



ITALY RESTARTS

The National Recovery and Resilience Plan

«I am sure that we will be able to implement this Plan. I am sure that honesty, intelligence, the will of future will prevail over corruption, stupidity, vested interest»

Mario Draghi at the Chamber of Deputies, April 2021

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Next Generation EU

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Plan management

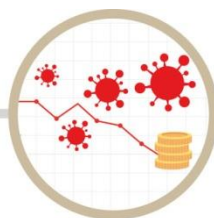
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PANDEMIC



SOCIAL CRISIS



ECONOMIC CRISIS



NRRP



REFORMS

For the first time, the Euro bonds will finance 750 billion euros post pandemic recovery program, destined to the EU member States.

Italy will implement a vast program of reforms - affecting the Public administration and Justice, simplification of laws, competition, taxation - funded by the NRRP (National Recovery and Resilience Plan).

Next Generation EU & PNRR

The "Next Generation EU" (NGEU), often referred by the media as "Recovery Fund", is the European intervention plan designed to boost the recovery.

NGEU finances each member State's NRRP.

The Italian NRRP, presented to the Commission on the 30 April 2021, has been approved last 22 of June 2021 with a rating of ten "A" and one "B".

After the adoption by the European Council, Italy has been entitled to an advance of 13% of the resources allocated.

Italy's Recovery and Resilience Plan is the largest national plan. The resources assigned to Italy are provided by the NGEU, through the Recovery and Resilience Facility.

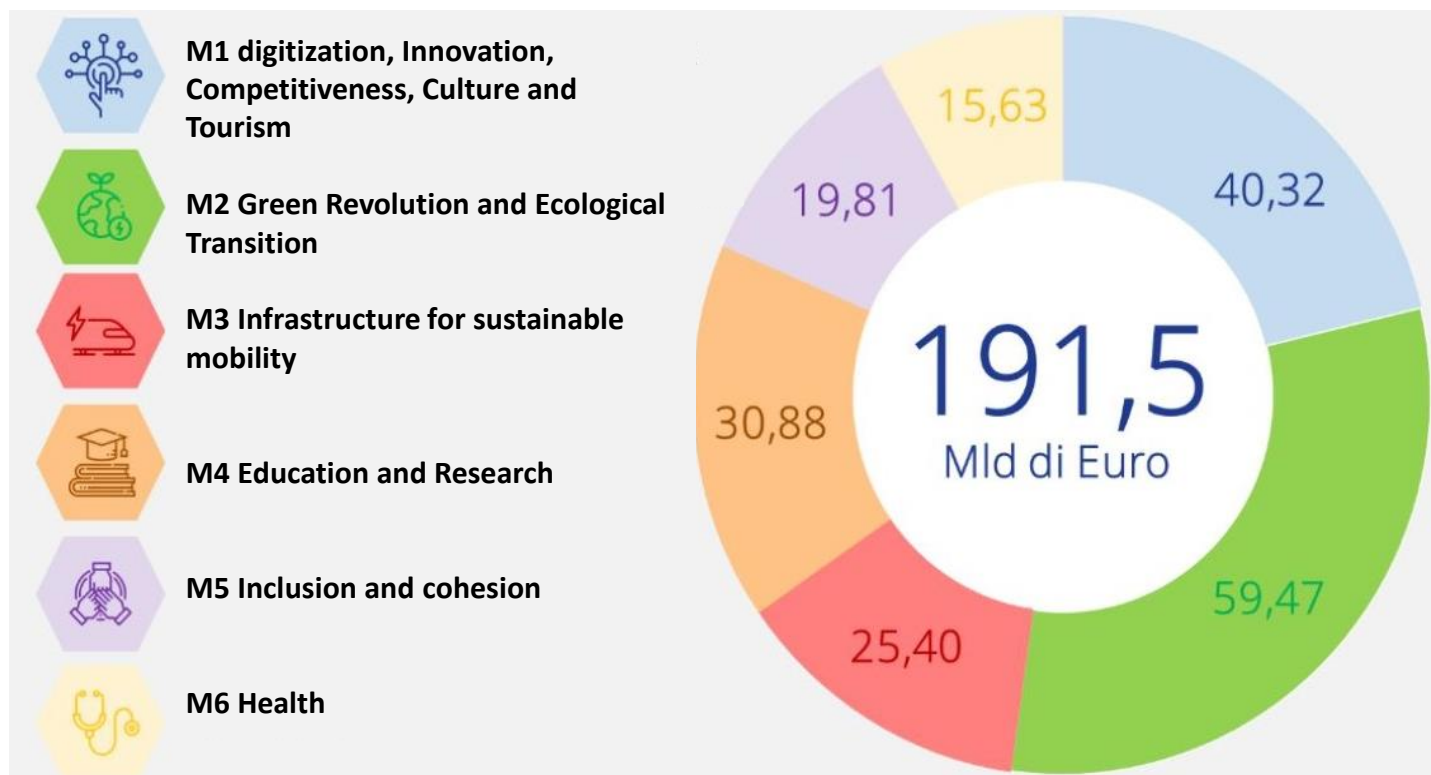
The Recovery and Resilience Facility - RRF sums up to 191.5 billion, including 68.90 billion (36%) of grants and 122.6 billion (64%) of loans. The total investment of the NRRP is 235.14 billion, including 30.64 billion of voluntary national resources and an additional €13 billion for cohesion policy under the REACT-EU programme (Recovery Assistance for Cohesion and the Territories of Europe).

PNRR: Overview



PNRR: 6 missions and 16 components

The Italian Plan is organized into 16 components and structured into six Missions, based on the NGEU's 6 areas of intervention.



Strategic Axes: digital, environment, inclusion

The Italian commitment for recovery is articulated in 3 strategic axes, shared at European level.



DIGITAL TRANSITION AND INNOVATION



ECOLOGICAL TRANSITION

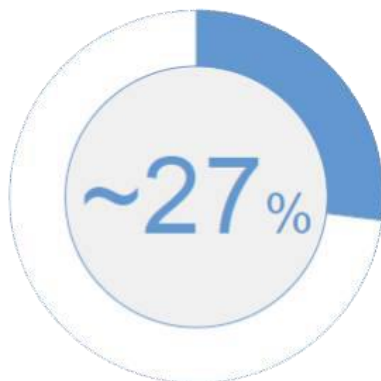


SOCIAL INCLUSION AND TERRITORIAL COHESION

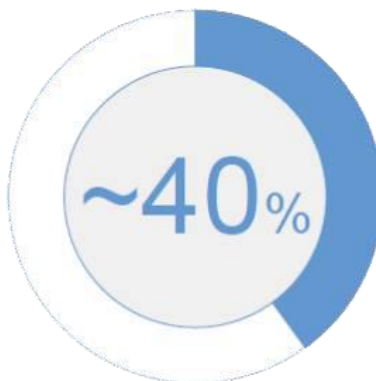
The three strategic axes



DIGITAL TRANSITION



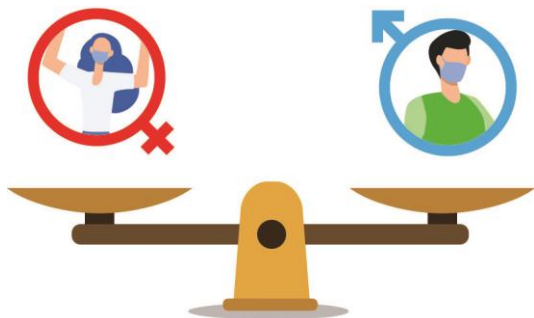
ECOLOGICAL TRANSITION



SOUTHERN ITALY



Cross priorities: gender equality, youngsters and Southern Italy



Gender equality



**Enhancement of youth
welfare and employability
skills of young people**



**Social inclusion and
territorial convergence
(Mezzogiorno)**

Fight against gender discrimination, enhancement of employability skills of young people, territorial convergence and Southern Italy development are not pursued via single policies but are mainstreamed in all the NRRP's components.

Women, Young people, Southern Italy



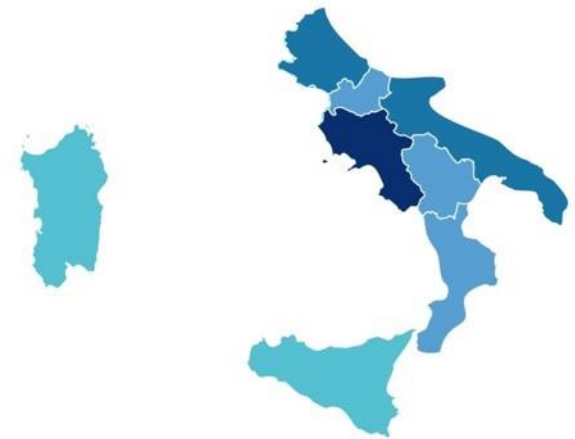
Funds will be granted just to the enterprises which hire according with the target of promoting gender balance and youth employment, through specific training contracts. In the call for tenders, such criteria will be indicated as compulsory and rewarding for contractors.

For Italy, the Plan represents the chance to fully achieve Ecological and digital transition, and to fill the gaps in youth unemployment, gender equality and Southern Italy's backwardness.

Southern Italy

The Southern Italian manufacturing system's structural weakness is huge. The South accounts for one third of the overall population but only one quarter of gross national product.

**Southern Italy is the largest and most inhabited backward territory in the Eurozone.
Its development matters to all Europe, not only to Italy.**



Mission 1

“Digitalisation, innovation, competitiveness, culture and tourism” aims to promote Digital transformation and strengthen the Italian Public administration, its communication infrastructures and the manufacturing sector. Other goals include broadband cabling, investments, competitiveness and resilience for the Italian economy, and specially in two key industries such as tourism and the creative and cultural sectors.



Mission 1, with a budget of 40.73 billion, is divided into three components:

- **Digitization, innovation and security in the Public sector;**
- **Digitization, innovation and competitiveness of the manufacturing system.**
- **Tourism and Culture 4.0**

Mission 2

Mission 2 **“Green revolution and ecological transition”** aims to achieve the green and ecological transition of the Italian economy, according to the European Green Deal.

It funds projects for sustainable agriculture and circular economy, research programs for renewable energy sources, the development of the hydrogen supply chain and green mobility. The Mission also includes energy saving and efficiency policies for the real estate regeneration, as well as initiatives to fight the hydrogeological instability, promoting reforestation, the efficient use of water and the improvement of the quality of inland and marine waters.

Mission 2, with a budget of 59.33 billion, is divided into four components:

- **Circular economy and sustainable agriculture**
- **Renewable energy, hydrogen, grid and sustainable mobility**
- **Energy efficiency and building renovation**
- **Protection of the territory and of the water resource**



Mission 3



Mission 3, **“Infrastructures for sustainable mobility”**, focuses on developing and reinforcing a high-speed national rail network and strengthening the regional routes, specially in Southern Italy; improving the competitiveness and sustainability of Italian seaports, with a special focus on the Southern Regions, supporting modal shift from road and air to rail, by improving rail capacity, connectivity and quality of service in key connections.

Relevant initiatives include connecting Italy to the Trans European Networks, e-monitoring road networks and other facilities.

Mission 3, with a budget of 25.13 billion, is divided into 2 components:

- **Investments on the railway network.**
- **Intermodality and integrated logistics**

Mission 4



Mission 4, “**Education and research**”, targets the youngsters, tackling a key factor - such as human capital - to drive productivity, potential growth, social inclusion and adaptive capacity to an ever changing working environment. This mission aims to promote a knowledge-intensive, competitive and resilient economy, by strengthening the entire education and training system, enhancing digital and STEM (Science, Technology, Engineering, and Mathematics) skills, and supporting research activities and technology transfers.

Mission 4, with a budget of 30.88 billion, is divided into 2 components.

- **Enhancing Education and care, from kindergartens to University.**
- **From Research to business.**

Mission 5

Mission 5 "**Inclusion and cohesion**" focuses on the social dimension and ranges from active employment policies, with a focus on strengthening employment centers and the universal civil service, to labour reskilling, and support to female entrepreneurship.

Measures are envisaged to strengthen social infrastructures for families, communities and non-profit organizations, including interventions for disability and social housing. Special interventions are also provided for territorial cohesion. Initiatives include investments for rural areas, support for Special Economic Zones (SEZ), and other action aimed at valuing assets seized to criminals. Mission 5, with a budget of 19.81 billion, is divided into three components:

Labor policies, Social infrastructures, families, communities and the Third sector. Special initiatives for territorial cohesion.



Mission 6: introduction

The National Health Service provides comprehensive health care and assures a high life expectancy at birth.

After the pandemic, the Service needs new approaches to empower citizens' right to health. Mission 6 is devoted to this task



Mission 6, “**Health**”, seeks to strengthen prevention and health services in Italy, modernize and digitize the healthcare system and ensure fair access to care, with a view to responding to the increasing demand for healthcare stemming from the country's demographic and epidemiological trends.

Mission 6

Mission 6 **"Health"** assumes that the Covid19 pandemic has confirmed the universal value of health, its nature as a fundamental public good and its macroeconomic relevance. The measure focuses on the objectives of strengthening the local networks of care and modernizing the technological equipment of the National Health Service, the reinforcement of electronic health record and the development of telemedicine.

Initiatives include reskilling National Health Service's staff, promoting scientific research in the fields of biomedical and healthcare.

The Mission, with an endowment of 15.63 billion, is divided into two Components:

- **Proximity networks, facilities and telemedicine for territorial health.**
- **Innovation, research and digitization of the health service.**



Public Administration Reform - 1

The Next Generation EU Fund requires Member States to implement a series of reforms to empower the NRRP. The Italian NRRP features four types of reforms: horizontal, enabling, sectoral and accompanying reforms.

Horizontal reforms focus on the Italian public administration, with the objective of boosting foreign willingness to invest in Italy and removing red tape to strengthen the country's competitiveness. Other reforms target the judicial system, with the goal of improving the performance of judicial offices deleting the backlog and reducing the length of civil and criminal proceedings.

Sectoral reforms for specific areas of intervention or economic activities aim to make their own regulatory and procedural regimes more efficient.

The reform of the Public administration has long been one of the main requests from the European Commission. Solving the structural weaknesses of the Pa and simplifying the procedures, at a regulatory and administrative level, will boost investment at all levels.

Public Administration Reform - 2

The planned Public Administration reform is based on an ABCD pattern:



- 1) A stands for Access: to improve recruitment in Public administration and hire updated profiles
- 2) B as Buona (good) administration: cutting the red tape
- 3) C as human Capital, to improve education consistently with labour market's requests
- 4) D as Digitization



The overall strategy values human capital, encourages generational turnover, supports the introduction of new skills and the re-engineering of organizational processes to promote digital transition.

BENEFIT



- an increase of the quality and productivity of civil service
- an improvement of the quality of public service
- cutting red tape costs for businesses

Justice Reform

Judicial reforms include improving the performance of judicial offices by eliminating the backlog and reducing the length of civil and criminal proceedings.

Simplifying the trial at every level of jurisdiction and favouring the Electronic or Online trial.

Reducing tax proceedings

In criminal proceedings, simplifying investigation and preliminary objection, extending the cases for plea bargain, cutting the length of trials.

The target is to reduce the duration of civil trials by 40% and criminal trials by 25% within five years.

Establishing a trial office supporting the court to manage the trial.

Digitalising criminal records



Reforms: simplify to restart

The PNRR also enacts two enabling reforms, which concern simplification and competition, in order to ensure a stable, credible and investment friendly economic framework.

The simplification aims to eliminate regulatory bottlenecks and barriers that hinder economic initiatives.

- **A first decree was adopted in May 2021 to cut off red tape and enable preliminary reforms.**
- **Ordinary laws will be followed to simplify public procurement, environmental assessment, urban planning, and anti corruption programmes.**

Deregulation is the key reform to trigger Italy's growth and mainstreams all the NRRP's Missions.

Reforms: competitiveness for competitions

According to the Product Market Regulation index (PMR) developed by the OECD, which measures the regulatory barriers to firm entry and competition in a broad range of key policy areas, Italy is less competitive than many of its EU partners.

The NRRP requires Italy to yearly approve a “competition law”, so far adopted only in 2017, to back business communities in strategic sectors, such as digital and physical networks, and energy. Competition barriers must be lifted in public concessions such as motorways, energy suppliers and waste management.

Reforms for sectors

Sectoral reforms are included in the NRRP as part of the individual missions. These reforms consist of specific regulatory innovations related to specific areas of intervention or economic activities, intended to introduce more efficient regulatory and procedural regimes in their respective sectoral areas. They include Introduction of "cloud first" guidelines and interoperability, Administratively simplifying and reducing regulatory barriers to hydrogen deployment, Proximity networks, facilities and telemedicine for territorial healthcare assistance.

The NRRP also features for accompanying reforms aimed at achieving social inclusion and fairness, as indicated in the Specific recommendations that the Commission has previously addressed to Italy.

The most important is Tax Reform. The NRRP states: “The tax reform is among the key elements in the PNRR to tackle the structural weaknesses of the country and constitutes an integral part of the recovery we aim to trigger with the help of EU funds”.

Reforms for sectors

Ministries, Regions and Municipalities are in charge of enacting the NRRP.



A central leading office, established at the Ministry of Economy and Finance, controls, implements and monitors the Plan. This is the liaison office with the EU Commission.

According to their respective competences, each project is carried out by different Public administrations. Ministries, for nation wide projects, Regions and Municipalities, for local policies.



At the Presidency of the Council of Ministers operates the NRRP control room, whose task is managing the Plan, supervising scheduling and deadlines, and strengthening cooperation with all the players involved.

PNRR: Human resources and



- ❑ For the NRRP implementation, Administrations can recruit fixed-term experts and consultants or out-source to State-owned enterprises' task forces.



- ❑ Monitoring, accounting and auditing activities are undergone in liaison with the European Commission.



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