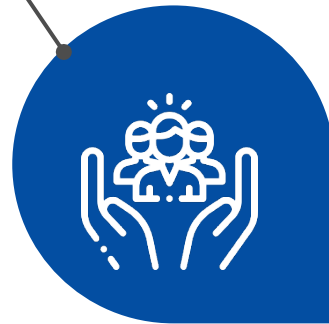


Several reforms concerning business environment are frontloaded to be approved by end-2022 and fully implemented by mid-2023.

Resilience – Institutional

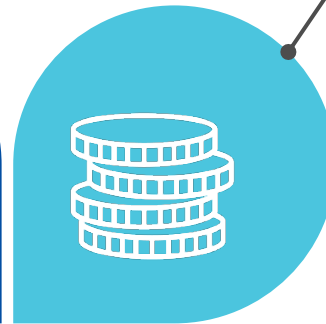
Education

- Reform of school system and teaching profession
- Reform of the tertiary education and VET
- Equal access to education



More resilient public finances

- Tackling tax evasion
- Strengthened framework for spending reviews
- Complete the reform of fiscal relations across levels of government



Public administration

- Reform of public employment
- Upgrading skills
- Reducing red tape and strengthening administrative capacity



Justice sector

- Targets to reduction the length of proceedings
- Temporary hiring to reduce the backlog
- Digitalisation (€ 1 bn)
- Reform to make the justice system more efficient (€ 2.3 bn)

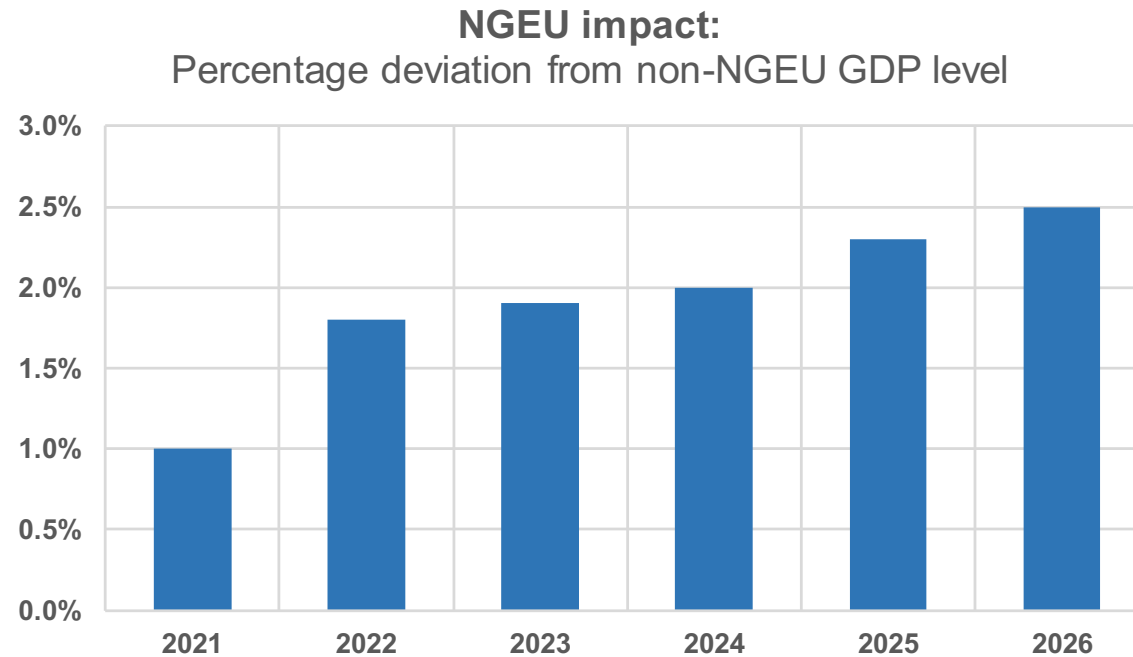


The reforms of justice and public employment are frontloaded to be approved by 2021 and mid-2022 and fully implemented by mid-2023.

Governance of the Italian RRP

- **Monitoring and implementation arrangements** are an assessment criterion.
- The arrangements of the Italian plan are considered **adequate** to ensure effective monitoring and implementation.
- The arrangements include in particular the following **key elements**, enshrined in milestones and now embedded into two Law-Decrees that have been adopted in May/June:
 - **Multi-level governance model** for the RRP with central coordination and involvement of all relevant levels of government;
 - **Simplification of administrative procedures and cut to red tape**, in order to smooth the implementation of investments;
 - Strengthening of **administrative capacity** through trainings, temporary recruitments as well as technical and operational support linked to specific RRP projects.
 - **The immediate actions** will be followed and complemented by **more structural measures for capacity building** in the medium term.

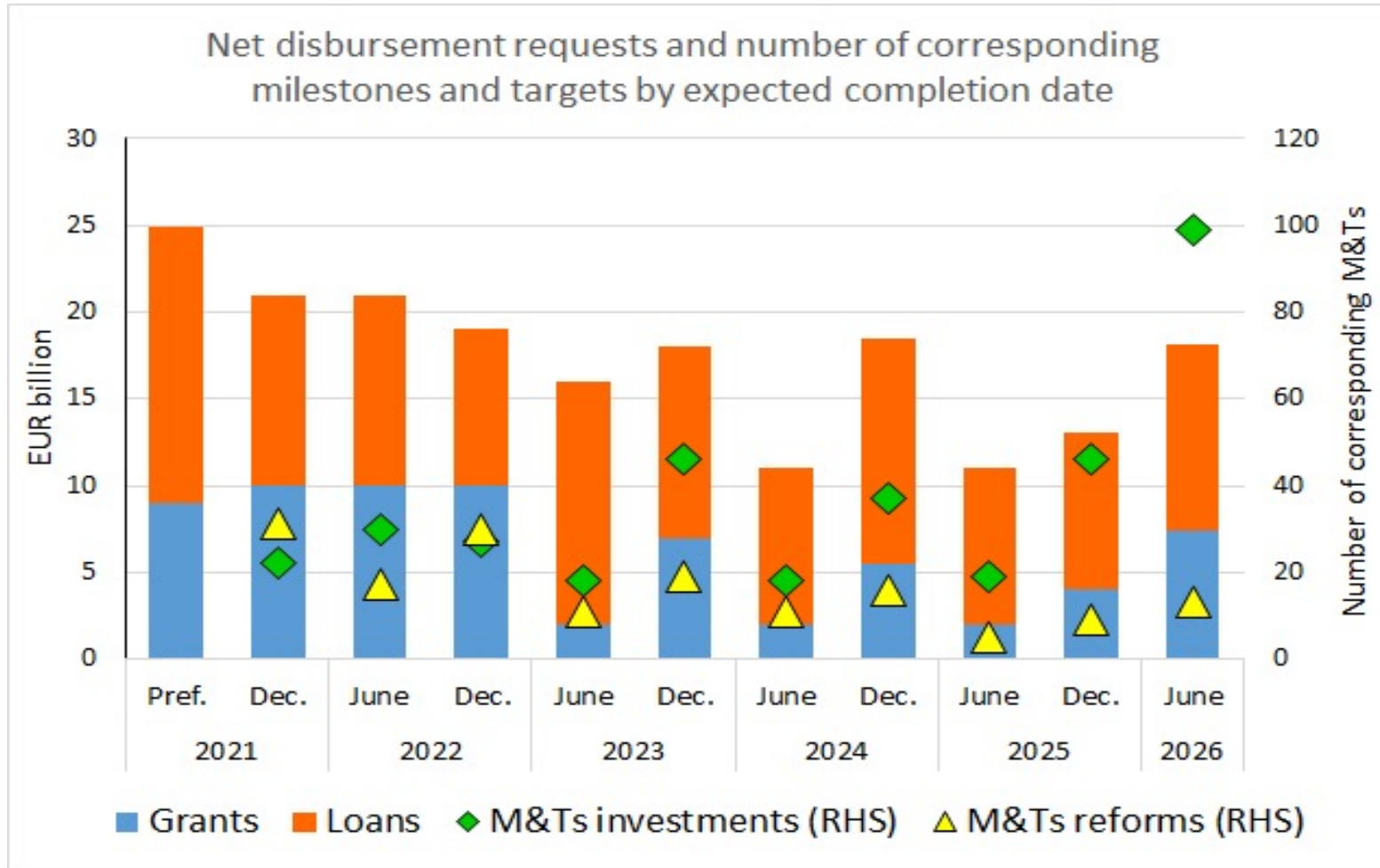
Italy's NGEU impact on growth and jobs



According to simulations conducted by Commission's QUEST model

- ✓ Italy's plan has the potential to increase real GDP between 1.5% and 2.5% by 2026
- ✓ These simulations do not incorporate the impact of structural reforms, which are likely to provide an additional impetus to growth in the longer term

Disbursement profile over time



Most reforms are implemented in the first years in correspondance with the higher level of first disbursements.

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Thank you