RRF 1st payment request - ITALY

Preliminary positive assessment by the Commission
Timeline of Italy's RRP implementation

**RRP design and adoption**
- RRP submitted on 30 April
- Approved by COM on 22 June
- Endorsed by Council on 13 July

**RRP Implementation Setup**
- Financing and Loan agreements signed on 4-5 August
- Operational arrangement signed and published on 22 December

**First Payment Request**
- Submitted on 30 December
- Positive preliminary assessment adopted by COM on 28 February

**First Payment Request – next steps**
- Adoption of EFC opinion
- Comitology
- Adoption of the Commission implementing decision
- Payment
Italy first payment request
Overview (1/2)

<table>
<thead>
<tr>
<th></th>
<th>Investments</th>
<th>Reforms</th>
<th>Total</th>
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<tbody>
<tr>
<td>Milestones</td>
<td>22</td>
<td>27</td>
<td>49(*)</td>
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<tr>
<td>Targets</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>24</strong></td>
<td><strong>27</strong></td>
<td><strong>51</strong></td>
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</table>

(*) 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.
Italy first payment request: Key measures
Overview (2/2)

Key Reforms:

• **Public administration, public procurement and justice** (M1C1-51/52/55 Reform of public administration; M1C1-69/71 Reform of the public procurement; M1C1-29/30 Reform of civil and criminal justice; M1C1-31 Reform of the insolvency framework)

• **Public finance** (M1C1-100 Reform of spending review framework; M1C1-101 Reform of the tax administration)

• **Labour market and social inclusion** (M5C1-5 Reform of ALMP and vocational training; M5C2-1 Reform of the framework law for disability)

• **Education** (M4C1-1 Reform of tertiary education system; M4C1-2 Reform of scholarships for talented students; M4C1-27 Reform of student housing regulation)

Key Investments:

• **Digitalization and internationalisation of businesses** (M1C2-1 Investment in the digitalization of businesses, "Transition 4.0"; M1C2-26/27 Investment to support the internationalisation of SMEs)

• **Strengthening administrative capacity** (M1C1-54 Complete the recruitment of a pool of 1 000 experts)
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
Thank you

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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

**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 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

**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*)

- Reforms of Tertiary education; Scholarships; Student housing;
- Reform of Active Labour Market Policies and Training
- Reform of disability law; Investment to support vulnerable people
- Investment in women's enterprises

*Taking into account the measures associated to the relevant RRF Pillars either as primary or secondary
Evidence submitted for reforms and investments

For reforms and investments, Italy submitted in general, as provided in the OA:

- A summary document duly justifying how the milestone/target was satisfactorily fulfilled:
  - Recalling the objective of the measure and the requirements of the M/T
  - Listing the supporting evidence provided
  - Analysing how the pieces of evidence demonstrate the attainment of the M/T taking into account their requirements

- A copy of supporting evidence (legal acts, official documents, etc.) and additional documents where needed (e.g. list of contracts signed or companies that received support, also for sampling purposes)

Type of verifications conducted:

- COM verified that the provisions of the legal acts and/or other supporting documents address the requirements set out in the CID Annex
- COM verified that the entry into force of the legal act, if applicable, comply with the requirements set out in the CID Annex
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)
M&T and instalments in the Italian RRP
Italy second and third payment requests (2022)
Overview (1/3)

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<th>2nd payment request</th>
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<tr>
<td></td>
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<td>Total 45</td>
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- 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 electrolysers; 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)
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)