

A goal that cannot be missed: National Recovery and Resilience Plans within the EU Policy Agenda and their role in the Digitalisation of Southern European countries

- Today, PromethEUs – a network of four think tanks from southern Europe (Greece, Italy, Spain and Portugal) – presents its joint study entitled “Driving Digitalisation in Southern Europe. The role of National Recovery and Resilience Plans and the current EU Policy Agenda” holding a public conference hosted at the European Parliament.
- The RRP funds (grants and loans) allocated to the digital transition by Prometheus Member States amount to €81 bn, out of a total of €131.5 bn for all Member States. The four Southern European countries can rely on 61.6% of the total amount of RRP funds allocated to the digital transition, to close the digital divide with the most advanced Member States and improve the life and productivity of their citizens. This is an unprecedented, as well as unique, opportunity that cannot be missed.

Brussels, 29 June: “The Recovery and Resilience Facility (RRF) is the biggest component of Next Generation EU (NGEU) and will provide grants amounting to at most €312.5bn at 2018 prices, or €338bn at current prices, and loans amounting to at most €360bn at 2018 prices or €390bn at current prices. All the RRP must allocate at least 20% of the plan’s total funds to measures contributing to the digital transition or to addressing its resulting challenges.

The RRP (grants and loans) funds earmarked for the digital transition by the PromethEUs Member States (Greece, Italy, Spain, and Portugal) amount to €81 bn, out of a total of €131.5 bn for all Member States. These four Southern European countries can count on most of the available resources (61.6%) to bridge the digital divide with the more advanced Member States and improve the lives and productivity of their citizens”.

The mission of the joint paper entitled "**Driving Digitalisation in Southern Europe. The role of National Recovery and Resilience Plans and the current EU Policy Agenda**", produced by PromethEUs, the network of think tanks specialised in digital issues and made up of four research

centres in Southern Europe, was to identify and compare digital measures envisaged in their respective countries' RRP.

The network members include the **Institute for Competitiveness** (Italy), the coordinator, the **IOBE - Foundation for Economic and Industrial Research** (Greece), **the Institute of Public Policy** (Portugal), and **the Real Instituto Elcano** (Spain).

The joint paper will be presented today at the PromethEUs public conference, which closes its activities for the first semester of 2022, and will be held at the European Parliament, hosted by MEP Benifei (S&D, Italy). The event will see the participation of several MEPs, Commission officials and representatives from Permanent Representations, as well as, of consumers associations and industry as guest speakers. Representing the Institute for Competitiveness (I-Com) in the conference will be President **Stefano da Empoli**, for IOBE the scientific advisor **Aggelos Tsakanikas**, for the Real Instituto Elcano the policy analyst **Raquel Jorge**, and for the Institute of Public Policy the Professor at Nova School of Business and Economics **Steffen Hörnig**.

The PromethEUs network in working on the joint paper had the ambitious goal of comparing the four countries' national RRP and the digital transition related to their plans. As such, it faced the challenging task of comparing different ways of presenting data, information and goals. As well, the organisation and the availability of information regarding figures, definitions, fields of intervention, and the existence of sub-categories varied across different countries, and made it difficult to compare the RRP. Despite these difficulties, the paper draws some general common conclusions.

PromethEUs analysts highlighted the fact that *“Generally speaking, RRP devote more resources and mechanisms to investments and fewer to reforms. All levers, programmes and components touching on the digital transition should prioritise reforms over investments or, at least, find a better balance between both.”* In addition, **Raquel Jorge**, policy analyst at the Real Instituto Elcano while referring to the Spanish RRP argued that *“Reforms should have been prioritised over investments, as, while investments have a greater short-term impact as a temporary economic stimulus, reforms lead to long-term changes in the structural economic model.”*

Furthermore, while addressing the challenges of the RRP's implementation, **Stefano da Empoli**, I-Com President, highlighted *“Other elements that could hinder a swift and successful outcome of the Italian RRP involve the excessive fragmentation in the plan's enforcement, the scarcity of digital skills, and the so-called procedural bottlenecks.”* As well, as stated by Associate Professor **Aggelos Tsakanikas**, Scientific Advisor at IOBE while referring to the Greek plan, *“The main challenges for its uptake are to strike an appropriate balance between the degree of ambition and realism of targets set and their degree of granularity. Investments must be balanced to improve infrastructure and measures to enhance digital skills.”* To this end, and in order for the European Commission to monitor whether objectives are met, PromethEUs analysts agreed that *“Member States must provide available, comprehensive and clear information on KPIs (Key Performance Indicators) and there should be a clarification of each Member State's priorities in the digital pillar in terms of the reforms and investments in the structural changes of their economies and societies.”*

In the joint paper, the think tanks also reached the conclusion that the KPIs have not been defined in all cases as concrete metrics that ensure the effective achievement of the underlying policy objectives identified in the RRP, endangering the optimality of initiatives from a planning and performance perspective. Reflecting on this **Steffen Hörnig** suggests that *“During the next few years, public institutions and transparency initiatives should develop clear effectiveness metrics, focused on technological and socio-economic development. These should include concrete metrics demonstrating how each action step is contributing (or not) to each digital transition objective.”*

Greece, Italy, Portugal and Spain now have a unique opportunity they should not miss out on – that is, being able to catch up to more technologically advanced European countries thanks to these significant investments which took up more than half of the EU's total RRF budget in the digital field.

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