



Ministero
dell'Economia
e delle Finanze

Italy's Recovery and Resilience Plan

Structure, goals and estimated impact

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OVERVIEW OF THE PLAN

Key Goals

- 1. Promote a sustainable and inclusive recovery from the Covid-19 crisis**
- 2. Raise the growth potential of the economy**
- 3. Address structural weaknesses of the Italian economy**
 - territorial divide
 - female labor market participation
 - productivity growth
 - gaps in skills and education

Instruments

- **Investment projects clustered in 6 Missions and 16 Components**
- **Coherent package of reforms**

LEGACY TO THE NEXT GENERATION

Legacy to the next generation: an **enhanced, more sustainable and inclusive growth** trajectory and economic environment.

Tackle Covid-related economic crisis and **reduce structural gaps of Italian economy** through a coherent set of investments and reforms with a strong focus on digitalization, green transition, human capital and inclusion.

24% Investment in digitalization

38% Green investment

>10% Social cohesion

STRUCTURE OF THE PLAN

REFORMS AND INVESTMENTS ARE ORGANIZED IN SIX MISSIONS

- 1. Digitalization, innovation, competitiveness and culture**
- 2. Green revolution and ecological transition**
- 3. Infrastructure for a sustainable mobility**
- 4. Education and research**
- 5. Inclusion and cohesion**
- 6. Healthcare**

THREE KEY ISSUES ARE TACKLED BY REFORMS AND INVESTMENTS IN AN INTEGRATED AND HORIZONTAL WAY



Gender equality

Youth inclusion

Regional disparities



1. DIGITALIZATION, INNOVATION, COMPETITIVENESS AND CULTURE

Overall objective: promote and support the digital transformation and innovation of the productive system

Main actions:

- **Digitalization of public administration**
- **Incentives for digital transition and adoption of innovative technologies in the private sector**
- **Ultra broadband and high speed connectivity**
- **Space economy, earth monitoring satellite systems**
- **Revitalisation of tourism and culture with a digital and sustainable approach (enabling enhanced access to cultural and touristic sites).**

Allocated Resources:*

49.9 bn

(≈ 21%)

* Including REACT-EU

2. GREEN REVOLUTION AND ECOLOGICAL TRANSITION

Overall objective: enhance sustainability and resiliency of the economic system ensuring a fair and inclusive transition

Main actions:

- **Renewable** energy sources (e.g. simplifying approval procedures for renewable energy, promoting agrivoltaic plants, biomethane production)
- Increasing the electricity network capacity, reliability, safety and flexibility (**Smart Grids**)
- Incentives for enhancing the **energy efficiency** of private and public buildings
- Investments to mitigate the risk of **landslides and flooding**
- Investing in **water infrastructure**
- **Hydrogen** industry (hydrogen valleys, H2 use in hard-to-abate industries, H2 in road and rail transportation, refueling stations, H2 R&D)

Allocated Resources:*

69.9 bn
(29.7%)

* Including REACT-EU

3. INFRASTRUCTURE FOR A SUSTAINABLE MOBILITY

Overall objective: rationalize and develop a modern, sustainable and interconnects infrastructure system

Main actions:

- **High-speed railways**
- **Introduction of the European Rail Transport Management System (ERTMS)**
- **Modernization and development of regional railways**
- **Advanced monitoring systems for safe roads**

Allocated Resources:
31.5 bn
(13.4%)

4. EDUCATION AND RESEARCH

Overall objective: enhance the education system and research and strengthen links with productive system

Main actions:

- **Nurseries and preschools and early childhood education and care services**
- **School 4.0:** innovative schools, wiring, new classrooms and workshops
- Development of the **tertiary vocational training** system
- **Additional resources for doctoral programs**
- **Teachers training**
- **Boost R&D**, including participation in IPCEIs and Horizon Europe.

Allocated Resources:*
33.8 bn
(14.4%)

* Including REACT-EU

5. INCLUSION AND COHESION

Overall objective: promote labour market participation, improve inclusiveness and address key structural gaps (e.g. gender, generational, regional)

Main actions:

- **Active labour market policies**
- **Employment centers**
- **Women entrepreneurship**
- Strengthening **social services** and support to disability
- **Urban regeneration plans**

*Allocated
Resources*:*
29.8 bn
(12.7%)

* Including REACT-EU

6. HEALTH

Overall objective: enhancing prevention and service delivery and guaranteeing fair access to healthcare

Main actions:

- **Proximity, territorial and primary care** (Community Houses and Community Hospitals)
- **Home-based care and telemedicine**
- **Digital health record** system
- Technological and seismic upgrade **of equipment and infrastructures**
- **Training programs** for medical and managerial staff
- Support to **biomedical research**

Allocated Resources:*
20.2 bn
(8.6%)

* Including REACT-EU

STRUCTURAL REFORMS: PUBLIC ADMINISTRATION

Structural challenges

- **Limited turnover** (declining public sector employment and aging workforce)
- **Low investment in human capital** (decreasing expertise)
- **Increasingly complex workload**

Reform strategy

1. Access

- Recruitment plan and streamlining of hiring procedures

2. Simplification

- Revision of rules and procedures aimed at improving efficiency and quality of services

3. Competences

- Modification of career paths
- Expansion of training and professional development

4. Digitalization

- Technological investment; training.

STRUCTURAL REFORMS: JUSTICE

Structural challenges

- **High average length of proceedings, esp. civil ones**

The reform operates with 2 levers

1. Digitalization, reorganization

- Task force to eliminate arrears and digitize archives.
- Staff upskilling and strengthening of the “Office of Proceedings”.

2. Legal framework

- Increase the use of alternative dispute resolution procedures.
- Simplification of different phases of trials from first hearings to appeal.

STRUCTURAL REFORMS: COMPETITION

Contestability, openness and efficiency

- Service sector is heavily regulated, licensing regimes are opaque or inefficient.
- Annual Competition Law approved by Parliament only once (2017) and not fully implemented

RRP commits to three Annual Competition Laws

1. Annual Competition Law 2021

- Local public services, hydropower, gas distribution, electric recharging points, ports, waste treatment.
- Consolidation of market surveillance authorities in no more than 10 agencies

2. Annual Competition Law 2022

- Adopt the Electricity Network Development Plan.
- Promote deployment of 2nd generation smart electricity meters.

3. Annual Competition Law 2023

- Make tendering of concessions contracts mandatory for highway
- Define regulatory framework for highway concessions

4. Annual Competition Law 2024

- Deployment of at least 33 million 2G smart meters.

ADDITIONAL REFORMS

Enabling Reforms

Horizontal to the six missions

Aimed at enhancing **efficiency and effectiveness of investment projects**

- Example: permitting and authorization regulation

Sectoral Reforms

Targeted to specific sectors

Aimed at **increasing efficiency**

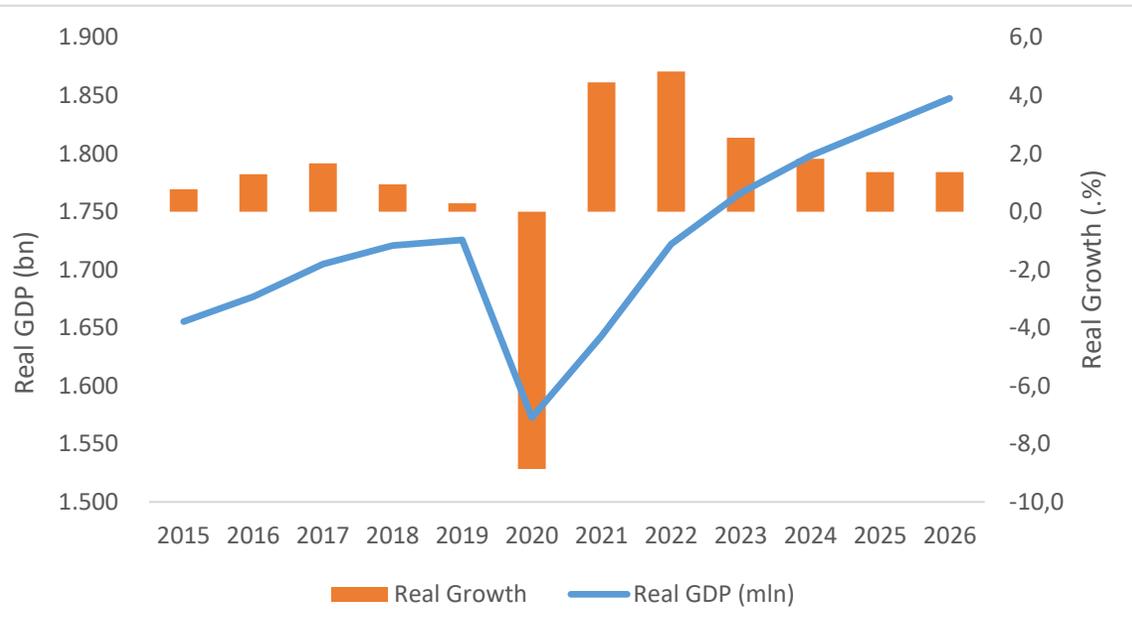
Examples:

- Reform of the authorization process for infrastructural investment.
- New regulations, in particular in the area of renewable energy projects.

PROJECTED IMPACT ON THE ECONOMY

1. Support the recovery

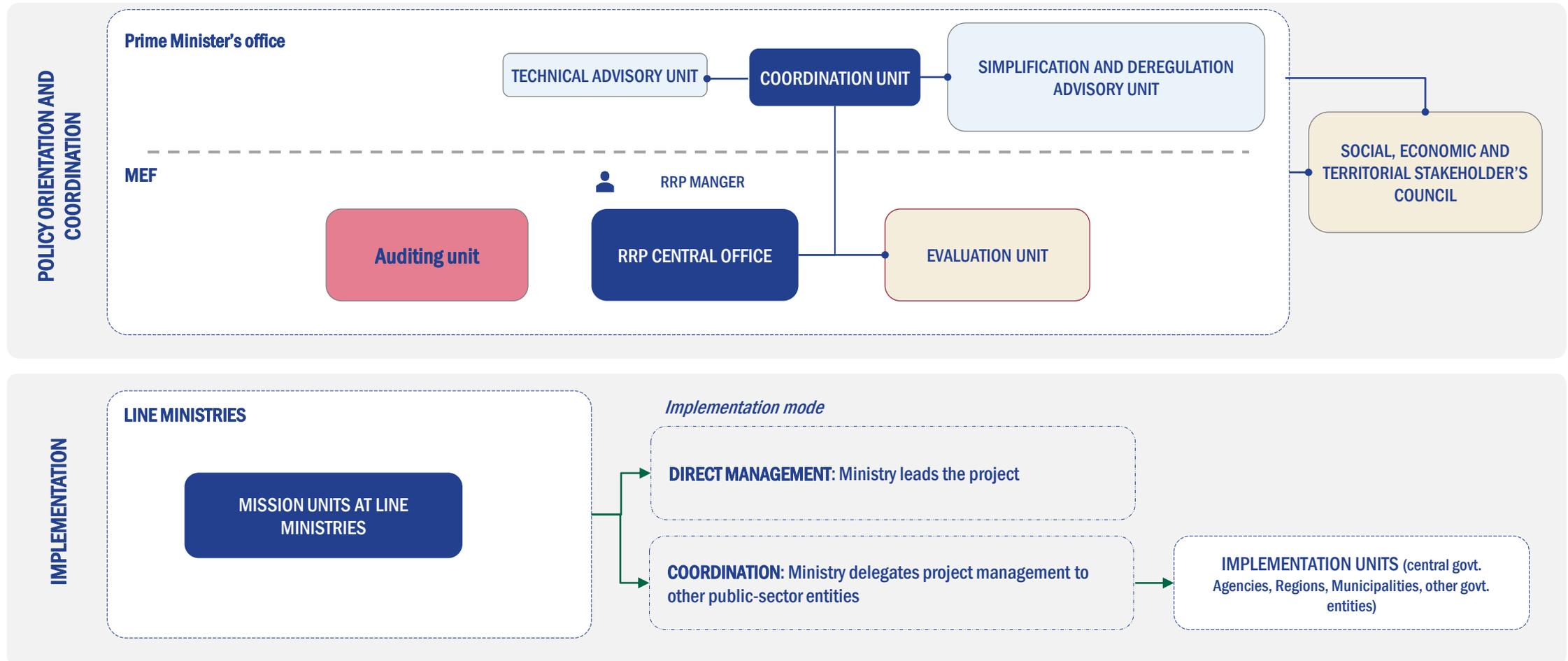
- Promote stronger rebound in GDP
- Maintain dynamism in following years



2. Raise the potential growth rate

- Boost productivity growth via innovation, digitization, investment in human capital
- Average GDP growth in 2022-26 will be 1.4 percentage points higher relative to 2015-2019
- In 2026 GDP will be 3.6 percent higher than the baseline (i.e. without the RRP)

GOVERNANCE OF THE PLAN



Governance of the Plan has been introduced via Law-decree n.77, 31 May 2021, currently undergoing parliamentary ratification.

AUDIT AND CONTROL

Law Decree no. 77 of 31 May 2021 on the Governance of the RRP provides for a management, control and auditing system in order to ensure a correct use of resources and an efficient implementation of the Plan.

Protect the EU Budget, in compliance with the provisions of Regulation (EU) 2021/241, by verifying:

- the correct use of financial resources assigned
- the actual achievement of targets and milestones

And furthermore:

- Prevent, detect and combat serious irregularities such as fraud
- Prevent and identify cases of corruption and conflicts of interest
- Detect potential cases of double financing.

Auditing and control activities will benefit from integrated and cooperative tools, in particular the functionality of the monitoring system ReGiS which will collect all the data required by Art 22.2 (d) of Regulation (EU) 2021/241, as well as those of national and community cohesion policies and the Commission's Arachne anti-fraud system.

AUDIT AND CONTROL – ORGANISATIONAL MODEL



LINE MINISTRIES

Control on investments and reforms of the RRP, to be carried out via internal control activities in the reporting phase of expenses, targets and milestones.



RRP CENTRAL OFFICE (MEF)

Carried out at Plan level through continuous control activities on procedures and expenses as well as on the correct achievement of targets and milestones in advance of reporting to the European Commission.



AUDITING

Carried out centrally by a new office within the IGRUE Directorate of the General Accounting Department (MEF), functionally independent and tasked to verify the sound and efficient functioning of the management and control systems. That includes checks on the regularity of expenses and on the achievement of stated objectives.

