

## PNRR LAB

# The revision of the Italian National Recovery and Resilience Plan

*December 2023*

# NRRP REVISION

July 27th, 2023

The Italian *Cabina di Regia* PNRR proposes a revision of the Plan. Italy begins negotiations with the European Commission in order to ensure **greater flexibility for the NRRP investments facing difficulties** and to **include a new RePowerEU chapter** in the Plan.  
RePowerEU is a European program aimed at reducing the European dependence on Russian gas and increasing energy production from renewable sources.

November 24th,  
2023

The **European Commission endorses the modified NRRP**. Its main source of funding, the Recovery and Resilience Facility (RRF), increases from €191.5 billion to **€194.4 billion**, and **6 new reforms** (almost all related to RePowerEU) are included in the Plan.

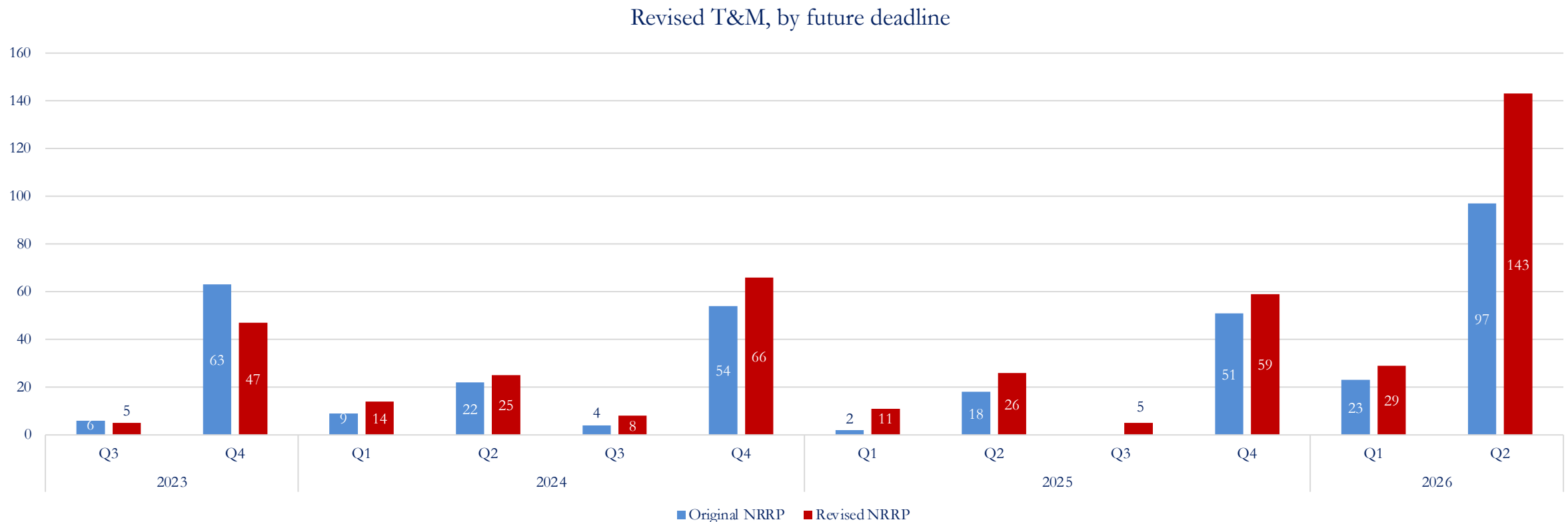
December 2023

The European Council has four weeks to evaluate the conclusions of the European Commission. The approval will unlock **€500 million in pre-financing for the RePowerEU** program.

# TARGETS AND MILESTONES: REVISION OVERVIEW

The NRRP progress and results are granularly described by Targets and Milestones (T&M). **Targets** are typically the expected **outcomes** of reforms and investments, measured with **quantitative** indicators. **Milestones** are typically **qualitative**, and monitor the relevant phases from an **administrative and procedural point of view**.

With the NRRP revision, the number of **European T&M** has been **increased from 527 to 616** (including the already completed ones). The disbursement of European funds is conditional on the achievement of such objectives.

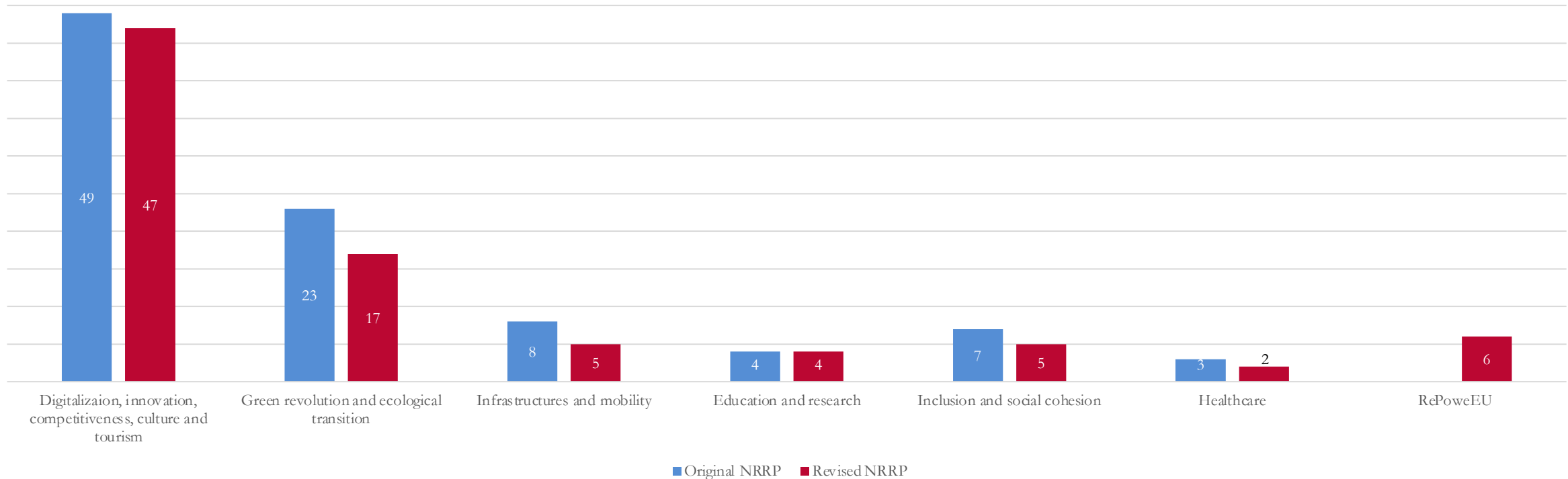


# TARGETS AND MILESTONES: CLOSER DEADLINES

Each T&M is linked to a specific measure (with an investment or a reform) of the NRRP.

In the next 7 months, i.e. **until June 2024**, Italy has to achieve **86 T&M**, 8 fewer than mandated in the original Operational Agreements.

M&T expiring in Q4 2023 and Q1-Q2 2024



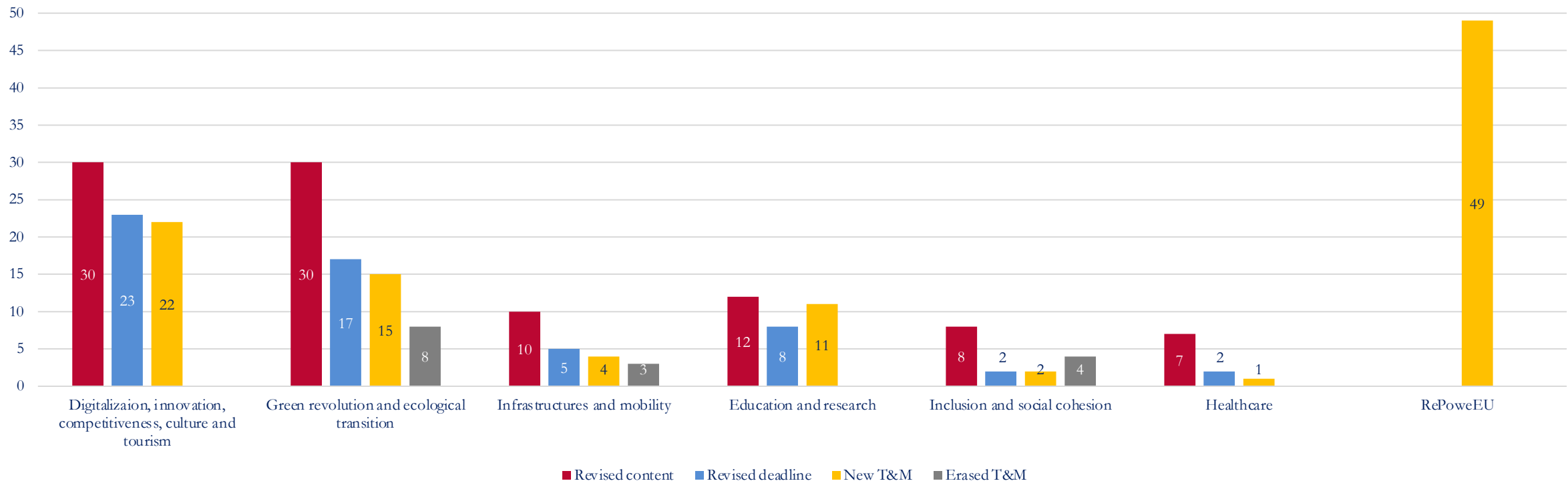
# TARGETS AND MILESTONES: BREAKDOWN

Overall, **97 T&M have been amended** in order to correct for clerical errors and to account for the changes that have taken place since the NRRP has started (e.g. lower targets caused by the increasing costs).

**57 T&M have seen their deadline revised.**

Lastly, **15 T&M have been removed** from the NRRP, while **104 new ones** have been **added**.

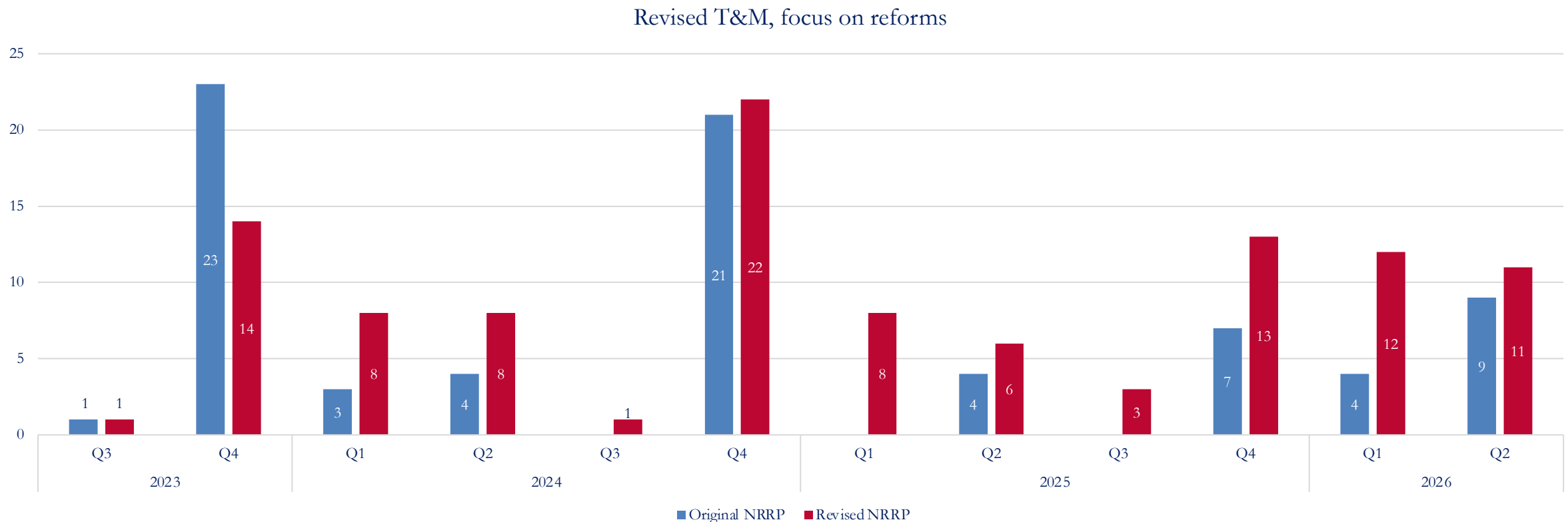
Revised T&M, by Mission



# TARGETS AND MILESTONES: REFORMS

The revised Plan contains 6 new reforms. Hence, the number of T&M linked to reforms has increased.

The original RNNP required Italy to complete 76 T&M linked to reforms from 2023-Q3 to the end of the Plan. The **revised Plan** requires Italy to complete **106**, with a **larger number at the end of the Plan**, if compared to the first version.



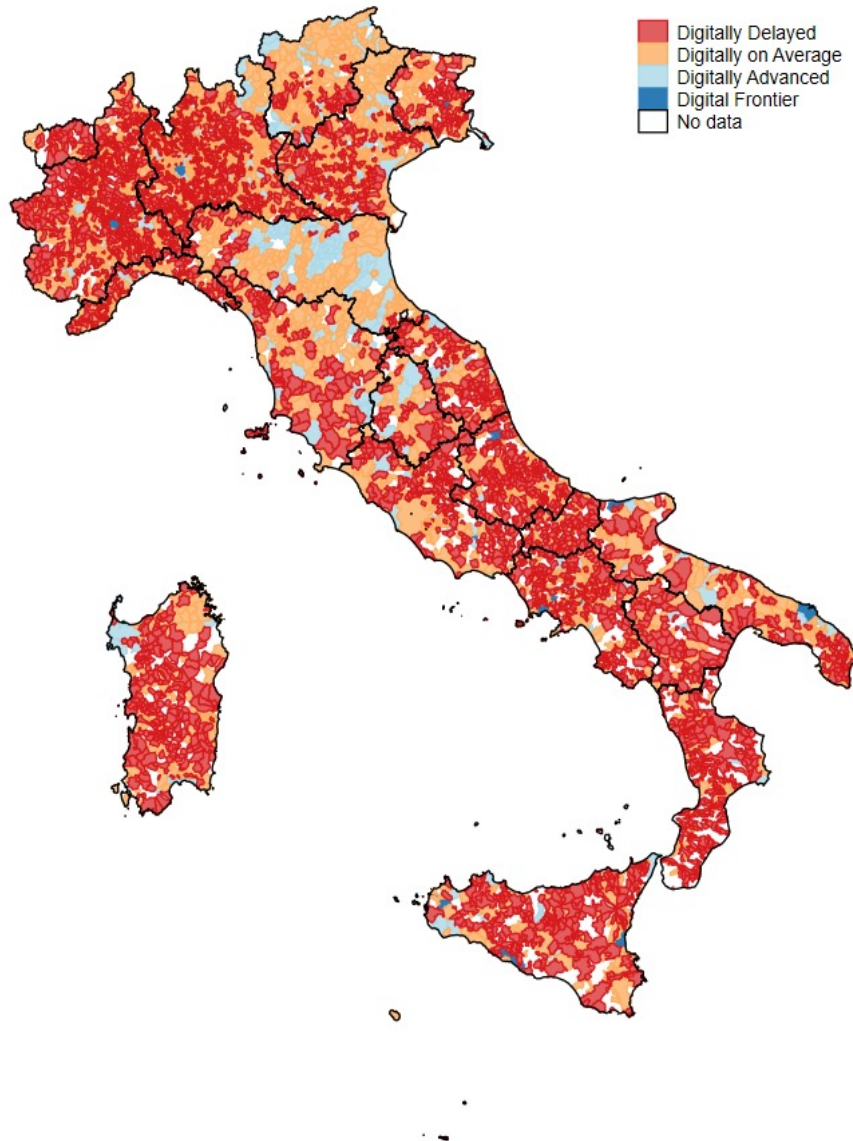
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# Public Sector Digitalization in the Italian NRRP

*December 2023*

# PUBLIC SECTOR DIGITALIZATION: SITUATION

Municipalities' digitalization level



Mission 1, Component 1 (*Digitalization, Innovation and Security in the Public Administration*) is aimed at digitalizing and modernizing the Public Administration. **The component is funded with €9.72 billions.**

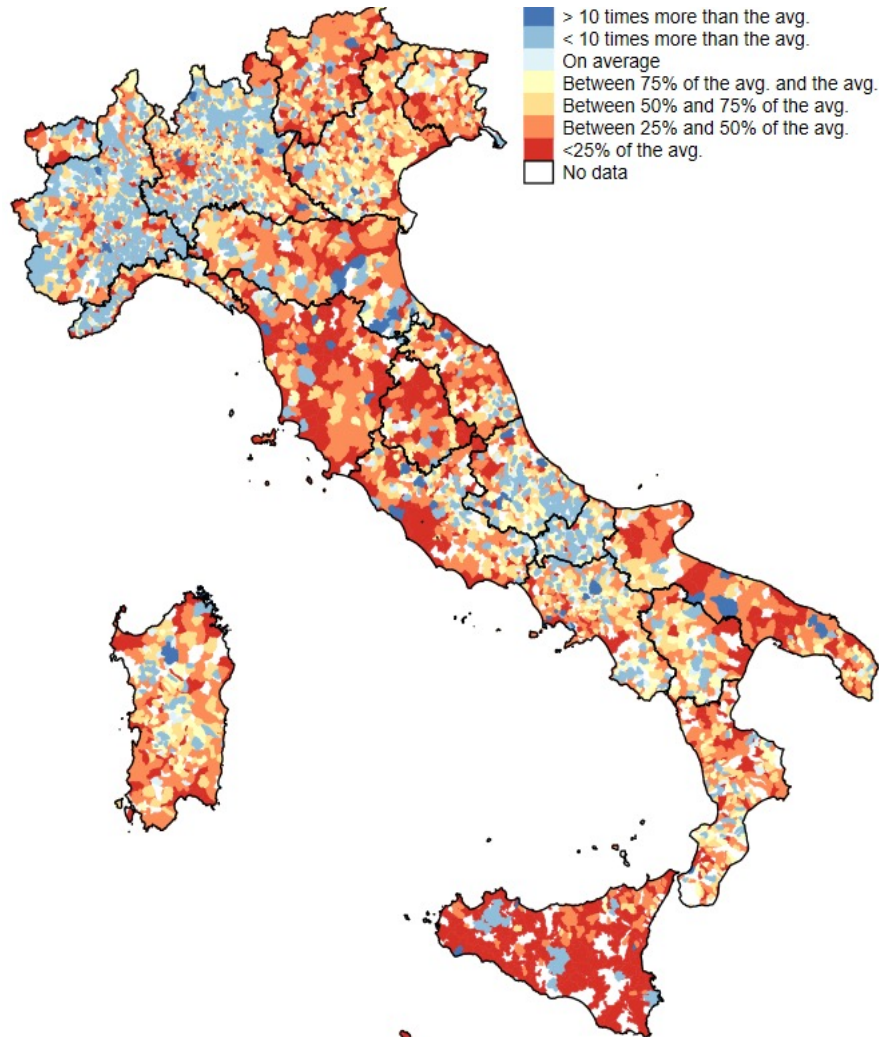
Using a municipal-level dataset created by the Court of Auditors, we obtain **information about each municipality's digitalization level**. The dataset contains information about the presence of specific technical personnel (e.g. DPOs, Digital Transformation Officers) and other relevant dimensions for digitalization. This allows us to **rank each municipality on the basis of its distance from the digital frontier**.

**57% of Italian municipalities can be classified as digitally delayed**, only 7% are digitally advanced.



# PUBLIC SECTOR DIGITALIZATION: ALLOCATION

Funds allocation gap



The map shows the funds per employee of each municipality, divided by the average funds per employee.

The average funds obtained by municipalities for the digitalization of the PA are equal to €24,660 per employee.

The **North-West** reports a significant digitalisation delay. Yet, municipalities obtain an amount of resources per employee from M1C1 which is typically much **larger than the Italian average (allocation surplus)**.

The **Centre and most regions of the South** (excluding Abruzzo and Molise) consistently and significantly show an **allocation gap, notwithstanding the digital delay**.

## **CONTACTS**

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