



# Mission 5 - Inclusion and Cohesion

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## Mission's main objectives:

Promote labour market transformation, by improving skills and achieving decent work for all (women, young people and adults)



### Strengthening ALMPs



Supporting unemployed workers and workers in transition by improving the **PES network** and reforming **Active Labour Market Policies** integrating employment services with training



### Promoting Upskilling and Reskilling



Supporting **upskilling and reskilling pathways**, through the development of skills and the **National Strategic Plan for New Skills**



### Dual apprenticeship system



Strengthening the **dual system**, in order to boost the matching of education and training systems with the **labour market**, and the **acquisition of new skills by young people**



### Women's empowerment



Raise the **level of participation of women in the labour market**, by leveraging their creative and innovative potential.



### Ensuring new opportunities for young people



Increase **youth employability**, by promoting **non-formal learning** and their participation in the economic, social and cultural life of local communities.

## Mission's financing snapshot:

### M5 - Inclusion and cohesion

	Resources (euro/mld)				
	Existing (a)	New (b)	Total (c) = (a)+(b)	REACT-EU (d)	TOTAL NGEU (e) = (c) + (d)
M5C1 Employment policies	0.80	5.85	6.65	5.97	12.62
M5C2 Social infrastructures, families, communities and third sector	3.30	7.15	10.45	0.38	10.83
M5C3 Special intervention for territorial cohesion	-	4.18	4.18	-	4.18
<b>TOTAL</b>	<b>4.10</b>	<b>17.18</b>	<b>21.28</b>	<b>6.35</b>	<b>27.62</b>

Note: (b) includes existing resources under national FSC, to be devoted to specific measures..

# 1 M5C1 - Employment Policies

## Summary box

**Policy area:** Inclusion and cohesion

**Objectives:**

The first component, “*Employment Policies*”, aims to promote labour market transformation with adequate instruments to facilitate employment transitions, improve workers’ employability and skills, and achieve decent work for all (women, young people and adults). According to the Country-Specific Recommendation (CSR) No 2 for Italy (COM (2020) 512 final ), these interventions aim to “*mitigate the employment impact of the crisis, including through flexible working arrangements and active support to employment. Strengthen distance learning and skills, including digital ones*”.

Specifically, the component promotes the following specific objectives:

- Supporting employment levels, in particular with regard to the outsiders groups (young people, women, adults without secondary education qualification, long-term unemployed) by defining and improving ALMPs measures, aimed to foster the acquisition of skills and their matching with labour market needs.
- Facing the mismatch between the skills of workers and the companies’ needs in order to ensure access to quality training throughout the country, by strengthening cooperation between the various competent national and regional institutions and defining uniform standards for vocational training and competence certification system.
- Improving the employability of young people and the acquisition of competences through the apprenticeship in dual system.
- Promoting the empowerment of women, through direct support for the creation of women’s enterprises.
- Enhancing the “Universal Civilian Service” initiative for young people aged between 18 and 28 years old, in order to promote their acquisition of key competences (soft skills and digital skills).

In order to achieve these objectives, the component is composed of two main lines of intervention and five specific initiatives.

**1. Line of intervention: “Active Labour Market Policies (ALMPs) and employment support”**

1) Strengthening Active Labour Market Policies (ALMPs): Supporting unemployed

workers and workers in transition by improving the Public Employment Service network and establishing the “National Programme for the Guaranteed Employability of Workers” (*Programma Nazionale “Garanzia Occupabilità dei Lavoratori - GOL*)

2) National Strategic Plan for New Skills: Promoting upskilling and reskilling pathways, a) by strengthening the interaction between skills and the needs of the economy, institutions and society and pushing them up to international standards; b) by developing green and digital skills linked to technological development and transition processes; increasing; c) increasing the professional skills of the active population, also through lifelong learning pathways, and improving the employability of unemployed workers and those at risk of unemployment, including those furthest from the labour market.

3) Support women’s entrepreneurship: Raising the level of women’s participation in the labour market, by leveraging their creative and innovative potential, and supporting services to promote women’s self-employment and entrepreneurship.

4) Apprenticeship in dual system: Strengthening the dual system, in order to boost the matching of education and training system with the labour market, and the acquisition of new skills by young people and adults without a secondary education qualifications.

## ***2. Line of intervention: “Universal Civilian Service”***

5) Universal Civilian Service: Promoting the personal and professional development of young people, aged between 18 and 28 years old, and their acquisition of basic and soft skills through the “Universal Civilian Service” initiative.

### **Reforms and investments:**

#### **a) Reforms:**

Reform 1: “National Programme for the Guaranteed Employability of Workers”. Establishing a new measure (Guaranteed Employability of Workers - GOL) as a national programme for taking charge, providing specific services (assessment, skills assessments, definition of training needs, etc.) and personalised vocational training for employability;

Reform 2: “Definition of an essential level of vocational training”: Setting common standards for vocational training and strengthening the VET system in Italy, by promoting a territorial network of education, training and work services also through Public-Private Partnership (PPP).

#### **b) Investment:**

- Investment 1: “Strengthening Active Labour Market Policies (ALMPs)”: Improving the capacity building of the Public Employment Services (PES) e their integration with the vocational education and training system, also through the network of private operators. In particular, the procedures for taking charge of the unemployed will be redefined, through innovative ALMPs able to promote personalised upskilling and reskilling pathways and job coaching.
- Investment 2: “National Strategic Plan for New Skills”: Facing the relevant mismatch between the skills acquired by workers and the companies’ needs, particularly in order to boost the current green and digital transition and support CVET policies (2.1 “New Skills Fund; 2.2 “Provision of training programmes, managed and coordinated by universities, for reskilling and upskilling purposes”; 2.3 “Implementation of a permanent system for the development of adult competences in a lifelong learning context using the 129 Provincial Centres for Adult Education and Training (Centri Provinciali per l’Istruzione degli Adulti - CPIAs).
- Investment 3: “Support women’s entrepreneurship”: Defining, identifying and/or adapting support instruments for the creation and development of enterprises with predominant or total female participation, including innovative start-ups, and the consolidation of existing ones.
- Investment 4: “Apprenticeship in dual system”: Strengthening the apprenticeship in dual system, in order to ensure more effective matching between learning (including training-on-the-job) and work, as well as the acquisition of technical and soft skills by young people and adults without secondary education qualification.
- Investment 5. “Universal Civilian Service”: Strengthening of the Universal Civilian Service, as a tool supporting youth employability levels and ensuring a direct impact on the communities in terms of social cohesion.

*This component promotes new skills and the entry of outsiders (young people, women and long-term unemployed) into the labour market. These measures are strengthened by the introduction of specific incentives and labour costs reductions, funded by the Budget Law, for employers hiring young people, women, especially in the South.*

**Estimated costs:**

Cost of EUR 12,620 million; 6,65 of which are requested under RRF

## M5C1-Employment policies

	Resources (euro/mld)				
	Existing	New	Total	REACT-EU	TOTAL NGEU
	(a)	(b)	(c) = (a)+(b)	(d)	(e) = (c) + (d)
<b>Employment Policies</b>	<b>0.40</b>	<b>5.60</b>	<b>6.00</b>	<b>1.50</b>	<b>7.50</b>
- <i>Active Labour Market Policies (ALMPs) and employment support</i>	0.40	2.60	3.00	0.50	3.50
- <i>Support to women entrepreneurship</i>	-	0.40	0.40	-	0.40
- <i>Dual system Apprenticeship</i>	-	0.60	0.60	-	0.60
- <i>National Strategic Plan for New Skills</i>	-	2.00	2.00	1.00	3.00
<b>Favourable tax regime to support employment in southern Italy and create new jobs for women and young people **</b>	-	-	-	<b>4.47</b>	<b>4.47</b>
<b>Universal civilian service</b>	<b>0.40</b>	<b>0.25</b>	<b>0.65</b>	-	<b>0.65</b>
<b>TOTAL</b>	<b>0.80</b>	<b>5.85</b>	<b>6.65</b>	<b>5.97</b>	<b>12.62</b>

## 2. Main challenges and objectives

### a) Main challenges

#### Gaps of Active Labour Market Policies (ALMPs)

The European Commission's communication "*European Skills Agenda for Sustainable Competitiveness, Social Fairness and Resilience*"<sup>1</sup> stresses that employment public services (PES) can play an important role in steering people towards greater and better retraining, also by increasing the relevance of education and training systems. At the same time, the Active Labour Market Policies (ALMPs) system in Italy underlines many issues, as reported by the *European institutions in the Country Specific Recommendation (COM (2020)511 final of 26.02.2020)*:<sup>2</sup>

- The need for strengthening the capacity building of the Public Employment Services (PES);
- Poor coordination between the level of ALMPs and social services;
- Lack of coordination between the central and local systems.

Therefore, it is necessary to increase investments in innovative active policies and lifelong

<sup>1</sup> Communication from the Commission to the European Parliament, the Council, the European Economic And Social Committee and the Committee of the Regions. *European Skills Agenda for sustainable competitiveness, social fairness and resilience* (COM/2020/274 final)

<sup>2</sup> Communication from the Commission to the European Parliament, the European Council, the Council, the European Central Bank and the Eurogroup 2020 European Semester: *Assessment of progress on structural reforms, prevention and correction of macroeconomic imbalances, and results of in-depth reviews under Regulation (EU) No 1176/2011* (COM/2020/150 final)

learning systems, in order to promote new employment opportunities, develop new knowledge and skills related to strategic sectors (i.e. green and digital), as well as enhancing competences acquired in the formal, informal and non-formal context.

It is also necessary to meet the professional needs determined by the green and digital transitions, aiming to progressively reduce the gap between existing skills and the skills needs of businesses. Moreover, ALMPs must be able to facilitate employment transitions, both with reference to sectors in crisis and in terms of new opportunities generated by digital and green within the same sector.

As highlighted in the European Commission's Communication of 30 June 2020 "*European Skills Agenda for sustainable competitiveness, social fairness and resilience*",<sup>3</sup> the COVID-19 pandemic has accelerated the digital transition: smart working and distance learning have become a reality for millions of people in Europe and at the same time has highlighted significant skills gaps.

#### Gap in participation in training activities

According to the latest available *Adult Education Survey* (2016-17),<sup>4</sup> Italy ranks 20th position in the adult participation rate in formal or informal training activities. More recent data based on the *Labour Force Survey*<sup>5</sup> indicate 8.7% of employed persons participating in training activities compared to 13.8% for the EU15 average.

The *OECD-PIAAC international survey (Programme for the International Assessment of Adult Competencies, 2nd round 2013)*<sup>6</sup> highlights that in Italy the low skilled citizens in literacy are almost 11 million (28% of the adult population between 16 and 65 years, compared to an OECD average of 15,5%).

As underlined by recent literature (INAPP – *National Institution for Public Policy Analysis, Focus PIAAC- Programme for the International Assessment of Adult Competencies 2018*),<sup>7</sup> "people with low levels of competence are not distributed evenly throughout Italy. The South and North-West of the Country are the regions with the highest percentages: alone they have more than 60% of Italian low-skilled".

In particular, a study carried out by OECD in 2017,<sup>8</sup> stressed as our Country has to face ten skill challenges, gathered in 4 pillars of intervention: a) developing relevant skills, b)

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<sup>3</sup> Communication from the Commission to the European Parliament, the Council, the European Economic And Social Committee and the Committee of the Regions, op.cit.

<sup>4</sup> Eurostat, *Adult Education Survey* (2016-2017).

<sup>5</sup> Istat, *Labour Force Survey*: <https://www.istat.it/en/archivio/127804>

<sup>6</sup> OECD Skills Survey, PIAAC: <https://www.oecd.org/skills/piaac/>

<sup>7</sup> INAPP, PIAAC Data: <https://www.inapp.org/piaac/risultati-e-dati>

<sup>8</sup> OECD (2018), *OECD Skills Strategy Diagnostic Report: Italy 2017*, OECD Skills Studies, OECD Publishing, Paris, <https://doi.org/10.1787/9789264298644-en>.

activating skills supply, c) making effective use of skills; d) strengthening skills systems. These issues are related to policy interventions, recommended by the OECD, that are fundamental to reduce the gap, measured by a set of indicators, and to achieve the average EU level.

There is therefore a need to realign the needs of enterprises and the skills of workers, at least partially recovering the gap with the European average. It should be noted that the incidence of participation in training activities is double among managers (68.1%) compared to unskilled staff (31.5%), so it is on the lower qualifications that a priority for intervention should be focused.

### Needs for disruptive skills

The disruptive change of the ongoing technological revolution (growing connectivity between people, technologies, sectors and lifestyles) requires people new skills in terms of adaptability, flexibility, resilience and creativity. At the same time, the OECD points out that the main challenge is not only to ensure that citizens can develop skills in line with the technological changes taking place. In order to be competitive and ready for a changing labour market, it is also necessary to acquire those skills of global and intercultural analysis and understanding of problems, so that no one is left behind.

According to the Digital Economy and Society Index (DESI),<sup>9</sup> Italy ranks 25th out of the 28 EU Member States in 2020, highlighting a significant gap in terms of Human Capital. In 2019 Italy dropped two places and now ranks last in the EU on the Human Capital.

Compared to the other European Countries, Italy records very low levels of basic and advanced digital skills. Only 42% of people aged between 16-74 years old have at least basic digital skills (58% at EU level), while the number of ICT specialists and ICT graduates is below the EU average (2,8% versus 3,9% in Europe). The number of ICT graduates is also the lowest in the EU (only 1%), despite many different interventions promoted in recent years (National Plan for Digital Schools, National Plan “Enterprises 4.0”; strengthening post-secondary technical education and vocational training institute (“*Istituti Tecnici Superiori*” - ITS, “Transition 4.0”, National Strategy “Italy 2025).

Therefore, it is necessary to increase efforts in the promotion of digital skills, boosting innovative lifelong learning systems, in order to improve the competitiveness and productivity of businesses and the efficiency of the country’s system.

### Gender employment and inequality gap in the labour market

The 2019 specific recommendations for Italy (CSR) note that the gender gap in employment levels remains one of the highest in the EU and the employment rate of women, although slightly increasing, is far below the EU average (53.1% compared to 67.4% in 2018). With the Covid emergency, the employment rate of women in the second quarter

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<sup>9</sup> European Commission (2020), Digital Economy and Society Index (DESI) 2020.

of 2020 fell to 48.5% bringing the inactivity rate of women (15-64 years) to 46.5%.<sup>10</sup>

The challenge for the country is therefore to encourage women's participation in the labour market, which has a strong positive impact on the economy, especially in the face of a shrinking workforce and skills shortages, as underlined by the European Commission in its 2020-2025 Gender Equality Strategy. In addition, according to the International Labour Organisation (ILO), the recent international economic crisis has had a serious impact on the weakest groups in the labour market, including women.

Gender equality conditions have worsened considerably, with a consequent increase in discrimination in the workplace. This situation is confirmed by the fact that, in the first half of 2020, the employment rate of women fell below 49% due to the halt in production activities caused by the Covid-19 pandemic, which severely affected the sectors with the greatest presence of women, such as commerce, hospitality and tourism, care services, entertainment and culture. In fact, the country still has employment sectors that are strongly characterised by gender, with industry and construction predominantly male and the services sector highly feminised (around 50% of employed women work in services), particularly in health, education, hospitality and catering, as well as in the arts and culture.

Moreover, according to ISTAT,<sup>11</sup> there is a progressive deterioration of the quality of women's work in Italy. Less access to top positions, more part-time jobs and discontinuous careers are the factors that, together with a different age structure, determine gender differentials in labour income. The share of female employees who, irrespective of their job title, reports coordinating the work of other people is 18.4% in 2018, a share that has increased slightly since 2017 and also since 2008. The gap with men is 5.4 percentage points. Women in part-time employment are now a third (32.8% in the average of the first three quarters of 2019) compared to 8.7% of men. The incidence of part-time workers is higher among younger women (35.1% up to 34 years of age) and increases as the level of education decreases (42.6% up to middle school graduates and 22.5% among university graduates). Part-time work has not grown as a tool for reconciling work and family life, but in its involuntary component, which has exceeded 60% of the total, increasingly becoming a tool used for flexibility on the side of businesses rather than on the side of people and their needs for reconciling work and family life.

### Supporting female entrepreneurship

Women's participation in business life is still low. Only 22% of businesses are run by women, which, according to international observers such as the OECD and the European

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<sup>10</sup>Quarterly note on employment trends Q2 2020 - ISTAT

<sup>11</sup>Measures in support of women's participation in the labour market and for the reconciliation of life and work needs AA.C. 522, 615, 1320, 1345, 1675, 1732, 1925 Hearing of the National Institute of Statistics Ms Linda Laura Sabbadini Director of the Central Directorate for Studies and Thematic Enhancement in the area of Social and Demographic Statistics.

Commission, is a limiting factor for the growth of our economy.

The recent IV Report on female entrepreneurship by UNIONCAMERE<sup>12</sup> shows that women's enterprises (about 1.3 million) account for about  $\frac{1}{4}$  of the total, with a strong presence of sole proprietorships (63% compared to 48% of the total). The female entrepreneurship segment is showing interesting signs of dynamism, in particular with a high rate of increase in new enterprises, especially in the services sector, contrasted, however, by the persistence of elements of weakness in relation to investments in innovation and technology, internationalisation and access to financing and forms of venture capital.

The Report also shows how female entrepreneurial initiatives have suffered more than male ones during the lockdown period, with a reduction in registrations (-42% compared to -35% for male ones), despite the fact that in the previous period they had grown faster than male ones. There has been a slowdown in the process of women's empowerment initiated through female entrepreneurship, one of the strategic sectors for the country's development and the full participation of women in the labour market and in positions of responsibility. It is therefore strategic and urgent, with the objective of recovering the national GDP, to activate measures that restore and expand the number of working women, also through incentives and interventions to support women's entrepreneurship.

#### Opportunity gap for young people

Promoting youth employment is one of the main challenges at European and national level. Despite the positive trend in the last three-year period 2017-2019, the Covid19 pandemic wave has again worsened the national trend, bringing it back below 40% as during the economic recession. In this regard, the *European Commission's recommendations for Italy (COM (2020) 512 final of 20.05.2020)* highlight the need to promote an effective "integration into the labour market of inactive and NEETs".

The opportunity gap for young people is represented by the constant growth of NEET, which achieves particularly negative results in Italy, making our country the worst in Europe for this indicator. For what concerns the age group 15-34 years, indeed, the NEET are 3 million 189 thousand, of which 53.8% are concentrated in Southern Italy.

The data on the NEET measure precisely the growing social unrest of the new generations: long-term absence from the labour market or the education system significantly increases the difficulties of reintegration, as well as the risk of social exclusion and poverty in the medium to long term.

At the same time, the NEET indicator actually includes different target groups to be considered:

- Young people who are more vulnerable and at risk of social exclusion (i.e. the long-term unemployed or the discouraged);

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<sup>12</sup>Unioncamere, IV Report on Female Entrepreneurship, 2020.

- Young people that voluntarily choose to leave the labour market (i.e. those inactive for family reasons)
- Young people that are only temporarily in this situation, because they are waiting to complete informal or non-formal training pathways.

At the same time, there is a clear need to further promote the participation of young people in the political, social and cultural life of the country. According to the data of the *European Intergenerational Fairness Index*,<sup>13</sup> Italy is the country with the highest level of "generational gap" among the Member States. This gap has a direct impact not only in the delay of the new generations in reaching their economic independence, but also in the difficulty of participation as "active citizens" in their own communities. In addition, the precariousness of employment fosters an increase in mistrust towards political and social institutions, which are perceived as distant and uninterested in the problems of young people.

According to the European initiative "*Youth Employment Support: a Bridge to Jobs for Next Generation*",<sup>14</sup> there is thus a clear need to relaunch and further strengthen investments devoted to young people, in order to both promote their employment and acquisition of skills, as well as to boost their social and economic integration in the European and national community.

## **b) Objectives**

The package of investments, by which this component "Employment Policies" is composed, aims at pursuing the following objectives:

1) Strengthening ALMPs, in order to support unemployed workers and workers in transition by improving the PES network and establishing the "National Programme for the Guaranteed Employability of Workers (GOL)". The interventions of this component aim to tackle the following priorities identified by the European Commission in the Country Reports for Italy:

- Recommendations 2019 (COM (2019)512 final del 05.06.2019)<sup>15</sup> – n.2 "*Ensure that active labour market and social policies are effectively integrated and reach out notably to young people and vulnerable groups*"
- Post-Covid Recommendations (COM (2020)512 final del 20.05.2020) n. 2 – "*Mitigate the employment impact of the crisis, including through flexible working arrangements and active support to employment. Strengthen distance learning and*

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<sup>13</sup>Intergenerational Foundation, Intergenerational Fairness Index: <https://www.if.org.uk/>.

<sup>14</sup>European Commission (2020), [Commission proposal for a Council Recommendation on a Bridge to Jobs. Reinforcing the Youth Guarantee](#).

<sup>15</sup>European Commission, Recommendation for a Council Recommendation on the 2019 National Reform Programme of Italy and delivering a Council opinion on the 2019 Stability Programme of Italy, (COM/2019/512 final), pag. 12.

*skills, including digital ones” .*

Referring to the strengthening of the operation of the PES, the National Reform Programme identifies the following intervention areas - in addition to the increase in the number of staff and the consequent adaptation of the operational centres:

- the need to invest in staff training;
- the need to operate with a high level of integration between labour and social services;
- the need to invest in external communication of the services offered and in the supporting information systems.

Another area highlighted by the National Reform Programme is the strengthening of the linkage between education and training systems and the labour market, improving their quality and fostering the transition of young people to the world of work.

2) Adopting a National Strategic Plan for New Skills, aimed at supporting upskilling and reskilling processes and promoting occupational transitions, through the development and growth of workers' skills, including young people and adults. In particular, the Country-Specific Recommendations for Italy 2020 in paragraph 19 highlights the need to improve e-learning and e-skills, with regard to working-age adults and distance learning. It is also stressed that investment in skills is crucial to promote a smart and inclusive recovery and to foster a green and digital transition. All national and local actors will be involved in the promotion of these Interventions - Provincial Centres for Adult Education (CPIA in Italian),<sup>16</sup> Higher Technical Institutes (ITS – *Istituti Tecnici Superiori*<sup>17</sup>), universities, training providers, interprofessional funds.

3) Promoting women empowerment in the labour market, according to the European Commission's 2019 and 2020 CSRs and to the implementation process of the EC 2020-2025 Gender Equality Strategy, published in March 2020. In particular, the objective of this component is to increase investments aimed at promoting women participation in the labour market and equal work opportunities in response to the 2019 CSR. Which requires Italy to reduce both the gender employment gap and gender inequality in the Workplace (e.g gender pay gap). All these actions have been envisioned to encourage greater female

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<sup>16</sup>According to the Italian Law, the CPIA (Provincial Centre for Adult Education) have this task, representing a public body devoted to contributing in the implementation of the priority actions and strategies of the local networks for life-long learning (under art.4, clause 55 of the Law 92/2012). Since their establishment, the CPIAs have represented a structured and widespread point of reference for the coordination and implementation of reception, guidance and support actions addressed to adults, with a particular focus on disadvantaged targets, including the migrant population.

<sup>17</sup>The Higher Technical Institutes are Italy's initial experiment of vocational tertiary education provision in line with a system established and consolidated for some years, also in other European countries. The higher technical institutes are top-class centres highly specialised in technology, in connection with the production industry. They were set up in 2010 to train skilled technicians in strategic areas for Italy's economic development and competitiveness

participation in the workforce and, as required by the 2020-2025 European Strategy for Gender Equality, empower women in the labour market, increasing their opportunities to become investors and entrepreneurs.

4) Strengthening the dual system, in order to boost the matching of education and training systems with the labour market and the acquisition of new skills by young people. Through the apprenticeship in dual system and the training-on-the-job approach, the aim is to foster training pathways that meet the companies' needs in terms of skills.

According to the UnionCamere-ANPAL Report , in 2019 31% of Italian companies faced relevant problems in finding high-skilled workers for 1.2 planned contracts. This skills mismatch affects not only those job vacancies where degree are required, especially STEM (science, technology, engineering, mathematics), but also those where a HEIs qualification is not required. As highlighted by the UnionCamere-ANPAL report, among the most difficult professions to find are blacksmiths, welders, workers specialised in the installation and maintenance of electrical equipment, ICT specialists. The rate of difficulty in finding jobs for these professions range between 48% and 58%.

In order to tackle this challenge, many reforms have been implemented over last years to introduce the dual system in Italy: work-related learning (Alternanza Scuola-Lavoro), simulated training enterprises (Impresa Formativa Simulata - IFS), vocational apprenticeship (Apprendistato professionalizzante), Higher Technical Institutes (Istituti Tecnici Superiori - ITS). At the same time, the low levels of participation and the fragmentation of the dual system offer require for more investments at national and regional levels.

5) Promoting the personal and professional development of young people, aged between 18 and 28 years old, and their acquisition of basic and soft skills through the “Universal Civilian Service” initiative. The intervention has a relevant social impact, considering that young people carry out projects that are useful to local communities, and therefore indirectly this also ensures economic benefits (in terms of social care services, education, social promotion, etc.). For what concerns the direct impact on employment, an INAPP sampling analysis in 2017 highlights the effects of the "Civilian Service measure" in terms of youth employment: 33.5% of NEET participants are employed (at six months after the end of the service), while 52% of volunteer participants are employed (at 12 months after the end of the service).

### 3. Description of the reforms and investments of the component

1) Reforms.

**Reform 1:** “National Programme for the Guaranteed Employability of Workers” (*linked to Investment 1 Strengthening Labour Market Policies*”).

**Challenges:** Several reforms have taken place in recent years in the ALMPs system,

starting with the *Job Act*<sup>18</sup> and the establishment of a “citizens“ basic income (“*Reddito di Cittadinanza*”).<sup>19</sup>

Technological progress and globalisation have profoundly changed production activities and the labour market. Countering skills obsolescence is one of the major challenges of our time, in economies that are constantly evolving and require continuous training and updating. The need to adapt the skills possessed by workers, jobseekers, but also students who will soon enter the labour market, has been evident for some time. The Covid-19 emergency has strongly brought this need to the forefront, capturing the attention not only of institutions but also of the workers themselves and, more generally, of the current and future workforce, who is called upon to re-examine their employment situation with new eyes, in search of methods of adaptation and acquisition of skills capable of taking their professionalism beyond the crisis.

The new GOL Programme starts from the experience of these years, trying to overcome the excessive heterogeneity of the local services, with an approach based on the definition of essential levels of services, proximity of actions and network integration.

The reform is fully consistent with the National Reform Programme under the European Semester.

According to the Priority 2 "Labour Market School and Skills", the plan highlights a lack of skills and the mismatch between qualifications and business needs among the causes of Italy's low productivity. It is thus essential to promote a more efficient active labour market system by strengthening the PES and promoting training courses for the development of new skills in line with the challenges of the labour market (soft skills, digital skills, etc.)

**Objectives:** In agreement with the regions, the Government aims at adopting a National Programme for the Guaranteed Employability of Workers (GOL) in order to take charge and provide specific services and personalised professional planning.

The GOL programme aims to assist unemployed workers and workers in transition by activating the network of employment services and providing a variety of active labour policy tools. The criticalities observed in the recent reform processes have to be overcome by investing in specific essential levels of services that guarantee uniformity of treatment throughout the national territory.

In addition, the National Programme GOL will strengthen the Public Employment Services (PES), so that they can systematically carry out skills forecasting analysis, build personalised training plans and thus provide guidance and job coaching through an active engagement of public and private stakeholders.

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<sup>18</sup>Legislative Decree n. 81/2015.

<sup>19</sup>Legislative Decree n. 4/2019.

The Programme will be adopted by inter-ministerial decree, following agreement at the State-Regions Conference.

**Implementation:** Starting with the review of the job-integration voucher (*assegno di ricollocazione*), already funded by the 2021 Budget Law, the National Programme GOL will provide specific active labour policy services, in the context of the Personalised Service Agreement, drawn up between the unemployed and the public employment service (PES), in order to achieve the job placement objective. A range of upskilling and reskilling services will be also enhanced, in order to promote the acquisition of professional qualifications, higher technical diplomas and degrees through credit recognition.

In addition, the 2021 Budget Law<sup>20</sup> states that part of the resources of the newly established “Fund for the implementation of ALMPs measures related to those eligible by the European Commission under the React-EU Programme” (“*Fondo per l’attuazione di misure relative alle politiche attive rientranti tra quelle ammissibili dalla Commissione Europea nell’ambito del programma React-EU*”) can be used for the establishment of the National Programme GOL.

While the procedures for calculating eligible expenditure, reimbursement and results, as well as the linkage with private operators are defined at national level, the Programme GOL will be managed in close cooperation with the Regions. The identification of personalised services related to the Programme and well as their definition according to the specific recipient, is entrusted to a specific ministerial decree.

As part of the establishment of the National Programme GOL, it is also envisaged that the job-integration voucher, consisting of an amount to be used with bodies that provide personalised service of job guidance and taking charge, will be one again be granted to recipients of NASPI (New Employment Social Insurance Benefit)<sup>21</sup> or DI-SCOLL<sup>22</sup> for more than 4 months.

**Implementing Bodies:** Ministry of Labour and Social Policies (MPLS) and ANPAL (National Agency for Active Labour Market Policies).

**Target population:** Target population is as follow:

- Recipients of income support instruments for the unemployed (New Employment Social Insurance Benefit - NASPI);
- Recipients of basic income (“Reddito di Cittadinanza”);
- Outgoing workers benefiting from extraordinary or derogation wage supplementa-

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<sup>20</sup>Article 1, c. 325, Law n. 178/2020

<sup>21</sup>NASPI is a cash benefit granted, on request, in the event of involuntary redundancy or expiry of a fixed-term employment contract, to employed workers, which includes apprentices, cooperative members, artistic staff and fixed-term workers of public administrative bodies.

<sup>22</sup>DIS-COLL is a cash benefit awarded on request in the event of involuntary redundancy to workers with an atypical employment contract registered with the separate pension scheme.

tion instruments (CGIS).

**Timeline:** 3 years (2021-2023)

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**Reform 2:** “Definition of an essential level of vocational training” (*linked to Investment 2 “National Strategic Plan for New Skills”*).

**Challenges:** Revision of the governance of the vocational training system in Italy, by means of agreements at the different levels of government and between the different competent state administrations, in order to guarantee access to quality training at national level, as well as defining uniform standards and strengthening the competence certification system.

**Objectives:** The strengthening of ALMPs (Reform 1 and Investment 1) will be accompanied by a national structural reform aimed to revise and reorganise the training of workers, both employed and unemployed. The VET system in Italy will be enhanced by promoting a territorial network of education, training and employment services (also through PPPs), as well as by developing an inclusive lifelong learning system and innovative upskilling and reskilling pathways.

In coordination with the Regions, the aim of the Plan is to define essential levels of training activities that must be activated, in particular for the most vulnerable. For instance, standards can be set for the training of recipients of income support instrument for the unemployed (NASPI, DIS-COLL) or recipients of basic income (“*Reddito di Cittadinanza*”) and long-term unemployed, as well as for taking charge of outgoing workers who benefit from extraordinary or exceptional wage supplementation instruments (CIGS that is the Italian acronym for extraordinary redundancy fund, fund for cessation of activities, derogation treatments in areas of complex crisis).

**Implementation:** The National Strategic Plan for New Skills will provide for the definition of an essential level of vocational training, linked to specific needs to be identified with respect to the different target groups. Activities should be guaranteed within a certain period of time (e.g. within six months from the access to the benefit), follow certain quality standards, be certifiable, and be carefully monitored on the basis of result indicators (e.g. percentage of training participants finding employment within a certain period of time). Pilot projects can also be envisaged, to be subjected to rigorous impact assessment in order to identify good practices that can be translated into national guidelines. Essential levels of training could be an essential element of the reform of social safety nets.

1<sup>st</sup> Semester 2021 - In the first half of 2021, the Government aims to adopt, in agreement with the Regions and subject to the approval of a constitutive regulation, a National Plan for New Skills that will improve the employability of workers in the face of changes in

the market and the evolution of professional needs. The Plan will be adopted by an inter-ministerial decree, after agreement at the State-Regions Conference. In the same period, the Regions will be asked to launch regional plans.

2<sup>nd</sup> Semester 2021 - In the second half of 2021, administrative procedures will be defined and training programmes will be launched.

3<sup>rd</sup> Semester 2021-2026 - Training will be provided until 2026, involving - in additional terms compared to what happens today - about 15% of unemployed workers (more than 350,000 workers) and an even higher number of employed people in different ways (new skills fund, training by universities, interprofessional funds, etc.).

**Implementing Bodies:** Ministry of Labour and Social Policies (MLPS)

**Target population:** Different targets can be defined according to the level of skills already possessed and the employment status: employed in companies undergoing restructuring (e.g. CIGO, CIGS, solidarity), employed in transition, unemployed, recipients of basic income. Targets will be set on the basis of the types of beneficiaries:

1. Recipients of basic income (“Reddito di Cittadinanza”);
2. NASPI recipients;
3. Long-term unemployed people (>24 months), but not recipients of income support;
4. Workers in transition (CIGS recipients for termination, complex crisis areas, national strategic enterprises);
5. Workers receiving notice of dismissal (to be disciplined) at the end of the layoffs block;
6. Working poor (low-skilled/low-income/atypical workers).

**Timeline:** 6 years (2021-2026)

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## 2) Investments.

**Investment 1:** “Strengthening Active Labour Market Policies (ALMPs)” (*linked to Reform 1 “National Programme for the Guaranteed Employability of Workers”*).

**Challenges:** There is a clear need for such training measures to support employment transition to be structured and governed by the competent institutions and to be accompanied by an adequate and strengthened system of employment services, which is also ‘competent’ and operates in synergy with local services, especially those on the social side, for an integrated and multidimensional care of individuals and families, where deemed necessary. Hence the need to include within the same investment project a line of action dedicated to strengthening the Public Employment Services (PES), working on their capacity to provide quality services and on their ability to communicate and publicise the range of services available and thus to be “appealing” to all workers and

not only to disadvantaged categories. Effective results can be achieved only by working synergistically in these areas of intervention in terms of strengthening the potential for growth, job creation (including through self-employment) and the social and economic resilience of the country system.

**Objectives:** The investment project also will strengthen the PES, by implementing interventions to adapt the skills of students, workers and job seekers to the skills needs being renewed due to the emergence of the "green" and "digital" themes and due to the profoundly changed post-Covid-19 reference context. An intervention of this relevance necessarily has lasting impacts at country level.

The contents of this project start from already existing interventions concerning the strengthening of the PES (e.g. the *Plan for strengthening services and active labour policy measures*,<sup>23</sup> co-financed by the NOP Systems for Active Employment Policies) and skills matching with businesses' needs (e.g. all the fragmentation of specialised training and guidance interventions co-financed by the various ESF OPs). At the same time, they focus on the employment transition to the new green and digital challenges.

**Implementation:** Three years: 2021-2022-2023, reserving the following two years for the administrative management tasks necessary to ensure compliance with the deadlines of Article 14 of the RRF Regulation.<sup>24</sup>

The implementation phase envisages the design and implementation (also in distance learning) of training interventions to update the skills of the operators, starting from a needs analysis and the implementation of interviews with key figures of the employment services supply system (e.g. on the topics of service standards, of supply and consultation of the Unified Information System, on the skills plan to align the existing skills with the needs of the enterprises, on the services of identification, validation and certification of the skills of the National System). Furthermore, it is also envisaged the design and implementation of contents and communication channels of the services offered.

**Implementing Bodies:** Ministry of Labour and Social Policies + ANPAL (National Agency for Active Labour Market Policies)

**Other stakeholders:** Ministry of Education, Ministry of University and Research, Regions and Autonomous Provinces, responsible for PES and competent in training, social territorial ambits. The project also envisages the involvement of the Joint Interprofessional Funds (*Fondi Paritetici Interprofessionali*),<sup>25</sup> which are not public law bodies but play a strategic and important role in the provision of continuous training geared to employment

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<sup>23</sup> ANPAL, [Piano di rafforzamento dei Servizi e delle misure di politica attiva](#).

<sup>24</sup> European Commission, “*Proposal for a Regulation of the European Parliament and of the Council Establishing a Recovery and Resilience Facility*” (COM/2020/408 final).

<sup>25</sup> Law n. 388/2000: The Joint Interprofessional Funds are set up as inter-sectoral associations through agreements between the social partners and are authorized to operate by the Ministry of Labour.

transition.

According to the National Reform Programme, it is believed that the investment project can be supported by: cyclical support for employment; the promotion of decentralised bargaining within the framework of an overall reorganisation of bargaining levels; the enhancement of lifelong learning; and the strengthening of the system of prevention and protection of health and safety in the workplace.

**Target population:** The project is aimed to complete the path of strengthening the PES and to promote interventions to match the skills of students, workers and job seekers to the businesses' needs, due to the emergence of the "green" and "digital" challenges and due to the new post-Covid-19 context. The expected result is to reach at least 500,000 workers per year.

Target population is as follow:

1. Recipients of income support instrument for the unemployed (New Employment Social Insurance Benefit-NASPI ; DI-SCOLL ) for at least 4 months;
2. Recipients of basic income (“Reddito di Cittadinanza”);
3. Long-term unemployed;
4. Outgoing workers benefiting from extraordinary or derogation wage supplementation instruments (CIGS, redundancy fund for cessation of activity, derogation treatments in complex crisis areas);
5. Workers receiving notice of dismissal (to be disciplined) at the end of the layoffs block.

**Timeline:** 3 years (2021-2023).

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**Investment 2:** “National Strategic Plan for New Skills” (*linked to Reform 2 “Definition of an essential level of vocational training”*) .

**Challenges:**

- Stimulating public-private cooperation in CVET and training supporting the employers in the investment on upskilling and reskilling of the workforce, guaranteeing relevant increase of the employee participation to learning activities;
- Strengthening the territorial network of education, training, work and social inclusion services, promoting agreements between Provincial Centres for Adult Education (CPIAs), employment services and municipalities to allow reception, taking charge and possible guidance actions in favour of the adult population
- Transforming the 129 CPIAs into hubs of a lifelong learning system throughout the country with reference to basic training for the most fragile and vulnerable adults (e.g. beneficiaries of basic income), as well as for the elderly population. This intervention is also relevant to guarantee them full digital citizenship (e.g.

by facilitating access to public digital services – SPID, Italian acronym for public digital identity system, online social security and tax services, etc. – and private ones – online bank accounts, online shopping, etc.);

- Strengthening universities as a central players in the creation of high-level training pathways for reskilling and upskilling in various subject areas, in collaboration with businesses and administrations, business and workers’ associations and professional bodies, for workers with a diploma or degree, supplementing existing training pathways with short, modular training pathways tailored to meet training needs, especially through digital systems.

**Objectives:** The Plan, coordinated by the Ministry of Labour and Social Policies, together with the Ministry of Education and the Ministry of University and Research, in collaboration with ANPAL and after agreement in the State-Regions Conference, aims to support employment transitions and the development of new skills for young people and adults. In order to pursue this objective, the National Strategic Plan for New Skills will promote the following interventions:

#### 2.1. “New Skills Fund”:

Once the training needs for the specific company, sector or territory have been identified, the New Skills Fund encourages professional updating by charging the cost of the hours spent in training to the Fund’s resources. Training costs (teachers and classrooms) are borne by the companies, also through the use of interprofessional funds.

The Fund can also be activated for companies using the “*Cassa integrazione*” (payroll subsidies): in order to face restructuring or structural crises, the training activities promoted are crucial to promote workforce relocation processes or help the transition to new employment.

#### 2.2. “Provision of training programmes, managed and coordinated by universities, for reskilling and upskilling”

Creation of training programmes for workers with a diploma or degree, managed and coordinated by universities, involving companies and integrating existing training paths with short, modular, and hoc calibrated training paths (Microcredentials). In this regard, the intervention will be promoted in close cooperation with the “Innovation Ecosystem” initiative, foreseen in the Mission 4 of the NRRP. The creation of sharing hubs between universities, research centres, businesses and local institutions will allow to provide training programmes, coordinated by Universities, that meet businesses’ needs and the smart specialisation of the local communities.

#### 2.3 “Implementation of a permanent system for the development of adult competences in a lifelong learning context using the 129 CPIAs”:

- Definition of an integrated system for lifelong learning;

- Involvement in training activities of recipients of basic income (*“Reddito di Cittadinanza”*) with low skills. In particular, it should be noted that in the 18-64 age group of the recipients who apply to the social services of the municipalities, about 20% do not have a secondary school diploma and a further 50% have no more than a secondary school diploma;
- Improved offer of ordinary courses aimed at reaching a diploma;
- Provision of short training courses (*Microcredentials*)<sup>26</sup>;
- Recognition, promotion and certification of basic and advanced skills;
- Retraining for work also with reference to smart working;
- Learning distance implementation through the enhancement of digital teaching tools and methodologies;
- Support and training/information of the elderly population in accessing public (SPID, on-line social security and tax services, etc.) and private (on-line bank accounts, on-line shopping, etc.) digital services.

The main aim is to allow the CPIAs to become the hubs of a system of lifelong learning in the territory with reference to basic and advanced training and digital citizenship. Moreover, the aim is to ensure a system of adult education also with a view to vocational retraining. According to the European indications for lifelong learning<sup>27</sup>, the CPIAs will also be strengthened to foster the integration of the most vulnerable.

### ***Implementation:***

#### **2.1 “New Skills Fund”:**

The New Skills Fund was established by Article 88 of Decree-Law No. 34/2020 to boost the training of workers. Based on trade union agreements and the rescheduling of working time, it can be used by companies affected by production reorganisation processes or to foster redeployment of redundant workers. The Fund supports the wage costs, including social security and insurance charges, relating to the hours not worked during the training courses.

Given that the implementation process has already started and taking into account the timeframe for the approval of the NRNP, it is believed that the Fund can be considered immediately operational.

*Implementing body:* ANPAL (National Agency for Active Labour Market Policies), which has already issued the first public notice for 2020 projects.

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<sup>26</sup>According to the EU New Skills Agenda, *“Micro-credentials can be defined as documented statements that acknowledge a person’s learning outcomes, which are related to small volumes of learning and that for the user are made visible in a certificate, badge, or endorsement (issued in a digital or paper format).”*

<sup>27</sup>Council of the European Union, *Council Recommendation on Upskilling Pathways: New Opportunities for Adults*, 19 December 2019

## 2.2 “Provision of training programmes, managed and coordinated by universities, for reskilling and upskilling purposes”

Creation of training programmes for workers with a diploma or degree, managed and coordinated by universities, involving companies and integrating existing training paths with short, modular, ad hoc calibrated training paths to be reconciled with training needs, delivered mainly through digital systems. The implementation phase envisages the following steps:

*2022:*

- Definition of administrative procedures in agreement with the Ministry of Labour and the Ministry of Education for the involvement of universities and companies;

*2023:*

- Providing training paths for employees and companies

*{Implementing body:}* Ministry of University and Research (MUR) and Universities

*Other stakeholders:* Innovation ecosystem - research centres, businesses (large firms, SMEs, networks of companies), local institutions, civil society representatives (third sector organisations, associations, etc.).

## 2.3 “Implementation of a permanent system for the development of adult competences in a lifelong learning context using the 129 CPIAs”:

Creation of a permanent system for the development and requalification of teachers’ and citizens’ competences in a lifelong learning context using the 129 CPIAs that will be strengthened by means of cabling interventions in the school premises, purchase of updated professional laboratories and provision of training allowances for hardware purchase costs, connection costs, transport costs. The implementation phase includes the following steps:

*2021*

- Alignment of Adult Vocational Education (IDA – *Istruzione degli Adulti*) to the decree 62/2017, with revision of Vocational Didactic Units (*Unità di Apprendimento - UDA*);
- Implementation of the decree 16 January 2013, n. 13 in the CPIA context;
- Training of teachers of UDA courses (II level) with regard to digital and professional skills for distance learning (*Formazione a Distanza - FAD*) and to adapt the UDA to the needs of companies in the sector and on a given territory;
- Strengthening of the role of the "Didactic Units" of the CPIAs; an "upper secondary" will assume the role of network leader for the management of the training actions. Each network will be able to present a project which must include the following actions: a. Analysis of the sectors present in the area of competence and

identification of the training needs; b. Development of "short courses"; c. Purchase of sector laboratories or updating of the equipment d. Specific training of teachers in charge of the "short course";

- Guaranteed coverage of the necessary expenses (Staffing of level II adult courses at 70% frontal lessons and 30% project hours).

*2022*

- Pro-educational training of adults on digital skills;
- Short training courses;
- Validation and certification of skills developed;
- Establishment of a training allowance for adults.

*2023*

- Provision of school premises for Level II courses equipped with wiring, classrooms dedicated to the discipline, up-to-date professional laboratories;
- Provision of adult education;
- Establishment of paid study leave for employed adults;
- Establishment and/or enhancement of incentives for employers to train low-skilled employees.

*2024*

- Implementation of the system and provision of training courses to adults on basic and advanced skills, professional requalification;
- Provision of training to the elderly population in accessing public (SPID, on-line social security and tax services, etc.) and private (on-line bank accounts, on-line shopping, etc.) digital services.

***Implementing Bodies:*** Ministry of Education

*Other stakeholders:* 129 CPIAs

***Target population:***

2.1 “New Skills Funds”:

- Workforce of the companies and businesses involved.

2.2 “Provision of training programmes, managed and coordinated by universities, for reskilling and upskilling purposes”

- Employees and companies.

2.3 “Implementation of a permanent system for the development of adult competences in a lifelong learning context using the 129 CPIAs”

- Adults with low skills.

### ***Timeline:***

#### 2.1 “New Skills Fund”:

- 6 years (2021-2026)

#### 2.2) “Provision of training programmes, managed and coordinated by universities, for reskilling and upskilling purposes”:

- 5 years (2022-2026)

#### 2.3) Implementation of a permanent system for the development of adult competences in a lifelong learning context using the 129 CPIAs:

- 4 years (2021-2024)

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### ***Investment 3: “Creation of women’s enterprises”.***

The investment, amounting to EUR 400 million, aims at defining, identifying and/or adapting support instruments for the creation and development of enterprises with predominant or total female participation, including innovative start-ups, and the consolidation of existing ones.

### ***Challenges:***

Low level of female participation in the labour market. The gender gap in employment levels in Italy remains one of the highest in the EU and the employment rate of women, although slightly increasing, is far below the EU average (53.1% compared to 67.4% in 2018; in the first half of 2020, the employment rate of women fell below 50%). Inactivity is more prevalent among women, just as the phenomenon of undeclared work particularly affects the most vulnerable groups such as migrants, women and children. The level of participation in the labour market and the employment rate of women is also symptomatic of the low capacity to employ and make the most of the human capital in Italy, since - although young women have higher levels of education than their male peers - there are large differentials, to their disadvantage, in employment rates upon leaving school. The gap is widened in the less developed areas of the country.

Low participation of women in business life. Only 22% of companies are run by women, which, according to international observers such as the OECD and the European Commission, is a limiting factor for the growth of our economy. In addition, women experience more interruptions in employment, more precariousness and irregularity. One of the objectives of the European Gender Equality Strategy 2020-2025 is to empower women in the labour market by increasing their chances of establishing themselves as investors and entrepreneurs. EU cohesion policy supports female entrepreneurship, the (re)integration of women into the labour market and gender equality in specific, traditionally male-

dominated sectors.

Low propensity of women to invest in innovation and technology, internationalisation and access to financing and forms of venture capital. The female entrepreneurship segment shows interesting signs of dynamism, in particular with a high rate of increase in new businesses, especially in the services sector (Unioncamere, IV Report on Female Entrepreneurship, 2020). However, this is contrasted by the persistence of elements of weakness concerning investments in innovation and technology, internationalisation and access to financing and forms of venture capital. The above-mentioned Unioncamere report also shows how female entrepreneurial initiatives have suffered more than male ones in the lockdown period, with a reduction in registrations (-42% compared to -35% for men), despite the fact that in the previous period they had grown faster than male ones.

### ***Objectives:***

The project, in its twofold nature of reform and investment, aims to raise the levels of participation of women in the labour market by leveraging their creative and innovative potential. In particular, the project - through an integrated strategy of financial investments and support services - aims at:

- supporting female entrepreneurship, by systematising and redesigning the current supporting tools with respect to a vision that is more attuned to the needs of women, especially qualified young women, and more attentive to innovation and the key roles that women can play in the company;
- supporting the implementation of innovative business projects for women-owned or predominantly women-owned enterprises already established and operating (digitisation of production lines, switch to green energy, etc.);
- supporting the start-up of women's entrepreneurial activities through the definition of an offer that is able to respond in a personalised way to women's needs (mentoring, technical-managerial support, measures for work-life balance, etc.);
- creating - through targeted communication actions - a favourable and emulative cultural climate for women's entrepreneurship, particularly in schools and universities.

In relation to the support of innovative skills and business creation areas, the challenges of the green and digital transition will be emphasized with particular attention to the segment of women's micro and small enterprises, including individual enterprises.

### ***Implementation:***

Implementation of the legislative basis (2021 Budget Law) for the creation and execution of the Fund in support of female entrepreneurship and development of new support instruments (Quarter I 2021).

From the IV quarter of 2021 until 2026, the Fund's operations will be supported by:

- provision of facilities (e.g. non-repayable fund, zero interest rate, financial facilities) for the creation, consolidation and innovation of enterprises by women, including participation in the risk capital of enterprises;
- provision of accompanying measures (mentoring, technical-managerial support, work-life balance measures, etc.);
- design and promotion of multimedia communication campaigns and events, in order to create a favourable and emulative cultural climate for the enhancement of female entrepreneurship, in particular, among the student population of schools and universities;
- in itinere and ex post monitoring and evaluation, in order to verify the efficiency and effectiveness of the tools and accompanying measures, with a view to introducing possible corrections to the measure in the medium term. From 2022 onwards: 2 half-yearly monitoring reports per year and 1 annual evaluation report for 5 year plus a final evaluation report. The monitoring and evaluation reports may also be included in the Annual Report to Parliament that the Minister of Economic Development is required to submit pursuant to the 2021 Budget Law (Article 17, paragraph 6).

**Implementing Bodies:** Ministry of Economic Development (MISE) and Department for Equal Opportunities

**Target population:** Women of any age residing throughout the country who intend to start a small or micro-enterprise, start up.

**Timeline:** 6 years (2021 - 2026)

**Investment 4:** “Apprenticeship in dual system”

**Challenges:**

**Low rates of attainment of secondary and tertiary education.** The share of 25-64-year-olds with at least upper secondary education is 62.2% in 2019, much lower than the EU average of 78.7% and some countries including Germany (86.6%), France (80.4%) and the United Kingdom (81.1%). As far as tertiary education is concerned, only two out of 10 people in Italy (about 19.6%) have tertiary education, against the European share of about one third, i.e. 33.2%.

**High levels of early school leavers.** The share of 18-24-year-olds in Italy who have at most a lower secondary qualification and are already out of the education and training system is 13.5% (561,000 young people), which is higher than the European benchmark set at 10%; among early school leavers, only one in three (35.4%) is employed in Italy, compared to the European average of almost one in two (46.6%). The employment rate at territorial level is heterogeneous, with a value of 22.7% in the South against 49.5% in

the North and 46.9% in the Centre.

**Difficulties in generational turnover and much higher percentages of youth unemployment and NEETs than the European average.** ISTAT data highlight that the percentage of young people aged 15-29 not in employment or training is 22.2% (2 million young people). The share of NEETs is the highest among EU countries, about 10 points higher than the EU average (12.5%).

***Objectives:***

The project intends to strengthen the dual system, in order to make the education and training systems more synergic with the labour market, as well as boosting the employability of young people through the acquisition of new competences, with the on-the-job learning approach. This intervention also ensure the development of training courses that meet the companies' needs, thus reducing the mismatch between the skills required in the labour market and those provided by education and training system in order to get out of the crisis and engage in the recovery.

In particular, the specific objectives of the intervention are:

- Qualification and modernisation of education and training system, in order to improve the access of young people into the labour market, through the enhancement, consolidation and dissemination of work-related learning, as well as the dialogue with enterprises at national and local level.
- Measures to strengthen the dual system by increasing the financial allocation, in order to enhance the training offer, with particular focus on marginalised areas.
- Implementation of a "strengthened" and "participated" governance, also through the support of specific bodies that are already operational, such as the Apprenticeship Technical Body, which coordinates the key stakeholders, including the economic and social partners, operating in the field of training, with specific reference to apprenticeship training.
- Increase the share of NEETs aged 18 to 24 with a secondary school qualification, by promoting their training through the apprenticeship in dual system and improving their employability.
- Increase the share of graduates and young people with tertiary education qualifications (*Higher Technical Institutes - ITS*).
- Enhance the adult participation in upskilling and reskilling pathways

***Implementation:*** The action is fully consistent with the National Strategic Plan for New Skills (see Investment 2).

The distribution of resources to the Regions for the strengthening of the dual system will take place on the basis of the number of students enrolled in VET courses. The monitoring process will be provided by INAPP, according to the data provided by the Regions and Autonomous Provinces.

**Implementing Bodies:** Ministry of Labour and Social Policies (MPLS)

**Target population:** Increase the number of young people participating in formal education and vocational education and training through the apprenticeship in dual system. The main target group is young people, but it is also envisaged to promote specific apprenticeship training for adults without secondary education qualification. The project is also intended to finance cooperation in territorial networks between training institutions and businesses, extending to the entire country the initiative expected under Axis 1 Bis of the NOP YEI for regions in 'transition'.

**Timeline:** 3 years (2021-2023)

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**Investment 5:** "Universal Civilian Service".

The investment, amounting to EUR 650 million, aims to promote the personal and professional development of young people, aged between 18 and 28 years old, and their acquisition of basic and soft skills through the "Universal Civil Service" initiative.

**Challenges:** The National Reform Programme makes explicit reference to the Civil Service within priority area 2 "Labour market, school and skills" and, in particular, in the section "School system and enhancement of training". The document, in fact, highlights the importance of promoting "non-formal civil service training/education" .

Therefore, the Universal Civil Service investment promotes a training process for young people aged between 18 and 28, aimed at the acquisition of key and basic skills, on which Italian students and adults perform among the worst in the EU (as highlighted in the 2019 Recommendations). At the same time, the Universal Civil Service is also an indirect measure of active support to youth employment.

The project also has an impact on the communities, which are the target of the actions carried out by the youth participants in the Civil Service. The areas that benefit most from this initiative are those highlighted as priorities by the European Commission: poverty or social exclusion, accessibility to social services, home/community care, early-school leaving and educational poverty, prevention of natural risks, gender diversity, green and digital transition. For what concerns the digital and green transitions, the project also promotes the participation of young people on environmental and digital issues, through specific and cross-cutting actions devoted to these two areas (a special project is also promoted in collaboration with the Ministry for Innovation, Technology and Digitisation). Given the role of young people as agents of change, efforts will be made to better target their training so that they can contribute to sustainable and innovative transition processes through their daily actions.

Moreover, the projects are implemented by local civil service organisations, in order to further promote the personal growth and citizenship of the young participants, as well

as to acquire the democratic value necessary to be part of the European and national community. This non-formal educational process makes young people aware of their rights and duties towards the community, improving their relationship with institutions and steering them to tackle the emerging challenges of the 21st century.

The Universal Civil Service projects therefore have a positive impact for young people and local actors, as they provide a service to the community and promote citizenship values. The recent experience of the Covid-19 emergency has further increased the relevance of this measure. Indeed, faced a minor financial investment compared to other types of policies, it ensures highly significant results also in terms of social and territorial cohesion.

As illustrated above, the Universal Civil Service's measure has a widespread and significant impact in many areas of interventions. Moreover, it is relevant to underline how all of them are fully in line with the main objectives of the United Nations 2030 Agenda for Sustainable Development, which have inspired the three-year planning of Universal Civic Service.

### ***Objectives:***

In summary, the general objective of the project is to strengthen the Universal Civil Service, stabilising the number of voluntary workers and raising the quality of the programmes and projects in which young people are involved. More young people and better projects means more effective interventions in favour of communities and local inhabitants.

The specific objectives are the following:

- Increasing the number of young people involved in non-formal learning through the Universal Civil Service, in order to improve their knowledge and skills and to be geared more closely to the development of their professional life;
- Raising awareness among young people of the importance of active citizenship as a tool for inclusion and social cohesion;
- Promoting interventions with a high social impact on the territories, with particular attention to the green and digital transition. As previously highlighted, the green and digital impact of these projects can be both direct - with reference to the thematic areas of intervention - and indirect - with regard to their effectiveness on communities;
- Fostering projects related to local communities, in order to make the Country more resilient and mitigate the economic and social impact of the crisis. Most of the projects are aimed at the most vulnerable categories and most exposed to the effects of the emergency.

Furthermore, these projects are often carried out in complex urban areas (suburbs, inland areas, ecc), at risk of social marginalization and far from institutions and cultural centres. The intervention, therefore, aims at revitalizing these communities, through a direct

investment in young people.

***Implementation:***

The Department for Youth Policies and Universal Civil Service is responsible for the implementation of this intervention. At the same time, it will be useful to foster greater collaboration with the various Ministries that have specific competences in youth policies (i.e. education; environment, cultural heritage; digital transformation or civil protection).

The project has a three-year duration but is developed on an annual basis. The selection of a standard number of volunteer operators is envisaged for each of the years considered. This objective is achieved by providing for the publication of a Notice in the first half of each year, addressed to civil service organisations. They will present intervention programs in which young volunteers will be involved. In the second semester, the programs will be evaluated, approved and partially funded. Finally, the call for the selection of volunteer operators will be published.

Therefore, the project provides for a six-monthly monitoring of the progress and can become operational immediately, as soon as the resources to be allocated are established.

During each year, the results of the intervention will be analysed in order to highlight any critical issues and study possible solutions aimed at reducing them. At the same time, the exchange of good practices at national and local level will also be promoted, with the aim of putting them into the system for the following year.

The quantitative monitoring system of the measure will be based on the following objectively measurable indicators:

- Number of civil service organisation involved in the planning;
- Number of places for volunteers foreseen in the projects presented by the civil service organisations;
- Number of programs and projects carried out;
- Number of facilities financed;
- Number of young people selected as volunteers;
- Number of young people involved;
- Number of municipalities affected by civil service projects.

As well as quantitative monitoring, it will be also possible to promote a qualitative monitoring,

- Quality of the programs and projects carried out;
- Skills acquired by volunteers;
- Effectiveness of interventions in the territories with reference to the activities promoted;
- Level of satisfaction of the volunteers.

**Implementing Bodies:** Department for Youth Policies and Universal Civil Service

**Target population:**

As the main target, it is expected to involve a number of young volunteers annually equal to 120,000 units (and a total number of about 175,000 volunteers over the three year period), and, at the same time, to improve the quality of programs and projects presented by the organisations.

Therefore, it is necessary to:

- Raise the standards of the design;
- Approve annually the Universal Civil Service’s Programming Plan;
- evaluate and approve annually programs and projects of civil service organizations, in order to ensure a sufficient number of places available to young people;
- Issue selection notices;
- Establish contracts to young people
- Monitor the progress of programs and projects;
- Liaise with voluntary organizations and operators.

These activities will be carried out for each of the years covered by the proposal.

**Timeline:** 3 years (2021-2023).

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## 4. Green and digital dimensions of the component

### a) Green Transition:

The (proposed regulation COM(2020) 408 establishing a Recovery and Resilience Facility sets a binding target of at least 37% of the plan’s total allocation to contribute to the green transition or to the challenges resulting from it<sup>28</sup>.

The reform and investment projects related to this component aim to meet the need for “green expertise”, by reducing the gap between existing skills and the companies’ needs, and promoting employment transitions towards the "core green" sectors (production of green products and services) and “go-green” (conversion of processes, reduction of environmental impact, specialization of functions).

Also creating the condition for the development of female entrepreneurship is a drivers

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<sup>28</sup>Communication COM(2020)575 on the Annual Sustainable Growth Strategy 2021 sets out a climate target of 37% for each national Recovery and Resilience Plan, to follow the commitment of the European Council of July 2020. This is reflected in the 7th compromise proposal put forward by the German Presidency on the proposal for a Regulation COM(2020)408 as a Council negotiating mandate.

for investments in environmental sustainability. The recent IV Report on Female Entrepreneurship by Unioncamere shows that female enterprises in Italy are quite green. Women's businesses are more environmentally aware, driven above all by ethics and social responsibility: the proportion of young women's businesses that invest in green, driven by an awareness of the risks associated with climate change, is higher than that of young men's entrepreneurs (31% vs. 26%).

These reform and investment areas are absolutely consistent with the investment priorities provided for by the 2021-2027 Partnership Agreement. Indeed, ESF+ also supports training and professional qualification to meet the skill needs in sectors with a high green impact. According to the *National Strategy for the integration of the long-term unemployed into the labor market*<sup>29</sup>, this component supports the reform of labour market, through specific ESF + interventions aimed at:

- Identification of needs
- Professional retraining
- Strengthening and networking of information systems and the ERDF to improve the technological equipment.

Moreover, the component's reforms and investments are fully consistent with the *National Energy and Climate Plan (PNIEC)*<sup>30</sup>. As well as providing a vision of the actions promoted in the field of Energy and Climate, the Plan highlights potential impacts on employment, education and skills, making use of the information system on professions, employment and professional needs, set up by INAPP on behalf of the Ministry of Labour and Social Policies. This information system allows to draw up short-term recruitment forecasts and to identify professional needs, medium-term employment forecasts and to anticipate professional needs over five years.

There is also a relevant connection between the objectives promoted under this component and the SDGs 8 "*Decent Work and Economic Growth*" of the UN 2020 Agenda for Sustainable Development, with specific relevance to the targets 8.3, 8.5, 8.6, 8b. In addition, the component is also consistent with the European Green Deal and the National Strategy for Sustainable Development (SNSvS)<sup>31</sup>, adopted in Italy. Although the component does not have a direct connection with the territorial plans involved in the Just Transition Fund (JTM), two specific interventions (Investment 3 "Support women's entrepreneurship" and Investment 5 "Universal Civilian Service") do provide for possible areas of application under points d), e), f), g), h,) of Article 4 of the Proposal for the Regulation establishing the Fund (COM (2020) 22 final)..

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<sup>29</sup>Op.cit

<sup>30</sup>Op.cit.

<sup>31</sup>Ministry of Environment and Protection of Natural Resources and the Sea, [Strategia Nazionale per lo Sviluppo Sostenibile, 2017](#).

## b) Digital Transition:

The Regulation COM(2020) 408 establishing a Recovery and Resilience Facility sets a binding target of at least 20% of the plan's total allocation to contribute to the digital transition or to the challenges resulting from it<sup>32</sup>.

As highlighted by the already mentioned DESI database, the actions included in this component aim precisely at reducing the existing gap between the current and forecast skills needs of enterprises and existing skills, by investing more in the acquisition of STEM, technological and digital skills, according to the indications of the recent 2019 INAPP study, co-financed by ANPAL through the resources of the National Operational Programme (NOP) on Systems for Active Employment Policies.

Moreover, as highlighted by the European Commission's recent Communication of 30 June 2020 "*European Skills Agenda for sustainable competitiveness, social fairness and resilience*"<sup>33</sup>, the Covid-19 pandemic has further accelerated the digital transition process: smart working and distance learning have become a reality for millions of people in Europe and, at the same time, has highlighted significant skills gaps.

Therefore, it is necessary to promote a package of transversal interventions aimed, on the one hand, at curbing the potential negative impacts on employment and, on the other, at boosting investments in new technologies and digital transition. In particular, the acquisition of digital skills (hard and soft) by the new generations is one of the main priorities of the Universal Civil Service, as also highlighted by the "*Digital Civil Service*" initiative, set up by the Minister for Technological Innovation and Digitalisation - in agreement with the Minister of Education, Universities and Research. The proposal promotes the development of digital skills and the digitalisation of enterprises, with particular reference to the SMEs, which have more difficulty in grasping and sustaining the challenges of the digital transition.

### Table 1 - *work in progress*

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<sup>32</sup>Communication COM(2020)575 on the Annual Sustainable Growth Strategy 2021 proposes setting a 20% digital target for each national Recovery and Resilience Plan. This was endorsed by the European Council of 1-2 October. See Article 15(3)(c1) which sets out the 20% digital target, based on a methodology for digital tagging set out in Annex III.

<sup>33</sup>Op.cit

## 5. Milestones, targets and timeline

Table 2 - *work in progress*

### a) Reforms.

**Reform 1: “National Programme for the Guaranteed Employability of Workers”** [*linked to Investment 1 Strengthening Labour Market Policies*]

*Milestones:* By Q4 2021, establishment of a National Programme for Guaranteed Employability of Workers (GOL)

*Targets:* By the date Q4 2023, number of workers involved in the GOL

**Reform 2: “Definition of an essential level of vocational training”** [*linked to Investment 2 “National Strategic Plan for New Skills”*]

*Milestones:* By Q4 2021, establishment of National Plan for New Skills

*Targets* By Q42026, increased the number of workers involved for each target of beneficiaries:

- a) Recipients of basic income (“Reddito di Cittadinanza”)
- b) NASPI recipients
- c) Long-term unemployed people (>24 months) but not recipients of income support;
- d) Workers in transition (CIGS recipients for termination, complex crisis areas, national strategic enterprises);
- e) Workers receiving notice of dismissal (to be disciplined), at the end of the layoffs bloc;
- f) Working poor (low-skilled/low-income/atypical workers).

### b) Investments

**Investment 1: “Strengthening Active Labour Market Policies”** [*linked to Reform 1 “National Programme for the Guaranteed Employability of Workers”*]

*Milestones:* By Q4 2021, establishment of a National Programme for Guaranteed Employability of Workers (GOL)

*Targets:* Increased the number of PES involved in the Strengthening Plan over the three-year 2021-2023 period

**Investment 2: “National Strategic Plan for New Skills”:** [*linked to Reform 2 “Definition of an essential level of vocational training”*]

*Milestones:* By Q4 2021, establishment of National Plan for New Skills

*Targets:* Increased the number of workers involved in the training activities over the 2021-2026 period

**Investment 3. “Support women’s entrepreneurship”:**

*Milestones:* By Q1 2021, issuance of the decrees implementing of the Fund in support of women’s businesses referred to the 2021 Budget Law

*Targets:*

- Increased the number of women’s enterprises supported since the start of the intervention, by Q4 2026 (intermediate target: Q4 2023)
- Accompanied measures - number of vouchers issued, by Q4 2026 (intermediate target: Q4 2023)
- Implementation of communication and education actions (mentoring, monitoring and evaluation, impact analysis, culture, professions and schools, dissemination and training, by Q4 2026 (intermediate target: Q4 2023)
- Number of monitoring and evaluation reports by Q4 2026 (intermediate target: Q4 2023)

**Investment 4. “Apprenticeship in dual system”:**

*Milestones:*

- tbd

*Targets:* Increase the number of people (young people and adults without secondary education qualification) obtaining a qualification through apprenticeship in dual system by 300,000 over the three year 2021-2023 period (intermediate target: 100.000 each year).

**Investment 5. “Universal Civil Service”:**

*Milestones:* By 2021 publication of the civil service notice with increase of places

*Targets:* Increase the number of volunteers by at least 120,000 over the three-year 2021-2023 period.

## 6. Financing and costs

**Table 2 - *work in progress***

## 2 M5C2 - Social infrastructures, families, communities and third sector

### Summary box

**Policy area:** Inclusion and cohesion

**Objectives:**

**Estimated costs:**

Cost of EUR 10,830 million; 10,450 of which are requested under RRF

#### M5C2 - Social infrastructures, families, communities and third sector

	Resources (euro/mln)				
	Existing	New	Total	REACT-EU	TOTAL NGEU
	(a)	(b)	(c) = (a)+(b)	(d)	(e) = (c) + (d)
<b>Socio-assistential services, disabilities and marginality</b>	-	<b>3.45</b>	<b>3.45</b>	<b>0.38</b>	<b>3.83</b>
- <i>Social infrastructures in municipalities and involvement of the third sector</i>	-	2.50	2.50	0.10	2.60
- <i>Autonomy patterns for people with disabilities</i>	-	0.50	0.50	-	0.50
- <i>Temporary housing and Postal stations</i>	-	0.45	0.45	0.28	0.73
<b>Urban regeneration and social housing</b>	<b>3.30</b>	<b>3.00</b>	<b>6.30</b>	-	<b>6.30</b>
- <i>Urban regeneration</i>	2.80	0.70	3.50	-	3.50
- <i>Social housing</i>	0.50	2.30	2.80	-	2.80
<b>Sport and peripheries</b>	-	<b>0.70</b>	<b>0.70</b>	-	<b>0.70</b>
<b>TOTAL</b>	<b>3.30</b>	<b>7.15</b>	<b>10.45</b>	<b>0.38</b>	<b>10.83</b>

Note: (b) includes FSC existing resources, to be devoted to specific measures.

## 2. Main challenges and objectives

This component provides a national strategy for the active inclusion of vulnerable population groups, whose situation worsened as a result of the COVID-19 epidemiological emergency. This plan has been envisioned through a series of actions: the strengthening of integrated social services, the adoption of innovative models for social housing, the development of resilience capacity for most vulnerable groups, also through the spread of sports culture.

### a) Main challenges

As highlighted in the *Country Specific Recommendations 2019*, in Italy “Income inequality and risk of poverty are high, with wide regional and territorial disparities. In 2017, 28.9% of the population was at risk of poverty or social exclusion, above both the pre-crisis levels and well above the 2017 EU average (22.4%). Children, especially those with a migrant background, are particularly affected.”<sup>34</sup> Other groups facing a high risk of living in poverty are temporary workers, self-employed and people with a migrant background.

Furthermore, inequality has intensified in the past ten years. The gap between the rich and the poor has widened, as well as the percentage of people living in extreme poverty. In fact, lower-income groups have not benefited from the slow economic recovery of recent years. Nationally, the proportion of families living in extreme poverty has nearly doubled, up to 6.9% (2017), with the worst figures (10.3%) being recorded in southern Italy.

The impact of social transfers for reducing poverty and inequalities is one of the lowest in the EU. The anti-poverty scheme introduced in 2018 has been recently replaced by a new major scheme (citizenship income) with an active inclusion approach, subject to certain conditions. However, these reforms may prove difficult to implement, creating a considerable burden for the public administration, namely on employment and social services, whose access and adequacy remain problematic.

In this context, the main challenges of the Component are described below.

In Europe, as well as in Italy, the number of people with disabilities is constantly growing due to the population aging. Indeed, relevant studies confirm that, at global level, there is a positive correlation between aging and disability, especially in the poorest countries where individuals are more exposed to health risks due to chronic diseases, accidents and other pathologies.

The European Structural and Investment Funds (ESI Funds) are the EU’s main financial instruments to support economic and social cohesion. They promote social inclusion of the most vulnerable population groups, including people with disabilities.

The EU and its Member States are committed to improving the socio-economic conditions of people with disabilities, building on the Charter of Fundamental Rights of the European Union and the Treaty on the Functioning of the European Union.

With the final Communication COM (2010) 636, the European Commission presented the European Disability Strategy 2010-2020: a renewed commitment to a barrier-free Europe. This Strategy includes a framework of measures envisaged to implement the United Nations Convention on the Rights of Persons with Disabilities at European level.

The goal of the Strategy is to create "a barrier-free Europe for all". Several areas for action have been identified, such as:

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<sup>34</sup>EC COM/2019/512.

- full inclusion of people with disabilities in all levels of society
- promotion of accessibility
- participation in society on an equal basis with others in all areas of daily life
- higher employment rates for people with disabilities
- more inclusive education
- improved medical care and high-quality, sustainable social protection systems.

On November 30<sup>th</sup> 2017, the European Parliament adopted a Resolution on the Implementation of the European Disability Strategy, in which it expressed "its concerns that, in spite of improvements, persons with disabilities are still at high risk of unemployment and that less than 30 % have completed tertiary education or equivalent, compared to around 40 % for persons without disabilities; calls, therefore, on the Member States and the Commission to pay special attention to the difficulties young persons with disabilities and/or SEN encounter during their transition from secondary and university education and/or vocational training to employment".<sup>35</sup>

On 20 November 2020, the EC presented an evaluation report of the 2010-2020 Strategy. This 10-year evaluation highlights that, although there is room for improvement, the Strategy had a positive impact on the inclusion of issues related to disability within EU legislation and policies. Positive examples of its impact are the adoption of the *European Accessibility Act*, the *Web Accessibility Directive* and the legislation on the rights of passengers.

Despite the efforts of the European Union and its Member States, people with disabilities nevertheless continue to face challenges, such as high rates of unemployment and poverty.

Starting from the results of this evaluation and considering the provisions of the UN 2030 Agenda for sustainable development based on the principle that no one is left behind, the European Union is preparing the European Agenda on the Rights of Persons with Disabilities 2021-2030. This new Strategy will be publicly available in the following months and will address, among others, emerging issues such as the impact of the Covid-19 pandemic on persons with disabilities.

Over the next decade, according to this Agenda, an equal, high-quality and barrier-free access to education, full economic and political inclusion and the abolition of all physical barriers to access buildings and transport must be guaranteed to all people with disabilities, together with an improvement in the collection of statistical data relating to disability.

- Social services do not have adequate resources and their availability in remote and rural areas is a major problem that can foster depopulation. Therefore, *strengthening social services* is essential for the success of the minimum income system and

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<sup>35</sup>European Parliament resolution of 30 November 2017 on implementation of the European Disability Strategy (2017/2127(INI))

for all disadvantaged people. However, in the absence of additional resources, the implementation of the new system risks putting an excessive burden on social services, which must now reach a greater number of beneficiaries. Other vulnerable groups who depend on social services but are not necessarily among the beneficiaries of the minimum income, such as the elderly or people with disabilities, may be particularly affected.

- More *home and community-based care and long-term care* is key to provide support to people with disabilities and other disadvantaged groups, as well as family support measures through the improvement of social transfers.
- In the field of social policies, *sport sector holds a big role in promoting social inclusion and integration*. In fact, in many disadvantaged areas, sports can represent a good and healthy alternative to marginalisation for vulnerable and young people, by improving health and mental conditions and providing for an educational and training role. Sport promotion is particularly important in more deprived and marginalised areas, characterised by a high presence of disadvantaged families and a lack of sport facilities.

The Covid-19 pandemic crisis has profoundly affected the sports sector, highlighting the urgency to recognise the role of sports for social inclusion. To this end, it is essential to promote investments in sports facilities, raising the number of available structures where to ensure social inclusion activities. These investments should be concentrated in the most vulnerable areas, such as for example urban peripheries, that have highest levels of disadvantaged people.

One of the most relevant dimensions of vulnerability is related to **availability of affordable housing**. The Covid-19 pandemic has worsened an already dramatic situation: according to the Nomisma Institute<sup>36</sup>, 1 million and 475 thousand low-income Italian families suffer from housing problems and 783,000 are in conditions of acute distress while 692,000 in serious distress. Moreover, the 2020 lockdown has lowered living conditions of Italian families, so much that one in four families had difficulties paying rent, and over 40% expect to be unable to pay it in the next 12 months.

Faced with such a serious situation, the public housing system plays a fundamental role in terms of responses to housing problems. Today, the rent-related component alone accounts for over 64.5% of household spending (412 euros the average cost incurred for the payment of the rent).

Based on these data, in the event of a reduction in average rent to 200 euros, housing deprivation outside the ERP would go from the current million families to about 363,000 households. If a further reduction of 110 euros in rents were applied, 288,000 families would remain in a situation of hardship but a total of 712,000 would emerge from it.

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<sup>36</sup>“Dimensione del disagio abitativo pre e post emergenza Covid-19. Numeri e riflessioni per una politica di settore”, commissioned by Federcasa to Nomisma Institute, 2020.

Given that the average fee practiced in Italy for ERP is 110 euro, this phenomenon can be addressed with the public housing system.

Marginalization and social degradation are spread in the Italian territory, with a major concentration on urban and metropolitan areas, and impact on the territorial gap between Northern/Central and Southern Italy. The challenge is reducing marginalization and social degradation by investing in urban regeneration in order to increase citizens' quality of life and to contrast the social and economic gap between the North and the South of Italy.

## b) Objectives

Main objectives of the Component are described below:

- **Strengthening the role of local social services as a tool of resilience** by aiming at the definition of personalized models for taking care and improvement of the quality of life of persons with disabilities, also through the enhancement of social infrastructures involving the third sector.
- **Improving the protection system and the inclusion actions in favour of people in conditions of extreme marginalization** (e.g. homeless people) and housing deprivation through a wider offer of temporary accommodation assistance facilities and services, personalized paths towards autonomy and personal resilience.
- **Recognising the role of sports in social inclusion and integration**, by realising integrated projects that can impact not only targeted people, but also local communities. In fact, sports facilities are considered attraction poles of the territories (urban areas, peripheries) and their renovation is connected to local regeneration processes, in terms of urban valorisation and resilience.
- Integrating national policies and investments to ensure a multiple approach that concerns both the **availability of a more affordable public and private houses and urban and territorial regeneration**.

## c) National Context

In the context of priority no. 3: social policies, support for families and fight against poverty of the 2020 **National Reform Program**, the Italian government is committed to adopting an organic discipline ('Code') on disability, aimed at redesigning the social, work, educational inclusion and protection schemes of people with disabilities, while, at the same time, providing a more efficient processes of benefit disbursement.

The "code" will guide general disability policies towards an independent path, in accordance with the approach of the United Nations Convention on the Rights of Persons with Disabilities.

With **Law decree n. 4 of 28.01.2019**, the Italian Government has established the **citizens' income**, a labour policy to guarantee the right to work and contrast poverty,

inequality and social exclusion, while promoting the right to information, education, training and culture with specific policies aimed at offering economic help and social inclusion for vulnerable groups.

Moreover, with the Directorial Decree of the Ministry of Labour and Social Policies n. 669 of 28.12.2018, Government has defined policies directed to people with disabilities. This Decree, in fact, adopts Guidelines for Regions to allow them to present proposals for adhering to the experimentation phase of this intervention model to guarantee **independent life and social inclusion of people with disabilities**.

Concerning national policies related to sports, this Component is coherent with the € 10 million **Fund for sports and peripheries**<sup>37</sup>, managed by the Italian Presidency of the Council of Ministers - Office of Sports. Moreover, in 2019 the Operational Plan funded by the National Development and Cohesion Fund has been approved, with a resource allocation of € 40 million.

In order to allocate Fund resources, the Office of Sports organises selection procedures for the following types of projects:

- a. realization and regeneration of sports facilities for competitive sports, concentrated on disadvantaged areas and urban peripheries;
- b. diffusion of sports equipment in order to reduce existing social and economic imbalances;
- c. completion of existing sports facilities for professional sports at national and international level.

In this context, investments included in this Component, have an important role in producing a positive impact for local communities, with special attention to the most marginalized areas.

The *2020 National Reform Programme* has focused national housing policies on: a) answering the needs of poorer households, by making both private and public housing available; b) allocating resources to support people who need to rent houses or have innocent arrears; c) renovating real estate assets and updating registries.

The same path has been followed by the *National Programme "Qualità dell'abitare"*<sup>38</sup>, aimed at promoting integrated projects within five different lines of intervention: (i) requalification, reorganization and increase of real estate assets assigned to social housing; (ii) regeneration of urban and socioeconomic context; (iii) improvement of urban areas accessibility and security as well as for local services and infrastructures; (iv) regeneration

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<sup>37</sup>The Fund was established by art. 15, c. 1, of law decree 25 November 2015, n. 185, converted with modifications in law n. 9 of 22 January 2016, n. 9.

<sup>38</sup>The National Plan has been established by art. 1 c. 437 of the Italian Law n. 160 of 27/12/2019 "Bilancio di previsione dello Stato per l'anno finanziario 2020 e bilancio pluriennale per il triennio 2020-2022 (Legge di bilancio 2020 - Manovra 2020)"

of areas and spaces, with a specific focus on more fragile living conditions, improving environmental quality and climate change resilience; (v) identification and application of innovative models and instruments of social inclusion and welfare in cities. The National Programme is managed by the Italian Ministry for Infrastructures and Transports and foresees an allocation of 853,81 million EUR directed to Regions, Metropolitan cities and municipalities.

In addition, the *Fondo Investimenti per l’Abitare (FIA)* has been established. This is a real estate investment fund focused on the increase of affordable housing, economic sustainability and integration with local public policies. The FIA was subscribed by the Italian Ministry for Infrastructures and Transports (€ 140 million), by Cassa Depositi e Prestiti (CDP) (€ 1 billion) and by insurance companies, banks and pension funds (€ 900 million) for a total equity commitment of more than € 2 billion. The FIA underwrites units of funds (target funds), managed by other asset management companies (SGRs), dedicated to affordable housing projects. This investment format has allowed the underwriting of 29 real estate funds, managed by 9 Italian SGRs.

As described above, a multiple approach operating at different levels (private and public houses, investments on houses and/or investments on urban environment, etc.) has been adopted, aiming at social inclusion with a specific focus on affordable housing availability. The Component is coherent with the national approach and can contribute to a wider intervention on this objective.

### 3. Description of the reforms and investments of the component

The Component describes investments related to vulnerability and social inclusion and does not include reforms. Investments have been organised in three main topics, which represent specific challenges for Italy:

1. Social services, disability and social marginalization;
2. Urban regeneration and social housing;
3. Sport and peripheries.

1) Social services, disability and social marginalization.

**Investment 1:** Social infrastructures in municipalities and involvement of third sector.

*(details to be defined)*

**Investment 2:** Autonomy patterns for people with disabilities (to be updated).

**Challenges:** Addressing the need for a coherent and comprehensive national plan aimed at improving social cohesion and inclusion and inter-generational solidarity. Tackling social inequalities and ensuring decent living conditions by empowering vulnerable and

people with disabilities by providing economic support, social care services and social inclusion initiatives.

**Objectives:** The aim of the project is to accelerate the process of deinstitutionalization by providing community and home-based social and health services in order to improve the autonomy of people with disabilities. The project, in fact, is focused on improving their autonomy by removing barriers in accessing housing and job opportunities, also considering new possibilities offered by information technology. Increasing home-based care services for people with disabilities and aligning social services to new standards of home care is fundamental to support families and facilitate home staying.

This project is coherent with the pathway marked by the Ministry of Labour and Social policies with the approval of guidelines for improving autonomy and social inclusion of people with disabilities and with the realization of “Progetti di vita indipendente” and “Progetti per il dopo di noi (L. 112/2016)”, funded by the *Fondo nazionale per la non autosufficienza* and the *Fondo per l’assistenza alle persone con disabilità grave prive di sostegno familiare*.

**Implementation:** The project will be implemented by municipalities (responsible for social services), single or in association, coordinated by the Ministry of Labour and Social Policies and in collaboration with Regions, in order to improve the capacity and the effectiveness of personalised social care services, focused on specific needs of disabled and vulnerable people and their families. Thus, investments will be focused on increasing home care services and supporting people with disabilities to allow them to reach a higher quality of life by renovating home spaces based on their specific needs, developing domestic solutions and finding new areas by earmarking real estate properties confiscated to criminal organisations. To ensure the economic independence of disabled and vulnerable people and the reduction of barriers in accessing the job markets through smart-working solutions, the project will provide them with ICT devices and support to develop digital skills.

Services offered to people with disabilities consist in three lines of activities:

- definition and launch of customised projects to support people with disabilities;
- renovation and adaptation of home spaces, with new technology solutions and remote assistance;
- development of digital competences to allow people with disabilities to tele-work.

Total cost of the project amounts to 330 Meuro in order to implement 600 projects (each consisting of 1 or 2 apartments for about 5-10 people in total) in all Italian social districts.

**Stakeholder involvement:** Social security institutions, public housing entities, social assistants, home care providers and educators, local governments and authorities

**Target population:** Direct beneficiaries are people with disabilities and their families.

**Timeline:** The implementation period is estimated to be from 2021 to 2026.

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**Investment 3:** Housing First and Post Stations (to be updated).

**Challenges:** Italy counts an important number of people living in conditions of extreme marginalisation. One of the main problems concerns homeless people (mainly single people and sometimes families) who do not have the chance to access public and social houses and, consequently, do not have the possibility to become independent. Beyond the need to find a home, these people should have the opportunity to receive social assistance and health services.

**Objectives:** The aim of the project is to help homeless people access a temporary accommodation, in apartments for small groups or families, and refer to a structure for these communities, which offers comprehensive services aimed at promoting autonomy and social integration.

**Implementation:** Financial resources will be allocated to the municipalities (responsible for social services), single or in association (social districts), that will invest in helping homeless people and families to have temporary accommodation and other essential services.

Concerning *Housing first*, municipalities will make flats available for single individuals, small groups or families up to 24 months. In fact, municipalities will provide people with temporary accommodations, preferably houses and flats, that are already State property through a program of buildings' refurbishment and renovation. In addition to this, customised projects will be activated for each single person/family in order to implement personal growth development programmes and to help them achieve a higher degree of autonomy.

Moreover, in larger urban areas and metropolitan cities a *Post Station System* will be implemented, i.e. a service and inclusion centre for homeless people. Such centres will offer, besides a limited night reception, important amenities such as health services, catering, post distribution, cultural mediation, counselling, job orientation, legal consulting, goods distribution among others. Voluntary Associations, specialized in social services, will be involved in the Post Stations activities, collaborating with public administrations and contributing with their experience and competences. In order to reach a wider social inclusion, the project will involve actions focused on job placement, with the support of employment centres. These actions will consider job agreements foreseen in the context of citizens' minimum income and will offer the opportunity to participate to job experiences or internships.

The allocated resources for the implementation of the plan amount to:

- 177,5 €/mln for Housing first, in order to implement 250 projects for homeless

- people (each consisting of 2-4 apartments for about 10-15 people in total);
- 245 €/mln to develop 250 projects of post stations.

**Stakeholder involvement:** Third sector organizations and/or private bodies operating within the social policies sector.

**Target population:** Homeless people with no chances to access public and social houses and to find a job, families or people in poverty and extremely marginalised.

**Timeline:** The implementation period is estimated to be from 2021 to 2026.

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2) Urban regeneration and social housing.

***Investment 4: Investments in projects of urban regeneration, aimed at reducing situations of marginalization and social degradation***

**Challenges:** Marginalization and social degradation are spread in the Italian territory, with a major concentration on urban and metropolitan areas, and impact on the territorial gap between Northern/Central and Southern Italy. These phenomena can be measured by using the ISTAT indicator “Index of social and material vulnerability”, aimed at measuring the vulnerability degree of a territory, taking into consideration social and housing conditions of its citizens. Reducing them by investing in urban regeneration is essential both for increasing citizens’ quality of life, with special reference to those living in marginalized and deprived areas, and for reducing social and economic gap between the North and the South of Italy.

**Objectives:** The project is aimed at providing municipalities with grants for investments in urban regeneration, in order to reduce situations of marginalization and social degradation as well as to improve the quality of urban decorum as well as of social and environmental context, in full respect of the “do not harm principle”.

**Implementation:** This initiative has been launched through article 42 of Budget Law n. 160/2019 which, for each of the years from 2021 to 2034, provided for the assignment to municipalities of grants for investments in urban regeneration projects, for up to 150 million euros for the year 2021, 250 million euros for the year 2022, 550 million euros for each of the years 2023 and 2024 and 700 million euros for each of the years 2025 to 2034.

Secondary implementing measures are in the course of being enacted by a Decree of the President of the Council of Ministries, that establishes criteria and rules for projects’ selection. This Decree, for which a political agreement has already been reached, sets the following framework:

1. municipalities can submit their projects in order to apply for grants, respecting defined criteria and rules;

2. the Minister of Internal Affairs, together with the Minister for Economy and Finance and the Minister of Infrastructures and Transports, will identify the amount of grant for each project. If the total amount of required grants exceeds the amount of available resources, a selection will be realized by giving priority to projects submitted by municipalities with a higher index of social and material vulnerability<sup>39</sup>.

Projects can be submitted in two different deadlines: in 2021 for the experimental phase related to period 2021-2023 and by June 2023 for the period 2024-2026. Moreover, they can be concentrated on three main areas:

1. reuse and restructuring of public areas and existing public buildings for public scopes and interest, including demolition of illegal buildings;
2. improvement of the quality of urban decorum as well as of social and environmental context, including restructuring of public buildings, with the aim of developing social, cultural and education services as well as promoting cultural and sport activities;
3. sustainable mobility.

As described above, projects' areas are oriented to reuse and restructuring of existing buildings, without foreseeing new constructions and fully respecting the "do not harm principle".

**Stakeholder involvement:** State-Regions conference

**Target population:** Direct beneficiaries are municipalities. Indirect beneficiaries are citizens living in municipalities beneficiaries of the grants.

**Timeline:** The implementation period is estimated to be from 2021 to 2026.

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**Investment 5:** National Plan "Qualità dell'abitare".

**Challenges:** In the "Council Recommendation on Italy's 2020 National Reform Program and delivering a Council opinion on Italy's 2020 stability program "(COM (2020) 512 final of 20.05.2020), point (9) of the introduction indicates that "It is likely that the socio-economic consequences of the COVID-19 pandemic are unevenly distributed across regions and the Italian territories ...". In this perspective, the National Innovation Programme for Quality of Life is also promoted with the aim of "contributing to the reduction of housing problems with particular reference to the peripheries and to encourage the exchange between the different regional realities ". Furthermore, the Plan adopts a sustainability and densification approach, according to the "no land consumption" concept and according to principles and guidelines adopted by the European Union,

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<sup>39</sup>The Index of social and material vulnerability is an ISTAT indicator, aimed at measuring the vulnerability degree of a territory, taking into consideration social and housing conditions of its citizens.

concerning the urban model of the smart, inclusive and sustainable city (Smart City).

**Objectives:** The aim of the project is to contribute to the reduction of housing and settlement difficulties, with particular reference to existing public heritage, and the regeneration of urban areas which are particularly degraded and lacking in services, mainly focusing on green innovation and sustainability. Mainly, the Plan aims to:

- redevelop, reorganize and increase the assets intended for social housing;
- re-functionalize areas, spaces and public and private properties also through the regeneration of the urban and socio-economic fabric;
- improve the accessibility and safety of urban areas and the provision of services and urban-local infrastructures;
- regenerate areas and spaces already built, increasing environmental quality and improving climate resilience to climate change also by means of operations with impacts on urban densification;
- identify and use innovative management and inclusion models and tools, social and urban welfare, as well as participatory processes.

**Implementation:** According to the article 1, paragraph 438 letter a) Law n. 160/2019 and to article 3, paragraph 1 Decree on “Procedures for submitting proposals, evaluation criteria and methods of disbursement of funding for the implementation of the national innovative program for the quality of living”, Regions, metropolitan cities and cities can submit applications for funding. Each of them can present up to a maximum of three funding requests. The application phase is divided into two phases:

- Phase 1: a preliminary overall proposal will be sent indicating the strategy as a whole and the set of interventions aimed at achieving the prescribed purposes. Funding requests are formulated by filling in a specific online application scheme containing the significant data for the assessment of proposals. The High Commission for evaluation and assignment of the ranking of the proposals eligible for funding is established. By decree of the Ministry of Infrastructure and Transport, within sixty (60) days from the completion of the scrutiny of the High Commission, the Program is approved with the identification of the proposals eligible for funding. The proposals which are considered having a high strategic impact on the national territory, defined as “Pilot”, are admitted to financing.
- Phase 2: a final overall proposal, together with a specific online form (filled in PIN-QuA2 form), will be transmitted by no later than two hundred and forty (240) days from the publication of the above-mentioned decree. The documentation transmitted is examined by the High Commission within ninety (90) days and if the evaluation is positive expresses its authorization to finance to the Ministry. With decree of the Ministry of Infrastructure and Transport within sixty (60) days from the authorisation to finance, the list of proposals definitively admitted to funding is approved. The signing of the Convention or Program Agreement for the implementation of the proposals definitively accepted for funding will take place within

sixty (60) days from the approval of the ranking.

### Impediments

The allocation of funds is developed according to the time frame defined by the D.I. n. 365 of 16 September 2020 and in accordance with current legislation, so as to avoid delays or disputes in the assignment. However, since the public entities subject to funding are directly responsible for the implementation of the interventions, compliance with the deadlines (starting from the assignment of the works to the control and tracking of the assignment times and the correct implementation of the procedures) could give rise to critical issues. The Program also provides for the participation of private entities that could be potential elements of additional risk.

**Target population:** Citizenship.

**Timeline:** The implementation period is estimated to be from 2021 to 2026

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**Investment 6:** Increase the availability of Social Housing.

**Challenges:** Access to *affordable and adequate housing* remains a real challenge for Italy. In fact, real estate market values penalize underprivileged and low-income people, increasing inequality and social exclusion. Moreover, concerning young people and, more specifically, university students, many *obstacles persist in the achievement of university education* because of the lack of affordable housing solutions.

Consequently, the Italian Government aims to launch a new program focused on the *enhancement of affordable housing* in Italy in its different forms (student accommodations and temporary residences, apartments for rent, senior housing) and the improvement of the living conditions of low-income households and vulnerable people affected by the global Covid-19 pandemic, providing affordable and good-quality social housing, in order to tackle one of the most relevant factors behind social vulnerability in the Italian context. At the same time, a focus on young people will stimulate both the creation of new families and an increase in birth rate.

**Objectives:** The aim of the project is to **support vulnerable people and low-income households** and **provide affordable, secure and good-quality housing** by increasing the availability of Social Housing. Investments in social housing would be particularly beneficial for college students, underprivileged people and low-income households affected by the global Covid-19 pandemic, especially in the Southern regions of Italy. The estimated final target is to build 5000 new affordable housing units (for people who cannot access the free market but have not the right to public housing) and 4400 beds in student accommodation. In addition to direct investments, the project will improve the financial capacity of local government through new local investment platforms, enabling them to directly invest in social and public housing, as well as in the promotion of urban

regeneration and in the provision of services and meeting spaces for the neighbourhood.

**Implementation:** From an operational point of view, the mechanism that will be used is based on a system of real estate investment funds. A real estate **Fund of Funds** will invest in real estate target funds which will develop affordable housing projects. The system allows the raising of different kinds of financial resources at various levels (equity, debt, grants). RRF resources made available to the affordable housing project will be used for Fund of Funds' shares undersigned by the beneficiary Ministry. Therefore, the project will be managed by the Ministry for Infrastructures and Transports (MIT) and Cassa Depositi e Prestiti S.p.A. through its subsidiary CDP Immobiliare Sgr (CDPI SGR). This is aimed at increasing the financial capacity of local government to redevelop and increase the supply of Social Housing through the creation of **local investment platforms** able to attract additional financial resources of private social housing on the basis of the same model adopted by *Fondo Investimenti per l'Abitare* (FIA), the real estate investment fund launched by CDPI SGR.

Thus, the project will be mainly focused on establishing local platforms which could (i) ease the access to financial resources, (ii) facilitate request and approval of procedures, (iii) accelerate disbursements based on reporting about project's progress, (iv) improve monitoring, audit and assistance procedures.

CDPI SGR will directly manage the construction of 2,500 affordable housing units and 1,500 beds in student accommodation. In order to monitor the implementation phases, CDPI SGR will receive quarterly reports from the target funds and collect all data related to the activities of construction sites.

RRF resources will be combined with third-party resources (target of mobilising 0,5 bn Eur additional) raised both at Fund of Funds level and at target funds level (multiple effect not considered).

**Impediments:** Risk of delay (currently unpredictable) due to any technical or connected with town-planning criticalities linked to the construction sites.

**Target population:** Vulnerable people, including students, and low-income households.

**Timeline:** The implementation period is estimated to last from 2021 to 2026

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3) Sport and peripheries.

**Investment 7:** Sport and Peripheries.

**Challenges:** Covid-19 pandemic has deeply impacted on sport events and competitions as well as on non-competitive sports. In fact, the whole sector is suffering from economic losses. Local communities, especially those most deprived, might lose urban spaces (both

public and private ones) where people can play sport and develop social relations, with the risk of an increase of social exclusion.

In conclusion, sport can be considered as a strategic tool against poor living conditions such as the lack of job security and the ghettoisation of certain suburbs and deprived areas, also taking into account that participation in sport is positively related to self-esteem, self-regulation skills, and social inclusion.

**Objectives:** The project is aimed at regenerating urban areas focusing on sport facilities, in order to promote social inclusion and integration, especially in the most deprived areas of Italy. Sport and culture play an important social role for inclusion, cohesion and well-being and are a strong tool for participation and social integration. The creation of sports facilities and the regeneration and requalification of sports structures and urban parks can enhance the socialization of young people and tackle social marginalization.

In this context the national multi-year plan of interventions “Sport e Periferie” (Sport and Suburbs) which started in 2015 and still ongoing can be placed within the reform and investment strategy conceived by the Italian Government more than five years ago.<sup>40</sup>

In order to avoid misunderstandings from now on we will talk about “Sport and Periferie” when referring to the national multi-year fund, and about “SeP” when referring to the new present project.

The 2018 budget law <sup>41</sup> adopted “Sport and Periferie” as a structural Fund, allowing the expenditure of € 10 million per year, starting from 2018, to be assigned to the Office for Sport at the Presidency of the Council of Ministers. There was an urgent need to develop social and cultural policies in order to achieve common goals: to reduce marginalization and social degradation, as well as to improve the quality and redevelopment of the social fabric, also through the promotion of sports activities.

All the measures and interventions of this fund have been designed, implemented and delivered using methodological tools to assess its sustainability. The selection of the projects is actually based on a predefined set of scoring criteria. The evaluation of the applications is carried out by a special Commission which is in charge of delivering the final ranking of the subjects admitted to the funding. Since 2015, more than 350 projects have been selected and more than 100 have been completed.<sup>42</sup>

In accordance and continuity with the current reform and investment activities initiated by the Italian Government, the SeP project intends to improve living conditions for the most vulnerable communities, including migrants and marginalized areas in an inclusive

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<sup>40</sup>Fund established by article 15, of the [decree law 25 November 2015, n. 18](#) converted by [law 22 January 2016, n. 9](#)

<sup>41</sup>[Law n. 205, 27 December 2017](#)

<sup>42</sup>For example in 2019 were admitted to financing 245 projects for an amount 72 mln €

and conflict-sensitive manner by enhancing access to sport, aiming at the inclusion of youth to prevent marginalisation and deviation to crime and organised crime.

By activating urban requalification mechanisms and renewing sport facilities, it is possible to improve culture and territorial regeneration, with positive impacts on economic and social conditions of urban/local communities and on territorial resilience. In general, the main objectives of the project are:

- i. defining a socio-economic regeneration process, in terms of valorisation of urban relations, social inclusion and better links between open and closed spaces with a special attention to spaces for sport activities (Milestones 1, 2 and 3 and Targets 1 and 2);
- ii. enforcing territorial resilience by focusing on the reuse of already existing buildings and urban spaces (Milestones 1, 2 and 3 and Targets 1 and 2);
- iii. reducing socio-economic impact of the Covid-19 pandemic (Milestones 1, 2 and 3 and Targets 1 and 2);
- iv. promoting national and European policies on green and digital transition (project implementation of awarded proposal in line with the guiding principle of with the European Union Action Plan for the circular economy (EU's Taxonomy Regulation) – eco-design approach - the management of a construction project in a sustainable way - use of circular building materials - energy efficient buildings - safeguarding green open spaces, areas for social aggregation and interaction, active and passive sport areas, and cultural spaces – etc.) (Milestones 1, 2 and 3 and Targets 1 and 2).

**Implementation:** project implementation is structured in three phases:

- *Phase 1:* This phase includes all the necessary preliminary analysis and actions in order to better prepare the public procurement, such as the baseline identification and analysis; the creation of dedicated tools; the identification of project partners (e.g. sport federations, other associations and entities with competences in sport) and experts (these partner(s) will play a critical role in supporting and contributing to the implementation of the project activities) and their engagement; the setting-up of facilities aimed at supporting the beneficiaries in developing their sustainable projects.

At the end of the phase 1, a public administrative procedure will be implemented for the selection of territorial projects (call for proposal).

- *Phase 2:* starting phase and implementation of the selected projects. For most expensive projects, it will be possible to use the project financing instrument, and each project can receive from 80% to 100% of the total cost of the project, requiring a possible private contribution.
- *Phase 3:* monitoring and verification of the projects' implementation level and promotion of best practice.

The requested EU contribution for SeP project amounts at 700mln EUR. In the following figure the implementation project plan is reported.

Concerning the call for proposals, the eligibility criteria will be differentiated in mandatory and additional requirements:

**Mandatory requirements:**

Eligible activities must be in line with the “Sport e Salute” – SeP strategy and the European Union Action Plan for the circular economy (EU’s Taxonomy Regulation) of the concerned sector.

The SeP project takes advantage from reliable and profitable know-how of “Sport e Periferie” Fund (national ongoing investment program) for the development of criteria and indicators.

In this view, the computation of the composite vulnerability index (material and social vulnerability by the Italian National Institute of Statistics ISTAT) and environmental sustainability, in terms of energy efficiency through the use of appropriate technology and the use of renewable sources/environmentally friendly materials (criteria currently included in the call for proposal of Sport e Periferie” Fund (national ongoing investment program) will be taken into account and eventually improved.

Proposals need to include an analysis of relevant gender and inclusion issues and incorporate relevant activities in their strategy.

**Additional requirements:**

While all applications meeting the above mandatory requirement will be considered, applications will receive additional points if the proposals meet the additional requirements, not yet individuated (these criteria will be selected during the phase 1).

Proposals may come from Local Authorities (Regions, Provinces, Cities, ect) sport associations, schools (schools have to make accessible its sport infrastructures to all citizens during school time), no profit organizations as well as oratories provided with sport infrastructure.

Eligible costs are those required for carrying out the project activities and are incurred by the applicants and their partners.

Costs should:

- Comply with the principles of sound financial management, in particular value for money and cost effectiveness, in accordance with the Italian public procurement Code (Decreto legislativo 18 aprile 2016, n. 50. and Public contracts in the EU – rules;
- reflect market prices;

- be recorded in the applicants' accounts, be identifiable and verifiable and be backed up by original supporting documents.

**Target population:** Municipalities, sport federations, other associations and entities with competences in sport are direct beneficiaries of the financial contributions.

The citizens are the purpose of this project proposal, especially young and disadvantaged people living in deprived areas.

The combination of sport and young people is a perfect tool of values and is one of the most effective glue for social and territorial cohesion especially in the rural areas. Sport is an instrument of citizenship, of construction of public space and of exploration of living spaces but it is also a bridge between citizens, especially young people, and places.

Sport is recognized as a universal language that elevates the human being to a condition of equality. Sport is an instrument of dialogue made up of practices rather than words and for this reason it is a privileged form of communication to young people. Not surprisingly, in the 2030 Agenda which includes the Sustainability Goals, sport is counted as one of the main means for peace. Sport is able to remove the barriers of disability, is a tool of women's emancipation and social justice.

**Timeline:** The implementation period is estimated to be from 2021 to 2026.

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## 4. Green and digital dimensions of the component

### a) Green Transition:

Investments included in the Component, such as “**Sport e peripheries**”, “**Piano Nazionale dell’Abitare**” and “**Fondo Investimenti per l’Abitare**”, which are aimed at improving social inclusion and reducing vulnerable people marginalisation, promote urban regeneration and renovation of buildings taking into consideration green aspects concerning renovation of green areas in cities or increasing existing buildings' energy efficiency, etc.. Other investments included in the Component do not have specific impacts on green transition, but they ensure the full respect of the “do no significant harm” principle.

In this context, the Component is coherent with policy objectives of the new structural funds programming period and with the **Partnership Agreement 2021-2027**, whose draft has been shared with European Commission for a first evaluation. The Component, in fact, can contribute to two specific objectives of Policy 2 “Greener Europe”, namely promotion of energy efficiency measures and transition to circular economy.

Investments included in this Component are also in line with provisions of the **Integrated National and Climate Plan** and, more specifically, with the dimension “Energy effi-

ciency”. The Plan, in fact, clarifies that the significant potential for efficiency in the building sector may be better exploited through measures such as the energy renovation of buildings and neighbourhoods, together with the structural renovation, earthquake proofing, systems upgrading and refurbishment, also in line with the strategy on energy renovation of the building stock by 2050. The above-mentioned projects are aimed at promoting social inclusion by solving housing availability problems for vulnerable people, also taking into consideration buildings’ energy performance, as well as renovating urban areas paying attention to the balance between built and green areas.

Moreover, the Component can contribute to the Goals of the UN **Agenda 2030 for Sustainable development**, such as n. 11.3 “*By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries*” and n. 11.7 “*By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities*”, ensuring its compliance with the EU Green Deal and the National Strategy for Sustainable Development as well.

#### b) Digital Transition:

The (proposed) Regulation COM(2020) 408 establishing a Recovery and Resilience Facility sets a binding target of at least 20% of the plan’s total allocation to contribute to the digital transition or to the challenges resulting from it.

The Component is coherent with the EU and national policies in the field of digital transition, with reference to the investment “**Autonomy patterns for people with disabilities**” aimed at improving autonomy of people with disabilities, promoting community and home-based social and health services by removing barriers in accessing housing and job opportunities, also considering new possibilities offered by information technology and domotics.

The Component is therefore in line with the **Communication “Shaping Europe’s digital future”**, that describes EC key objectives for next 5 years and, more specifically, with the objective “Technology that works for people: Development, deployment and uptake of technology that makes a real difference to people’s daily lives. A strong and competitive economy that masters and shapes technology in a way that respects European values”.

Moreover, as highlighted by the EC Communication of 30<sup>th</sup> June 2020 “**European Skills Agenda for sustainable competitiveness, social fairness and resilience**”, Covid-19 pandemic has accelerated the process to digital transition: teleworking and distance learning spread among millions of people in whole Europe and relevant digital gaps have emerged. In this context, training and upskilling activities on digital competences are essential for people with disabilities and, more generally, vulnerable ones.

Table 1 - *work in progress*

## 5. Milestones, targets and timeline

### (i) Social infrastructures in municipalities and involvement of third sector

Tbd

### (ii) Autonomy patterns for people with disabilities (to be updated on the basis of the increased budget)

#### *Milestones:*

- establishment of a task force between the Ministry of Labor and Social Policies and the Regions in order to prepare the operational plan of interventions at the territorial level – by March 2021
- publication of (non-competitive) procurement procedures for social territorial areas – by June 2021
- definition of projects in the territorial social areas – by March 2022

#### *Targets*

- 600 number of territorial social areas involved in the procedures
- 600 number of activated projects (1 or 2 apartments per project)
- 4,200 people with disabilities involved

### (iii) Housing First and Post Stations (to be updated on the basis of the increased budget)

#### *Milestones*

- establishment of a task force between the Ministry of Labor and Social Policies and the Regions in order to prepare the operational plan of interventions at the territorial level – by March 2021
- publication of (non-competitive) procurement procedures intended social territorial areas – by June 2021
- definition of projects in the territorial social areas – by March 2022

#### *Targets*

- 250 territorial-social areas involved in the procedures
- 250 housing-first projects activated (2-4 apartments per project)
- 3,400 subjects taken care of (families and individuals in temporary housing difficulties, homeless)
- 250 Post Stations built
- 25,000 homeless involved

### (iv) Investments in projects of urban regeneration, aimed at reducing situations of marginalization and social degradation (to be updated on the basis of the increased budget and the related line of intervention)

#### *Milestones*

- Submission of requests by municipalities in 2021-2023 - by 90 days from the Decree publication
- Awarding of public works - by 750 days
- Submission of requests by municipalities in 2024-2026 - by June 2023
- Awarding of public works - by October 2024

#### *Targets*

- 120 approved projects for the period 2021-2023

- 240 approved projects for the period 2024-2026

(v) **National Plan “Qualità dell’abitare”** (to be updated on the basis of the decreased budget)

*Milestones*

- Intervention planning (by March 2021)

*Targets*

- Renovation actions and proposals to regenerate degraded and service-deficient urban areas
- 30% of total eligible organizations involved
- 75% of the total number of Regions and Autonomous Provinces involved
- High-performance pilot projects for the regeneration of particularly degraded and service-deficient urban areas
- 50% of the total number of Regions and Autonomous Provinces involved

(vi) **Increase the availability of Social Housing**

*Milestones*

- Fund’s establishment - by December 2021
- First 3 Investments establishment - by December 2022

*Targets*

4,000 accommodation facilities (2,500 affordable apartments and 1,500 beds in student accommodations)

(vii) **Sport and Peripheries**

*Milestones*

- setting-up of a technical working group for developing and implementing the project activities, also including monitoring and evaluation of projects awarded - by the end of the year from the start of the projects
- setting-up of a Technical Committee for the selection of projects (only for the selection of projects) – by the end of 2021
- definition of the call for tenders – by the end of 2021

*Targets*

- percentage of the projects awarded fully implemented:
- realization of 20% of all the awarded regeneration interventions measured at the end of the first semester of the second year (end of the 1st semester of the 1st year of PHASE 2).
- realization of 30% of all the awarded regeneration interventions measured at the end of the second semester of the second year (end of the 2nd semester of the 1st year of PHASE 2).
- realization of 40% of all the awarded regeneration interventions measured at the end of the first semester of the third year (end of the 1st semester of the 2nd year of PHASE 2).
- realization of 50% of all the awarded regeneration interventions measured at the end of the second semester of the second year (end of the 2nd semester of the 2nd year of PHASE 2);
- realization of 65% of all the awarded regeneration interventions measured at the end of the first semester of the fifth year (end of the 1st semester of the 4th year of PHASE 2).

- realization of 70% of all the awarded regeneration interventions measured at the end of the second semester of the fifth year (end of the 2nd semester of the 4th year of PHASE 2)
- involvement of at least 20% of the National Sports Federations, measured at the end of the 3rd year (end of the 2nd year of PHASE 2).

**Table 2 - *work in progress***

## **6. Financing and costs**

**Table 2 - *work in progress***

### 3 M5C3 - Special intervention for territorial cohesion

#### Summary box

**Policy area:** Territorial cohesion

**Objectives:**

This component aims at reducing the gaps between the different areas of the Country. In order to tackle the fragmented regional development and social inequalities, a common vision focused on territorial interdependence and cohesion is needed. Specifically, this component aims at tackling marginalization issues characterized by different types of gaps:

- a) “Demographic and services divide”, directly linked to the divide between inner/rural, mountain, peripheral areas and urban areas, in order to ensure the same levels of essential services and the relaunch of specific productive vocations;
- b) “Investment divide”, related to areas affected by seismic events, in particular the 2009 and 2016 earthquakes, so to guarantee a safe and sustainable reconstruction and to boost the social, economic recovery of these territories;
- c) “Divide on skill development”, in a open innovation perspective involving businesses, research centres and public authorities;
- d) “Social and economic divide in the Southern regions”, where the economic crisis is affecting a weaker production chain, a more fragmented labour market and a less inclusive community.

In order to achieve these objectives, the component has four intervention areas:

- (i) Plan for resilience of internal areas, through the strengthening of the National Strategy for Inner Areas (NSIA). The purpose of this Plan is to promote an integrated development of the Country, to avoid the depopulation of those areas not directly connected to the primary road network;
- (ii) Intervention in the earthquake areas, with the aim to improve the energy and seismic standards of private and public buildings, by strengthening the renewable energy sources, and to support local economic and productive activities, by enhancing environmental and agro-food assets, tourism and cultural heritage;
- (iii) Projects for the development of the South, including support for precision agriculture, investments for tackling education poverty, investments for the redevelopment of hubs for higher education and reskilling/upskilling paths, multidisciplinary research and business creation, as well as the enhancement of assets confiscated from the organised crime.

### Reforms and investments:

Reform 1: Structural strengthening of the National Strategy for Inner Areas (NSIA) and regulatory reforms to improve accessibility to essential public services, remove regulatory constraints that inhibit adequate access to basic services by the citizens of inner areas, as mapped in the NSIA and support the launch of the health and education reform.

Investment 1: National Strategy for Inner Areas: a) Development of the local economy and new entrepreneurship; b) Enhancement of community social services and infrastructures.

Investment 2: Earthquake Area Plan.

Investment 3: Creation of Innovation Ecosystems in Southern Italy.

Investment 4. Enhancement of assets confiscated from the organised crime

### Estimated costs:

EUR 4,180 million requested under RRF

### M5C3 - Special intervention for territorial cohesion

	Resources (euro/mld)				
	Existing	New	Total	REACT-EU	TOTAL NGEU
	(a)	(b)	(c) = (a)+(b)	(d)	(e) = (c) + (d)
National strategy for inner areas	-	1.50	1.50	-	1.50
Earthquake Area Plan	-	1.78	1.78	-	1.78
Innovation ecosystem for Southern Italy	-	0.60	0.60	-	0.60
Valorization of assets confiscated from criminal organizations	-	0.30	0.30	-	0.30
<b>TOTAL</b>	<b>-</b>	<b>4.18</b>	<b>4.18</b>	<b>-</b>	<b>4.18</b>

Note: (b) includes FSC existing resources, to be devoted to specific measures.

## 2. Main challenges and objectives

### a) Main challenges

#### Curbing the marginalisation of large areas of the Country

The 2020 Country Report of the European Commission highlights that in recent decades, territorial inequalities have increased in Italy. The territorial disparities do not only concern Southern Italy versus Northern Italy, but also the so called “inner areas”, the suburbs versus the city centres, the smaller towns versus the medium-sized cities, the

de-industrialised countryside versus the former industrial sites. Due to the Covid-19 crisis, these inequalities have worsened, making the need for urgent intervention more evident (The current situation calls for targeted policy responses – Country Specific Recommendations, pt. 9).

However, the phenomenon of marginalisation affecting ever larger areas of the country has causes prior to the epidemic crisis. The progressive reduction of investments in the South has also weakened the North, because of economic integration between the two areas. According to the overall scenario provided by the *Sistema dei Conti Pubblici Territoriali*, at the Territorial Cohesion Agency (ACT, 2009), the total capital expenditure of the PA in Southern Italy in 2018 has more than halved compared to 2008 trend (from 21 to 10.3 billion) (2030 South Plan – II. Resources. A commitment for the 2020-2030 decade).

In this regard, the National Recovery and Resilience Plan (NRRP) becomes an opportunity to both tackle the effects of Covid-19 crisis, and change the macro-economic trends of the Country and, more specifically, of marginalised areas.

Moreover, the European Commission stresses that it will be important to anticipate ongoing investment projects and to promote private investments, in order to foster economic and social recovery, also through NRRP investments.

Green transition investments will also be particularly relevant to boost the recovery and increase future resilience.

Addressing challenges of environments and climate changes, such as hydrogeological risks, sustainable urban mobility, energy efficiency, circular economy and industrial transformation, is an opportunity to improve productivity, while avoiding unsustainable practices. At the same time, investing in this kind of services can support the creation of new jobs and sustain the post-crisis effort.

Therefore, curbing the marginalisation of large areas of the Country can be summarised in the following gaps:

**Worsening of the level of security in the territory** - Since Inner Areas are characterised by hydrogeological and seismic risks, enhancing their security is strictly linked to enforce repopulation of these areas. For example, ensuring a well-maintained road network even means both curbing hydrogeological risk for Inner Areas and connecting hydrogeological areas in case of rescue interventions to the city centres and their services; moreover it makes more accessible these Areas.

**Reduction of the essential service supply to people** - Due to the reduction of public investment triggered by austerity during the economic crisis in 2008, the indicators measuring access to essential services in the South and marginalised areas, with particular reference to education, health and social assistance (2020 Svimez Report - The territorial distribution of public expenditure and access to services), diverged from the national average levels.

As an example, the per capita expenditure of the municipalities for socio-education services, addressed to children aged 0-2, is EUR 1,468 in the Central regions, EUR 1,255 in the North-East and then falls to just EUR 277 in the Southern regions.

**Lack of economic development and joblessness** - Negative demographic trends, the poor conditions of the labour market, the lack of quality services, all weaken the growth prospects of these areas, leading to the depopulation of the South and of rural areas.

**Missing valorisation under sustainable perspective** - The South, Inner Areas and islands are among the areas more affected by climate change and by the process of social and territorial marginalisation related to the current development model. It is essential to promote actions aimed at achieving a fair ecological transition. It is also crucial to boost best practices in the field of circular economy. For example, promoting, particularly in the Southern regions, the reusing assets confiscated to organised crime. As the extraordinary maintenance operations and rehabilitation of existing infrastructures avoid consumption of new land.

**b) Objectives** Coherently with the challenge of reducing socio-economic and geographical marginalization in large areas of the Country, the proposed package of reforms and investments intervenes on infrastructures, services, on new job opportunities and knowledge, considering also the crosscutting role that sustainability and technological innovation play.

The component with reforms and investments aims at reactivating the enabling conditions for reversing the negative trends (depopulation, collapse of public investment, lack of productivity gains, worsening attractiveness of these areas, etc.) that affect the development potential of these areas.

#### Strengthening of security and recovery of territories

- Contribute to the hydro-geological rehabilitation of the territory, first and foremost in inner areas and more marginalised areas;
- Provide infrastructures capable of increasing accessibility and safety in these areas;
- Supporting the restart process for places that have been affected by seismic events.

#### Revival of essential public services

- Rebalancing the supply of essential services in favour of the most vulnerable members of the population and in particular marginalised areas. The main areas of intervention include education, health and mobility;
- Relaunching the attractiveness of the territories in order to improve life conditions of people living in these areas and positively affecting the demographic dynamics of the target places.

#### Reactivation of economic development

- Favouring job opportunities especially for the human capital that is potentially best suited to trigger development phenomena (from brain drain to brain gain; from the loss of mature activities to generational changeover);
- Developing contexts capable of building cutting-edge skills, by setting up a system of training and production within the territory;
- Promoting technology as an enabling element for productivity growth and as a trigger for the unexpressed potential of the South.

#### Investments for sustainability in marginalized areas

- Enhance investments and economic activities, respecting territories and their specificities, using in a sustainable way the natural, landscape and cultural characteristics;
- Promoting the dissemination of experiences in line with the European paradigm of the circular economy and more in general of the reusing best practice;
- Recovering infrastructure in use or disused, avoiding extra soil erosion.

The mentioned objectives are closely correlated (e.g.: the repopulation of places encourages their maintenance; the maintenance of places increases their attractiveness which fosters population settlement; the presence of a minimum number of people makes services and commercial activities sustainable, etc.). The selection of projects in this component has taken into account initiatives capable of favouring the achievement of these objectives and capable of generating directly and indirectly relevant positive impacts.

The investments and reforms of this component are related to the existing European and National programmes (NRP, NSIA, 2030 South Plan, National Strategy for Green Community, National Strategy for confiscated assets rehabilitation through Cohesion Policy, 2030 National Integrated Energy and Climate Plan, 2021-2027 Partnership Agreement, Green Deal, etc.). These coordinated policies design an overall strategy that contributes to the macro-objective of reducing development gaps and tackling marginalisation.

Contributing to the implementation of the above-mentioned National and European plans also ensures compliance with the Commission's recommendations, including CSR and Country Report recommendations.

### 3. Description of the reforms and investments of the component

1) Strengthening the National Strategy for Inner Areas.

**Reform 1:** NSIA - Structural strengthening of the National Strategy for Inner Areas and regulatory reforms to improve accessibility to essential public services.

The reform aims at strengthening the National Strategy for Inner Areas (areas far from essential services: education, health, accessibility) by changing some regulation constraints

that currently limit access to basic services (transportation, education and health) for inhabitants of these Inner Areas.

The estimated budget is EUR [200] million, including also initiatives aimed to kick-start the implementation of the reform.

**Challenges:** The National Strategy for Inner Areas is also aimed to increase the attractiveness of Inner Areas, in order to boost their population, the maintenance of the territory and the enhancement of these cultural and natural heritage.

In addition, the increase of the attractiveness of these areas may ensure more job opportunities for young people and support the fight against the abandonment of the territory.

**Objectives:** The reform aims at changing and updating the existing legislation, in order to strengthen the territorial network of essential care services for residents of Inner Areas. In particular, the areas covered by this reform are: Health, Education and Transport.

**Implementation:** The implementation of the reform envisages a technical and political dialogue with the public authorities, so to start the technical preliminary investigation on the necessary regulation changes, as well as to identify the related budget coverage. This process ends with the approval and the subsequent implementation of the regulatory changes.

More in detail, the reform can be summarised on the basis of the following essential services:

- Definition of the “*School Package*”, in coordination with the Ministry of Education:
  - a) increasing the number of School Heads located in the Inner Areas, also by the way of derogation from the current limits n. pupils/school heads;
  - b) promoting the presence of teachers in the Inner Areas;
  - c) training of teachers teaching classes with pupils of different ages groups;
  - d) strengthening the presence of secondary schools;
- Definition of a “*Health Package*”, in coordination with the Ministry of Health:
  - a) strengthening territorial health networks, with a particular attention to the organisation of birthing services;
  - b) increasing socio-health services at home;
  - c) increasing specialist services and networks of laboratories and consultants in the territories;
  - d) interventions in favour of telemedicine;
- Definition of the “*Mobility Package*”: adapting regional transportation planning to the needs of the Inner Areas. In this regard, it will be relevant to ensure that the Regions take into account the needs of the Inner Areas when defining the service contract with the LPT (Local Public Transport) authority.

The financial requirements for the start of the reform have been estimated according to the characteristics and investments related to "School", "Health" and "Mobility", as identified in the Area Strategies approved by the Inner Areas Technical Committee and promoted during the 2014-2020 National Strategy. In particular, this financial need,

standardised according to resident population (per capita), is estimated at: 57 euros per inhabitant - School package; 66 euros per inhabitant - Health package, 126 euros per inhabitant - Mobility package.

Given these unit costs, the implementation of the reforms, aimed at least 5% of the population of the Inner Areas, has a total cost of about EUR [200] million.

The main stakeholders involved in the implementation are the Ministry for the South and Territorial Cohesion, the Ministry of Education, the Ministry of Health, the Ministry for Infrastructure and Transport, the Regions and the 72 identified Inner Areas, the Inner Areas Technical Committee.

**Target population:** Inhabitants in the target areas of intervention.

**Timeline:** A timeframe of 2 years is foreseen for regulatory change and 4 years for supporting the start of the reform.

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**Investment 1:** National Strategy for Inner Areas -. [linked to reform 1]

Both investment and reform proposals are aimed at making structural national policy related to the Inner Areas.

About three fifths of the Italian territory is classified as an inner area. They are located across Italy from North to South and present similar characteristics: a) great natural and cultural heritage; b) distance from urban and service centres; c) significant opportunities of development by combining innovation with tradition.

In order to revitalize and enhance the inner areas, it is necessary to support investments that increase their attractiveness, while reversing their declining trends (infrastructural, demographic and economic).

The investment proposal consists of the following intervention areas:

1. Strengthening the existing economic activities and development of new entrepreneurship, including the agricultural sector;
2. Community services and infrastructures to tackle the issues of limited access to basic services (services for elderly, service for young people at risk of exclusion, social care services), also through the dialogue with the local communities

**Challenges:** Despite the relevant investment made with both ESIF and national funds, the Italian Inner Areas face the following issues:

1. Difficulties in strengthening the existing economic activities and development of new entrepreneurship, to be tackled through specific measures for job creation, especially for young people, in order to boost their return to these areas;
2. Lack of community services, to be tackled by identifying organisational and innova-

tive solutions that allow to adequately respond to the daily problems of people living in such particular contexts, in order to contrast the deterioration of the quality of life in these areas;

**Objectives:** The NSIA aims at both adapting the quality and quantity of education, health and mobility services (citizenship), and promoting initiatives that enhance the natural and cultural heritage of these areas, also focusing on local production chains (market).

These investments also are aimed to achieve the following impacts, that are foreseen to be correlated among each other:

- Promoting the economic and social recovery of the areas;
- Creating new job opportunities, particularly for young people;
- Increasing the deployment of community services and social infrastructure to improve the quality of life;
- Supporting the generation turnover in agriculture and the expansion of existing farms run by young people;
- Tackling the depopulation in the areas mapped by NSIA;
- Encouraging the development of sustainable local markets;
- Improving the maintenance of the territory, through the support and active role of its inhabitants;
- Enhancing the level of knowledge of the local authorities' assets and the capacity of implementing bodies to assess risks, according to standardised procedures consistent with the current regulations, as well as carrying out the consequent mitigation measures.

**Implementation:** This proposal is based on the following two interventions:

*(i) Development of the local economy and new entrepreneurship*

The intervention aims to extend two specific measures - already implemented in Italy - to all Inner Areas:

- “*Resto al Sud*” measure, to be extended to the Centre-North Inner Areas (excluding those in earthquake-affected areas already covered by this measure).
- “Young entrepreneurs in agriculture” measure.<sup>43</sup>

The above measures will be implemented through “one-stop” procedures.

The endowment was estimated on the basis of the applications submitted and accepted for financing under the two measures “*Resto al Sud*” and “Youth Entrepreneurs in agriculture”, taking into account the population of the relevant municipalities in the eligible age, and assuming higher application/admission rates in the Centre-Northern Italy than

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<sup>43</sup>D.Lgs n.185/2000 - Titolo I, Capo III, including following changes.

in the Southern Italy.

*(ii) Enhancement of community social services and infrastructures*

The intervention aims at tackling the issues of social exclusion and marginalisation, by intensifying the provision of services (to the elderly, young people at risk, social welfare services, etc.).

The implementation envisages the following steps: a) the identification of statistical indicators aimed at measuring specific intervention needs; b) the promotion of dialogue with the local community, in particular through technical-institutional meetings with their representatives, in order to select specific criteria in the definition of services and allocation and resources; c) the preparation of the implementation tool; d) the activation of the measure.

The financial requirement has been estimated on the basis of the investments mapped in the Area Strategies, already approved by the Inner Areas Technical Committee and elaborated during the 2014-2020 National Strategy's pilot initiative.

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2) Earthquake area plan.

**Investment 2:** This Plan is intended for all the areas of Central Italy that have been affected by numerous seismic events in the last 15 years, which have seriously influenced their liveability, with consequences in terms of human losses, conspicuous damage to public and private buildings<sup>44</sup> and long-lasting effects on urban and socio-economic life.

The Plan, envisioned by the Office of the Extraordinary Commissioner for the 2016 earthquakes in agreement with the Department "Casa Italia", is divided into the following two wide-ranging areas of intervention:

1. Measures aimed at rebuilding areas affected by earthquakes and involved in reconstruction programs;
2. Measures specifically directed at the seismic zones of the 2009 and 2016 earthquakes.

The aim is to ensure a safe, sustainable and connected reconstruction in order to start the process of social, economic and environmental recovery for these territories. This is particularly needed to introduce elements of innovation and improve the quality of life by

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<sup>44</sup>See <https://opendataricostruzione.gssi.it/home>: the portal is a project of the Gran Sasso Science Institute, created in collaboration with the Municipality of L'Aquila, the University of L'Aquila, the special offices for the reconstruction of L'Aquila and the seismic zones (Usra and Usrc) and with the contribution of Openpolis and Actionaid Italia International Onlus which brings together all the data, statistics and information on the reconstruction of L'Aquila and the municipalities of the seismic zone damaged by the earthquake of 6 April 2009.

creating the conditions for staying, living, moving, working, specialising, doing business, visiting and learning about these territories.

The first Line of Action involves the Private reconstruction of buildings for economic activities, securing public and school infrastructures, energy efficiency, urban design and sustainable communities, with the following interventions:

A. Energy efficiency and seismic improvement of private and productive buildings

B. Public buildings, urban design and cities that are less energy-intensive, more connected and inclusive

The second Line of Action involves Know-how and action: support to skills and training (skills strategy) and to the qualification of productive vocations, also with reference to institutional development contracts, with the following intervention:

C. Know-how and action. Integrated centres for local skill development, university research centres and promotion of an eco-sustainable economic identity, also in light of institutional development contracts

The third and final Line of Action involves Support to skills and training (skills strategy) and to the circular economy, creative industries and tourism divided in the following interventions:

D. Terreconomy - Circular economy of territorial resources

E. Apennines and Knowledge: Culture, Creativity and Tourism

***Challenges:***

***Objectives:***

***Implementation:***

***Target population:***

***Timeline:*** .

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3) Innovation Ecosystem in Southern Italy.

***Investment 3:*** Investment Creation of Innovation Ecosystems in Southern Italy.

The objective of the project, which is closely linked to the action promoted by the Ministry of Education (MUR) for the setting up and strengthening of innovation hubs at national level, is to invest EUR 600 million for the creation of Innovation Ecosystems in Southern Italy. Indeed, these ecosystems provide for the creation of material infrastructures or the regeneration of abandoned ones, aimed at attracting new innovative businesses and

promoting the development of highly-qualified human capital.

**Challenges:**

- Contributing to the digital transition and socio-economic development in the Southern Italy
- Revitalising productivity and competitiveness through the support for research, innovation and technology dissemination, as well as investing in people's skills.
- Strengthening collaboration models between businesses, institutions, research organisations and civil society, in accordance with the open innovation approach and the involvement of all the stakeholders (also known as “quadruple helix structure” )
- Sustainable development of society, through the identification of new tools and approaches aimed at boosting the green and digital transition.
- Environmental recovery, urban regeneration, and socio-economic revitalization of degraded urban areas.

**Objectives:** The project aims to promote the social and environmental regeneration of degraded urban areas, through the creation of 8 Innovation Hubs to host higher education, reskilling/upskilling paths, multidisciplinary research and creation of businesses

The regeneration of these areas involves a broad collaboration between universities, research centres, businesses, public administrations, and third sector organisations, by valorizing the role of all the players involved.

**Implementation:** This initiative, proposed by the Minister for the South and Territorial Cohesion, provides for a total of EUR 480 million of investments for the creation of 8 Innovation Ecosystems in the South (EUR 60 million each, estimated by taking into account similar measures enacted in the past).

These interventions will be implemented over the period 2021-2026 in close collaboration with the MUR and the Southern Regions where the hubs are located.

The initiative consists of an initial planning phase, coordinated by an Inter-institutional table (MUR, Ministry for the Southern Italy and Territorial Cohesion, Regions, etc.) which will have to set up a memorandum of understanding to share the general aims of the two support measures (this one and that of the MUR) and the procedural path to implement them.

During this phase the sites will be selected through expressions of interest and also the tender procedures will be launched. The executive planning is expected to be finalised in the third quarter of 2021. The identification of these sites will take into account, on the one hand, the absence of constraints that could slow down the execution planning and, on the other hand, the stakeholders' capacity to steer the strategic development of the Ecosystem.

The second phase consists of the requalification and infrastructural upgrading of the

identified sites and will start within the first quarter of 2023 and end in the third quarter of 2026.

The action will be supported by actions under the responsibility of the MUR aimed at: a) human capital upskilling and reskilling, b) attraction and business incubation, c) collaborative research between research bodies (universities and research centres), enterprises and institutions and d) implementation of open innovation initiatives with the involvement of the local community.

**Target population:** Businesses, academic community, public authorities and civil society in the target areas.

**Timeline:** The project is scheduled to start in 2021, with a duration of 6 years. The end of the project is foreseen for the second quarter of 2026.

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4) Valorisation of assets confiscated from the organised crime.

**Investment 4:** Enhancement of assets confiscated from the organised crime

The investment, amounting to EUR 300 million, aims at implementing the National Strategy for Confiscated Assets Rehabilitation, by promoting the reuse for social, economic, employment and institutional purposes assets confiscated from organised crime, and located in the 8 Southern regions.

**Challenges:** Reducing the social and economic impact of the crisis through the rehabilitation of the assets confiscated from organised crime, in order to boost economic, social and territorial cohesion, restore growth potential, and foster the creation of new jobs.

Strengthening and improvement of public services for citizens.

**Objectives:** The project promotes the economic, social and civil development of areas affected by organised crime, pursuing actions of confiscated assets rehabilitation, according to the Objective 2 of the National Strategy for Confiscated Assets Rehabilitation through Cohesion Policy, approved by the CIPE with resolution 53/18.

Through this rehabilitation to the community and a more effective and efficient use of the confiscated assets for economic, social and institutional purposes, the project creates the conditions for a transparent market economy, without conditioning, while ensuring greater wealth and employment opportunities in the regions of Southern Italy, in compliance with legality and social justice.

Specifically, the confiscated assets rehabilitation aims to:

- social/housing inclusion of people living in conditions of exclusion (people at risk of poverty, homeless people, victims of violence, elderly people, people with limited

- autonomy, Roma, etc.) through the creation of facilities, social/health residences, day centres, co-housing or flat sharing;
- integration through the regeneration of public spaces, in order to improve services to citizens (community social services, such as nursery schools, leisure centres, socio-educational services for early childhood, toy libraries and day centres for minors, socio-educational communities, gyms, labs);
  - socio-cultural gathering spaces for young people, managed by voluntary associations or networks (mini-libraries, spaces for music groups, community or neighbourhood gathering places, etc.);
  - support for new job opportunities for young people and people at risk of exclusion, while at the same time producing goods and services of public interest through the creation of spaces for creativity, innovation and social entrepreneurship (hubs);
  - Legality and territorial security sites (barracks, police/carabinieri stations, civil protection, etc.), in order to promote a more transparent and legal economy and foster the replacement of buildings for which the public administration pays rent;
  - facilities for hosting, mediation and integration, by supporting migrants in the territory and steering them to the competent services (health facilities, employment centres, etc.).

**Implementation:** The initiative, proposed by the Minister for the South and Territorial Cohesion, promotes total [investments of €140 million for 280 interventions] to enhance the value of public real estate (buildings and land), to be selected in agreement with the regions and with the involvement of the beneficiary entities.

There are an average of 35 actions planned for each of the eight regions (Abruzzo, Basilicata, Calabria, Campania, Molise, Apulia, Sardinia and Sicily), aimed at ensuring the assets reuse for social, economic, employment and institutional purposes, as well as promoting a more transparent and legal economy.

For the purposes of carrying out the aforementioned interventions, 8 agreements are expected to be signed in the first half of 2021 between the "Confiscated Assets" Agency, the Territorial Cohesion Agency, the Department for Cohesion Policy and the Southern Regions, aimed at the publication of tenders or notices addressed to Local Authorities and/or Third Sector Organisations for the confiscated assets rehabilitation, according to the Objective 2 of the aforementioned National Strategy.

By the end of 2021/first quarter 2022, interventions will be selected for each of the 8 Regions, as a result of the regional calls.

Once the selected projects have been approved, the Beneficiary Bodies will activate the procurement procedures, in order to allow the awarding and delivery of construction sites and the start of the works by the last quarter of 2023. The following three-year period (2024-2026) will be dedicated to building renovation infrastructural activities and the projects will be completed no later than the fourth quarter of 2026.

The implementation phase will be carried out through two specific actions aimed to support local authorities in their project planning and sustainability. Therefore, this action makes highly skilled human resources available to local authorities involved in processes of identifying the future use of confiscated assets, as well as in the selection of organisations responsible for the management process. The technical resources thus support the administrations for a limited period without replacing them in responsibilities, identifying ways of confiscated assets rehabilitation with the involvement of private organisations at local and national level.

**Target population:** About 35 local authorities (municipalities, provinces, metropolitan cities) and/or third sector organisations for each of the 8 Southern Regions. Local citizenship and specific categories of recipients who will benefit from the property.

**Timeline:** The project will start in 2021, with a duration of 6 years. The conclusion of the interventions is expected by the second quarter of 2026.

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## 4. Green and digital dimensions of the component

### a) Green Transition:

Investments aimed at rehabilitating civil and industrial buildings (e.g. areas subject to past earthquakes), by using technologies to reduce environmental impact. The component, through investments of Earthquake Area Plan, aims to improve the skills needed to support eco-sustainable investments for qualifying the productive vocations of the territory, whilst promoting innovation and fostering employment and economic growth. The regeneration of existing buildings will improve the area's resilience thanks to the drastic reduction of the impact of natural disasters and the increase in the production of clean energy..

### b) Digital Transition:

These projects promote the digital transition of the component mainly through the following drivers:

- investments in high-tech infrastructures for the provision of services throughout the agri-food chain, encouraging the digitalisation of production processes at sectoral level (e.g. precision agriculture using sensors to gather agronomic data);
- investments in new entrepreneurship and generational turnover processes, also by encouraging digital innovation adoption for SMEs;
- investment in advanced training centres to promote skills adapted to local production vocations, including the application of new technologies.

Table 1 - *work in progress*

## 5. Milestones, targets and timeline

Table 2 - *work in progress*

## 6. Financing and costs

Table 2 - *work in progress*