

Hearing on the Decree on urgent measures for the implementation of the NRRP

Summary

Rome, 14 March 2024 – Today, the Parliamentary Budget Office held a hearing at the Chamber of Deputies' Budget, Treasury and Planning Committee to discuss the additional urgent provisions to implement the National Recovery and Resilience Plan (NRRP) contained in Decree-Law 19/2024.

President Lilia Cavallari presented the PBO's analyses of the financial impact of the decree, which is primarily designed to adjust the evolution of the public accounts to the amendments to the NRRP approved by the Council of the EU on 8 December 2023, while restructuring some expenditure of the National Plan for Complementary Investments (also referred to as Complementary National Plan – CNP) and to simplify and speed up the implementation of the NRRP objectives. The analyses have also been supplemented with the processing of information extracted from the platform for monitoring and reporting NRRP measures (ReGIS).

As far as the financial aspects of DL 19/2024 are concerned, **most of the uses and resources relate to capital expenditure, leading to a slight decrease in the public deficit** (by EUR 7.4 million in 2024, EUR 77.3 million in 2025, EUR 12.3 million in 2026).

As for **uses**, accounting for around EUR 16 billion, funds are mainly intended for new NRRP projects (EUR 9.42 billion) and for projects no longer included in the NRRP (3.44 billion), as well as to refinance the CNP (EUR 2.63 billion).

As for **resources**, amounting to approximately EUR 16 billion as well, they are mainly collected through: de-funding of the CNP (EUR 4.5 billion); cuts in the Development and Cohesion Fund (DCF) related to the period 2014-2020 and to the period 2021-27 (EUR 5 billion), which can be reintegrated by Prime Ministerial Decree in case of any CNP savings; spending cuts by municipalities (EUR 1.8 billion) and central governments/ministries (EUR 1.8 billion); and a reduction in the Fund for the start-up of non-deferrable works (EUR 0.9 billion).

The decree implements the **new composition between existing and new projects under the NRRP and provides for the partial de-funding of the CNP and its reorganisation** with the deferral of interventions from the 2024-25 period to the 2027-28 period.

More specifically, **new projects are included or increased in the NRRP totally amounting to almost EUR 23 billion** (half of which under Mission 7, concerning RepowerEU); **new projects already included in the Plan are de-funded for more than EUR 10 billion, and existing projects, amounting to about EUR 10 billion, are removed** and will still be financed by funds available in the state budget.

The **net effect of the above measures is worth EUR 2.9 billion and corresponds to the increased resources allocated by the EU**. If we disregard the latter, the difference between the total of the new projects moved or increased in the NRRP and the new ones eliminated generates the **greater financial requirements of EUR 9.4 billion**, which are included in the decree and used to increase the Revolving Fund for the implementation of Next Generation EU (NGEU).

The PBO stressed **the need to clarify the annual profile and the composition by economic items of the NRRP and CNP package of measures in the trend scenario of the next Economic and financial document (EFD)**.

In addition, the PBO argues that **the decree provides only partial information on the allocation of new resources and on the de-funding** operated under the NRRP, which is expected to be supplemented in a future ministerial decree.

Finally, based on the information extracted from the ReGiS platform, **the PBO's analysis reconstructed the details of the new and existing projects removed from the NRRP**, identifying the interventions and the related amounts that will be definitively cancelled, refinanced by the decree under review, or remain borne by the state budget.