

Next Generation EU overview: its development and its financial sources


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What is the Next Generation EU?

- The Next Generation EU is a **temporary recovery instrument** created by the European Union.
- It was established in 2020 to help Europe recover from the economic impact of the COVID-19 pandemic.
- It is the largest stimulus package ever proposed by the EU, with a total value of **€750 billion**.

How will it be financed?

- The Next Generation EU will be financed through borrowing.
- The European Commission will borrow €806.9 billion (€750 billion in 2018 prices) on the capital markets.
- The borrowing will be repaid through the EU budget, starting in 2028 and ending in 2058.



What are the main objectives of the program?

- The main objectives of the Next Generation EU are to support the recovery of member states from the COVID-19 pandemic.
- It aims to address the short-term economic damage caused by the pandemic.
- It also aims to support the long-term resilience of the European economy.



What are the conditions for receiving funding?



- Member states had to prepare and submit a national plan for the use of the funds.
- The plans must be in line with the objectives of the program.
- The plans must also promote European values, such as the rule of law and democracy.

What are the key benefits of the program?

- The program will create jobs and boost economic growth.
- It will support the recovery of member states from the COVID-19 pandemic.
- It will also strengthen the resilience of the European economy in the long-term.



What are the potential risks?

- The program may increase debt levels in some member states.
- There is a risk that the funds may not be used effectively or efficiently.
- The program may generate political tensions between member states.



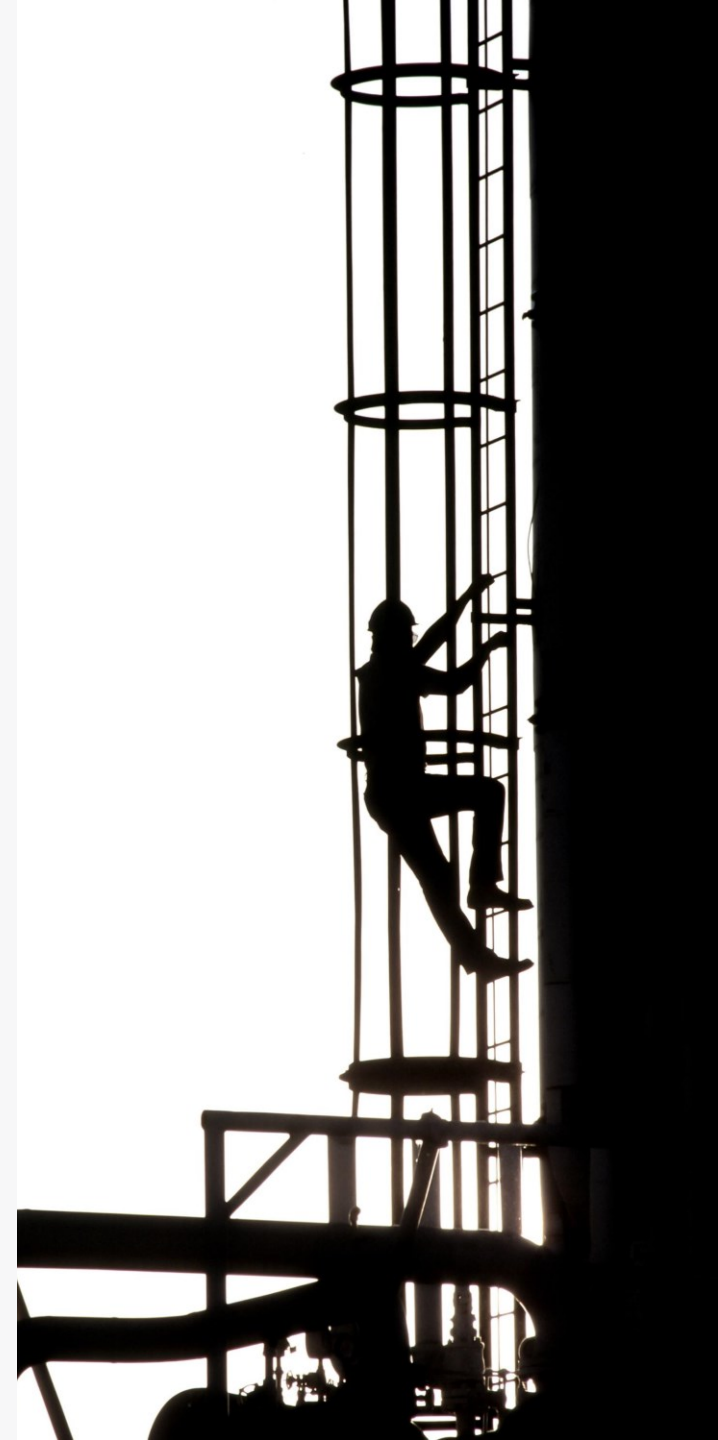
What are the next steps for the program?

- Member states submitted their national plans by in April 2021.
- The plans were reviewed by the European Commission.
- The funds are disbursed in tranches, based on the progress made by member states.



What are the potential outcomes?

- The program could help to reduce inequality and poverty in Europe.
- It could also boost innovation and competitiveness in the European economy.
- The program could strengthen the EU and promote European solidarity.



Next Generation EU investment projects are designed to:

- boost the green transition through the promotion of renewable energies, sustainable mobility and more
- accelerate digital transformation through greater digitisation of public services and the wider economy
- reinforce social infrastructure and services, while reducing territorial disparities
- enhancing access to advanced education and training in skills relevant to the future economy
- support inclusive growth, research and development, and innovation for all
- ensure modern, efficient and accessible healthcare services

Make It Green

- improve water quality in our rivers and seas, reduce waste and plastic litter, plant billions of trees and bring back the bees
- create green spaces in our cities and increase the use of renewable energy
- make farming more environmentally-friendly so our food is healthier

Make it Digital

- to connect everywhere with 5G and EU-wide ultra-fast broadband
- to receive a digital identity (eID), making it easier to access online public services and giving more control over personal data
- smarter and more efficient cities
- more secure online transactions
- artificial intelligence will help to fight climate change and improve healthcare, transport and education

Make it Healthy

- work with all EU countries to protect against health threats
- invest more in research and innovation to develop vaccines and treatments, not just for new diseases like coronavirus, but also for cancer
- modernise health systems so that hospitals in every EU country have better access to new technology and to medical supplies
- fund training for Europe's medical and healthcare professionals

Make it Strong

- encouraging young people to study science and technology, which open doors to the green and digital jobs of the future
- supporting further education and apprenticeships
- offering loans and grants to young entrepreneurs

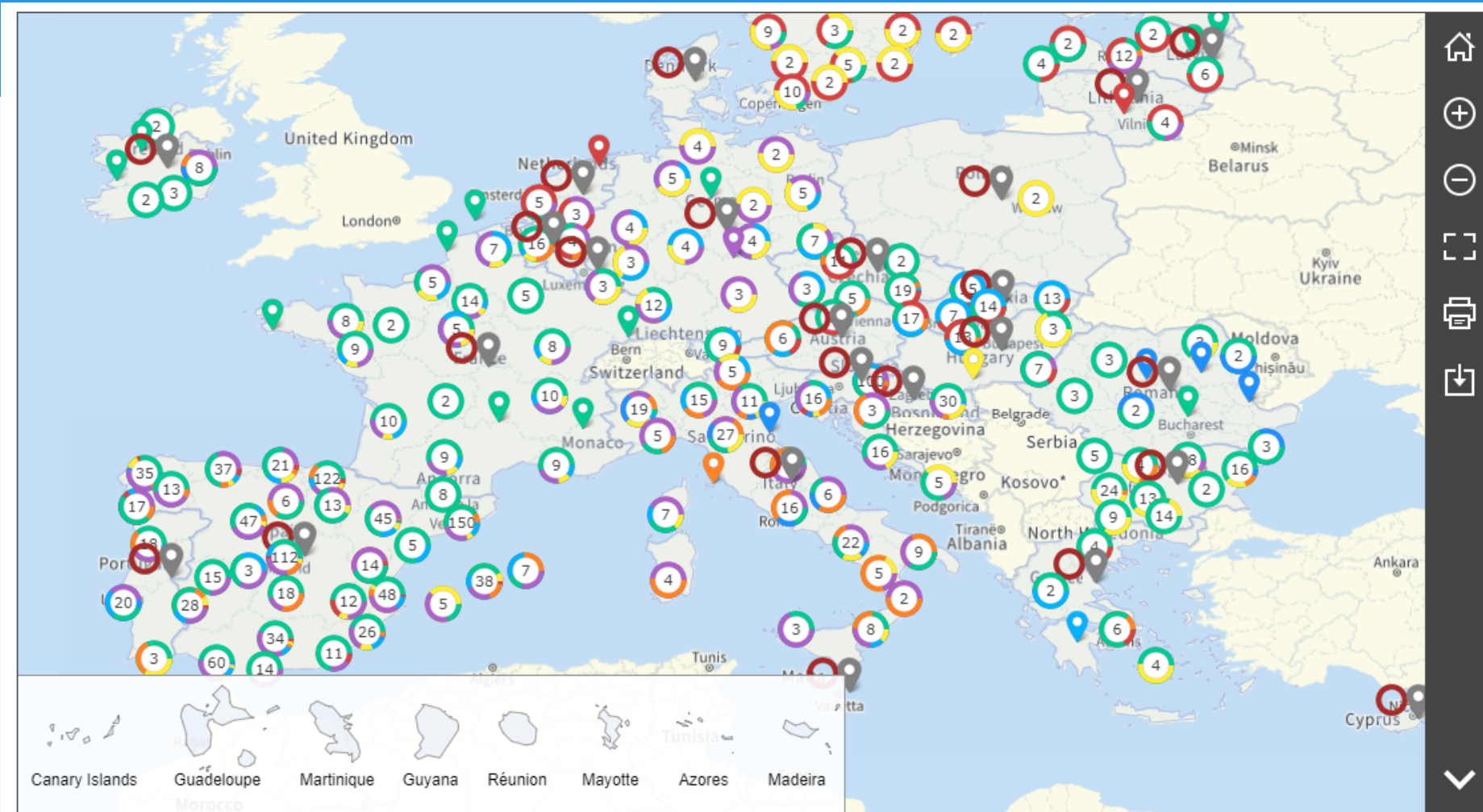
Make it Equal

- fighting against racism and xenophobia
- promoting gender equality and women's empowerment
- protecting the rights of the LGBTQI+ community and combating discrimination
- strengthening EU law to cover all forms of hate speech and hate crime

Budget allocation



Next Generation EU Scoreboard

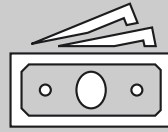




Italy's Next Generation EU Benefits

- Italy will receive €208 billion from 2021 to 2026
- The funding is divided into 5 categories
- The Recovery and Resilience Facility has the highest allocation

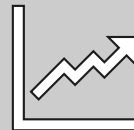
Funding for the National Recovery and Resilience Plan



The National Recovery and Resilience Plan has funding of €235.1 billion



The funding is divided into 5 categories



The Recovery and Resilience Facility has the highest allocation

National Recovery and Resilience Plan

- The Recovery and Resilience Facility has €193.1 billion allocation
 - €65.5 billion is for grants
 - €127.6 billion is for loans
- 30,6 billion euros from a national complementary Fund that will be used to finance some additional projects not included in the Plan.
- 13.5 billion euros from REACT-EU.
- 26 billion euros are allocated for specific projects to be completed by 2032.
- About 15.5 billion euros as an advance from 2021-2027 Development and Cohesion Fund (FSC) will be used as additional resources.
- The Plan allocates 40% of resources to Southern Italy (approximately 82 billion euros of 206 billion euros allocated on a territorial basis).



React-EU, Rural Development and Other Programs



- React-EU: € 13.5 billion
- Rural Development: €0.8 billion
- Just Transition Fund: € 0.5 billion
- Other programs have €0.7 billion

Challenges for Italy

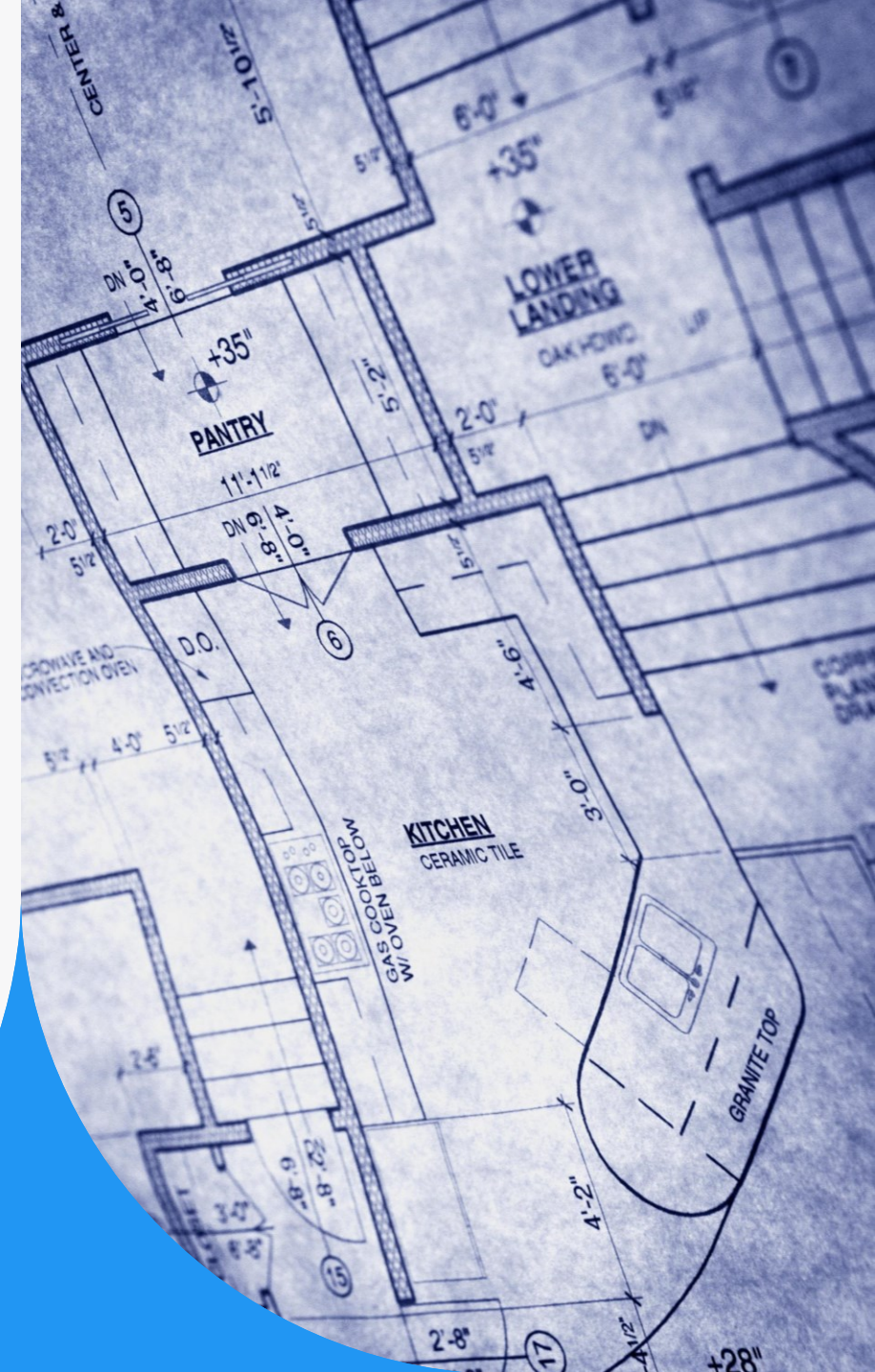
- Improving Italy's recovery and resilience
- Reducing the social and economic impact of the pandemic
- Supporting the green and digital transition
- Enhancing the economic growth and job creation



National Recovery and Resilience Plan

The plan includes:

- 6 Missions
- 16 Clusters
- 48 Projects
- 3 strategic priorities
 - Digitalization and innovation
 - Ecological transition
 - Social Inclusion



Missions

- Digitalization, innovation, competitiveness and culture: € 46.18 billion
- Green revolution and ecological transition: € 68.9 billion
- Infrastructures for sustainable mobility: € 31.98 billion
- Education & Research: € 28.49 billion
- Cohesion & Inclusion: € 27.62 billion
- Health: € 19.72 billion



Reforms



- Increase the public investments
- Reform of Public Administration
- Increase expenditures in Research and Development
- Fiscal reform
- Justice reform
- Labour reform

Governance

- Responsibility for Plan's implementation is entrusted to operational structures within the ministries and local authorities, in order to ensure projects' implementation on time and an effective management of resources.
- The Ministry of Economy and Finance is responsible for monitoring the Plan's investments and reporting to the European Commission on NRRP progress.
- A Steering Committee for NRRP is set up at the Presidency of the Council of Ministers with a specific decree. The Committee is dealing with monitoring of Plan's progress and proposing regulatory measures necessary for projects' implementation.





Questions?