



Technical Debrief – ITALY

RRF: preliminary positive assessment by the Commission of the first payment request and next steps

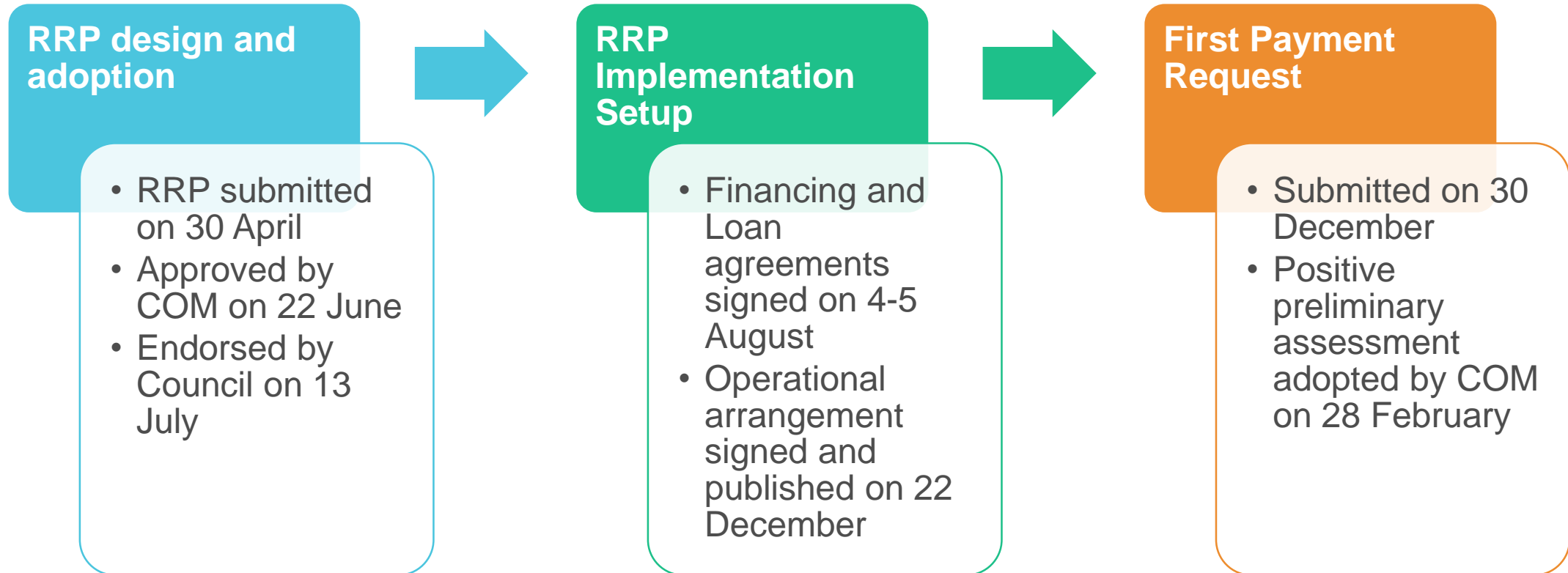


02/03/2022

Agenda

1. A positive draft preliminary assessment for the first payment request of Italy
2. Next steps in the implementation of the Italian RRP

Timeline of Italy's RRP implementation



Structure of the document adopted

- The Communication:
 - ✓ Endorses the overall positive preliminary assessment
 - ✓ Authorises ECFIN Director General to transmit the assessment to the EFC
 - ✓ Takes note that the assessment will be made available to the EP
- The **Annex to the Communication** presents the summary of the positive preliminary **assessment of each relevant milestone and target**, including:
 - ✓ Description of the evidence provided by the Member State
 - ✓ Analysis on how the evidence provided duly justifies that the milestone/target is satisfactorily fulfilled
 - ✓ Final Commission preliminary assessment for each milestone/target

Italy first payment request

Overview

	Investments	Reforms	Total
Milestones	22	27	49(*)
Targets	2	0	2
Total	24	27	51

(*) Including the milestone on audit and control, counted among reforms

- 49 milestones and 2 targets relate to the first instalment (EUR 21bn, net of pre-financing)
- The milestones are linked to key steps in the implementation of reforms and investments, while the two targets concern investments.
- **Key reforms** covered concern the justice system, public administration, labour market and education as well as public finances, while **key investments** relate to the digitalization of businesses, internationalization of SMEs, tourism and strengthening of administrative capacity.

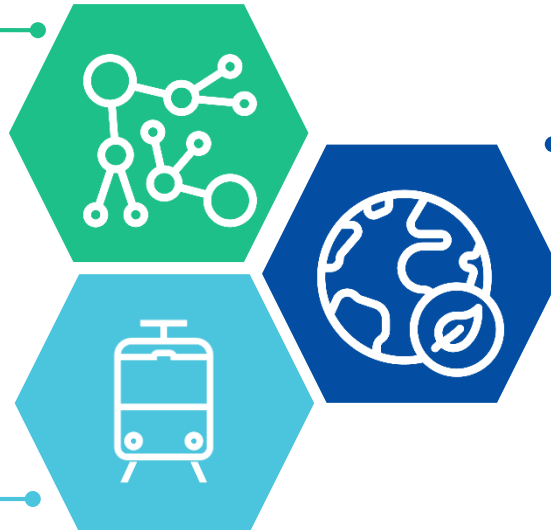
Sampling

- Two targets required a sampling of the pieces of evidence:
 - (i) M1C1-54 concerning the recruitment of a pool of 1 000 experts, and
 - (ii) M1C2-27 concerning support to at least 4 000 SMEs
- For the two targets: **60 units** drawn randomly
- The two targets passed the test (all units compliant or success rate significantly high above the target)

Green transition (21 milestones*)

Energy Efficiency and Renewables

- M2C3-1: Extension of Superbonus (energy efficiency renovations)
- M2C2-7: Promotion of renewable gas (bio-methane)



Transport

- M2C4-37: Smarter procedures for evaluation of local public transport
- M3C1-1 and 2: Simplification of procedures for railway infrastructure projects

Environment

- M2C4-3: MoUs for a better management and sustainable use of water
- M2C1-14: New and modernised waste management plants
- M2C4-8 and 12: Reduction of hydrological risks
- M2C4-18: Forestation of urban and peri-urban areas

* Taking into account the measures associated to the relevant RRF Pillar either as primary or secondary

Digital transition (15 milestones and 1 target*)

Digital platforms and skills

- M1C1-1 ICT procurement
- M1C1-2 Cloud first and interoperability
- M1C3-8 Digital Tourism Hub
- M5C1-1 ALMP and Vocational training

Digital R&D

- M4C2-10 Important Projects of Common European Interest (IPCEI)



Digitalisation of companies

- M1C2-1 Transition 4.0
- M1C2-26 and 27 support to SMEs through SIMEST Fund

- + Funds for competitiveness of Tourism Enterprises
- M1C3-22 EIB Tourism Thematic Fund
 - M1C3-23 National Tourism Fund
 - M1C3-24 SMEs Guarantee Fund
 - M1C3-25 Revolving Fund
 - M1C3-26 Tax credit for the Redevelopment of Tourism accommodation

* Taking into account the measures associated to the relevant RRF Pillar either as primary or secondary

Resilience (28 milestones and 1 target*)

Justice

- M1C1-29 Reform of the civil justice
- M1C1-30 Reform of the criminal justice
- M1C1-31 Reform of insolvency framework



Public administration

- M1C1-51 Governance of the RRP
- M1C1-52 Simplification of administrative procedures
- M1C1-53/54 Strengthening of administrative capacity
- M1C1-55 Extension of RRF methodology to national budget (complementary fund)
- M1C1-69/71 Reform of public procurement



Labour market and education

- M4C1-1 Reform of tertiary education system
- M4C1-2 Reform on scholarships for talented students
- M4C1-27 Reform of student housing regulation
- M5C1-5 Reform of ALMP and vocational training
- M5C2-1 Reform of the framework law for disability



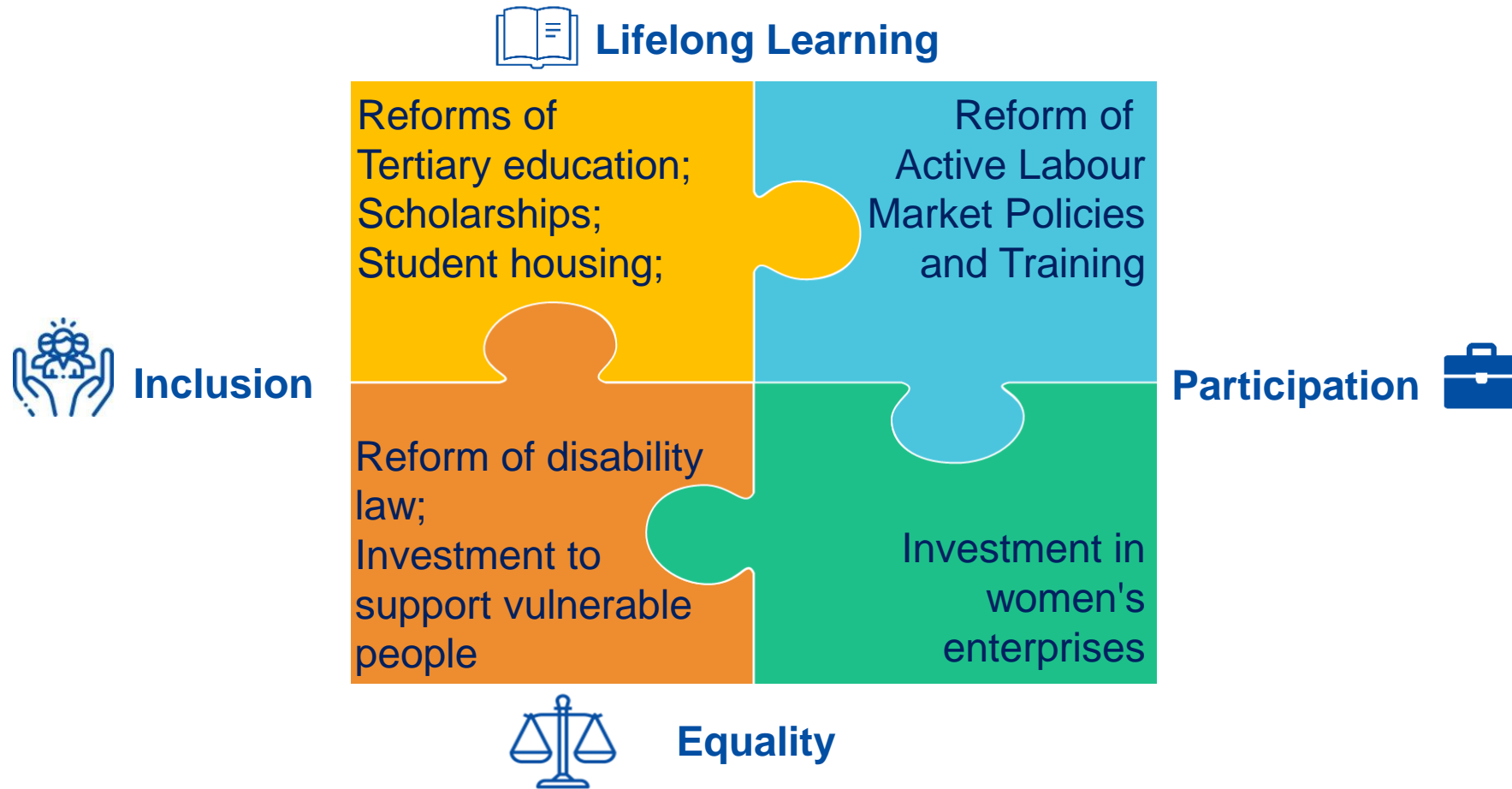
Public finances

- M1C1-100 Reform of the spending review framework
- M1C1-101 Reform of the tax administration



*Taking into account the measures associated to the relevant RRF Pillar either as primary or secondary

Social policies and next generation (19 milestones and 1 target*)



*Taking into account the measures associated to the relevant RRF Pillars either as primary or secondary

Audit and control



The A&C system was assessed positively in the context of the approval of the Plan. An independent audit body within the Ministry of Economy and Finance has been created;

A milestone on A&C (M1C1-68) was envisaged to ensure the set up and operationalisation of a repository system to monitor the implementation of the RRP;

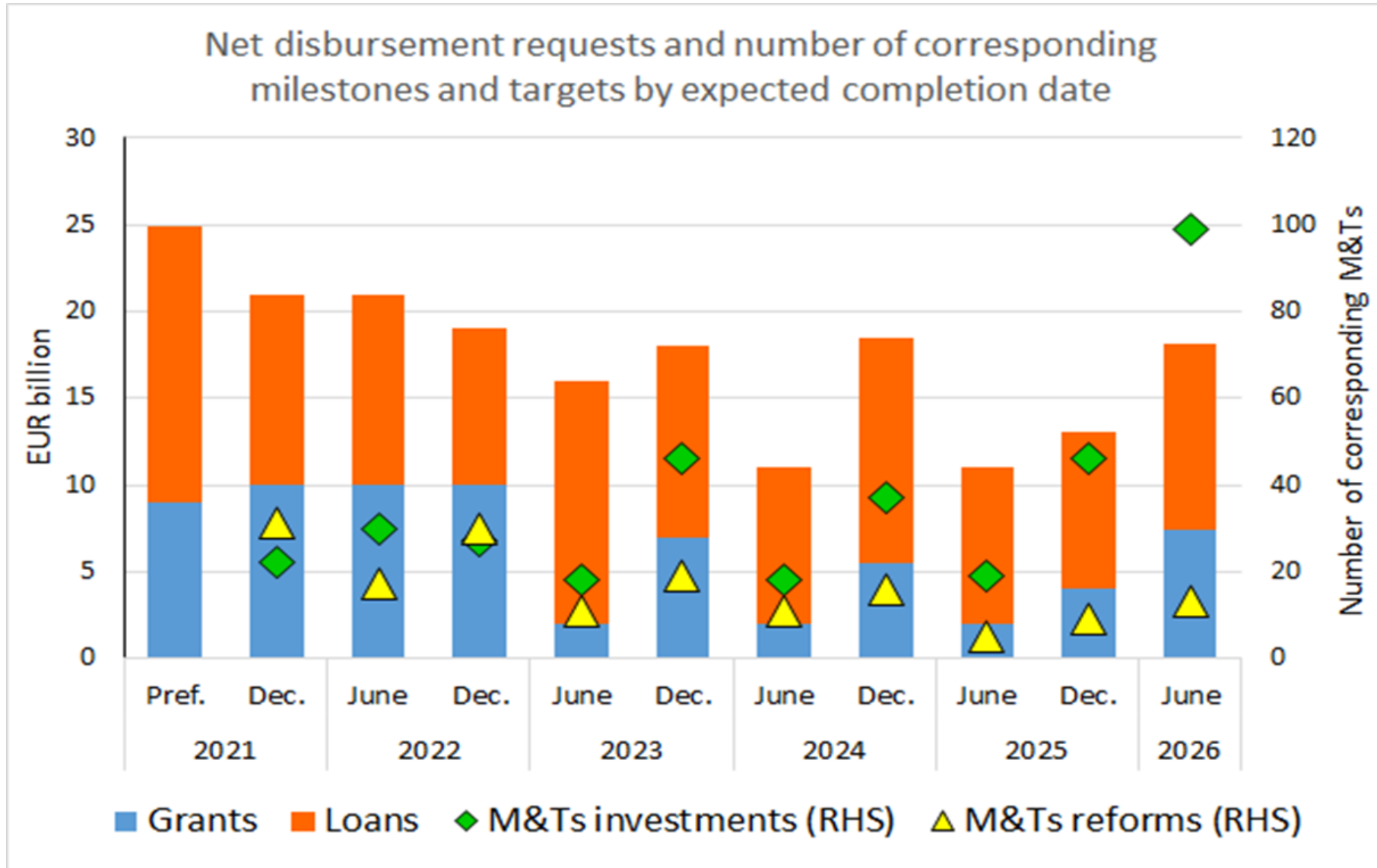
The evidence provided is in line with the verification mechanism set out in the Operational Arrangements. Moreover, Italy took additional commitments to continue to develop the system and improve its functionalities.

=> **Milestone satisfactorily fulfilled**

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M&T and instalments in the Italian RRP



Italy second and third payment requests (2022)

Overview (1/3)

2nd payment request

	Investments	Reforms	Total
Milestones	29	15	44
Targets	1	0	1
Total	30	15	45

3rd payment request

	Investments	Reforms	Total
Milestones	20	19	39
Targets	12	4	16
Total	32	23	55

- The second instalment envisages 44 milestones and 1 target (EUR 21 bn, net of pre-financing)
- The third instalment envisages 39 milestones and 16 targets (EUR 19 bn, net of pre-financing)
- Key reforms expected in 2022 concern public administration, public procurement, tax administration, competition, circular economy, education and labour market
- Key investments expected in 2022 concern ultrabroad band and 5G, research and development, health, culture, hydrogen, cybersecurity and social inclusion

Italy second payment requests (2022)

Overview (2/3)

Key Reforms:

- **Public administration** (M1C1-56 Reform of public employment; M1C1-70 Introduction of further measures to simplify public procurement and Mandate Law for the revision of the Public Procurement Code)
- **Circular Economy and Waste Management** (M2C1-1/13 National Strategy for Circular Economy and National Program for Waste Management)
- **Education** (M4C1-3 Reform of Teacher's Recruitment)
- **Tax administration** (M1C1-103 Measures encouraging tax compliance and improving audits and controls)

Key Investments:

- **Ultra-broadband and 5G** (M1C2-16 Awards of all public contracts for faster connection projects)
- **Hydrogen and Research & Development** (M2C1-18/52 Awards of public R&D contracts to research projects on Hydrogen and investment to enhance the production of electrolyzers; M4C2-17/18/19 Awards of contracts for projects concerning integrated system of R&I infrastructures, innovation ecosystems and national R&D leaders on enabling technologies)
- **Social inclusion** (M5C2-9 Investment in housing first and post stations, M5C2 -11/15 Investment in projects of urban regeneration and Urban integrated plans; M5C2-19 Innovation Programme for Housing Quality)
- **Territorial healthcare assistance** (M6C1-2/4/5/10 Investments to improve territorial health assistance, telemedicine and community hospitals; M6C2-5 Investment for the digital update of hospitals)

Italy third payment requests (2022)

Overview (3/3)

Key Reforms:

- **Annual Competition Law and related measures** (M1C2-6/7/8 Reform in the sectors of local public services, energy, transport, waste, antitrust enforcement, starting a business, market surveillance)
- **Tax Courts** (M1C1-35 Reform of Tax court of first and second instance)
- **Education** (M4C1-5/6 Set of reforms to improve the education outcomes in primary and secondary education and the quality training system for school; M4C1-29 New legislation on student housing) and **Labour market** (M5C1-2/8 Fight against undeclared work and follow up measures on the reform of public employment services)
- Follow-up measures on **justice and public administration** (M1C1-36/57 Entry into force of delegated acts for justice and of administrative procedures for the simplification) as well as **targets linked to tax administration reform**

Key Investments :

- **Digital transition** (M1C1-3-9 Digital platform for the public administration and cybersecurity)
- **Green Transition** (M2C1-8 Smart grids; M2C3-9 Districting eating networks; M3C1-3/8 High speed railways and green ports)
- **Research & innovation and education** (M4C2-1 Funding projects for young researchers)

Thank you

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