Italy’s Strategy for Reforms

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Ministry of Economy and Finance, May 2017

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REFORM TIMETABLE

The Agenda and Timetable: #reformsinItaly

This section aims to provide users information on the reforms planned and implemented in the country and the macroeconomic impact of reforms.

In particular, the documents published below provide:

1. The Reform Timetable
2. The Intermediate Report on the implementation of the Italy’s Country Specific Recommendations – Summary
3. The reforms implemented and underway - Structural reforms 2015
4. The macroeconomic impact of structural reforms
5. Grids of detailed national and regional reforms
6. Focus of National reforms
7. Report on the Government’s reforming action - 2014: A turning point for Italy

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http://www.dt.tesoro.it/it/attivita_istituzionali/analisi_programmazione_economico_finanziaria/strategia_crescita/index.html
## A two-fold reform strategy to ensure growth

<table>
<thead>
<tr>
<th>Excessive Macro Economic imbalances</th>
<th>Low productivity growth</th>
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<tbody>
<tr>
<td></td>
<td>High public indebtedness</td>
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<tr>
<td><strong>Instruments</strong></td>
<td>Sound public finance</td>
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<td>Structural reforms</td>
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<td><strong>Positive exogenous factors</strong></td>
<td>ECB decision to launch the QE programme</td>
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<td>Low Oil prices</td>
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<td>Competitive exchange rate $/€</td>
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<td>Confidence</td>
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<tr>
<td><strong>Outcome</strong></td>
<td>Growth</td>
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<tr>
<td><strong>European Commission (2016 CSRs)</strong></td>
<td>The impact of all the reforms on real GDP is estimated by the authorities at 2.2 percentage points by 2020, which seems to be plausible.</td>
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<td><strong>IMF (Italy’s Art.IV 2016)</strong></td>
<td>The government has been pursuing a range of important reforms. The list of reform initiatives has been impressive.</td>
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<tr>
<td><strong>OECD (Going for Growth, 2017)</strong></td>
<td>In the past few years, Italy has implemented significant structural reforms, which have addressed some of the Going for Growth priorities.</td>
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</table>
Main structural reforms underway

- **Finance for growth and investment framework:** measures to stimulate the digital and technological transformation of firms; fiscal incentives to favour investments.
- **Labour market reform:** further flexibility in hiring, labour law reshuffling and simplification.
- **Tax system:** reduction in the tax wedge, a more equitable, transparent, simplified and growth-oriented tax system.
- **Non-performing loans and bankruptcy:** State guarantee mechanism as part of securitization transactions whose underlying assets are banks’ non-performing loans. Recent law decree to safeguard saving and intervene on banks’ liquidity and assets.
Main structural reforms underway

- **Justice**: improve the efficiency of both civil and criminal trials, reform the insolvency framework, strengthen the development of the digital justice system;
- **Privatisation programme**: State-owned and local government companies and real estate assets to improve efficiency and reduce debt;
- **Spending review**: reduction of procurement costs, increasing efficiency and cutting unproductive public spending;
- **Public administration**: digitalisation and modernisation, open data, transparency, red tape reduction, fight against corruption.
A comprehensive strategy toward economic growth

- Infrastructure
- Tax wedge
- Fight against corruption
- Justice system
- Finance for growth
- Spending review and State budget reform
- PA reform and Simplification
- Jobs Act
- Education system
- Privatisation
- Access to finance and banking sector reform
- Annual law on competition
Budget strategy for 2017

- **Use of flexibility**: estimated deficit of 2.4% in 2016 basically confirms the EFD 2016 target. Deterioration of the structural balance in line with the margin of flexibility granted by the EC;

- **Tax burden**: new measures to reduce tax evasion and to improve compliance. Income taxes further reduced if fiscal room available;

- **Spending measures**: new savings from the spending review measures, which will play an increasing role in 2018-2019
MACROECONOMIC EFFECTS OF STRUCTURAL REFORMS

**Impact for Policy Area**
*(percentage deviation of GDP from baseline scenario)*

<table>
<thead>
<tr>
<th><strong>Policy Area</strong></th>
<th>T+5</th>
<th>T+10</th>
<th>Long run</th>
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<tbody>
<tr>
<td>Public Administration</td>
<td>0.5</td>
<td>0.8</td>
<td>1.2</td>
</tr>
<tr>
<td>Competitiveness</td>
<td>0.2</td>
<td>0.5</td>
<td>1.0</td>
</tr>
<tr>
<td>Labour Market</td>
<td>0.6</td>
<td>0.9</td>
<td>1.3</td>
</tr>
<tr>
<td>Justice</td>
<td>0.1</td>
<td>0.2</td>
<td>0.9</td>
</tr>
<tr>
<td>Education</td>
<td>0.2</td>
<td>0.3</td>
<td>1.3</td>
</tr>
<tr>
<td>NPL and insolvency proceedings</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>‘Industria 4.0’ Plan:</td>
<td>1.2</td>
<td>1.9</td>
<td>4.1</td>
</tr>
<tr>
<td>- Innovative investment</td>
<td>0.6</td>
<td>0.7</td>
<td>1.1</td>
</tr>
<tr>
<td>- Skills</td>
<td>0.1</td>
<td>0.3</td>
<td>1.1</td>
</tr>
<tr>
<td>- Finance for growth:</td>
<td>0.5</td>
<td>0.9</td>
<td>1.9</td>
</tr>
<tr>
<td>- PIR and Investment funds</td>
<td>0.3</td>
<td>0.5</td>
<td>0.9</td>
</tr>
<tr>
<td>- Other measures</td>
<td>0.2</td>
<td>0.4</td>
<td>1.0</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>2.9</strong></td>
<td><strong>4.7</strong></td>
<td><strong>9.9</strong></td>
</tr>
</tbody>
</table>

Note: MEF estimates. The macroeconomic impact of structural reforms is carried out by focusing on a scenario where only the most recent reforms are considered, namely those eligible for the application of the structural reforms clause recently introduced by the European Commission (flexibility clause scenario, FCS).
Italy’s Strategy for Reforms

**Reforming the labour market**

- **Jobs Act**
- **Wage supplementation scheme**
- **Standard open-ended contract**
- **Universal unemployment benefit scheme**
- **Simplification of contractual models**
- **Simplification of administrative procedures**
- **National Agency for ALMPs**
- **National Inspectorate**
- **Work-life balance measures**

AGENDA ON LABOUR

Italy’s Strategy for Reforms
AGENDA ON LABOUR

Jobs Act

- From March 2015, new open-ended contracts - for newly hired workers on permanent base and to small firms that increase their workforce - characterised by minimum protection floor and the revision of the dismissal rules and rationalisation of contractual models;

- Work-life balance measures: more flexibility in using the parental leave extended to all types of workers. The Budget Law for 2017 introduces compulsory parental leave for male workers;

- Streamlined the apprenticeship contracts so as to reinforce the link between school and work.
AGENDA ON LABOUR

**Jobs Act**

- In case of business restructuring, **flexibility in job’s responsibilities and duties**;
- **Revision of public supporting schemes for temporary layoff workers.** New rules for Cassa Integrazione Guadagni (CIG).
- In Sept. 2016 **additional measures** concerning ancillary works, wage supplementation scheme and ALMPs, apprenticeship;
- In November 2016, the Senate approved a draft law that extends the **Jobs Act to self-employed** and to facilitate ‘smart working’ (lavoro agile) increasing productivity and accommodating the work-life balance.
Creation of the **National Agency for Active Labour Policies (ANPAL)** to coordinate the national network of employment services. Instruments of active labour market policies can be activated through its website;

Creation of a **national register of employment services**, both private and public, in charge of connecting jobseekers to employers through information, placement and active support;

The **National Labour Inspectorate (INL)** merges the functions shared among INPS, INAIL and the Ministry of Labour. It coordinates the activity of the inspectorates of the local health authorities and the regional agencies for environmental protection.
Jobs Act: first results

- The Jobs Act holds the promise of reducing the mismatch between the supply and demand of skills (OECD, *Education at a Glance 2016*);
- Sizeable financial and organisational resources in launching ‘An Italian Approach to the Dual System’: increasing students’ work experience during school years, and securing greater involvement of Italian businesses in the professional development of students;
- In Jan.-Nov.2016, new *permanent contracts* were 8.7% of the total, while *FTCs transformed in permanent contracts* accounted for 34.4 % of the total.
Incentives to boost youth employment

From March 1st, 2016 the second phase of Italian Youth Guarantee has started. The programme has been refinanced with € 700 million from European resources. Main measures in the Budget Law for 2017:

- **Social contribution exemption** (100% for 3 years and for a maximum of €3,250 per year) for employers who hire (in 2017-2018) graduated students having done with the same employer their apprenticeship or traineeship;

- **Young Bonus**: incentives for employers who hire in 2017 a NEET (Not in Education, Employment or Training) with permanent or apprenticeship contracts (total exemptions from social contributions until € 8,060) and with fixed-term contracts (50% exemptions until € 4,030).
**Social contribution exemption for farmers and professional workers** in the agricultural sector under 40 (for a maximum of 3 years and with a reduction from the 2\textsuperscript{nd} year) whose farms are located in disadvantaged areas;

- €530 million from European structural funds to **firms in Southern Regions** hiring with permanent contracts unemployed young workers (15 – 24 years old) or elder workers who do not work for at least 6 months;

- **Tax exemption for productivity bonuses** is strengthened: 10% applicable to a higher productivity wage cap (€3,000 instead of €2,000) and a higher revenue threshold (€80,000 yearly, instead of €50,000);

- **Reduction of the contribution rate to 25% for self-employed.**
**Budget Law for 2017: Pensions**

- **Incentives for early retirement (APE):**
  - **Social APE** (63 years and 30-36 years of contributions): a welfare support for a maximum of €1,500 granted by the State until the pension. Reserved to unemployed, disabled workers or with a relative with disability, heavy-duty workers;
  - **Voluntary APE** (63 years and 20 years of contributions): a financial advance to guarantee pensions to be paid back in 20 years.

- **Measures for early workers and arduous works.** It will be possible to obtain an anticipation of extra pension plan subscribed privately (**RITA**).
The 2016 Stability Law adopted a Special Fund for fighting poverty equipped with €600ml for 2016 and €1bn from 2017. Additional €150mn from 2017 allocated by the Budget Law for 2017;

The fund supports a National Plan to fight poverty and social exclusion that is financing 2 main measures: the Support for Active Inclusion (SIA) and the unemployment benefit scheme ASDI;

The Enabling Law for fighting poverty has been definitively approved in March 2017. It foresees i) the introduction of an economic support scheme assigned to poor people making efforts towards autonomy (‘reddito di inclusione’) that will replace the SIA, ii) the reform of welfare services and iii) a better coordination of social service interventions;

In the Budget Law for 2017, increase of 14th monthly salary (so called quattordicesima) for lower income retired and enlargement of no-tax area for pensioners under 75.
Measures for social inclusion

- Tax credit of 75% on project designed to cope with the children’s low educational attainment and financed by banking foundations. Set on an experimental basis for the period 2016-2018, resources amount to €400mn;

- A fund to look after seriously disabled people over the years has been created;

- In the Budget Law for 2017 further resources for:
  - Fund for non self-sufficient people (increased by €50 million);
  - New-borns, nursery and baby-sitting vouchers;
  - A fund to promote credit access for families with one or more children (Fondo di sostegno alla natalità);
  - Additional resources for the care of migrants.
Italy’s Strategy for Reforms

**Reforming the education system**

- **New evaluation system for teachers rewarding merit**
- **New governance to enhance vocational education**
- **New procedures to hire school directors**
- **National Plan for Digital School**
- **New parameters to assign resources from School Operation Fund**
- **A three-year planning of financial and human resources for each school**
- **School Bonus**
- **School-Job transition (Apprenticeship)**

**AGENDA ON EDUCATION**
Reforming education

- The ‘Buona scuola’ reform aims at improving school governance. It reinforces the tenured teaching staff in a permanent way, develops teachers’ competences through permanent formation, fosters digitalisation and strengthens the link between school and work. The Budget Law for 2017 provides additional resources to strengthen teaching staff and schools;
- The Plan provides for: a three-year planning of financial and human resources for each school; a new evaluation system for teachers with careers linked to performances; enhanced managerial role of principals;
- Further delegated acts have been approved in January 2017 and others are expected to revise the training on the job and the school-job transition.
Reforming education

In April 2017 to further implement the ‘Buona Scuola’ reform 8 new decrees were approved by the CoM:

- initial training and access to teaching position in primary and secondary school;
- individual education programme for students with disabilities;
- review of vocational education pathways;
- national pre-school education (0-6 years);
- effectiveness of the right to education;
- promotion and dissemination of culture;
- evaluation and certification of students skills;
- Italian educational institutions and initiatives abroad.
AGENDA ON EDUCATION

Innovative schools

- **National Plan for Digital School**: a comprehensive strategy made up of 35 measures concerning ultra broadband infrastructures, new digital skills for students, online tools for education, promotion of Open Educational Resources (OER), work-school alternance in digital business, training for the school staff;

- **€300m for the construction of new school buildings** innovative in terms of architecture and technology. The Budget Law for 2017 foresees additional resources financed by INAIL;

- **School bonus**: 65% tax credit on private donations (max €100,000) for brand new schools and the maintenance of the existing ones, as well as for educational projects.
AGENDA ON EDUCATION

The ‘Buona scuola’ after 1 year

• €100mn for school-job transition. 36 Protocols at National level with museums, firms and associations. 50 Protocols at Regional level.

• 6-7 more teachers for each school to enhance autonomy and educational offer.

• €500 in 2015/2016 for each teacher for their professional upgrade. From 2016/2017 an ‘electronic wallet’ will be set. €200mn at national level to enhance teachers’ merit.

• Extraordinary inspections in comprehensive schools.

• The Directive to link part of school directors’ salary to results has been issued.

• €1bn for innovation. 60% of 35 Action of National Plan for Digital School have been started. €350mn already allocated.

• Register of school building is now operative through the website ‘Scuola in Chiaro’. Further resources from EIB: €40mn for earthquake-proof upgrade and €350mn to build 52 innovative schools.

• Yearly funds for daily school management amount to €230mn.

• To favour inclusion, 90,000 teaching assistants have been hired in 2015 with permanent contract.

• €1bn in September 2015 to favour integration of minor immigrants without parents.

• 30% of resources for ITS assigned on the basis of quality parameters.

• School bonus is now operative.

• Self-evaluation Reports published by schools in November 2015.
**Budget Law for 2017: Education**

€800 million allocated for supporting students, guaranteeing the right to education and further implementing the ‘Buona Scuola’ reform:

- Financing of a **State supplementary fund** to grant merit and mobility scholarships;
- Setting up of a **Fund to finance basic research** and promote research activities of professors of state universities;
- Refinancing of **Electronic card** for eighteen years students in the national territory;
- Revision of **rules for university fees** (including exemptions criteria).
Tax reform

- VAT electronic invoicing
- Simplification on corporate taxes and pre-filled tax returns
- Legal certainty between tax administration and taxpayers.
- Reorganisation of Fiscal Agencies and tax collection system.
- Revision of administrative and penal sanctions
- Revision of tax expenditures
- Enabling law on tax reform
- Creation of Cadastral Committees
- Streamline taxation on minor self-employed
- Simplified measures for international firms
- Revision of taxation on tobacco products

Italy's Strategy for Reforms
Implementing the enabling law on tax reform

- Implemented the **enabling law on tax reform** with the final approval of the last expected legislative decrees;
- Since 2014, realised **simplifications** related to tax repayment obligations, corporate tax obligations, as well as abrogation of unnecessary hurdles for firms and citizens. Introduced a pre-filled tax returns for permanent employees and pensioners;
- The approved decrees relates to:
  - Legal certainty in the relationship between tax administration and taxpayers;
  - Revision of administrative and penal sanctions.
Fiscal reform: simplifications

- **VAT electronic invoicing.** The measure offers incentives for the adoption of electronic payments and transactions so as to ensure the traceability of VAT transactions and reduce the fiscal burden on business. The adoption will be on a voluntary basis, starting from Jan. 2017.

- **Simplified measures for international firms.** The legislative decree is aimed to i) reduce administrative burden on international firms, by introducing a prior agreement with the Revenue Agency; and ii) create a stable taxation profile for new investment (over €30m) realized by international firms.
Budget Law 2017: Fiscal simplification and fight of tax evasion

- **Review of ACE** (help for economic growth) and repealing of super ACE for listed companies;
- Introduction of a tax on business income called ‘IRI’ (set at 24%) aiming at harmonising the tax treatment of firms and corporations and reinforcing SMEs capital; corporate taxation (IRES) also reduced at 24%;
- Extension to July 2017 of the **voluntary disclosure** of income and assets held abroad; other measures in the pipeline for the disclosure of cash money and other values;
- Fiscal incentives to **favour the return of researchers** from abroad have been made structural;
- 19% IRPEF deduction for students.
Budget Law 2017: Fiscal simplification and fight of tax evasion 2/2

- Simplification of the accounting system of individual and partnership companies by introducing the **cash criterion** - instead of the accrual criterion - to determine income and net production;

- **Abolition of the IRPEF in the agricultural sector**: dominical and farm incomes no more contributing to the IRPEF taxable income of farmers.

- Several **measures to fight tax avoidance** such as the electronic communication of data and invoices;

- The new measures to fight tax evasion adds to the good results obtained in the last years (+240% increase in collection in 10 years). In 2016, €19bn revenues have been recovered, with a 28% increase compared to 2015.
Fiscal reform: Collection system

- Rationalisation of the tax collection system. Measures facilitating tax compliance, also by applying for an instalment agreement with the Revenue Agency which becomes more easy to access. Reductions in the premium of agents collecting taxes;

- Reorganisation of fiscal agencies; the fiscal bill attached to the Budget Law for 2017 foresees the abolition of Equitalia. Transfer of competences to the Revenue Agency will be designed so as to guarantee greater managerial independence in accordance with the conclusions of IMF-OECD reports;

- In the same bill, facilitation for unpaid tax bills are provided: interests on delayed payments will not be due while the entire amount of tax should be paid.
Fiscal reform: Conciliation and monitoring tax evasion

- **Fiscal litigation.** More possibilities offered for conciliation with the Italian Revenue Agency so as to avoid court litigations. Measures to ensure certainty in the proceedings.

- Monitoring system of **tax evasion** and a new regulatory framework for **tax expenditures**. The Gov't will review existing tax expenditures annually, taking into account their economic impact. The incremental revenue derived from measures to reorder tax expenditure will be allocated to the Fund for the Reduction of Fiscal Pressure.
Measures for building sector and land security

Extension of tax allowances for:
- building renovation;
- anti-seismic interventions;
- energy efficiency;
- purchase of furniture.

Tax credit for hotels renovation, extraordinary maintenance and elimination of architectural barriers.

Specific measures to support the reconstruction of public and private buildings in the Regions hit by the earthquake.
Enabling law reforming Public Administration

- Reorganisation of state-owned companies and Port Authorities
- Certified notification of business start up (SCIA)
- Reorganisation of state forestry and police corps
- New rules for the Conferenza dei Servizi
- Prevention of corruption, transparency and simplification
- Dismissal of public employees
- Health managers
- Code for digital administration
- New code of financial justice
- Chambers of commerce and Research Institute
- Decree repealing or modifying regulations
Reforming Public Administration

- **16 legislative decrees definitively approved**: repealing of obsolete and out of date secondary legislation and implementing decrees, code for digital administration, new Services Conference rules, administrative simplification, certified notification of business start up (SCIA and SCIA.2), dismissal of public employees, State Owned Enterprises (SOEs), prevention of corruption, port authorities, police and state forestry corps, health managers, new code of financial justice, Chambers of Commerce, Research Institutes, creation of the Paralympics committee.

- A decree about local public services finalized by the Council of Ministers not promulgated due to a Court’s ruling. It will be submitted again following the most appropriate legislative procedures;

- To overcome this **Court’s ruling**, corrective provisions of the decrees on SOEs, health managers and disciplinary dismissals have been implemented.
Reforming Public Procurement

- The delegated law no. 16/2016, approved in April 2016, entrusts the Government to harmonise the domestic legislation with the European criteria on reviewing public procurement procedures as well as reforming the unified Code of public procurement;
- The Code of Public Procurement has been streamlined. Following the public consultation, 5 guidelines have been issued by the ANAC, while others are being drafted. Also MIT guidelines on European Document for tender (DGUE) and parameters to be used as baseline in tenders for planning designs have been published.
Reforming Public Procurement

- The legislative decree stipulates, among others: i) tender procedures strictly applying the ordinary planning, thus overcoming the ‘Legge Obiettivo’; ii) various forms of public private partnership; iii) public consultation with local stakeholders; iv) 80% of public works and concession contracts must be assigned with tender, the rest can be assigned ‘in house’.

- The ‘most economically advantageous’ tender will be the dominant awarding criterion, overcoming the procedure of the lowest bid by tenderers.

- The central role of guidance and supervision is assigned to the Anticorruption National Authority (ANAC).
**Simplification of bureaucracy**

- The approved **2015-2017 Simplification Agenda** focuses on five strategic areas: digital citizenship, welfare and health, taxation, construction and business;
- According to the 4th **monitoring report** issued on November 2016, 95% of the deadlines set in the Agenda were respected;
- The **electronic invoicing** for all the PA entities is fully operational. Moreover the social security compliance certificate (**DURC**) is on line starting from July 2015;
- Fostered the **digital citizenship**: actions to innovate the census and ID card.
Civil and criminal justice reform

- Digital fiscal trial
- ADR mechanisms to reduce backlog and new cases
- Integrated digital system for civil cases
- Law for fighting corruption in the P.A.
- Draft law: dedicated Courts for firms and families
- Reform of honorary magistrates and judges of peace
- Discipline of false accounting
- Draft law on assets sequestered to organised crime
- Draft law to modify the statute of limitations

Justice reform
Reforming justice (1/2)

- **Civil justice reforming action** aiming at: i) consolidate the specialisation of firms’ courts; ii) strengthen the protection of individual rights, children and families, through dedicated courts; iii) ensure greater rapidity in the judgment, by revising the different phases of proceeding. As for the latter aim, a first step is the reform of honorary magistrates and judges of the peace (Apr. 2016).

- **Penal justice reform** – approved by Senate and now pending before the Chamber of Deputies - modify the **statute of limitations**, cope with judicial backlog, revise the criminal codes and proceedings, strengthen the rights of defence and ensure a reasonable duration of trials. The bill approved by Deputies also delegates the government to reform the criminal process and the penitentiary system.
AGENDA ON JUSTICE

Reforming justice (2/2)

- A draft law about corporate crisis and insolvency procedures is being considered by the Senate while a draft law about the extraordinary administration of big insolvent firms is being considered by the Chambers of Deputies;

- In order to deflate the criminal justice system, a legislative decree has transformed some minor crimes into administrative offenses and has made sanctions more incisive while ensuring a more effective repression of the most serious crimes.

- Another legislative decree designs a more efficient sanction system against crimes of scarce offensiveness. It aims at replacing penalties with fines.
Reducing judicial backlog

- To tackle the efficiency gaps an integrated digital system for civil cases was introduced. Estimated savings for €48mn and 50% in time reduction for injunctions.
- In 2016 there has been a reduction of 3.8% of backlog relative to 2015.
- The Budget Law for 2017 assigns additional resources to the digitalisation of the justice system, with a special attention to the digital trial.
AGENDA ON JUSTICE

Fiscal trial

- In Dec. 2015 the Digital fiscal trial was launched in the local and regional Tax Commissions of Tuscany and Umbria. Since Oct. 2016 it is operative in Abruzzo, Molise, Piemonte, Liguria, Emilia Romagna e Veneto. Since Feb. 2017 it has been extended to Basilicata, Campania e Puglia. At the end of 2017 it will be operative in the whole Country.

- The official website of the Tax Justice Administration (www.giustiziatributaria.gov.it) has been created. It allows for the electronic filing of documents and court records. In addition, tax courts, taxpayers, professionals and tax authorities, previously authorised, will consult from home or from their offices the case files containing all the acts and documents of the fiscal litigation in which they are interested.

- Digital administrative trial launched in January 2017.
AGENDA FOR MARKET AND COMPETITION

Measures for competitiveness

- The annual draft law on competition has been approved by the Senate and is now pending before the Chamber of Deputies.
- The following measures are included: in the insurance sector actions to fight fraud and enhance transparency; in the TLC actions to ease switching; liberalisation of fuel distribution; several liberalisations for legal professions (notaries and lawyers); the scope of activity for limited liability companies is enlarged for the engineering profession; removed limits to pharmacies’ ownership; portability of check accounts.
- Its final approval is foreseen for June 2017.
Italy’s Strategy for Reforms

**Banking sector reform**

- Structure and governance of Cooperative Banks.
- Implementation of Bank Recovery and Resolution Directive
- New powers and tools to Bank of Italy to avoid financial distress
- Self-reform of Foundations
- Governance and competitiveness of Mutual Saving Banks (BCC)
- Shortened time to recuperate loans
- Private Investment Fund ‘Atlante’ to facilitate NPLs negotiation
- Solidarity Fund for bondholders and bank recapitalisation

*AGENDA FOR MARKET AND COMPETITION*
Governance of the banking sector

- Radical changes to the banking sector from 2015 involving: the reform of the mutual banks; the self-reform of the banking foundations; the reform of the cooperative credit banks; the acceleration of credit recovery times; and the introduction of the Guarantee on the Securitisation of the Non-Performing Loans (GACS);
- Creation of the **Private Investment Fund ‘Atlante’** to facilitate capital increases of banks and to acquire NPL and real estate assets at market prices.
AGENDA FOR MARKET AND COMPETITION

Governance of the banking sector: the decree 237/2016

It introduces legal and financial tools within the EU State-Aid framework to safeguard saving and intervene on banks’ liquidity and assets with an endowment of €20 billion. Two main measures:

✓ under request of the bank, the government can provide a guarantee on the issue of new bonds against payment of a market fee. The State can also guarantee the access to the Bank of Italy’s liquidity support under the ELA (Emergency Liquidity Assistance);

✓ under the same conditions a bank could ask a ‘precautionary recapitalisation’ to the government.
Banking sector: NPLs and bankruptcy

- As of January 1st 2016, Italy applies the single rulebook for the resolution of banks and large investment firms, as prescribed by the Bank Recovery and Resolution Directive;
- To avoid financial distress, if banks do face failure, the Bank of Italy is equipped with powers and tools to restructure them, allocating losses to shareholders and creditors. The recovery plan must preserve the banks critical functions and prevents taxpayers having to bail them out;
- The first application of this new solving procedure has been adopted to solve the financial crisis of four minor credit institutes.
Banking sector: NPLs and bankruptcy

Law Decree 59/2016 aims at speeding up the recovery by banks by shortening time to recuperate loans, cutting times from 40 to 6-8 months;

A ‘Non-possessory pledge’ can be obtained as security for loans by banks and financial intermediaries over an identifiable non real estate asset of the debtor, without requiring the dispossession. The pledge must be registered in an ad hoc register hold by the Tax Authority. The registration has a ten-years renewable validity;

Moreover, a real estate asset can be given as security for the loan by the borrower with a financing contract (Patto Marciano). Appropriation of the property by the lender requires a default of payment by the borrower for more than six months.
Italy’s Strategy for Reforms

**Finance for Growth**

- **ACE**
- Tax credit for firms investing in R&D
- Tax credit for additional investment in the Mezzogiorno
- Direct lending for funds and insurance companies
- Patent box
- Simplification for innovative start-ups and SMEs
- ‘Industria 4.0’ Plan
- Mini-bond and Simplified rules for SMEs listing
- Voucher for internationalisation of SMEs
- Public-private fund for the recapitalisation of businesses
- 140% Super-amortisation
- New ‘Sabatini Law’ and 15% tax credit on new investment
- **Industria 4.0’ Plan**

**AGENDA FOR MARKET AND COMPETITION**
Industria 4.0 Plan
The Plan provides credit to firms (including start-ups and innovative firms) to improve their competitiveness and strengthen their size:

- extension to June 2018 of the super amortization at 140% (also for intangibles);
- introduction of an hyper-amortization at 250% for the purchase of goods functional to the I4.0 Plan;
- strengthening of R&D tax credit: companies will be allowed to deduct a sum equal to 50% (instead of 25%) of their R&D incremental expenditures, and the maximum credit has been increased from €5 million to €20 million;
- refinancing of the Guarantee Fund for SMEs with a focus on I4.0 investments for €1 billion.
- reinforcement of development contracts - facilitations for large-sized innovative and strategic investments - through faster procedures and a greater participation of the Regions.
Further measures in the Budget Law for 2017

- Individual Saving Plans (PIR): tax exemption for retail investors on capital gains associated to long term investments, subject to certain conditions;
- Revised tax regime for corporate groups (IVA di gruppo);
- Renewal of the ‘Nuova Sabatini’ to finance investments in new equipment and digital manufacture, extending it to 2018 with a larger financial allocation (raised from €5 to €7 billion);
- Refinancing of the Plan to promote Made in Italy in order to promote internationalization efforts of SMEs;
- Other fiscal measures already considered (IRI, IRES, ACE).
AGENDA ON INFRASTRUCTURE

European task force for investment

- The European Fund for Strategic Investments (EFSI) will consist of €16bn in guarantees from the EU budget and €5bn from the European Investment Bank. Italy’s contribution to EFSI-supported projects amounts to €8bn (via CDP being the national promotional bank);
- Italy is the 2nd Country in the ranking of Countries benefiting from Juncker Plan Fund with 13 projects financed, for a total of €1.8bn., which are expected to activate investments for €5.7bn.
- On Dec.2016, MEF, EIF and CDP signed an agreement to spur investment of Italian SMEs. CDP and the EIF will issue counter-guarantees to financial institutions to facilitate Italian businesses’ access to credit and support new investment. The total allocated funds are €225mln.
AGENDA ON INFRASTRUCTURE

**Investment in the Budget Law for 2017**

- Creation of a **fund for infrastructure and transport investment** whose resources will finance sustainable mobility and renovations, soil conservation and prevention of hydrogeological instability;

- In order to promote foreign investment, introduction of a new fiscal regime aligned to other European tax systems for the establishment of new residents in Italy.
**Ultra Broad Band Plan**

- Italian Regions signed an operative agreement with MISE to build the Broad Band network in ‘white areas’ grouped in cluster C and D of National Ultra Broad Band Plan, also using ERDF and EAFRD Funds;
- The invitation to tender regards the design, realisation, maintenance and management of the network to supply services to final users at a maximum speed of 100Mbps. The network will remain public with a 20year-concession;
- The EU Commission has considered the Plan compatible with the State Aid rules. The Plan has a budget of €4bn, for the period 2016-2020.
AGENDA ON REDUCING REGIONAL DISPARITIES

Masterplan for the Mezzogiorno of Italy

- The Masterplan builds upon **two pillars**: i) efficiency in the use of EU Funds both for the projects already financed (2007-2013) and for the new planning cycle (2014-2020); ii) **industrial policy** able to cope with the crisis of the manufacturing sector which dramatically affected the South;

- **Joint task forces** on the **management of EU funds** have been created between the Gov.t and Calabria, Campania, Sicilia Regions and MIT, and non-use of EU funds eliminated;

- **Specific plans of actions and timetables** have been set for each of the 8 Regions and 7 metropolitan cities of the South. The plan will define the strategic priorities according to the reality of each territory.
Public Finance Reform at central and local level

- Revision of the Budget cycle: overcoming historical expenditure; strengthening cash budget
- Spending review included in the budget process
- Compulsory time schedule of payments due by the P.A.
- Regions and local govts.: Balanced budget in terms of competence
- NHS – stricter rules for efficiency and transparency
- Extension of Public Procurement Procedures to non-covered sectors
- Compulsory public procurement for digital services and devices
- Standard costs Commission
- New rules on balanced budget for local authorities
Budget reform

The Gov.t approved in May 2016 a legislative decree to complete the budget reform with the aim of:

- Increasing transparency by introducing a third expenditure level called ‘actions’ after ‘missions’ and ‘programmes’;
- Making the spending review a regular practice to be performed by Central Administrations in the budget process, while ensuring a stronger flexibility in the use of available resources;
- Revising the budget cycle by defining ex ante spending guidelines for Ministries, consistent with the policy objectives of the EFD, thus overcoming the historical expenditure criteria.
In May 2016 the Government also approved a legislative decree concerning the reorganization of the budget management and the strengthening of the cash budget. It aims at:

- Improving the forecasting and monitoring of trends and actual needs of the public finance, in line with the evolution of the European fiscal rules, as well as the management of cash flows;
- Introducing and making compulsory the “time schedule” of the payments due by the Public Administration, to rationalise arrears.
Public contracting will be managed by a single public procurement company (CONSIP) and a few other purchasing centers (33 instead of more than 35,000), so called aggregators, responsible for Regions and large cities (9 Metropolitan cities and 2 Provinces). The purchases of 19 categories of goods and services (many of which are for healthcare) have been concentrated at 33 purchasing centres. Thresholds for which P.A. must go through CONSIP or another aggregating entity are fixed by Prime Minister Decree.

A MEF Ministerial Decree (implementing Stability Law for 2016), sets the main characteristics of the 34 Consip agreements scheduled in 2016. The agreements are taken as benchmark and precise parameters of quality-prices are used.
Spending review in the Budget Law for 2017

- Several measures directed at reviewing and reprogramming of public spending also through the optimisation of Ministers’ budget;
- Reform of the pharmaceutical governance and requalification of healthcare expenditures;
- Further rationalisation of purchasing, implementation of the electronic healthcare folder (Fascicolo sanitario elettronico, FSE), stabilisation of medical staff of the National Health System, refinancing of the Fund for innovative drugs;
- Resources for the renewal of public administration contracts and the stabilisation and recruitment of personnel.
AGENDA ON PUBLIC FINANCE

Local public finance

- Starting from 2016 local entities including Regions must achieve a **balanced budget in terms of competence**: final expenses must not exceed final revenues;

- As of 2016, the **municipal solidarity Fund** increases the share of resources to be distributed according to standard requirements and fiscal capabilities criteria. Online publication of financial statements by 31 March yearly;

- A government commission established to define the methodologies for assessing the **standard costs and requirements** applied to the fundamental functions of local authorities.
AGENDA ON DEBT SUSTAINABILITY

Privatisation plan

- **Expected revenues** from privatisation of 0.1% of GDP; future targets: 0.3% annually in 2017 – 2020.
- The **key 2016 initiative** is ENAV (46.6%);
- By law, the revenues from sales of shares directly held by the State will be used to **reduce public debt**;
- Technical support of Invimit in the real estate divestiture;
- For FS, at the end of September 2016 the Industrial Plan 2017-2026 has been approved, with the aim of adding value to the asset before the privatisation.
### PRIVATISATION PLAN

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Relevant sectors</th>
<th>Transaction description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fincantieri</strong></td>
<td>Shipbuilding – cruise liners, mega yachts, naval vessels, oil &amp; gas vessels</td>
<td>30% of the company sold through IPO, including a capital increase</td>
</tr>
<tr>
<td><strong>TAG</strong></td>
<td>Gas transportation</td>
<td>89% of the company sold to SNAM</td>
</tr>
<tr>
<td><strong>CDP Reti</strong></td>
<td>Gas transportation and power high voltage</td>
<td>35% of the company sold to private investors</td>
</tr>
<tr>
<td><strong>TLC infrastructure</strong></td>
<td>TLC infrastructure provider for RAI broadcast</td>
<td>30% of the company sold through IPO: (€1.1bn cap. IPO of €300mn)</td>
</tr>
<tr>
<td><strong>Railway</strong></td>
<td>Multi-national power company</td>
<td>5.74% of the company sold through IPO: accelerated book building</td>
</tr>
<tr>
<td><strong>Enel</strong></td>
<td>Postal services, financial services, insurance, ICT, logistics</td>
<td>34.7% of the company sold through IPO (excluding greenshoe); 35% conferred to CDP through a capital increase of €2.9bn; 29.7% further IPO</td>
</tr>
</tbody>
</table>

*Italy’s Strategy for Reforms*
### PRIVATISATION PLAN

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Relevant sectors</th>
<th>Transaction description</th>
</tr>
</thead>
<tbody>
<tr>
<td>FONDO ITALIANO D'INVESTIMENTO</td>
<td><img src="image.png" alt="Image" /></td>
<td><img src="image.png" alt="Image" /></td>
</tr>
<tr>
<td>ENAV</td>
<td><img src="image.png" alt="Image" /></td>
<td><img src="image.png" alt="Image" /></td>
</tr>
<tr>
<td>SGR</td>
<td><img src="image.png" alt="Image" /></td>
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</tr>
</tbody>
</table>

**Further measures**

<table>
<thead>
<tr>
<th>Municipal utilities</th>
<th>Relevant sectors</th>
<th>Transaction description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public real estate assets</td>
<td><img src="image.png" alt="Image" /></td>
<td><img src="image.png" alt="Image" /></td>
</tr>
</tbody>
</table>

- **Investment funds**
- **Air traffic control**
- **Rail Transport**
- **Companies that provide public utilities at local level (water, electricity, waste collection and management)**
- **Public real estate assets - State and Local authorities properties**
- **12.50% of the SGR to be sold to CDP**
- **46.6% of the company (230 millions of shares) sold through Global Offering: 90% to institutional investors and 10% to employees and the general public.**
- **Reduction of the State-owned stake under study**
- **Opening to private control and significant reduction of their numbers through merger**
- **Disposal plan of public real estate assets. Decrease the rent of real estate for the PA, increase the efficiency of locations’ distribution**

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Italy's Strategy for Reforms
Legislative implementation

- **Gentiloni Gov.t** (December 12, 2016 to April, 2017): 73 pieces of legislation approved, 24 pieces of legislation fully entered into force. 66.7% of the provision are self enforcing, the remaining need secondary legislation.

- 111 pieces of legislation from the Renzi’s Government have been adopted between December 2016 and April 2017.

- As for the implementation of the legislative acts adopted by **previous Governments** (Monti and Letta), out of 889 pieces of secondary legislation required, 136 are left.

- The ‘taglia leggi’ decree has abrogated 46 provisions related to previous governments.
# Reform process since mid-2016

## Progress of Reforms Implementation by Area of Intervention

<table>
<thead>
<tr>
<th>Area of Intervention</th>
<th>Fino al 2015</th>
<th>2016</th>
<th>Competitiveness Relevance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Administration</td>
<td>20%</td>
<td>80%</td>
<td>High (5)</td>
</tr>
<tr>
<td>Labour Market</td>
<td>70%</td>
<td>90%</td>
<td>High (5)</td>
</tr>
<tr>
<td>Justice</td>
<td>40%</td>
<td>50%</td>
<td>Medium High (4)</td>
</tr>
<tr>
<td>School System</td>
<td>50%</td>
<td>80%</td>
<td>Medium High (5)</td>
</tr>
<tr>
<td>Taxation/Fight Evasion</td>
<td>60%</td>
<td>75%</td>
<td>Medium High (4)</td>
</tr>
<tr>
<td>Spending Review</td>
<td>50%</td>
<td>70%</td>
<td>Medium (3)</td>
</tr>
<tr>
<td>Nonperforming loans</td>
<td>20%</td>
<td>80%</td>
<td>Medium High (4)</td>
</tr>
<tr>
<td>Competitiveness /Industria 4.0</td>
<td>40%</td>
<td>80%</td>
<td>High (5)</td>
</tr>
</tbody>
</table>

## Progress of the ‘Competitiveness Relevance’ Indicator by Area of Intervention

<table>
<thead>
<tr>
<th>Area of Intervention</th>
<th>Level 2015</th>
<th>Level 2016</th>
<th>Change 2015-2016</th>
<th>Weighted Max Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Administration</td>
<td>0.03</td>
<td>0.12</td>
<td>0.09</td>
<td>0.15</td>
</tr>
<tr>
<td>Labour Market</td>
<td>0.10</td>
<td>0.13</td>
<td>0.03</td>
<td>0.15</td>
</tr>
<tr>
<td>Justice</td>
<td>0.05</td>
<td>0.06</td>
<td>0.01</td>
<td>0.12</td>
</tr>
<tr>
<td>School System</td>
<td>0.06</td>
<td>0.09</td>
<td>0.04</td>
<td>0.12</td>
</tr>
<tr>
<td>Taxation/Fight Evasion</td>
<td>0.07</td>
<td>0.09</td>
<td>0.02</td>
<td>0.12</td>
</tr>
<tr>
<td>Spending Review</td>
<td>0.04</td>
<td>0.06</td>
<td>0.02</td>
<td>0.09</td>
</tr>
<tr>
<td>Nonperforming loans</td>
<td>0.02</td>
<td>0.09</td>
<td>0.07</td>
<td>0.12</td>
</tr>
<tr>
<td>Competitiveness /Industria 4.0</td>
<td>0.06</td>
<td>0.12</td>
<td>0.06</td>
<td>0.15</td>
</tr>
<tr>
<td><strong>Competitiveness Relevance Indicator</strong></td>
<td><strong>0.44</strong></td>
<td><strong>0.76</strong></td>
<td><strong>0.33</strong></td>
<td><strong>1.00</strong></td>
</tr>
</tbody>
</table>

Competitiveness Relevance Progress indicator: weighted average of the progress taking into account the economic impact of the reform, range 0 (min)- 1 (max)
**TABLE – STRATEGIC ACTIONS IN THE NRP FOR 2017**

<table>
<thead>
<tr>
<th>Area of interest</th>
<th>Policy Area</th>
<th>Measures</th>
<th>Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1</strong> Debt and public finances</td>
<td>Public finance</td>
<td>Achievement of structural budget balance by 2019</td>
<td>2017-2020</td>
</tr>
<tr>
<td><strong>2</strong> Fiscal policies</td>
<td>Public finance</td>
<td>Spending review</td>
<td>2017-2020</td>
</tr>
<tr>
<td><strong>3</strong> Fiscal policies</td>
<td>Public finance</td>
<td>Reduction of Public Administration debt areas</td>
<td>2017-2018</td>
</tr>
<tr>
<td><strong>4</strong> Fiscal policies</td>
<td>Public debt</td>
<td>Strengthen the debt reduction strategy through privatizations, disposal of real estate assets and reform of concessions</td>
<td>2017-2020</td>
</tr>
<tr>
<td><strong>5</strong> Fiscal policies</td>
<td>Fiscal policies</td>
<td>Continue the reduction of tax burden to support growth</td>
<td>2017-2018</td>
</tr>
<tr>
<td><strong>6</strong> Fiscal policies</td>
<td>Fiscal policies</td>
<td>Move taxation from people to things</td>
<td>2017-2018</td>
</tr>
<tr>
<td><strong>7</strong> Fiscal policies</td>
<td>Fiscal policies</td>
<td>Revision of tax expenditures</td>
<td>2017-2018</td>
</tr>
<tr>
<td><strong>8</strong> Fiscal policies</td>
<td>Fiscal policies</td>
<td>Coordination of tax administration - consultative commission to fight evasion</td>
<td>By 2017</td>
</tr>
<tr>
<td><strong>9</strong> Fiscal policies</td>
<td>Fiscal policies</td>
<td>Continue the fight against tax evasion, favoring tax compliance and improve relations with taxpayers</td>
<td>2017-2018</td>
</tr>
<tr>
<td><strong>10</strong> Fiscal policies</td>
<td>Fiscal policies</td>
<td>Reduce tax disputes and improve the effectiveness of collection</td>
<td>2017-2018</td>
</tr>
<tr>
<td><strong>11</strong> Banks and credit</td>
<td>Banks and credit</td>
<td>Continue the reduction of non-performing loans</td>
<td>2017-2018</td>
</tr>
<tr>
<td><strong>12</strong> Banks and credit</td>
<td>Banks and credit</td>
<td>Reform the rules on corporate crisis and insolvency procedures (Enabling Law)</td>
<td>By 2017</td>
</tr>
<tr>
<td><strong>13</strong> Banks and credit</td>
<td>Banks and credit</td>
<td>Extraordinary administration of large enterprises in a state of insolvency</td>
<td>By 2017</td>
</tr>
<tr>
<td><strong>14</strong> Banks and credit</td>
<td>Banks and credit</td>
<td>Attract foreign investments and monitoring of alternative measures to credit bank</td>
<td>By 2017</td>
</tr>
<tr>
<td><strong>15</strong> Labour market and social policies</td>
<td>Labour market and social policies</td>
<td>Implementation and monitor active labor market policies</td>
<td>2017-2018</td>
</tr>
<tr>
<td><strong>16</strong> Labour market and social policies</td>
<td>Labour market and social policies</td>
<td>Implementation and monitoring measures on social security (APE)</td>
<td>May 2017</td>
</tr>
<tr>
<td><strong>17</strong> Labour market and social policies</td>
<td>Labour market and social policies</td>
<td>Measures to support the family</td>
<td>By 2017</td>
</tr>
<tr>
<td><strong>18</strong> Labour market and social policies</td>
<td>Labour market and social policies</td>
<td>Support for female and youth employment and policies for the second income earner</td>
<td>By 2017</td>
</tr>
<tr>
<td><strong>19</strong> Labour market and social policies</td>
<td>Labour market and social policies</td>
<td>Act on labor productivity to enhance competitiveness</td>
<td>By 2017</td>
</tr>
<tr>
<td><strong>20</strong> Labour market and social policies</td>
<td>Labour market and social policies</td>
<td>Complete the self-employment reform and launch of the reform of ancillary work</td>
<td>July 2017</td>
</tr>
<tr>
<td><strong>21</strong> Labour market and social policies</td>
<td>Labour market and social policies</td>
<td>Plan for the fight against poverty</td>
<td>May 2017</td>
</tr>
<tr>
<td><strong>22</strong> Education and skills</td>
<td>Education and skills</td>
<td>Complete implementation of the ‘Buona Scuola’ reform and monitor the effectiveness of measures implemented</td>
<td>By 2017</td>
</tr>
<tr>
<td><strong>23</strong> Education and skills</td>
<td>Education and skills</td>
<td>National Plan for the Training of Teachers</td>
<td>2016-2019</td>
</tr>
<tr>
<td><strong>24</strong> Education and skills</td>
<td>Education and skills</td>
<td>Complete the implementation of the National Plan for Digital School</td>
<td>2015-2018</td>
</tr>
<tr>
<td><strong>25</strong> Education and skills</td>
<td>Education and skills</td>
<td>National Plan for Inclusive School</td>
<td>April 2017</td>
</tr>
<tr>
<td><strong>26</strong> Education and skills</td>
<td>Education and skills</td>
<td>National Research Programme</td>
<td>2015-2020</td>
</tr>
<tr>
<td><strong>27</strong> Investments</td>
<td>Investments</td>
<td>Relaunching public investment – National Plan</td>
<td>2017-2020</td>
</tr>
<tr>
<td><strong>28</strong> Investments</td>
<td>Investments</td>
<td>Adjustment of the procurement legislation and monitoring of the provisions’ effectiveness</td>
<td>By 2017</td>
</tr>
<tr>
<td><strong>29</strong> Territorial rebalancing</td>
<td>Territorial rebalancing</td>
<td>Implementation of the ‘South Pacts’ (Patti per il Sud)</td>
<td>2014-2020</td>
</tr>
<tr>
<td><strong>30</strong> Competitiveness</td>
<td>Competitiveness</td>
<td>Implementation of the ports system reform and National Plan of Ports and Logistics</td>
<td>By 2017</td>
</tr>
<tr>
<td><strong>31</strong> Competitiveness</td>
<td>Competitiveness</td>
<td>Hydrogeological instability and seismic risk (Casa Italia)</td>
<td>2017-2020</td>
</tr>
<tr>
<td><strong>32</strong> Competitiveness</td>
<td>Competitiveness</td>
<td>Industria 4.0 Plan</td>
<td>2017-2020</td>
</tr>
<tr>
<td><strong>33</strong> Competitiveness</td>
<td>Competitiveness</td>
<td>Internationalisation and competitiveness</td>
<td>By 2017</td>
</tr>
<tr>
<td><strong>34</strong> Competitiveness</td>
<td>Competitiveness</td>
<td>Startup and innovative SME</td>
<td>By 2017</td>
</tr>
<tr>
<td><strong>35</strong> Competitiveness</td>
<td>Competitiveness</td>
<td>Strategic Plan for Tourism</td>
<td>2017-2022</td>
</tr>
<tr>
<td><strong>36</strong> Competitiveness</td>
<td>Competitiveness</td>
<td>The National Energy Strategy 2017 and the Energy Decree</td>
<td>By 2017</td>
</tr>
<tr>
<td><strong>37</strong> Competitiveness</td>
<td>Competitiveness</td>
<td>Approval of the current 2015 Annual Law for Market and Competition and preparation of the new Law for 2017</td>
<td>2017-2018</td>
</tr>
<tr>
<td><strong>38</strong> Healthcare</td>
<td>Healthcare</td>
<td>Implementation of the Health Pact and of the Digital Healthcare Pact</td>
<td>By 2017</td>
</tr>
<tr>
<td><strong>39</strong> PA</td>
<td>PA</td>
<td>Complete the reform of the public administration</td>
<td>By 2017</td>
</tr>
<tr>
<td><strong>40</strong> PA</td>
<td>PA</td>
<td>Rationalization of state-owned enterprises</td>
<td>By 2017</td>
</tr>
<tr>
<td><strong>41</strong> PA</td>
<td>PA</td>
<td>Complete the reform of local public services</td>
<td>By 2017</td>
</tr>
<tr>
<td><strong>42</strong> PA</td>
<td>PA</td>
<td>Complete the reform of public service reform</td>
<td>By 2017</td>
</tr>
<tr>
<td><strong>43</strong> PA</td>
<td>PA</td>
<td>Complete the implementation of the Simplification Agenda, launch the three-year plan for ICT in the PA for greater cyber security</td>
<td>By 2017</td>
</tr>
<tr>
<td><strong>44</strong> Justice</td>
<td>Justice</td>
<td>Reform of criminal justice and rules on statute of limitations</td>
<td>June 2017</td>
</tr>
<tr>
<td><strong>45</strong> Justice</td>
<td>Justice</td>
<td>Measures to fight organized crime and illicit patrimonies</td>
<td>By 2017</td>
</tr>
<tr>
<td><strong>46</strong> Justice</td>
<td>Justice</td>
<td>Regulation of the honorary magistrates</td>
<td>May 2017</td>
</tr>
<tr>
<td><strong>47</strong> Justice</td>
<td>Justice</td>
<td>Extradition to foreign countries</td>
<td>By 2017</td>
</tr>
<tr>
<td><strong>48</strong> Justice</td>
<td>Justice</td>
<td>Efficiency in civil proceedings</td>
<td>By 2017</td>
</tr>
</tbody>
</table>