



Italy and the Sustainable Development Goals



ASviS Report 2020





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We have provided support for production of the English version of the ASviS Report because we believe it is necessary for all of us to show commitment to sustainable development and, above all, for businesses to play their part. As an electricity transmission system operator, we play a key role in enabling the use of renewable energy and ensuring the resilience of the Italian national grid. We operate in a sustainable, responsible way in order to create value for society, aware that we have a shared responsibility for the radical changes affecting today's world.

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Introduction

The crisis we are living through will leave an indelible mark on our generation. In addition to the one million deaths, the hundreds of millions of youngsters who had to stop attending school, the unemployed and the new poor, the pandemic has brought about changes in our lifestyles. Above all, it has raised awareness of how vulnerable our development model is, and led to the “discovery” of the link - which many of us have wilfully ignored - between the state of the environment and our society, and of how unprepared we are for an event that scientists had warned was highly likely to occur. But we will also remember the extraordinary response of healthcare workers, the solidarity shown towards the most vulnerable and marginalised people, the reaction of the many entrepreneurs and workers who have faced up to the crisis by reshaping their lives, and the willingness of Italians to adapt to the new rules of social coexistence.

We said it first back in May: the pandemic is bad for sustainable development. As also pointed out at the recent UN General Assembly, which also commemorated the fifth anniversary of the signing of the 2030 Agenda, the pandemic has led to setbacks for many of the 17 Sustainable Development Goals, from poverty alleviation to healthcare and education, from income and employment growth to the state of businesses, and from reductions in inequality to quality of life.

At the same time, a growing momentum towards the paradigm shift proposed by the 2030 Agenda may be noted in the world of finance, in the most dynamic segments of the economy, and in politics and civil society. The choices made by savers, financial institutions and investment funds are more oriented towards sustainable and responsible finance. The most innovative companies - partly in response to changing consumer preferences - have adopted production processes based on the circular economy and have launched products with lower environmental impact. In some parts of the world, politicians are opting for the green economy and ecological and digital transition to revive the economy and create new jobs.

In Italy too, especially thanks to the choices made by the European Union under the leadership of the Commission, awareness is growing of the need to change track towards sustainable development, despite the enormous difficulties the pandemic is causing. This is all well and good, but we must point out that ASviS's recommendations to put the 2030 Agenda at the centre of political action have gone unheeded by the establishment and successive governments since 2015. As this Report points out, if organisational and regulatory innovations in line with the 2030 Agenda and the international good practices proposed by ASviS over the last five years had been introduced, Italy would now be in a much better position to grasp the opportunity provided by Next Generation EU, the European Recovery and Resilience Facility. But we can still make up for the time lost by accelerating implementation of the proposals this Report contains.

For ASviS, 2020 has been a period of extraordinary commitment in the service of our country. This Report also documents the countless initiatives implemented and the new initiatives launched in response to the crisis. The continuous commitment of the administrative office and the experts participating in the working groups, the extraordinary “bottom-up” mobilisation that led to the record success of the fourth Sustainable Development Festival, with millions of people reached also in other countries around the world thanks to the efforts of Italian embassies, the creation of new products for the dissemination of a sustainable development culture, the establishment of research relationships aimed at improving political decisions, and this Report, which has been enhanced compared to previous years, are making this exceptional pandemic year just as exceptional for our Alliance.

I would like to take this opportunity to thank everyone for their sterling efforts. Special thanks go to the Director for his tireless, intelligent and passionate work, to the Secretariat, and to all the people who have contributed to these results. Given the exceptional nature of this historic moment we are living through, ASviS will continue to do its utmost to accelerate Italy's progress towards sustainable development from all perspectives.

Pierluigi Stefanini, *President of the Italian Alliance for Sustainable Development*

Executive summary

The pandemic has set back progress along the path towards implementation of the 2030 Agenda. One million deaths, deteriorating health and sanitation, the halt to normal education, the economic crisis and rising unemployment, increased violence against women during lockdowns and the financial difficulties of the poorest countries are just some of the factors that are having a negative impact on many of the 17 Sustainable Development Goals (SDGs). Italy too is undergoing a very serious crisis, with no clear endpoint in sight due to uncertainty about the evolution of the pandemic. Despite the extraordinary financial commitment made by the Italian government, the impact on income, employment and rising inequality is unprecedented, as described in last May's ASviS Report.

The 2019 updates of the composite indicators for the SDGs and the projected trends for 2020 set out in this Report confirm that Italy was not on a sustainable development path even before the pandemic. Between 2018 and 2019 signs of improvement were registered for four Goals (poverty, decent work and economic growth, the circular economy, efficient institutions), while ten others (food, health, education, inequalities, including gender inequality, sanitation, energy, climate change, terrestrial ecosystems, partnerships) were largely stable, and two others (innovation and cities) deteriorated. Regarding 16 of the 21 Targets that should have been reached by 2020, for which statistical indicators are available, the situation is also far from satisfactory: Italy is in line with the benchmark values in only four cases. Unfortunately, this result is unsurprising, given the lack of attention successive governments have paid to achieving these Targets since 2015, including reductions in the number of road accident victims and the number of young people not studying or working, the drawing up of plans by cities to manage natural disasters and biodiversity protection.

One of the positive aspects to be noted in the last year is the European Union's decision to focus on sustainable development. The new Commission's political agenda, which has made the 2030 Agenda the cornerstone for all European policies, was already a clear departure from the past. Maintaining this position in the response programmes to the Covid-19 crisis has also powered public debate among member states on the central importance of the green transition, digitalisation and the fight against inequality. The Commission's announcements on economic, social and environmental policies are all oriented towards sustainability, which is also seen as an opportunity for Europe to play a leading role in the global competitive arena.

The Report also analyses the Italian government's actions over the past year. While, as noted in ASviS's analysis in February, the 2020 Budget Law manifested the greatest commitment to sustainable development in the last five years, the actions taken in response to the pandemic were largely aimed at protecting the socio-economic system, rather than transforming it to put it on a more sustainable path. In the five law decrees analysed, 436 articles (54%) focused on protection, 158 (19%) on promotion, 98 (12%) on transformation, 73 (9%) on preparation and 43 (5%) on prevention. In many cases, the interventions could have been underpinned by a vision more geared towards preventing new shocks and preparing a new, more sustainable system, in line with the choices being made by the most innovative elements of the world of business and finance.

As early as May, ASviS had highlighted the green transition and digitalisation, the need to combat gender inequality, the simplification of administrative procedures, investment in knowledge and the protection and improvement of natural capital as priorities for recovery policies. This approach is fully reflected in the objectives of the Next Generation EU initiative, and in the guidelines to be followed by countries in preparing their National Recovery and Resilience Plans. These call for sectoral policies - which are vital for achieving sustainable development - to be coherent, a point that the ASviS Reports have always emphasised. Such policies should put forward concrete and feasible proposals, starting with inclusion of the principle of sustainable development in the Constitution.

Ahead of the preparation of the Italian Plan, this Report presents the guidelines to be used when planning how to use European funds and elsewhere: **the creation of a robust sustainable development strategy** to provide a sound and coherent vision of Italy through 2030; **the strengthening Cabinet Office departments** to ensure the coordination of sectoral actions in accordance with the 2030 Agenda; **the involvement of re-**

gional and local authorities in the design and implementation of policies designed to achieve the SDGs; **the preparation of a National Urban Agenda for Sustainable Development**, with a strong coordinating role to be played by a reformed Interministerial Committee for Urban Policies; **update of the National Integrated Energy and Climate Plan (PNIEC)** to bring it into line with European objectives and approval of the National Climate Change Adaptation Plan; **creation of a High-Level Council for Gender Policies within the Cabinet Office**, in order to continuously involve society in the planning and evaluation of interventions in this field; **the involvement of ministries** in order to introduce actions aimed at achieving the SDGs within operational planning; **inclusion of an ex-ante assessment of the expected impact on the 17 SDGs in the explanatory memorandum of draft laws**, in order to ensure coherence among public policies; **the preparation of an annual sustainable development law**, in order to have a regulatory vehicle for legislative changes, with a systemic approach inspired by the 2030 Agenda.

In the light of the European guidelines, the Government is also invited to:

- **define the new procedures to be adopted by the Interministerial Committee for Economic Planning and Sustainable Development (CIPESS)** - scheduled to start work on 1 January 2021 - for the **evaluation of investment projects**, including those financed by European funds, by undertaking a “sustainability audit”;
- **create a public research body for studies of the future and strategic planning**, to conduct research on the foreseeable evolution of social, environmental and economic aspects and assess their implications for public policies;
- **adapt the legislation that provides for reporting on Fair and Sustainable Wellbeing indicators within the budget cycle**, to bring it into line with the SDGs used in the European Semester;
- **entrust the Parliamentary Budget Office with the task of carrying out quantitative assessments of the impact of the main planning and budgetary documents regarding the SDGs**, in line with the approach adopted as part of the European Semester;
- **set up a permanent civil society consultation platform for “cross-cutting” evaluation of the impact of legislative measures on the 2030 Agenda**;
- **propose a review of the structure of Parliamentary Committees**, made necessary by the reduction in the number of members of parliament and senators, in order to encourage a more integrated analysis of the legislative measures regarding the various dimensions of the 2030 Agenda;
- **review the content of Legislative Decree 254/2016 regarding non-financial reporting**, making such reporting mandatory for all large companies, and gradually for medium-sized companies as well, whilst keeping it voluntary for small companies.

Several calls to action are set out in the final chapter of the Report, broken down into seven thematic areas: the climate crisis and energy; poverty and inequality; the circular economy, innovation and employment; human capital, health and education; natural capital and environmental quality; cities, infrastructure and social capital; and international cooperation.

The coming months will be crucial in drawing up and setting public policies for the next three years. Popular demand for public and private policies that promote sustainable development is as strong as it ever has been because the crisis has highlighted the profound interactions between environmental, social, economic and institutional dimensions in our world. The European Union has clearly shown the way forward, and Italy can play a leading role in this transformation and thus reap the enormous benefits it brings. The Italy of 2030 can be a much better country than the one we were living in a year ago. Vision, courage, innovation, persistence and participation are the vital ingredients for achieving a more sustainable Italy. The wealth of knowledge and civil engagement of the hundreds of ASviS member associations are fully available to national and local institutions to make the best possible choices, here and now, “leaving no-one behind”, as the motto of the 2030 Agenda states.

Enrico Giovannini, *Director of the Italian Alliance for Sustainable Development*



Glossary

ACT - Access to Covid-19 Tools	ETUC - European Trade Union Confederation	OECD-DAC - Development Assistance Committee of the Organisation for Economic Cooperation and Development
AFDB - African Development Bank	EU - European Union	PA - Italian Public Administration
AI - Artificial Intelligence	F2F - Farm to Fork Strategy	PEFC - Programme for Endorsement of Forest Certification
AINOP - <i>Archivio Informatico Nazionale delle Opere Pubbliche</i> , National Public Works Information Technology Archive	FAO - Food and Agriculture Organization	PNACC - <i>Piano Nazionale per l'Adattamento ai Cambiamenti Climatici</i> , National Climate Change Adaptation Plan
CAD - Digital Administration Code	FED - Federal Reserve	PNIEC - <i>Piano Nazionale Integrato Energia e Clima</i> , National Integrated Energy and Climate Plan
CAP - Common Agricultural Policy	FFO - <i>Fondo di Finanziamento Ordinario</i> , Ordinary Financing Fund	PNPG - <i>Piano Nazionale per la Parità di Genere</i> , National Gender Equality Plan
CBD - Convention on Biological Diversity	FRA - Fundamental Rights Agency	PNR - <i>Piano Nazionale di Riforma</i> , National Reform Programme
CDP - <i>Cassa Depositi e Prestiti</i> , Deposits and Loans Fund	FSC - Forest Stewardship Council	PRIN - Research Projects of National Interest
ESBA - European Small Business Alliance	FSE - Italian Electronic Health Records	SME - Small and Medium Enterprises
CICS - Interministerial Committee for Development Cooperation	FSW - Fair and Sustainable Wellbeing	SUMP - Sustainable Urban Mobility Plan
CIPE - Interministerial Committee for Economic Planning	GAVI - The Vaccine Alliance	RCH - Residential Care Home
CIPESS - Interministerial Committee for Economic Planning and Sustainable Development	GDP - Gross Domestic Product	R&D - Research and Development
CNA - Italian Confederation of Crafts and Small and Medium Enterprises	GEM - Global Education Monitoring	RdC - Italian Basic Income Scheme
CNCA - Carbon Neutral Cities Alliance	GEOPOLL - Global Partnership for Sustainable Development Data	REM - Italian Emergency Income
CNCS - National Development Cooperation Committee	GHG - Greenhouse Gas	RES - Renewable Energy Sources
COP24 - 24th session of the Conference of the Parties to the Paris Agreement	GIIN - Global Impact Investing Network	RFI - <i>Rete Ferroviaria Italiana</i> , Italian State Railways
COP25 - 25th session of the Conference of the Parties to the Paris Agreement	GNI - Gross National Income	RTS - Regulatory Technical Standards
COP26 - 26th session of the Conference of the Parties to the Paris Agreement	GPP - Green Public Procurement	RUS - Italian University Network for Sustainable Development
COVID-19 - Coronavirus	GSIA - Global Sustainable Investment Alliance	SARS-CoV-2 - Severe Acute Respiratory Syndrome Coronavirus 2
CPIA - <i>Centro Provinciale per l'Istruzione degli Adulti</i> , Provincial Adult Education Centre	GW - Gigawatt	SCP - Sustainable Consumption and Production
CRC - Convention on the Rights of the Child	HLPF - High-level Political Forum	SDGs - Sustainable Development Goals
DAC - Development Assistance Committee	ICMA - International Capital Market Association	SDSN - Sustainable Development Solutions Network
DAC - Direct Air Capture	IEA - International Energy Agency	SEA - Emergency Support Scheme for the Self-Employed
Ddl - <i>Disegno di legge</i> , Draft Law	IHR - International Health Regulations	SEA - Strategic Environment Assessment
DEF - <i>Documento di Economia e Finanza</i> , Economic and Financial Planning Document	ILO - International Labour Organisation	SIC - Site of Community Interest
DL - <i>Decreto-Legge</i> , Law Decree	IMF - International Monetary Fund	SNA - <i>Scuola Nazionale di Amministrazione</i> , National School of Administration
D.lgs. - <i>Decreto legislativo</i> , Legislative Decree	INDIRE - <i>Istituto Nazionale di Documentazione, Innovazione e Ricerca Educativa</i> , National Institute for Documentation, Innovation and Educational Research	SNAI - <i>Strategia Nazionale per le Aree Interne</i> , National Strategy for Inner Areas
DPCM - <i>Decreto del Presidente del Consiglio dei Ministri</i> , Cabinet Office Decree	IoT-SHM - Internet of Things/Structural Health Monitoring	SNPA - <i>Sistema Nazionale per la Protezione dell'Ambiente</i> , National Environmental Protection System
DPR - <i>Decreto del Presidente della Repubblica</i> , Presidential Decree	IPBES - Global Assessment Report on Biodiversity and Ecosystem Services	SNSvS - <i>Strategia Nazionale per lo Sviluppo Sostenibile</i> , National Sustainable Development Strategy
EBA - European Banking Authority	ISTAT - <i>Istituto Nazionale di Statistica</i> , Italy's National Statistical Office	SRI - Socially Responsible Investments
EBLIDA - European Bureau of Library, Information and Documentation Associations	JRC - Joint Research Center	SSN - <i>Servizio Sanitario Nazionale</i> , National Health Service
ECB - European Central Bank	LGBQTI - Lesbian, Gay, Bisexual, Transgender, Questioning, Intersex	STEM - Science, Technology, Engineering and Mathematics
ECOSOC - United Nations Economic and Social Council	LULUCF - Land Use, Land Use Change and Forests	SURE - Temporary Support to mitigate Unemployment Risks in an Emergency
EFS - Environmentally Friendly Substances	MAECI - Italian Ministry of Foreign Affairs and International Cooperation	TEG - Technical Expert Group
EGD - European Green Deal	MATTM - Italian Ministry for the Environment, Land and Sea Protection	TSC - Technical Standard Criteria
EHS - Environmentally Hazardous Substances	MEC - Minimum Environmental Criteria	TWh - Terawatt-hour
EIA - Environmental Impact Assessment	MFF - Multiannual Financial Framework	UAA - Utilised Agricultural Area
EIB - European Investment Bank	MPA - Marine Protected Areas	UNEP - United Nations Environment Programme
e-ID - European Digital Identity	MI - Italian Ministry of Education	UNESCO - United Nations Educational, Scientific and Cultural Organisation
EIOPA - European Insurance and Occupational Pensions Authority	MIBACT - Italian Ministry of Cultural Heritage and Activities and Tourism	UNFCCC - United Nations Framework Convention on Climate Change
EMAS - Eco-Management and Audit Scheme	MIPAAF - Italian Ministry of Agriculture, Food and Forestry Policies	UNHCR - United Nations High Commissioner for Refugees
ERDF - European Regional Development Fund	MISE - Italian Ministry for Economic Development	UNO - United Nations Organisation
ERTMS - European Rail Traffic Management System	MIT - Italian Ministry of Infrastructure and Transport	UPB - Italian Parliamentary Budget Office
ESDN - European Sustainable Development Network	MIUR - Italian Ministry of Education, Universities and Research	WB - World Bank
ESDW - European Sustainable Development Week	MSME - Micro, Small and Medium Enterprises	WiP ECOSOC - Work in Progress at the United Nations Economic and Social Council (ECOSOC)
ESF+ - European Social Fund Plus	MtCO ₂ eq - Metric tons of CO ₂ equivalent	WTO - World Trade Organisation
ESG - Environmental, Social, Governance	MW - Megawatt	WWF - World Wildlife Fund
ESM - Bailout Fund - European Stability Mechanism	NASPI - New Social Insurance Provision for Employment	ZEB - Zero Emission Buildings
ESMA - European Securities and Markets Authority	NDC - Nationally Determined Contribution	
ETF - Exchange-Traded Fund	NEET - Not in Education, Employment or Training	
ETS - Emissions Trading System	NFS - National Forest Strategy	
	NGO - Non-Governmental Organisation	
	NRPP - National Recovery and Resilience Plans	
	ODA - Official Development Assistance	
	OECD - Organisation for Economic Cooperation and Development	



Covid-19: an unprecedented challenge for the whole world



1. Covid-19: an unprecedented challenge for the whole world

1.1 The impact of the crisis on global sustainable development

The Covid-19 pandemic caused by the SARS-CoV-2 (Severe Acute Respiratory Syndrome Coronavirus 2) virus has radically changed the way we live, work and relate to each other. First identified in December 2019 in the Chinese city of Wuhan, the virus spread rapidly, going beyond China's borders and reaching neighbouring countries and then the rest of the world. On 30 January 2020, the World Health Organization (WHO) classified it as a "Public Health Emergency of International Concern", and on 11 March declared the virus to be a "pandemic".

Human transmission of the virus mainly occurs via the exchange of infected respiratory droplets caused by close contact between people (for example, while they are talking, sneezing or coughing). The droplets tend to gravitate downwards, without losing their viral load. The characteristic airborne transmissibility of SARS-CoV-2 and the presence of virus-positive but asymptomatic individuals makes it difficult to prevent the spread of the virus, which is mainly done through application of safety measures in sensitive areas such as hospitals, care homes and schools, avoidance of crowding, especially indoors, social distancing and the use of personal protective equipment, such as masks, visors and gloves.

Viral infection can manifest in cases of light to medium severity, generally with mild to moderate flu-like and fever symptoms or, less frequently, with other highly variable symptoms such as conjunctivitis, loss of the sense of smell and taste, skin rashes or joint pains. However, the onset of severe and fatal respiratory complications makes it extremely dangerous to become infected, especially for people who are more vulnerable in terms of age and comorbidities. At the time of this Report going to press, no vaccines with scientifically proven effectiveness exist, and appropriate and timely therapeutic and pharmacological interventions are being developed to reduce mortality. The number of infected people officially recorded

in various countries around the world stands at around 34 million, and the number of deaths is approximately one million.

The global response to the pandemic has been uneven. Several countries - including Italy - have adopted restrictive measures for travellers from abroad, mandatory quarantine, and partial or total lockdowns, and also closed down economic activities, schools and public offices. Other countries have applied less restrictive policies, which has raised the levels of infection and mortality caused by the virus. Global sporting events, such as the Olympic Games, as well as religious, political and cultural events have been cancelled or postponed, while in many countries the activities of schools and universities have been severely impacted by the pandemic, with millions of students and teachers forced to resort to distance learning, and at least one billion young people totally excluded from all forms of learning for months. The reopening of economic and social activities, which began during the summer months in European countries, has led to an upsurge in infections, placing additional burdens on the socio-economic capacity of various communities.

The pandemic has led to an unprecedented economic crisis. In its June World Economic Outlook, the International Monetary Fund (IMF) forecasts a 5% reduction in global GDP in 2020 and a slow and gradual recovery (+5.4%) in 2021¹, while according to the World Bank (WB), more than one billion jobs are at risk due to the pandemic². The Secretary-General of the United Nations (UN), António Guterres, in presenting the report "Shared Responsibility, Global Solidarity: Responding to the socio-economic impacts of Covid-19", described the scale of the crisis and the knock-on effects on the lives of millions of people, their livelihoods and the real economy. The report pays special attention to vulnerable groups, such as women, young people, low-income workers, small and medium-sized enterprises and workers without stable jobs. According to the United Nations, in order to protect economies and people from the devastating social and economic impacts of the

THE DEGRADATION OF ECOSYSTEMS AND THE PANDEMIC

The Covid-19 pandemic appears to be related to factors arising from environmental degradation. For some time, experts have been predicting the possible global spread of a lethal virus with significant effects on the whole of humanity due to a zoonosis (see UNEP, 2020, “Preventing the next pandemic: Zoonotic diseases and how to break the chain of transmission”). These predictions are linked to research that shows how the destruction of and damage to natural ecosystems, with consequent loss of biodiversity and their functions, destabilises the network of interconnections that regulates ecological processes, producing imbalances and dysfunctions that may manifest as changes in natural processes, including “species jumps” by etiological agents (such as bacteria and viruses). In this regard, it should be kept in mind that the most recent and authoritative United Nations report on the state of health of the world’s biodiversity and ecosystems (IPBES, 2019, “Global Assessment Report on Biodiversity and Ecosystem Services”) has documented how human intervention in recent decades has been unprecedented in human history, modifying and transforming 75% of the landmass, and significantly impacting 66% of the world’s oceans and seas.

What the pandemic is demonstrating is that we cannot count on staying healthy if we live on a sick planet, as Pope Francis aptly pointed out. Therefore, it is vital to adopt the One Health approach, which is decisive for the implementation of the 2030 Agenda, namely a common state of health for people, biodiversity and natural systems that benefits everyone. Obviously, in order to achieve this condition, we need to change an economic system that is on a direct collision course with natural systems, and also has very serious repercussions on the health, wellbeing and development of the entire human race (the “Global Environmental Outlook - GEO6”, produced by UNEP in 2019, is significantly entitled “A Healthy Planet for Healthy People”).

crisis, governments around the world put in place fiscal measures amounting to around 10% of global GDP in the first half of 2020.

The pandemic also negatively influenced the work of the 75th session of the United Nations General Assembly, which commemorated the fifth anniversary of the signing of the 2030 Agenda. The session, which opened in New York on 15 September and ended on 30 September, saw fewer delegations attend in order to ensure social distancing. The main theme of the Assembly was discussed on 21 September at a high-level meeting called “The future we want, the United Nations we need: reaffirming our collective commitment to multilateralism”, using the title of the report published on the same day in which the results of opinion polls and questionnaires conducted by the United Nations in recent months were summarised. The document showed that 87% of respondents believe that international cooperation is vital for addressing the world’s problems. On the back of this outcome, Secretary-General Guterres has vigorously re-launched the United Nations as the world’s main form of multilateral dialogue based on shared rules. At the high-level meeting to commemorate the 75th anniversary of the United Na-

tions, the world leaders of the General Assembly met virtually to adopt a declaration honouring the multilateral system created by the founding countries in 1945, committing themselves to keep the promise to save future generations from the scourge of war. Entitled “Declaration on the commemoration of the 75th anniversary of the United Nations”, the text lays out 12 succinct commitments to reanimate global resolve: leave no one behind, protect the planet, promote peace, abide by international law, place women and girls at the centre, build trust, improve digital cooperation, upgrade the United Nations, ensure sustainable financing, boost partnerships, work with youth and, finally, be prepared for future crises.

Various thematic events addressed the most important issues for the international community, including actions to combat the climate crisis, the fight against inequality and the protection of future generations.

The key events included the plenary session dedicated to youth, who are described as the generation of the SDGs (the 17 Sustainable Development Goals); the UN Youth Climate Summit, which took place on 21 September, the opening day of Climate Week in New York; the Biodiversity Summit, with

COP26 IN GLASGOW

After the failure to make significant progress at the Madrid meeting, COP26 will be an important moment for delicate international climate diplomacy. It will be necessary to determine the extent to which countries intend to step up their ambitions to reduce greenhouse gas emissions, given that the commitments made by governments in implementation of the Paris Agreement, the so-called Nationally Determined Contributions (NDCs), would lead to an average global increase in the surface temperature of the Earth to well above 3°C at the end of the century, which is twice as much as the 1.5°C target set in the Paris Agreement. Moreover, as COP25 concluded without a clear agreement on rules for the carbon market, it isn't clear that it will be possible to reach agreement on regulations implementing the Paris Agreement.

After lengthy negotiations, it was decided that the UK will host COP26 in Glasgow in 2021, while Italy will be assigned the preparatory events, including a youth meeting and the pre-COP summit, which will offer a selected group of 35-40 countries, representatives from the secretariat of the United Nations Framework Convention on Climate Change (UNFCCC) and the presidents of the subsidiary bodies of the Convention an informal space for dialogue on key political aspects of the negotiations, in order, if possible, to provide clear political guidance for subsequent negotiations.

The United Kingdom holds the presidency of COP26 in partnership with Italy. Due to the health emergency, the UNFCCC, and the UK and Italian governments have agreed that COP26 will be held in Glasgow from 1 to 12 November 2021, health conditions permitting. The new date would enable the two governments to attempt to put the climate crisis back at the centre of the agendas of the upcoming G7 and G20 meetings, of which they will respectively hold the presidency. The sessions of the Climate Convention subsidiary bodies have been postponed until 4-12 October 2020, while the work of the negotiators will be carried out in the coming months via virtual meetings.

Opinions differ on the impact of the pandemic on the already delicate climate negotiations. Some people say it was better to postpone the meeting scheduled for autumn this year rather than holding an online COP or, even worse, via small group meetings behind closed doors. Such alternatives would have hindered the participation of civil society and of many countries in the South, which may have connectivity problems, and would have undermined transparency and dialogue. On the other hand, some people believe that certain rich countries might use the postponement as an opportunity to withdraw from their obligations.

This would be disastrous. On the contrary, developed countries must step up the fight against climate change, by making commitments as tough as those undertaken to tackle the pandemic. In particular, developed countries cannot be allowed to use the crisis brought about by Covid-19 as an excuse to delay the urgent actions needed to accelerate implementation of their NDCs, nor to justify the continuing failure to provide funding for the climate and to disadvantaged countries.

In this context, the positive step taken by the European Union in adopting the Green Deal and the similar commitment made by American Democrats if they win the November elections are noteworthy. On the other hand, China's ambiguous position on coal is worrisome, although the recent statements made by the Chinese Prime Minister at the UN General Assembly express the intention to achieve a decarbonised China by 2060. On the other hand, the postponement of COP26 will enable assessment of and adaptation to a situation in which Donald Trump is re-elected and the United States ends up withdrawing from the Paris Agreement. Even if the Democrats win, the new president might not succeed in relaunching American ambitions as much as is needed after the damage caused by the current administration to the climate negotiations and the related financial effort. Indeed, it should be borne in mind that, from Kyoto onwards, the United States has a long tradition of scepticism and actions that have hindered global climate negotiations on the back of positions taken by a large swathe of public opinion. *(Please note: In November 2020 US President-elect Joe Biden said the US will rejoin the Paris climate agreement.)*

As far as Italy is concerned, hopefully the government will overcome the uncertainties expressed on these issues so far, by committing itself directly and encouraging other countries to engage more closely in the fight against climate change. This should also be matched by compliance with the commitments already undertaken, including funding for the Green Climate Fund, whose target of US\$100 billion should be reached in 2020.

a focus on the importance of the theme of sustainable development; and a high profile event to commemorate the 25th anniversary of the Fourth World Conference on Women, held in Beijing in 1995. In addition, this year's SDG Action Zone took place virtually, hosting three days of debates, exhibitions and reflections to accelerate progress on the SDGs. Finally, as usual, the opening week of the Assembly coincided with the #Act4SDGs global campaign, in which millions of people called for sustainable solutions from world leaders.

The pandemic also led to postponement of the United Nations Climate Change Conference (COP26). The Conference, which was supposed to make up for the ground lost at the meeting held in Madrid at the end of 2019, in which little was achieved, was delayed after the original host country, Chile, had registered a long period of civil unrest, rendering it impossible to hold the event. It is no coincidence that the president of COP25, Chilean Minister María Carolina Schmidt Zaldívar, defined the outcomes as “insufficient for tackling the urgency of the climate crisis”, adding that “citizens around the world are asking us to make faster and better progress in terms of financing, adaptation and mitigation. The new generations expect more from us, and we have an obligation to measure up to this task”.

In particular, the Conference postponed any decision on Article 6 - which regulates the financing of emission reductions in the carbon market - to COP26 in Glasgow, which has been put back until autumn 2021 (see box on page 12).

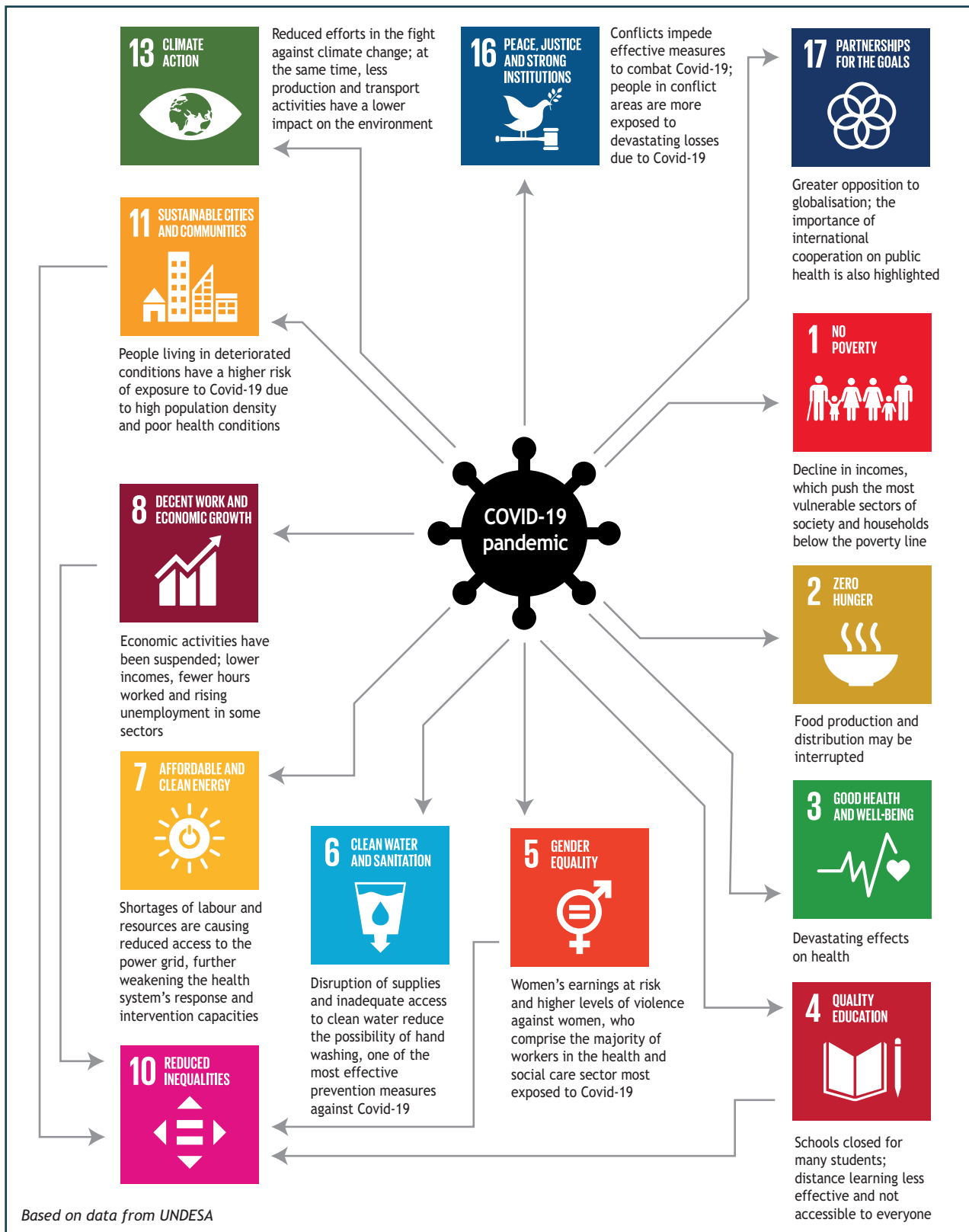
1.2 The impact of the crisis on the Goals of the 2030 Agenda

The impact of the crisis on the achievement of the 17 SDGs of the 2030 Agenda is and will continue to be considerable. Even before the crisis, despite the commitment of many countries to use the 2030 Agenda as a compass for the transition to a more sustainable development model, the difficulties in achieving most of the 2020 Targets and the 2030 Goals were obvious. It is no coincidence that, on opening the High-level Political Forum (HLPF), held virtually from 7 to 16 July, Guterres remarked that “the Covid-19 crisis is having devastating impacts because of our past and present failures. Because we have yet to take the SDGs seriously”, while UN Deputy Secretary General Amina J. Mohammed, closed the meeting by pointing out that the world was not on track to achieve the 2030 Agenda before the pandemic struck, and that in light of the current crisis the way ahead will be even more of an uphill struggle. The goal for a sustainable and resilient recovery, concluded Mohammed, should be to stay on the path set out by the 2030 Agenda.

The annual meeting, the first since the special summit held in 2019, should have been the occasion for starting the new four-year cycle to assess the implementation of the SDGs and to announce the Decade of Action on the 2030 Agenda, launched by the UN at the end of 2019. Given the health crisis, the HLPF focused on assessing the impact of the pandemic and identifying measures that could turn the crisis into an opportunity for accelerating progress towards sustainable development.

Regarding the individual Goals, the UN General Secretary's report presented at the HLPF, highlights how the impact of the crisis on the reduction of greenhouse gas emissions and air pollution (Goal 13), which is positive in the short term due to the halting of productive activities could quickly fade away unless more efforts are made to achieve an energy transition. As far as social aspects are concerned, the crisis has had negative repercussions on incomes (Goal 1), food supplies (Goal 2) and access to healthcare (Goal 3) and educational services (Goal 4), and also led to an increase in gender-based violence (Goal 5)³. With regard to economic aspects (Goal 8), the repercussions on the poorest areas (Goal 11) and on conflict areas (Goal 16), which calls for an international health cooperation effort (Goal 17), a

Figure 1 - Impact of the pandemic on some aspects of the 2030 Agenda for sustainable development



generally negative performance was registered. In particular, the report highlights the risk the pandemic represents for developing countries, characterised by pre-existing vulnerabilities, including

access to drinking water and adequate water resources, whose availability is also vital in sanitation and hygiene strategies aimed at reducing the risks of Covid-19 infection.

WORLD PUBLIC OPINION AND SUSTAINABLE DEVELOPMENT IN THE LIGHT OF THE PANDEMIC

Several studies have been published during the pandemic, including the World Wide Fund (WWF) study “Pandemics, the boomerang effect of the destruction of ecosystems”, which establishes a connection between unbridled exploitation of forests, pollution and the spread and intensity of viruses. This link has been taken on board by a large number of people around the world, thus further raising awareness of sustainable development issues, which had already grown significantly over the last two years thanks to the global Fridays for Future movement.

The Ipsos global survey “Earth Day 2020: How does the world view climate change and Covid-19?”, which focused on the connection between climate change and Covid-19 and was released during Earth Week, revealed an important global trend: more than two thirds of citizens (71% of respondents) agree that the climate change crisis is as serious as the coronavirus.

The results come from two surveys the research institute conducted via the online Global Advisor platform. The first was conducted in 14 countries between 16 and 19 April on a sample of around 28 thousand people. 65% of the respondents believe that an economic recovery centred on green issues is needed to emerge from the crisis caused by the effects of Covid-19. If governments don’t move in this direction, they will disappoint the majority of their citizens. Indeed, two out of three respondents at global level (68%) say that immediate action is needed to combat climate change. Moreover, almost six out of ten (57%) say that it would be “disheartening” to vote for a party whose policies do not seriously address the impacts of climate change.

Another Ipsos survey, administered to over 20,000 people in 29 countries between 21 February and 6 March, investigated what people’s current priorities are. The climate crisis is the main problem for the highest proportion of respondents (37%); other important environmental issues are air pollution (33%) and the amount of waste generated (32%), followed by deforestation (26%) and water pollution (25%).

The majority of citizens believe they can make changes to their behaviour to reduce climate change. However, the percentage deeming it likely that they will put such intentions into practice has not increased since the last time this question was asked six years ago. In addition, citizens are still more inclined to plan actions that are more convenient and easier to implement. For example, people are willing to exercise their purchasing power: avoiding products that have a lot of packaging is the most widespread commitment, shared by 57% at global level. Many people are also inclined to avoid buying new products, by having their possessions repaired or buying second-hand goods (52%), as well as by saving energy (50%) or water (49%) or by recycling (49%).

What is more difficult, however, is for people to make lifestyle changes in order to mitigate impacts on the environment. According to the Ipsos study, compared to 41% of people who would give up travelling by plane next year, one third (33%) would be highly unlikely to adopt this solution. A large proportion of people also show little inclination to change their eating habits, and would not be prepared to reduce their consumption of meat (39%) or dairy products (49%).

Overall, the UN points out that if more resources had been invested in implementing the SDGs over the past five years, countries would have had a stronger foundation to withstand systemic shocks and would have been able to rely on universal health coverage and more sustainable economies. Therefore, according to the report, a drastic increase in the pace and scope of efforts to achieve the SDGs is urgently needed.

One of the areas most negatively affected by the crisis is inequality: the share of people in poverty (Goal 1) had fallen from 15.7% in 2010 to 10% in 2015 and 8.2% in 2019, equivalent to approximately 631 million people out of a global population of 7.7 billion, but in 2020 the figure is expected to rise to between 8.4% and 8.8%, according to the latest World Bank estimates. According to the report “Charting pathways out of multidimensional poverty: Achieving the SDGs”,

with the pandemic poverty indicators have reached a state of crisis. From a multidimensional perspective (namely, going beyond mere income), the number of poor people is in fact far greater than the number of people currently defined as being in a state of “extreme poverty” (according to the WB, people living on less than US\$1.9 per day are in extreme poverty), and only indicators that include the three dimensions of wellbeing (health, education and living standards) are reliable for making an effective assessment of poverty.

The above study examined the situation in 107 developing countries, seeking to identify both poor and “poverty-prone” people, and taking into account the SDGs. Among the countries examined, around 22% of the population (1.3 billion people) come within the multidimensional poor category: 803 million people live in a household where someone is undernourished, around 476 million children do not receive adequate education, 1.2 billion people do not have access to clean cooking fuel, 687 million do not have access to electricity and 1.03 billion live in dilapidated housing.

Even before the pandemic, **SDG 2** (“End hunger”) had seen an interruption in the positive trend of the first half of the decade. In 2019, the share of people affected by serious food insecurity amounted to 26.4% of the world’s population, with a share of 6.9% of malnourished children under five years of age. According to the report on the “State of food security and nutrition in the world” published on the occasion of HLPF 2019, while in 2018 around 820 million people suffered from hunger (nine million more than in 2017), a survey on food security conducted by the Global Partnership for Sustainable Development Data (Geopoll) in April 2020 reported that in 12 countries in sub-Saharan Africa 80% of the respondents said they had experienced the fear of not having enough to eat in the previous seven days.

The crisis has also weighed on sectors that are gradually recovering from deep systemic crises, including healthcare facilities (**SDG 3**) which, shortly before the pandemic, appeared to be steadily improving. Indeed, some important efforts against diseases that are widespread in the poorest areas of the world, such as HIV/AIDS, hepatitis B and malaria, were in fact making significant progress, while for the WHO, due to the pandemic, “the fight against malaria could be set back 20 years”. Covid-19 has also brought health-

care systems to their knees, especially in the poorest countries, where adequate facilities, medical supplies and healthcare workers are lacking, and has also restricted access to sexual and reproductive health services. In more advanced countries, security measures to contain the infection of healthcare and hospital staff have had a negative impact on availability and access to diagnosis and treatment services for the many other non-Covid diseases and assistance for the disabled.

Another section of the population hard hit by the crisis is children, who have suffered a sharp deterioration in their educational systems (**SDG 4**). The forced closure of schools has affected 90% of students, increasing the disparities between those who have the means to educate themselves (computers, internet connectivity) and those who do not, thereby worsening problematic situations. According to the “2020 Global Education Monitoring Report” published by the United Nations Educational, Scientific and Cultural Organization (UNESCO), even before the crisis some 258 million children, adolescents and young people - or 17% of the world total - did not have access to schooling.

The pandemic has also had a negative impact on gender equality issues (**SDG 5**). “The promise of a world in which women and girls enjoy full equality is unfulfilled,” says Guterres’ report. Domestic violence has also increased during lockdowns, as evidenced by the UN Women “Justice for women amidst Covid-19” study, which highlights that, despite the digital initiatives undertaken in some countries to combat and condemn gender-based violence, women are 20% less likely than men to own a smartphone and to access the internet via a phone. In addition, the interruption of programmes regarding the prevention of diseases typically affecting women and female empowerment may set back the progress made over the years in combatting harmful practices such as female mutilation and forced marriages⁴.

The sudden closure of many industrial sectors led to a sharp deterioration in the global labour market (**SDG 8**), which, despite some improvements in unemployment and workers’ rights, was already suffering from the sluggish growth of the world economy before the pandemic. The pandemic has suddenly disrupted production activities, pushing some areas into a severe recession: for example, a 10.5% fall in the total number of hours worked

THE SDSN-BERTELSMANN FOUNDATION REPORT ON THE IMPLEMENTATION OF THE 2030 AGENDA

In July, the Sustainable Development Solutions Network (SDSN), headed by the economist Jeffrey Sachs, and the Bertelsmann Stiftung Foundation presented the annual Sustainable Development Report, which this year, in addition to the indicator that certifies the progress countries have made towards the 2030 Agenda Goals, introduces an indicator regarding the effectiveness of all OECD countries' response to Covid-19, except for Chile, Colombia and Mexico, where the virus occurred later, and Iceland, due to a lack of data. The report outlines the likely short-term impacts of the crisis on the Sustainable Development Goals, describes how they can promote recovery and also sets out the progress countries have made towards achieving the SDGs.

In terms of its impact, the pandemic is likely to have serious short-term adverse effects on most of the SDGs. Beyond the more direct impacts on poverty (Goal 1), hunger (Goal 2), health (Goal 3), the economy (Goal 8) and multilateralism (Goal 17), it could cause growing inequalities, thus undermining progress towards Goal 10. Regarding Goal 5, preliminary analyses show that women are very seriously affected by the economic and health crisis: in terms of employment, given the sectors in which they work and the greater instability of employment contracts, but also due to the lack of access to sexual and reproductive health services and the rise in domestic violence during lockdowns. The consequences of school closures are also severe (Goal 4), particularly for countries that are poorly endowed with digital technologies. The crisis also affects the governance of some countries and risks undermining certain established freedoms (Goal 16). The only positive aspect of the crisis is the reduction in the environmental impact of human activities.

In this context, the report emphasises that the SDGs are more necessary than ever. Their fundamental principles of social inclusion, universal access to public services and global cooperation set out clear indications for fighting the crisis. For the first time, the report also presents future trends regarding achievement of the SDGs. In particular, deforestation and biodiversity loss are indicated as being the greatest threats to supply chains, as well as a factor in increasing the likelihood of future epidemics.

in the second quarter of 2020, equivalent to 305 million full-time workers, has been estimated. According to the International Labour Organisation (ILO), two billion people employed in the informal economy, often without social rights and protection, experienced a 60% decline in their income in the first month of the crisis alone. In its policy brief "The world of work and Covid-19", the ILO also recommends some recovery policies focused on three initiatives: immediate support for workers, businesses, jobs and incomes at risk in order to avoid closures; increased attention to be paid to healthcare and economic recovery after lockdowns, with safe jobs and protection of the rights of women and at-risk groups; commitment to a recovery based on sustainability and inclusiveness⁵. The growth of global production (SDG 9) had already significantly slowed down before the pandemic: for example, in 2019 manufacturing value added grew by only 1.5% (the lowest rate of change since 2012), mainly due to tariffs and

trade tensions. The spread of the virus and policies to contain it have hit manufacturing and service industries hard, causing disruption in international value and product supply chains. The air transport sector was among the most severely affected. Airlines are expected to have 1.5 billion fewer international air passengers in 2020. With regard to innovation and research, which have proved to be of prime importance at this time of crisis, the months of lockdown have highlighted the delays and gaps in investments made in recent years. In this regard, the crisis could lead to a reversal of the trend in the near future, driving an increase in both public and private spending.

Despite the emergence of positive signs in recent years relating to a reduction in some aspects of inequality (a fall in the gap between the incomes of the rich and the poor in some countries, and the granting of preferential trade status to low-income countries), sharp disparities persist

throughout the world (**SDG 10**). The Covid-19 crisis is affecting the poorest and most vulnerable people and threatens to have a particularly damaging impact on the world's poorest countries, exposing the deep inequalities that exist within and between countries. For example, in 73 of the 90 countries with comparable data, in the period 2012-2017, 40% of the poorest people saw their income rise, but still receive less than 25% of national income, while the richest 10% of the population receive more than 20%.

The fall in production has had positive effects on pollution and, therefore, on the climate crisis (**SDG 13**). Greenhouse gas emissions are expected to fall by 6% in 2020⁶ and air quality will improve due to travel bans and the economic slowdown resulting from the pandemic, but this improvement is likely to be only temporary. Indeed, 2019 was the second hottest year ever registered, bringing the 2010-2019 decade, the hottest ever, to a close with record-breaking temperatures. With an average global temperature that is already 1.1°C above pre-industrial levels, the world is clearly out of line with the 1.5°C or 2°C temperature reduction targets set by the Paris Agreement. Moreover, there is a risk that both rich countries and emerging and developing countries which fall into the category of “major emitters” of climate-altering gases could use the crisis as an excuse to revise their climate commitments downwards.

One piece of good news relates to marine protected areas (**SDG 14**), which have doubled in size since 2010, but at the same time a 10-30% increase in ocean acidity has been registered compared to the 2015-2019 period, with serious negative consequences for fauna, coral reefs and marine flora. Unfortunately, forest areas continue to decrease and many animal species still risk extinction (**SDG 15**). Forest areas as a percentage of the total land area fell from 31.9% in 2000 to 31.2% in 2020, marking a net loss of almost 100 million hectares (178 million hectares of forests have disappeared since 1990, an area equal to the size of Libya). According to the United Nations Food and Agriculture Organization (FAO) report “Global Forest Resources Assessment 2020”, the net rate of forest loss has decreased over the years, thanks to a reduction in deforestation in some countries, and to reforestation and expansion of protected areas.

The climate situation also has an obvious impact on water resources (**SDG 6**), which are negatively

impacted by increasing pressure arising from a growing world population and increased demand, including poor access to water and sanitation services for the poorest sections of the population. According to the 2020 UN World Water Development Report “Water and Climate Change”, the use of drinking water has increased sixfold over the last 100 years, a trend that will continue into the future. It should also be noted that the failure to meet the 2020 targets for universal access to water and sanitation has contributed to the spread of the virus in some regions⁷.

Somewhat positive news comes from the energy sector (**SDG 7**), in which the renewable energy share of total energy consumption continues to grow, rising from 16.3% in 2010 to 17% in 2015 and 17.3% in 2017. According to the IRENA report “Renewable capacity statistics 2020”, the renewables sector added 176 Gigawatts (GW) of generation capacity at global level in 2019, slightly less than the 179 GW added in 2018. This means that renewables accounted for 72% of total energy expansion in 2019. In other words, the growth of renewables is not yet sufficient to meet the expansion in demand, and therefore global fossil energy consumption, instead of falling, continues to rise. In the same year, hydroelectric power represented a substantial share of the total, with a generation capacity of 1,190 GW, while solar and wind power accounted for almost all the rest, with capacities of 623 GW and 586 GW, respectively.

While the oil sector collapsed due to the lockdown, renewables were able to withstand the crisis. According to the International Energy Agency (IEA), despite supply chain problems, the percentage of global energy consumption deriving from renewables will increase by one percentage point in 2020, reaching 30% of the total. In particular, growth in the first quarter of the year was 1.5% compared to the same period last year, a stable, even though slow, rate of growth⁸.

While efforts are being made to expand the use of renewable sources of energy in cities (**SDG 11**), albeit with difficulty, rapid urbanisation increases pollution and does not allow a growing number of people in poorer neighbourhoods to have adequate infrastructure and services. The number of slum dwellers exceeded one billion in 2018, accounting for 24% of the urban population (the figure was 23% in 2014). The numbers of people living in deprived urban areas are highest in East

and Southeast Asia (370 million), sub-Saharan Africa (238 million) and Central and South Asia (226 million).

In order to put the world on a sustainable development path, it is essential that production systems and consumption shift significantly towards the circular economy (**SDG 12**) because, as Guterres states, “worldwide consumption and production rest on the use of the natural environment and resources in a way that continues to have destructive impacts on the planet”. The pandemic gives individual countries the opportunity to create recovery plans aimed at shifting consumption and production behaviours towards circular economic models for a sustainable future. For example, since 2019, 79 states and the European Union claim to have adopted at least one national policy instrument that contributes to sustainable consumption and production in the implementation of the 10-year Sustainable Consumption and Production (SCP) programmes framework. However, per capita household material consumption in Europe and North America is still 40% higher than the global average, indicating the need to improve resource efficiency.

Conflicts, insecurity, weak institutions and limited access to justice (**SDG 16**) are still a major threat to sustainable development. While the number of people fleeing war, persecution and conflict reached almost 80 million in 2019 - the highest level recorded by the United Nations High Commissioner for Refugees (UNHCR) in nearly 70 years, and up almost nine million on the previous year - the pandemic could lead to an increase in social unrest and violence, which would significantly undermine the capacity to reach the Goal's Targets. Good news regards the global reduction in the homicide rate per 100 thousand inhabitants, which fell from 6.8 in 2000 to 5.9 in 2015 and 5.8 in 2018 (a year in which 440 thousand victims were recorded, of whom 81% were male and 19% female).

Last but not least, it should be noted that strengthening global partnerships and boosting the means for implementing the SDGs (**SDG 17**) are vital in achieving the 2030 Agenda. Scarce financial resources, trade tensions and technological barriers have made multilateral cooperation more difficult in recent years. The global nature of the pandemic calls for strengthening of international cooperation - both inter- and intra-state - for the public sector, as well as for

the private sector and civil society organisations. Given the economic crisis, there is also a risk that international and internal tensions within individual countries may also increase, thereby reducing a cooperative approach to a merely competitive one.

1.3 How financial institutions have responded to the pandemic

The measures designed to contain Covid-19 infection - entailing the suspension of production and restrictions on the movement of goods and people - had immediate repercussions on financial markets around the world. From mid-February to the second half of March 2020, the leading international stock market indices saw major volatility and heavy losses. From April, the financial markets registered a gradual and steady recovery, while the real economy in many countries went into severe recession, with substantial losses in revenue in the sectors most affected by the restrictions.

In April, the United Nations Inter-Agency Task Force on Financing for Development published a report⁹ proposing decisive action by governments around the world to counter the economic and financial impacts of pandemic. In particular, the report points out that, since the beginning of the crisis, financial operators have divested around US\$90 billion from emerging markets, the most substantial outflow ever recorded.

The Task Force's recommendations include: suspending debt payments by low-income countries; ensuring liquidity for businesses and households; investing in health and social protection systems; and promoting international trade. The report also mentions the need for long-term public investment to finance strategic infrastructure for sustainable development.

Several financial organisations and supervisory authorities have launched initiatives to provide liquidity to businesses and income support to households, especially for the most vulnerable sections of the population, and to postpone payment deadlines. As Andrea Enria, Chair of the Supervisory Board of the European Central Bank (ECB) pointed out, unlike the situation in 2008, the crisis does not stem from the banks, which can play a crucial role in the recovery phase by absorbing losses and granting credit¹⁰.

The International Monetary Fund (IMF) has made available a total of US\$1 trillion through:

- strengthening access to emergency financial instruments in response to expected demand for US\$100 billion;
- disbursements to the poorest countries to help them meet their debt obligations and allocate more resources to alleviate the effects of the crisis;
- suspension of debt payments in bilateral relations;
- emergency liquidity support to the countries in greatest difficulty;
- provisional review of the requirements for granting loans;
- provision of advice and technical support to member countries¹¹.

The **World Bank** (WB) has provided up to US\$160 billion in funding between April 2020 and June 2021 to mitigate the health emergency and manage its economic and social impacts, by activating public and private organisations that are part of the Group¹².

Central banks have adopted expansionary monetary policies to support corporate liquidity and provide support to households, with particularly strong interventions by the Federal Reserve (FED) and the European Central Bank (ECB). For example, the measures introduced by the ECB include the Pandemic Emergency Purchase Programme (PEPP) entailing the purchase of government bonds and corporate bonds amounting to €1,350 billion¹³. In addition, the ECB's Supervisory Board has asked banks to draw on capital reserves and continue to lend money, stating that the ECB would not raise the minimum requirements immediately.

Several financial institutions have issued social bonds to finance projects with positive social impacts. A significant portion of the proceeds has been allocated to interventions aimed at supporting national health systems and alleviating the negative socio-economic consequences of the crisis on businesses and people. In mid-April, the World Bank issued an 8-billion-dollar social bond to finance pandemic relief efforts. The bond - the largest dollar-denominated bond ever issued by a supranational organisation - registered demand amounting to US\$12.5 billion from over 190 international investors¹⁴. In France, Unédic (the body that manages social security contributions for unemployment) issued two social bonds, each amounting to €4 billion, to sup-

port the labour market¹⁵. Other significant issues were carried out in developing countries. For example, the African Development Bank (AfDB) launched a US\$3 billion “Fight Covid-19 Social Bond” and Indonesia issued a US\$4.3 billion sovereign bond.

According to NN Investment Partners, between April and June 2020 social bonds raised around €20 billion. In less than three months, the market grew by 43% to reach €66 billion¹⁶. AXA Asset Management¹⁷ estimates that it could reach US\$100 billion by the end of the year, and Standard&Poors predicts that the social bond segment will register the most substantial growth in the bond market in 2020¹⁸.

In order to increase market transparency, the International Capital Markets Association (ICMA) has updated the Social Bond Principles (the main international benchmark criteria for the issuance of social bonds) to include interventions in the healthcare sector and in support of companies and social groups most affected by the crisis among the allocation sectors¹⁹.

In 2020, worldwide interest in impact investing also increased. This term is used to describe investments in companies, organisations and funds that are aimed at generating a positive socio-environmental impact as well as financial returns²⁰. This form of investment is particularly suitable for crisis situations, when the socio-economic impact may be deemed to prevail over the security of the investment.

The Global Impact Investing Network (GIIN), the international reference organisation for the sector, analysed the characteristics of impact investors and the outlook for the global market in 2019 and in the first four months of 2020. The survey was administered to 294 investors who manage a total of more than US\$404 billion in accordance with impact investing principles, and represent a significant portion of the global market, estimated at US\$715 billion. According to the study²¹, 73% of respondents refer to the SDGs to define at least one of the impact objectives in terms of measurement and management. In particular, Goal 8 is mentioned by almost three-quarters of the survey participants.

Despite the economic crisis, investor confidence in the role of impact investing is not waning. In 2020, the majority of investors

(57%) expect to keep their volume of impact investments unchanged, while 15% expect to increase it.

1.4 The implications of the pandemic for the sustainable finance market

The sustainable finance market has been growing gradually and steadily at global level for several years. According to the Global Sustainable Investment Alliance (GSIA), capital investment based on sustainable and responsible investment strategies (Sustainable and Responsible Investment, SRI) amounted to US\$30.7 trillion at the beginning of 2018, up 34% on the previous figure recorded in 2016 (growth amounted to 25.2% in the previous two-year period). The majority of investments are concentrated in Europe, which accounts for 46% of the global SRI market, followed by the USA with 39%.

Investments that incorporate environmental, social and governance (ESG) sustainability criteria have acquired growing importance in the financial markets during the health crisis and in the following months. In particular, the market has registered three trends:

- **returns:** in the acute phase of the market crisis, SRI products and strategies registered smaller losses than those that do not incorporate ESG aspects;
- **demand:** capital flows into SRI funds and products have increased during the crisis, unlike

the performance registered by the overall asset management market;

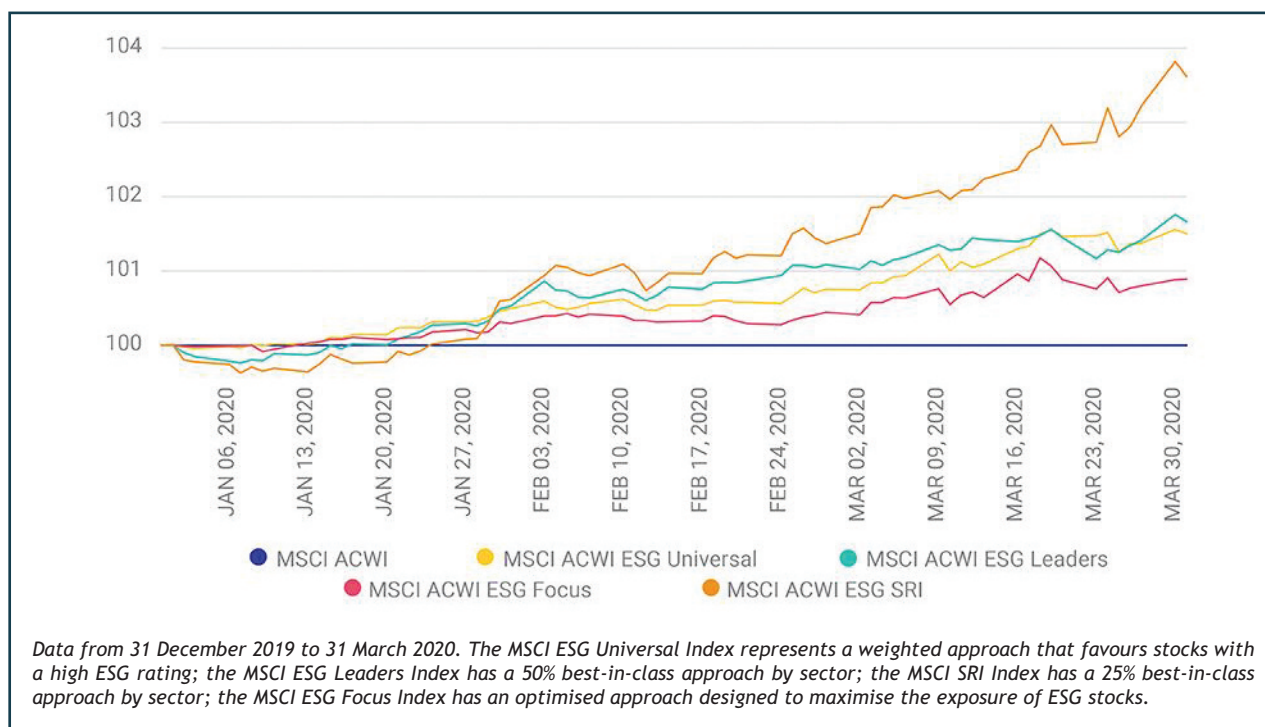
- **social issues:** investors' strategies, which generally focus on climate change and the environment, have also taken social issues into account.

An analysis carried out by AXA Investment Management in the period January-March 2020 revealed (see Figure 2)²² that, in the MSCI ACWI equity index, the share price performance of the companies with the best ESG rating (ESG Leader) was 16.8 percentage points higher than the performance of the companies with the worst ESG ratings (ESG Laggard). In the bond market, in the Bloomberg Barclays Global Corporate Aggregate Bond Index, the performance of ESG Leaders was 5.2 percentage points above the performance ESG Laggards²³.

In terms of inflows, Morningstar estimated net inflows (up US\$45.6 billion) into sustainable funds at global level in the first quarter of 2020, compared with net outflows of US\$384.7 billion for traditional instruments. Europe is still the region with the greatest awareness of ESG issues, accounting for 72.5% of total inflows, followed by the United States with 23%²⁴.

These findings reveal that demand for sustainable financial products grew in the volatile phase that affected markets in early 2020, and an increasing

Figure 2 - Relative performance of some MSCI ESG indices compared to the MSCI ACWI Index



number of research studies, analyses and positions produced by market operators predict further consolidation of this trend in the medium to long term. For example, according to a survey conducted in Europe by Greenwich Associates with the support of BNP Paribas Asset Management, 81% of respondents take ESG considerations into account when managing all or part of their portfolios, while a further 16% plan to do so. The main reasons given are: the positive impact on society or the environment (80%), risk reduction (58%) and meeting stakeholders' needs (47%)²⁵.

Regarding the Italian market, a survey conducted by the Sustainable Finance Forum in collaboration with the National Third Sector Forum found that for 76% of investors active in the Italian sustainable finance market, SRI products performed better than "traditional" products during the market crisis arising from the pandemic. In the post-pandemic phase, more than 80% of responsible investors expect the sustainable finance market to grow, with the greatest investment opportunities identified in the renewable energy, healthcare, pharmaceutical, e-commerce and hi-tech sectors²⁶. In the phase that will follow the health emergency, 83% of respondents expect an increase in the assets managed in accordance with SRI strategies and a growth in demand for products that incorporate ESG criteria.

The main reason for the increase in investor interest is that SRI products tend to be less risky and more resilient in the face of shocks to the financial system such as the ones that affected markets as a result of the pandemic. In particular, SRI investments are characterised by adoption of a long-term timeframe and incorporation of ESG criteria within investment strategies. An increasing number of market analyses and academic research shows that, thanks to these characteristics, SRI investments are able to identify and select issuers with sound fundamentals and forward-looking business strategies. Countries and companies with these characteristics are less exposed to risks (physical and operational damage, legal and reputational scandals, etc.) and more efficient and sustainable in the long term.

Another Morningstar study regarding 4,900 funds domiciled in Europe (including 745 open-end funds and sustainable ETFs) found that, in the decade from 2009 to 2019, 59% of sustainable funds performed better than corresponding funds that do not incorporate sustainability considerations.

Moreover, SRI funds have proved to have longer lives: 72% of those available on the market in 2009 were still active at the end of 2019, a figure that drops to 46% for funds that do not incorporate ESG considerations²⁷.

As far as social issues are concerned, a study by Vigeo Eiris²⁸ shows how the pandemic has emphasised the central importance of such elements as occupational health and safety, responsible management of supply chains, customer care and personal data protection. In a context characterised by isolation and physical distancing, companies that have been able to maintain effective relations with stakeholders have been better prepared to respond promptly to the difficulties linked to an external shock such as the pandemic. Moreover, in the wake of the international Black Lives Matter movement, which promotes greater diversity and inclusion at all levels of society, institutional investors are also undertaking a number of initiatives to monitor and address social inequalities and rights violations in invested companies. For example, the Predistribution Initiative and Rights CoLab organisations have promoted the setting up of a task force comprising investors, companies and civil society actors to analyse the financial risks associated with inequality²⁹.

Therefore, in the economic recovery phase, the 2030 Agenda and sustainable financial instruments, such as the European taxonomy of environmentally sustainable activities, can be effective reference points for directing public and private investment towards sectors that are able to support the transition towards more inclusive growth models and reduced environmental impact.

1.5 Beyond the crisis: opportunities for transformative resilience

“The world won’t be the same as before”. In the many online debates that have taken place during the months of lockdown, the belief that this pandemic has changed our vision of the future, our priorities and perhaps even the way people interact, has been almost unanimous. In fact, we cannot generalise and a section of the population is eager to return to business as usual, as if nothing had happened. However, we have undergone a great shock and beyond the grief and the damage done to the economy and society by Covid-19, there is widespread interest in using this traumatic event to change certain collective and individual behaviours, with a view to raising awareness of challenges hitherto largely ignored or underestimated.

First of all, the belief that we are “living in the best possible world” is far less widespread, especially in industrialised countries. The perception that other threats, including future pandemics, are looming over humanity, starting with the climate crisis and the destruction of ecosystems, has been strengthened. Governments have reacted to the pandemic in quite different ways, partly due to the ideologies underpinning their political vision, with a fairly clear-cut distinction emerging between the behaviours of countries led by conservative and progressive majorities, which has had direct effects on the lethality of the virus, especially among the most vulnerable sections of the population.

Although some people believe multilateralism is out of fashion, there is a growing conviction that international collaboration is vital for tackling major global challenges. Moreover, the role of public authorities - whether regarding transfers to more vulnerable social groups in order to alleviate a crisis, investment in healthcare, transition to a green economy, digitalisation or research - must be strengthened, partly by changing the characteristics the market economy has developed over the last 40 years. The emergency resulting from the pandemic has further highlighted the negative effects of a globalised system that is not subject to common rules and standards, and is characterised by a high degree of job insecurity, which does not guarantee respect for human rights and

access to universal rights for all. In the event of a crisis, this leads to dramatic impacts on people, especially the most vulnerable.

An important lesson to be learnt from this crisis relates to policy coherence, especially with regard to sustainable development. At the end of 2019, the Organisation for Economic Co-operation and Development (OECD) published a major study on this theme³⁰ and provided some recommendations to governments, based on the experience gained over the past twenty years. The recommendations use eight principles, broken down into three pillars. The first recalls the need to have a strategic vision to implement the 2030 Agenda, supported by clear political commitment and committed leadership to improve policy coherence; the associated principles look at political commitment and leadership, long-term strategic vision and policy integration. The second pillar refers to the need for effective and inclusive institutional and governance mechanisms to address the interaction between policies in various sectors and to coordinate the work of different levels of government; the associated principles are coordination at all levels of government, involvement of sub-national bodies and engagement of other stakeholders. The third pillar refers to the set of tools needed to anticipate, evaluate and deal with domestic and transnational policies, and to assess their long-term impact; the associated principles relate to the impacts of policies and funding, as well as to the monitoring, reporting and evaluation of policies.

The pandemic has set the world a major challenge: not only to minimise the negative effects of Covid-19 on people, society and the economy, but also to use it to improve the current situation, rather than restoring the conditions prevailing before the crisis, by adopting policies that enhance the resilience and sustainability of the system. In this regard, the European Union’s reaction to the crisis has been unprecedented in terms of its approach and the type and scale of public intervention (see Chapter 2). With this in mind, several international institutions and organisations have proposed ways of meeting this challenge. In April, the Club of Rome asked the G20³¹ leaders to put People, Planet and Prosperity at the centre of the recovery, borrowing three of the five “P’s” on which the 2030 Agenda is based. The aim of the initiative is to ensure greater resilience of the socio-economic and environmental system, by im-

THE ENGAGEMENT OF THE CATHOLIC CHURCH FIVE YEARS AFTER THE PUBLICATION OF THE “LAUDATO SI” ENCYCLICAL

The publication of the papal “Laudato Si” encyclical in May 2015 marked a crucial step in the Catholic Church’s commitment to human development, within our planetary boundaries, and also prompted global reflection on sustainable development issues. Since then, the Pope has frequently intervened regarding the issues dealt with in the encyclical, addressing heads of state and government, politicians from all over the world, leaders of international and business organisations and civil society organisations, as well as individual people, in powerful, heartfelt speeches, highlighting the urgent need to undertake appropriate actions to bring the world onto an all-encompassing sustainable development path.

On 1 September 2020, on the occasion of the World Day of Prayer for the Care of Creation, the Pope broadcast a message in which he addressed the contents of the recovery plans that governments are preparing, in the light of the global objectives regarding climate and biodiversity and the principles of intra-generational and inter-generational solidarity. In particular, the Pope reiterated his call to cancel the debt of the most vulnerable countries in the light of the serious impacts of the healthcare, social and economic crises they face as a result of Covid-19, and recalled that recovery plans must be based on policies, legislation and investment focused on the common good in order to ensure that global social and environmental objectives are achieved.

The Pope also remarked that everything possible must be done “to limit global average temperature rise under the threshold of 1.5°C enshrined in the Paris Climate Agreement, as going beyond that will prove catastrophic”. Therefore, ahead of COP26, he invited each country to adopt more ambitious national emissions reduction targets.

On this basis, it is understandable that his new encyclical is eagerly awaited, and not only in the Christian and Catholic world. Significantly entitled “All Brothers. On fraternity and social friendship”, it will be signed by the Pontiff in Assisi on 3 October.

proving global health, reducing pollution and rebuilding our relationship with the environment, as well as rethinking land use and food production. In August the Club of Rome also launched its Planetary Emergency Plan, supported by more than 220 organisations, institutes and NGOs worldwide, which specifically sets out 10 commitments for global common goods and 10 urgent actions for the transformation of our societies in order to achieve sustainability³².

In May, the WHO published its “Manifesto for a healthy recovery from Covid-19”³³, in which it highlighted the relationship between the severity of the crisis and poor access to universal health systems and inequality, factors that have amplified the effects of the pandemic. According to the WHO, returning to the situation prevailing before the pandemic does not go far enough, and six key reforms must be implemented: protecting and preserving nature as a source of human health; investing in essential services, including the availability of water and sanitation, renewable energy and medical facilities; ensuring a fast energy tran-

sition that promotes health; encouraging the production of healthy and sustainable food; building sustainable and resilient cities; and eliminating government incentives for energy production based on fossil fuels.

The OECD has also proposed 25 sustainable recovery actions to be implemented by 2025³⁴. Undertaking these actions could improve people’s health, wellbeing and prosperity, by taking advantage of currently available resources and capabilities. The actions focus on five key sectors of the economy, which are responsible for most emissions: agriculture, construction, electricity generation, industry and transport. These would be activated by means of separate levers available to political decision-makers and private individuals: investment, regulation, taxes and subsidies, setting a good example, informing and educating. By cross-cutting the sectors and levers, 25 solutions are obtained, which would reduce CO₂ emissions by 90%, in compliance with the Targets set by the 2030 Agenda and the Paris Agreement.

THE EUROPEAN COMMISSION'S APPROACH TO TRANSFORMATIVE RESILIENCE

Since the beginning of the crisis, the European Union has made it clear that the objective of the policies to be put in place to respond to the crisis caused by Covid-19 is to build a more sustainable, more resilient and fairer Europe, to paraphrase the title of the roadmap drawn up by the President of the Commission and the President of the European Council, published on 21 April. Similarly, the conclusions of the European Council meeting of 26 April highlighted the need to design national and European public policies to strengthen the resilience of European socio-economic systems.

This concept is being applied in the new approach to European policies in a highly innovative way. The first “Annual Strategic Foresight Report - Charting the course towards a more resilient Europe”, presented by the European Commission on 9 September 2020, sets out the Commission’s strategy for incorporating strategic foresight within EU decision-making, and the first lessons to be drawn from the Covid-19 crisis. The report also introduces resilience as a new compass for EU decision-making, and discusses the role of strategic foresight in strengthening the resilience of the EU and its member states.

The Report adopts the “transformative resilience” approach developed over the last four years at the European Commission’s Joint Research Centre (JRC) and analyses the resilience of the social and economic system across four interrelated dimensions (social and economic; geopolitical; environmental; digital), showing its importance in achieving the transition to a digital, sustainable and equitable Europe.

The technical materials accompanying the report are of particular interest, in which the preliminary sets of indicators to assess the vulnerability and resilience of member states with regard to the various dimensions under examination are also explained.

In the conceptual framework drawn up by the JRC, the long-term aspect of policies, oriented towards achieving the SDGs, and the short-term aspect, in response to shocks of various kinds, merge into a new conceptual framework, which also proposes replacing the usual classification of policies into economic, social and environmental with a nomenclature based on five categories:

- **preventive measures:** aimed at reducing the incidence and scale of shocks and, if possible, avoiding them;
- **preparation measures:** aimed at creating appropriate tools to strengthen resilience if a shock occurs;
- **protective measures:** needed to mitigate the effect of shocks and avoid potential hardships or reduction in living standards;
- **promotion measures:** aimed at boosting the adaptive capacity (flexibility) required for long-term or very large shocks;
- **transformative measures:** aimed at facilitating the transformation process, whilst avoiding unnecessary radical changes.

Obviously, the various policies are weighted differently and play diverse roles depending on whether the shocks to be dealt with are relatively small-scale and short-term (where the primary aim is to absorb the disturbance), medium-scale and medium-term (where various adaptations to the way the system operates are required), or large-scale and long-term (which require implementation of radical transformations).

In this context, “transformative resilience” is defined as the capacity of a system to “bounce forward” and not back to the pre-crisis position, an objective which should only be pursued if the system was already on a sustainable development path.

As the report says, “Resilience refers to the ability not only to withstand and cope with challenges but also to transform in a sustainable, fair and democratic manner. In the light of the Covid-19 crisis and the transition-led political agenda, it is clear that Europe needs to further strengthen its resilience and bounce forward, i.e. not only recover but emerge stronger by intensifying these transitions. The EU needs to draw lesson from the pandemic, anticipate future developments, and strike the right balance between the wellbeing of current and future generations”.

On 10 September, on the occasion of the 75th session of the General Assembly of the United Nations, the WWF launched its Living Planet Report 2020, in which, by showing how human health depends on the health of nature, it points out that a key problem for our future is that few economic and financial decision-makers are able to interpret the signs of the serious impact we have on natural systems and, even worse, sometimes choose to ignore them. The report highlights the stark discrepancy between the artificial “economic grammar” that guides public and private policies and the “syntax of nature” that determines how the real world works. Contrary to the prescriptions of standard development and economic growth models, it is now vital to place ourselves and our economies within nature, and accept that we can only prosper if the planet we live on also thrives. According to the WWF, this new grammar must be applied in all contexts, from school classrooms to boards of directors, and from local authorities to national governments.

In preparation for the United Nations Summit on Biodiversity on 30 September 2020³⁵, more than 70 world leaders on five continents³⁶ signed the document entitled “The Leaders’ Pledge for Nature - United to reverse biodiversity loss by 2030 for Sustainable Development”. The leaders acknowledge the planetary state of emergency generated by the interdependent crises of biodiversity loss, ecosystem degradation and cli-

mate change, which is caused by unsustainable production and consumption, and subscribe to the need for urgent and immediate global action. Moreover, in response to the current health and economic crisis they said: “we are committed to putting biodiversity, climate and the overall environment at the centre of our strategies and the investments made to recover from the Covid-19 crisis”. Recognising nature as the foundation of human health, wellbeing and prosperity, the signatories believe that “the benefits of restoring natural resources are ten times greater than investment costs, and the cost of inaction is even higher”. Therefore, it will be necessary, at all levels, to bring financial flows into line with environmental commitments and the Sustainable Development Goals, including an undertaking to adopt a science-based approach to policy planning and implementation.

The European Council sent a united signal authorising the President of the European Commission to sign the document.³⁷

NOTES

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² blogs.worldbank.org/voices/strong-covid-19-response-and-road-recovery

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⁴ https://www.unfpa.org/sites/default/files/resource-pdf/COVID-19_impact_brief_for_UNFPA_24_April_2020_1.pdf

⁵ See also the latest OECD report on this issue, which analyses two different scenarios, with and without a resumption of the virus, OECD <https://www.oecd.org/economic-outlook/>

⁶ According to projections by the International Energy Agency (IEA) the reduction in emissions will be 8% www.iea.org/reports/global-energy-review-2020/global-energy-and-co2-emissions-in-2020#co2-emissions. However, in 2019, with no Covid-19, the UNEP indicated a reduction target of 7.6%/year in order to achieve the Paris 1.5° target www.unenvironment.org/news-and-stories/press-release/cut-global-emissions-76-percent-every-year-next-decade-meet-15degc

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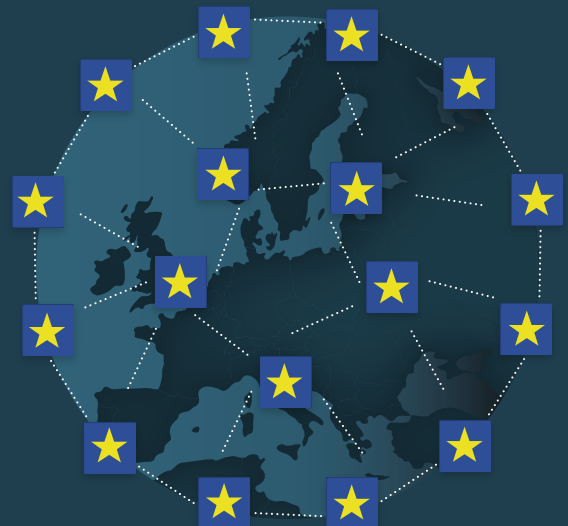
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- ¹⁹ www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/Social-Bonds-Covid-QA310320.pdf
- ²⁰ In the pre-investment analysis phase, the 2030 Agenda can be used as a tool to assess the socio-environmental aspects associated with eligible projects. Moreover, the indicators of the 17 SDGs enable measurement of the impacts generated, providing indications on how to orient future choices
- ²¹ thegiin.org/research/publication/impinv-survey-2020
- ²² www.msci.com/www/blog-posts/msci-esg-indexes-during-the/01781235361
- ²³ professional.axa-im.it/content/-/asset_publisher/kP8gd97YrKro/content/insight-responsible-investments-article-coronavirus-and-esg/32114
- ²⁴ Morningstar's analysis regarded 3,297 mutual funds and ETFs worldwide that incorporate ESG criteria within the stock selection process, and/or focus on specific sustainability issues and/or seek a positive and measurable social and environmental impact together with performance. www.morningstar.it/it/news/202275/fondi-sostenibili-la-raccolta-globale-%c3%a8-positiva-nel-primo-trimestre-2020.aspx
- ²⁵ The research was carried out in June 2020, by interviewing over 100 institutional investors and distribution intermediaries in the main European countries. docfinder.bnpparibas-am.com/api/files/26BC19E9-17C6-4CFC-9909-4943F366E198
- ²⁶ The survey involved 80 financial players, mainly from the following categories: banks, asset managers, insurance companies, banking foundations, pension funds and social insurance funds. The survey was carried out via an online questionnaire divided into two parts: the first part analysed the effects on and the outlook for the sustainable finance market generated by the pandemic; the questions in the second part were developed in collaboration with the command centre of Cantieri ViceVersa, a project promoted by the National Third Sector Forum in collaboration with the Sustainable Finance Forum, which investigates the relationship between finance and the third sector in the emergency and recovery phases. The response rate to the questionnaire was 52%; 45% of the operators who took part in the survey are asset managers. www.ilsole24ore.com/art/investitori-responsabili-ottimisti-80percento-crede-crescita-mercato-post-covid-ADF97RV
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The European Union and the response to the crisis with a focus on sustainable development



2. The European Union and the response to the crisis with a focus on sustainable development

2.1 A new European Union sustainable development strategy based on the 2030 Agenda

In recent years, the European Commission has promoted several initiatives in line with the aims and values of the 2030 Agenda, which was approved by the United Nations in September 2015. With the launch of the Commission headed by Ursula von der Leyen, the 2030 Agenda has become a central pillar of the European Union's political action.

The new European Commission's commitment to implement the 2030 Agenda was made clear from the outset, with each Commissioner and Vice-President being mandated to ensure the pursuit of the SDGs within his or her area of responsibility, as proposed by ASviS during the inaugural event of the 2019 Sustainable Development Festival. As stated in the engagement letters, "each Commissioner will ensure achievement of the UN Sustainable Development Goals in his or her policy area. The College of Commissioners as a whole will be responsible for overall implementation of the Goals".

Since its installation in November 2019, the Commission has adhered to a very tight roadmap designed to launch some of the key initiatives included in the policy guidelines for 2019-2024 presented to the European Parliament on 16 July 2019. The three Communications published by the Commission in its first weeks of activity were particularly relevant in this regard:

- **the European Green Deal (EGD)**, set out in COM(2019) 640 final of 11 December 2019;
- **the reorientation of the European Semester towards the SDGs**, presented in COM(2019) 650 final of 17 December 2019;
- **the relaunch of the European Pillar of Social Rights**, contained in COM(2020) 14 final of 14 January 2020.

It should be noted that those three actions programmes comprised a conceptual "system"

framework used as a reference for all other actions subsequently adopted by the Commission, including those relating to the response to the Covid-19 crisis and the Multiannual Financial Framework (MFF) 2021-2027.

2.1.1 The European Green Deal

The Communication from the Commission was explicitly adopted as an integral part of a European strategy implementing the 2030 Agenda. Not by chance, "the Commission's commitment to tackling climate and environment-related challenges that is this generation's defining task" was highlighted. The EGD proposes "a new growth strategy that aims to transform the EU into a fair and prosperous society, with a modern, resource-efficient and competitive economy where there are no net emissions of greenhouse gases in 2050 and where economic growth is decoupled from resource use. It also aims to protect, conserve and enhance the EU's natural capital, and protect the health and wellbeing of citizens from environment-related risks and impacts. At the same time, this transition must be just and inclusive. It must put people first, and pay attention to the regions, industries and workers who will face the greatest challenges. Since it will bring substantial change, active public participation and confidence in the transition is paramount if policies are to work and be accepted".

The EGD pursues the following macro-objectives:

- **to increase the EU's Climate ambition for 2030 and 2050**, with an expected rise in the reduction target for greenhouse gas emissions to 50-55% by 2030 and the drawing up of a European law for climate neutrality by 2050, as set out in detail in the proposal for a European Regulation of 4 March 2020 (COM(2020)80 final¹), to be accompanied by consultations on the review of the Energy Taxation Directive and the introduction of a border carbon tax;
- **to ensure the supply of clean, affordable and secure energy**, in line with the emission re-

duction process, with priority given to energy efficiency and to ensuring affordable prices for consumers and businesses in an interconnected and digitalised European market. In implementation of this macro-objective, the European Strategy for Energy System Integration and the Clean Hydrogen Strategy were adopted on 8 July 2020 (COM(2020)299 final² and COM(2020)301 final³ respectively);

- **to mobilise industry for a clean and circular economy** via a European industrial strategy, a new plan for the circular economy and the use of digital technologies as a tool to achieve the Green Deal's sustainability targets. As part of this objective, the Strategies for Industry and Small and Medium-sized Enterprises (SMEs), COM(2020)102⁴ and COM(2020)103⁵ respectively, were adopted on 10 March 2020, while the new Circular Economy Action Plan (COM(2020)98 final⁶) was adopted on 11 March 2020, with the aim of "accelerating the transition to a regenerative growth model that gives back to the planet more than it takes";
- **to build and renovate in an energy and resource efficient way**, by encouraging the launch of a "wave of renovation" of public and private buildings to meet the dual challenge of energy efficiency and energy affordability. The related plan is expected to be adopted in the third quarter of 2020;
- **to accelerate the shift to sustainable and smart mobility**, by moving towards climate neutrality and reducing of air pollution, especially in cities, including through automated and interconnected multimodal transport and the spread of sustainable alternative fuels, for which a strategy will be planned in the fourth quarter of 2020;
- **to design a fair, healthy and environmentally-friendly food system**. The Farm to Fork Strategy was adopted on 20 May 2020 (COM(2020) 381 final⁷) with the aim of becoming a global benchmark for sustainability, and aiming to: build a food system that has a neutral or positive impact on the environment; ensure security of supply, nutrition and public health; and maintain affordability while generating fairer returns in the supply chain;
- **to preserve and restore ecosystems and biodiversity**, by drawing up a new strategy (adopted on 20 May 2020 with COM(2020) 380 final⁸) so that the EU can play a vital role in

halting biodiversity loss at international level at the upcoming 2020 negotiations of the Convention on Biological Diversity, and pursue the principle that all EU policies should contribute to the preservation and restoration of European natural capital and the principle of "giving back more to nature than is taken from it" by implementing actions designed to improve efficiency in the use and conservation of natural resources, supporting and restoring ecosystem services, and reducing the ecological footprint of the various production sectors;

- **to adopt a zero pollution ambition for a toxic-free environment** by putting in place, in 2021, a specific action plan aimed at combining health and environmental protection, and encouraging innovation capacity and greater competitiveness at global level.

The objectives of the Green Deal will be achieved by mainstreaming sustainability in all policies with cross-cutting measures, with a view to:

- **pursuing green finance and investment and ensuring a just transition**, via:
 - > an investment plan for a sustainable Europe, which will include a mechanism and a fund for a "fair transition", focusing on the regions and sectors most affected by the transition (measures adopted on 14 January 2020);
 - > a renewed sustainable finance strategy to direct financial and private capital flows towards green investments and avoid non-recoverable assets (planned for the end of 2020);
 - > transformation of the European Investment Bank (EIB) into the new EU Climate Bank, with 50% of its operations expected to be dedicated to climate action by 2025;
- **greening national budgets and sending the right price signals**, by reorienting public investment, consumption and taxation towards green priorities, and moving away from harmful subsidies, while defining tax reforms with member states to boost economic growth, improve resilience to climate shocks, contribute to a fairer society and support a just transition. In this respect, it should be noted that the "tax package" was adopted by the Commission on 15 July 2020 (COM(2020) 312 final) and provides for an "action plan for fair and simple taxation to support the recovery strategy";

THE EUROPEAN APPROACH TO FOOD INDUSTRY SUSTAINABILITY

In order to strengthen the European Union's commitment to agricultural, food and food security issues, the European Commission published the Farm to Fork Strategy on 20 May 2020. The strategy, which appeared at a particularly delicate moment - when the EU had to clarify its priorities relating to preparation of the subsequent multi-annual budget and was called upon to draw up a response plan for the pandemic crisis - aims not only to reform the internal market, but also to make its food system a global standard in terms of sustainability and social responsibility, as also identified by specific ISO standards (ISO/TS 26030:2019 *Social responsibility and sustainable development - Guidance on using ISO 26000:2010 in the food chain*).

The initiative provides for the active involvement of all stakeholders, including businesses operating in the agri-food sector, which are called upon to play a leading role by mainstreaming sustainability in their business models and taking advantage of the opportunities this transition will offer them. The same day also saw the launch of the Biodiversity Strategy, which is linked to the former as it is a key element in safeguarding food security, ensuring healthy and nutritious diets, and improving livelihoods in rural areas and agricultural productivity.

The Farm to Fork Strategy focuses on six main objectives:

- ensure sustainable food production;
- ensure food security;
- stimulate sustainable food processing, wholesale, retail, hospitality and food service practices;
- promote sustainable food consumption and facilitate the shift to healthy, sustainable diets;
- reduce food loss and waste;
- combat food fraud along the food supply chain.

Many specific and ambitious targets have been set for each macro-objective, including: a 50% reduction in the use of the most hazardous pesticides by 2030; a reduction of at least 20% in fertiliser use by 2030; the allocation of 25% of total agricultural land to organic farming by 2030; a 50% reduction in per capita food retail and consumer waste by 2030; and the development of an EU code of conduct for responsible business and marketing practices, accompanied by a monitoring framework. The adoption of a legislative framework for sustainable food systems by 2023, and the development of an emergency plan to ensure food supply and security by 2021, are also planned. A key element of the strategy is the transition to healthier and more sustainable diets, including through consumer empowerment, in order to alleviate the pressure the food system puts on natural resources and to improve nutrition and public health.

Among the tools available to facilitate the transition, the strategy first and foremost identifies research, innovation, technology and investment. Therefore, €10 billion from the Horizon Europe Framework Programme have been earmarked for research and innovation on food, the bio-economy, natural resources, agriculture, fisheries, aquaculture and the environment. In addition, financial support will be provided for advisory services, and data, knowledge and skills sharing, including effective knowledge and innovation systems in the field of agriculture. Finally, among the means envisaged to promote global transition, the strategy refers, among others, to green alliances (for environmental protection) and international cooperation, a legislative proposal to prevent or minimise placement of products associated with deforestation or forest degradation on the EU market, and a “zero tolerance” policy in the fight against illegal, unreported and unregulated fishing, as well as against overfishing.

- **mobilising research and fostering innovation via the Horizon Europe initiative**, to be implemented, in continuity with Horizon 2020 and in synergy with other EU programmes, by mobilising national public and private investment, engaging a wide range of stakeholders (including regions, citizens, industry, etc.), adopting a systemic approach, focusing on experimentation and involving all sectors and disciplines;
- **activating education and training**, by drawing up a European skills framework (adopted on 1 July 2020 with COM(2020)274 final) to help cultivate and assess knowledge, skills and attitudes relating to climate change and sustainable development, providing member states with new funding to make school buildings and activities more sustainable, proactively focusing on upgrading and improving skills, and using and updating tools such as the European Social Fund Plus, the Skills Agenda (adopted on 1 July 2020 with COM(2020)274 final¹⁰) and Youth Employment Support (adopted on 1 July 2020 with COM(2020)276 final¹¹);
- **a green oath: “do no harm”**. This is a key aspect of the commitment to environmental sustainability, as it provides for prior assessment of the impacts of new legislation on the environment, to be carried out using the tools available to the Commission so that it may legislate better on the basis of public consultations, and forecasts of environmental, social and economic effects, including insertion of a specific section outlining how compliance with this principle is ensured in the reports that accompany all legislative proposals and delegated acts. The “do no harm “ principle is reiterated in the Conclusions of the European Council of 17-21 July 2020 as a condition to be respected when using NextGenerationEU and MFF funding, for which financing “falsely sustainable” initiatives should be avoided.

With the Green Deal, the EU aims to play a leading global role in transforming the development model, together with a commitment to strive to maintain the Paris Agreement as the cornerstone of the fight against climate change, to step up collective efforts and to help other countries to review and implement their national commitments and develop ambitious long-term strategies based on the EU’s increased level of ambition. Bilateral

dialogue - especially with the G20 countries - on climate and environmental issues, including worldwide abolition of fossil fuel subsidies in line with commitments already made, is deemed important in this context. At the same time, the European Union must strengthen its support for its neighbours, as ecological transition in Europe can only be truly successful if the countries in its immediate neighbourhood also take effective measures. Africa should also be supported, affirming the vital importance of climate and environmental issues in relations between the two continents, via the Africa-Europe Alliance for Sustainable Investment and Jobs. This could enable African to make rapid progress regarding the green transition, affordable energy and the digital transformation (the related proposal was adopted by the Commission on 9 March 2020 with JOIN(2020)4 final¹²).

With regards to international policy, the EU is to use trade policy to facilitate the ecological transition and to enforce sustainable development commitments under existing trade agreements. It has also been proposed to include the compliance clause relating to the Paris Agreement and other European environmental legislation in all future global trade agreements, thus ensuring that all chemicals, materials, food and other products placed on the European market are fully compliant with relevant EU rules and standards.

Finally, the Green Deal envisages the launch of a **European Climate Pact**, based on the participation and engagement of all stakeholders, via the creation of structured information sharing processes to foster debate, training, and sharing of good practices and creativity by citizens, and encouraging bottom-up collective action and a more participatory approach. These activities are designed to ensure that the “ecological transition” has a high profile in the debate on the future of Europe (a specific consultation aimed at all citizens was launched on 4 March 2020).

2.1.2 Refocusing the European Semester on sustainable development

The European Green Deal aims to refocus the macro-economic coordination process of the European Semester in order to mainstream the SDGs, in order to put sustainability and citizens’

wellbeing at the centre of economic policy and to make the SDGs “the cornerstone for defining EU policies and interventions”. With this aim in mind, COM(2019) 650 final of 17 December 2019¹³ adopts the Annual Sustainable Growth Strategy 2020, which is broken down into four pillars: the environment, productivity, fairness and stability.

While the strategy refers to the EGD with regard to the connection between the environment and the economy, as far as fairness is concerned, it refers to the implementation of the European Pillar of Social Rights. Moreover, the importance of digital innovation for boosting competitiveness and productivity is highlighted, whereas with regard to macroeconomic stability the Commission confirms the need for coordination of national budgetary policies in full compliance with the Stability and Growth Pact as a vital tool for supporting the smooth running of the Economic and Monetary Union.

The really innovative aspect is the decision to shape the Annual Strategy around achievement of the SDGs, including the monitoring of results, as proposed by ASviS last year. Indeed, the reports the European Commission prepares for each country (annual sustainable growth surveys) at the beginning of the Semester will include a section on environmental sustainability to complement the analysis of economic and social challenges. In addition, each report is enriched with an annex that illustrates the member state’s performance with respect to the SDGs, in accordance with the indicators developed by Eurostat.

The step that has been taken is significant. The objective of the new reports is to identify synergies and possible trade-offs between environmental, social and economic policies at national level. The new approach adopted in 2020 will be further developed in the coming years, partly because the Commission intends to directly support member states in designing economic and employment policies in order to achieve the SDGs.

2.1.3 Implementation of the European Pillar of Social Rights

In order to implement a just and inclusive transition, which is a defining principle of the EGD, in its Communication “A strong social Europe for just transitions” (COM(2020) 14 final of 14 January 2020¹⁴), the Commission relaunches the 20 points

of the European Pillar of Social Rights, which had previously been jointly proclaimed with the Parliament and the Council on 17 November 2017¹⁵. In synergy and in tandem with the EGD plan, the Communication also sets out a programme to be followed, including the drawing up of a more detailed action plan to be adopted at the beginning of 2021.

The conclusions of the European Council of 24 October 2019 on “The Economy of Wellbeing”¹⁶ had already highlighted the interconnections between the European Pillar of Social Rights and the 2030 Agenda, putting the latter at the heart of the wellbeing economy, emphasising the relationships between policies for citizens’ wellbeing and economic development, and inviting the member states and the European Commission to mainstream the wellbeing economy perspective in national and European Union policies. More recently, the Pillar was also referred to in the conclusions of the European Council of 17-21 July 2020 as a key reference point in designing policies aimed at recovering from the current crisis.

In this Communication, the Commission points out that “social justice is the foundation of the European social market economy and is at the heart of our Union”, and that “the Pillar is a strategy to ensure that the transition to climate neutrality, digitalisation and demographic change are socially just and equitable”. The three main challenges thus highlighted are also prime opportunities, which the Commission identifies in the following areas:

- **the EGD as a “growth strategy” for the next decade.** As climate change and environmental degradation will drive adaptation of the economy, industry, the way we travel and work, and what we buy and eat, the EGD should create new businesses, new jobs and more investment. Therefore, the EGD’s environmental goals are recognised as fully-fledged economic objectives, and the strategies for industry and SMEs, the financing plan for a sustainable Europe, the measures for a just transition, and the update of the skills agenda for Europe are also an integral part of the implementation programme for the European Pillar of Social Rights;
- **the digital economy of today and tomorrow, which must be people-centred.** In the expectation that over the next five years artificial intelligence and robotics alone will create al-

most 60 million new jobs worldwide, while many occupations will change or disappear, the Commission deems that new technologies will generate new job opportunities and enable more flexible working. However, over time it will be necessary to ensure that the new roles are of good quality and that people are equipped with the right skills to perform them. Therefore, it will not be possible to base the digital economy on the legal and social standards of the 20th century, and social protection will need to be adapted and guaranteed in the new world of work, by adapting tax rules so that everyone makes a fair contribution. Therefore, in its Communication “Shaping Europe’s digital future” (COM(2020)67 final adopted on 19 February 2020¹⁷), the Commission sets out a strategic framework for the integrated implementation of new policies for the digital economy with the objective that “all citizens, workers and business operators, wherever they live in Europe, have a fair chance to reap the benefits of this increasingly digitalised society”. Therefore, the “digital transition”, together with the “green transition”, is the measure proposed for changing the European socio-economic system. The social aspects of these transitions will need to be at the heart of future policies, as well as in the policies that will be part of the National Recovery and Resilience Plans;

- **the incorporation of demographic considerations within EU policies.** As we are now living longer and healthier lives, thanks to the progress of medicine and public health, new requirements and opportunities have emerged as a result. The so called “silver economy” and the “care economy” offer many new jobs, while at the same time enabling older people to stay active and receive the care they need. Due to ageing and urbanisation, many rural areas in Europe are seeing a decline in population. The gap between cities and rural areas is widening and can no longer be ignored. Therefore, in COM(2020) 241 final of 16 June 2020¹⁸ the Commission proposes mainstreaming demographic considerations in EU policies, including via the next budget and Next Generation EU initiative. In the last quarter of 2020, presentation of a Green Paper on Ageing is envisaged, and a long-term vision for rural areas will be presented in 2021.

Other initiatives launched by the Commission in relation to the Pillar include:

- the launch, in January 2020, of the first consultation phase on the establishment of a **fair and decent minimum wage** in the EU. In the second consultation phase, launched on 3 June 2020, the Commission has emphasised that “ensuring that all workers in the EU have a decent wage is essential for economic recovery, and also for building fair and resilient economies”. The initiative also aims to ensure solidarity measures and adequate protection in the event of unemployment, to reduce inequalities and gender pay gaps;
- the measures adopted for the **just transition**¹⁹, including the €17.5 billion fund defined by the European Council of 17-21 July 2020, aimed at providing instruments to tackle the climate challenge without leaving anyone behind. Member states should prepare territorial plans for the just transition in line with their National Integrated Energy and Climate Plans (NIEPC), by:
 - > identifying the social, economic and environmental challenges arising from the gradual cessation of fossil fuel-related activities and the decarbonisation of greenhouse gas-intensive processes and products;
 - > setting out the transition process through 2030, including development requirements, professional re-skilling and environmental rehabilitation and the approach to be taken to provide an integrated response, the transition timetable, the type of operations envisaged and the governance mechanisms;
- the **Gender Equality Strategy 2020-2025**, adopted by the European Commission on 5 March 2020 (COM(2020) 152 final²⁰), is based on two crucial aspects: measures to promote gender equality; and measures combined with greater gender mainstreaming in all policies. The strategy will be implemented using the cross-cutting principle of intersectionality, namely the combination of gender with other personal characteristics or identities and how these intersections help to determine specific experiences of discrimination;
- a package of measures adopted on 1 July 2020, comprising:
 - > a plan to **strengthen the Youth Employment Support** (COM(2020) 276 final²¹);

- > a **European Skills Agenda for sustainable competitiveness, social fairness and resilience** (COM(2020) 274 final²²);
- > a recommendation on **vocational education and training for sustainable competitiveness, social fairness and resilience** (COM(2020)275 final²³).

2.2 European policies in response to the Covid-19 crisis

The outbreak of the Covid-19 pandemic only temporarily interrupted the programmes launched by the Commission at the end of 2019 and the beginning of 2020. Indeed, the European Union's response to the crisis veers precisely towards strengthening commitments to sustainable development, including an unprecedented acceleration of the European integration process. The roadmap **“Towards a more resilient, sustainable and fair Europe”**²⁴ - proposed by the Commission and endorsed by the European Council on 23 April 2020 - clearly stated the need to respond to the crisis with a “Marshall Plan for inclusive and sustainable growth”, highlighting in this context the essential role of the European Green Deal and the European programmes for “green” and “digital” transitions. Moreover, this commitment was undertaken in complete accordance with the guidelines set out by the European Parliament in its resolution of 17 April 2020 regarding coordinated EU action to combat the pandemic and its consequences²⁵, which state the need to respond to the crisis through sustainable economic and social development, including the strategic autonomy of our continent, and the need to align national policies with the EU objective of achieving climate neutrality by 2050.

Given the need to review the EU's financial planning in order to respond to the crisis with new investment capabilities, as well as to enable member states to adopt extraordinary measures to deal with the emergency, the Commission initially proposed suspension of the Stability and Growth Pact, and then, on 27 May, presented its proposal for the creation of a recovery plan called Next Generation EU, to be financed with EU funds additional to the MFF 2021-2027²⁶.

After lengthy and complex negotiations, at a special meeting on 17-21 July²⁷, the European Council substantially approved the Commission's proposal, confirming the allocation of funds to the European objectives already included in the 2021-27 priorities programme. The total amount of the fund was set at €750 billion, including €390 billion in subsidies and €360 billion in loans. Moreover, the Council agreed on an MFF 2021-2027 amounting to €1074.3 billion.

The largest part of the Next Generation EU fund (€672.5 billion) will be disbursed via a mecha-

nism that, among other things, includes submission of National Recovery and Resilience Plans, in which member states are required to set out their reform and investment programme for the period 2021-2023. The plans will be assessed by the Commission, which will award points based on a proposal's coherence with the European Semester country-specific recommendations. The plans are designed to boost a member state's growth potential, job creation and social and economic resilience. Moreover, the effective contribution of projects for which funding is requested to the green and digital transition is a prerequisite for a positive assessment by the Commission.

The most innovative aspect of the Next Generation EU fund is that it allows member states to benefit from a temporary financing mechanism that enables a substantial and timely increase in spending, with better financial conditions, for most countries, than those prevailing for national debt issues. The Commission will issue bonds on behalf of the Union with different maturities on the capital markets. In order to repay the debt created within the scope of Next Generation EU without burdening national public finances, the possibility of increasing the European Union's own funds has been provided for, in line with the guidelines laid down by the Parliament and the principles of ecological taxation and fiscal fairness already set out in the Green Deal and the Commission's programmes. In particular, the introduction of a new source of funding, based on non-recycled plastic waste, has been planned and will apply from 1 January 2021. The new system could involve a levy of 0.80 euro cents per kilogram on such waste and a mechanism designed to avoid an excessively regressive impact on national contributions.

In addition, in the first half of 2021, the Commission will present proposals for a border carbon price adjustment mechanism (a border carbon tax) and a levy on digital transactions, with a view to introducing them by 1 January 2023 at the latest. Finally, the Commission will present a proposal for a revised Emissions Trading Scheme and the possible introduction of other sources of funding, such as a financial transaction tax, will be considered.

The European Council has also confirmed that action to combat climate change will be mainstreamed in policies and programmes funded under the MFF and the Next Generation EU ini-

tiative. Consequently, 30% of total expenditure should contribute to a general climate objective, as provided for in sectoral legislation. In other words, the Council has made it clear that a substantial part of the funds must be explicitly used to achieve climate neutrality by 2050 and the European Union's new climate objectives for 2030 (to be updated by the end of the year). In addition, it stressed that, in principle, all EU expenditure should be consistent with the objectives of the Paris Agreement and the principle of "do no harm" to the environment set out in the EU Green Deal. The share of expenditure under the new Common Agricultural Policy (CAP) to be allocated to climate action is 40%.

In order to make this approach transparent and effective, the European Council asked the Commission to develop an effective methodology for monitoring climate expenditure and its efficiency, so as to identify relevant measures to be taken in the event that insufficient progress is made.

The Next Generation EU fund is complemented by further emergency measures adopted by the above European Council meeting of 23 April 2020²⁸:

- > **a dedicated credit facility to support the direct and indirect costs of healthcare**, treatment and prevention arising from the Covid-19 crisis via the European Stability Mechanism (ESM), within the limits of 2% of the GDP for 2019 of the individual member state participating in the euro area, amounting to an estimated total of €240 billion²⁹;
- > **a dedicated financing instrument to support the protection of workers and employees called SURE** (Support to mitigate Unemployment Risks in an Emergency), in the form of loans granted on favourable terms by the EU to member states, up to a maximum of €100 billion, based on guarantees provided by member states to the EU budget. On 24 August 2020, the European Commission proposed allocation of expenditure totalling €87.4 billion to 16 member states³⁰, which was approved by the European Council on 25 September.

Both the ESM and SURE measures are temporary and limited to the duration of the Covid-19 crisis.

2.3 European sustainable finance initiatives

Between the second half of 2019 and the first half of 2020, many actions provided for in the 2018 Action Plan on sustainable finance³¹ were expected to be implemented. The Covid-19 crisis has slowed down some of them, but the principal legislative initiatives have been concluded, including:

- **the creation of a common language for sustainable finance.** In June 2020, the Regulation on the establishment of a unified classification system for economic activities that promotes sustainable investment (Taxonomy Regulation)³² was approved;
- **the definition of sustainability-related disclosure requirements in the financial services sector** (Disclosure Regulation³³). The disclosure requirements regard both parties (so-called “financial market participants” and financial advisors) and products (ESG and non-ESG);
- **the definition of benchmark indicators (Benchmark Regulation)³⁴.** The regulation introduces two new benchmark categories: the first identifies a parameter for the climate transition, and the second an investment portfolio in line with the Paris Agreement. In the second case, only companies that are in line with the target of keeping temperature rise below 1.5°C can be included in the benchmark.

The Taxonomy Regulation establishes six environmental objectives and allows an economic activity to be labelled as “sustainable” if it contributes to at least one of the approved objectives without significantly harming any of the others, whilst complying with a social safeguard clause relating to respect for human rights, and fundamental principles and rights in the workplace. The Regulation delegates the Commission to adopt and review the detailed criteria based on the work carried out by the EU Technical Expert Group (TEG) for sustainable finance.

In particular, the Regulation defines the general environmental sustainability criteria for each of the environmental objectives: climate change mitigation; adaptation to climate change; sustainable use and protection of water and marine resources; transition towards a circular econ-

omy; prevention and reduction of pollution; protection and restoration of biodiversity and ecosystems. In this context - as in others where reference is made to a taxonomy, to the definition of common languages, to the identification of standardised and comparable methodological approaches, and to the definition of indicators - voluntary technical standardisation can support the areas of development, with regard to the identification and definition of key and objective criteria and parameters.

At the same time, work has continued on the creation of standards and certification marks for financial products. The TEG has concluded its work on the Green Bond Standard and the matter has been included in the recent consultation on the renewal of sustainable finance strategy. The Commission’s Joint Research Centre is also continuing its work on the ecolabel for European financial instruments, but the final publication will depend on the state of progress on the Regulation’s first delegated act and on the standard for EU green bonds.

The initiatives that should have started in early 2020, but were delayed after the update of the Commission’s programme for the current year in light of the outbreak of the pandemic, regard certain public consultations relating to: the revision of the Non-Financial Reporting Directive; the revision of the Sustainable Finance Strategy; the delegated acts provided for in the Benchmark Regulation; the draft Regulatory Technical Standards (ReTS) of the European supervisory authority on the Disclosure Regulation³⁵; the ESG Risk Management and ESG Disclosure Pillar 3 of the banking supervisory authorities³⁶; and the delegated acts of the MiFID II Directive³⁷.

Regarding the next steps, one of the main innovations expected by the end of 2021 is renewal of the Sustainable Finance Strategy, which should be published in the third quarter. The following initiatives are expected by the end of 2020: the delegated acts of the European Commission including the sectoral exclusions for the “Paris indicators”, as well as the delegated acts including the Technical Standards Criteria (TSC) regarding the first two environmental objectives relating to climate change in the European Taxonomy; the launch, by the European Banking Authority (EBA), of a climate change stress test, with the collaboration of a group of voluntary banks; and the first version of the RTS by the three European authorities in-



involved in the Disclosure Regulation. However, the proposal to revise the Non-Financial Reporting Directive has been put back from the last quarter of 2020 to 2021.

2.4 Business and civil society initiatives

European civil society and businesses have been very active over the past year, both in raising public awareness of sustainable development issues and in providing responses to the pandemic crisis. Following the Call to Action for a New Deal for Europe, launched in 2019 to encourage Europe to put sustainability, action against climate change and inclusion at the heart of its policies, CSR Europe (the European Business Network for Corporate Sustainability and Responsibility) has proposed a European Pact for Sustainable Industry. As of 2020, companies and business federations are encouraged to sign the Pact, pledging to cooperate constructively and continuously in order to: take care of the health of people, families, jobs, the environment and the climate; boost the resilience of enterprises and support new forms of leadership, entrepreneurship and sustainable finance that create value for society; protect and create jobs; and innovate economic activities as part of a just and socially inclusive transition. CSR Europe's ambition is to get all European business federations to join by 2024, with a commitment to produce concrete strategies for sustainable business.

European companies' activism regarding sustainability issues has improved over the last year. The 2019 report "An analysis of the sustainability reports of 1,000 companies pursuant to the EU Non-Financial Reporting Directive", prepared by the Alliance for Corporate Transparency, analysed the non-financial reporting of 1,000 European companies operating in the main industrial sectors, which have been required by law to disclose information on the governance, risks and social and environmental impact of their activities since 2018. This analysis showed that 90% of companies have prepared non-financial annual reports, although in the majority of cases the results and concrete objectives of the policies implemented were not specified (disclosed by only 20% of companies).

The **European Trade Union Confederation (ETUC)** has also taken a stance in favour of a sustainability-oriented investment strategy, to support the decarbonisation of European industry and the European economy, and to turn the 2030 Agenda and the SDGs into strong, goal-oriented policies.

On the social inclusion front, the new Fundamental Rights Report, published in June by the European Fundamental Rights Agency (FRA), points out that intolerance and lack of protection of minorities continue to erode the progress made in recent years. The Covid-19 emergency has exacerbated inequalities, and the study focuses on these issues: equality and anti-discrimination; racism, xenophobia and intolerance; equality and inclusion of Roma citizens; asylum, borders and immigration; the information society, privacy and data protection; children's rights; access to justice; and implementation of the UN Convention on the Rights of Persons with Disabilities.

Regarding civil society engagement, at the beginning of 2020 the European Commission put forward a proposal relating to the Conference on the Future of Europe, hoping to launch the initiative on 9 May, on the occasion of Europe Day, for a period of two years. The project also aimed to raise awareness of how the EU works and how important it is for the wellbeing of citizens in all member states. The conference was supposed to provide a public forum for an open, inclusive and transparent debate based on a number of key priorities and challenges, but the pandemic forced the Commission to abandon its plans for the Conference, which was postponed until the health situation becomes more certain³⁸.

The **SDG Watch Europe** network, consisting of civil society networks dedicated to the promotion of the SDGs, has produced its own monitoring report on the 2030 Agenda at EU level. The document, published on 25 September, contains a critical analysis of the monitoring and policies put in place at European level, and proposes greater engagement of civil society and a more realistic approach to achieving the SDGs. In order to present progress - either made or lacking - in the various countries, the report sets out specific testimonies, studies and insights, and provides a well-documented analysis of the challenges facing the continent ahead of 2030.

In order to make Members of the European Parliament aware of the importance of sustainable development and the role it will play in EU legislation, in February 2020 SDW Watch Europe promoted the establishment of the MEPs for SDGs group, with the aim of involving parliamentarians from various political groups and countries of origin, helping them to understand the relevance of the 2030 Agenda for European countries, and mak-

ing them “ambassadors” for the SDGs in the European Parliament.

In recent months, there have been many calls from civil society to promote sustainable development policies in response to the pandemic. For example, in January SDG Watch Europe sent an open letter to the European Commissioners asking them to fulfil their promise to focus the Commission's policies on the 2030 Agenda, especially during the European Semester. In March, the same network shared an appeal in favour of migrants stranded in Greece and affected by Covid-19, who live in dangerous overcrowded conditions. In May, with the support of over one million citizens, 700 young activists, climatologists, trade unionists, economists, entrepreneurs and leading local, national and European politicians, launched an appeal for Europe to provide sustainable climate and employment solutions. Also, in May, **Save the Children EU** issued an appeal for the EU to develop and implement a sustainable strategy by 2030, in order that it may really become the world champion of sustainable development. Finally, in June, SDG Watch Europe called for European and national strategies for recovery from the effects of the pandemic to be focused on the 2030 Agenda.

2.5 The situation of the European Union with regard to the SDGs

As usual, in this annual report ASviS has updated the composite indicators developed to measure the dynamics of the European Union and individual countries with regard to the SDGs. This analysis, carried out on the basis of data published by Eurostat regarding 70 elementary indicators, also enables assessment of the progress made and the difficulties encountered by individual countries compared to the EU average (28 countries, including the United Kingdom³⁹), which must be taken into account when drawing up policies to be implemented to overcome the current crisis.

On the basis of these indicators, the European Union, the world's most advanced area in terms of the Sustainable Development Goals, shows **signs of improvement, between 2010 and 2018, for nine Goals (3, 4, 5, 7, 8, 9, 9, 11, 12, 13), and significant deterioration for three (10, 15 and 17), while for the other four (1, 2, 6 and 16) the situation is largely unchanged.** In addition, it should be noted that for the first time, as more data was available, it was possible to calculate a composite indicator for Goal 6, while for Goal 14 it was impossible to do so given a lack of reliable data on the quality of marine ecosystems. Between 2017 and 2018, improvements were reported for six Goals: 5, 7, 8, 9, 13 and 16. Seven Goals (1, 2, 3, 4, 6, 12 and 17) were largely stable, while the remaining three Goals (10, 11 and 15) deteriorated.

For most of the Goals, these aggregated results conceal the widely differing situations reported in the various member states of the European Union. Therefore, an analysis of the performance of the 28 European Union countries, which takes into account the gaps between them measured by composite indicators, is presented below.

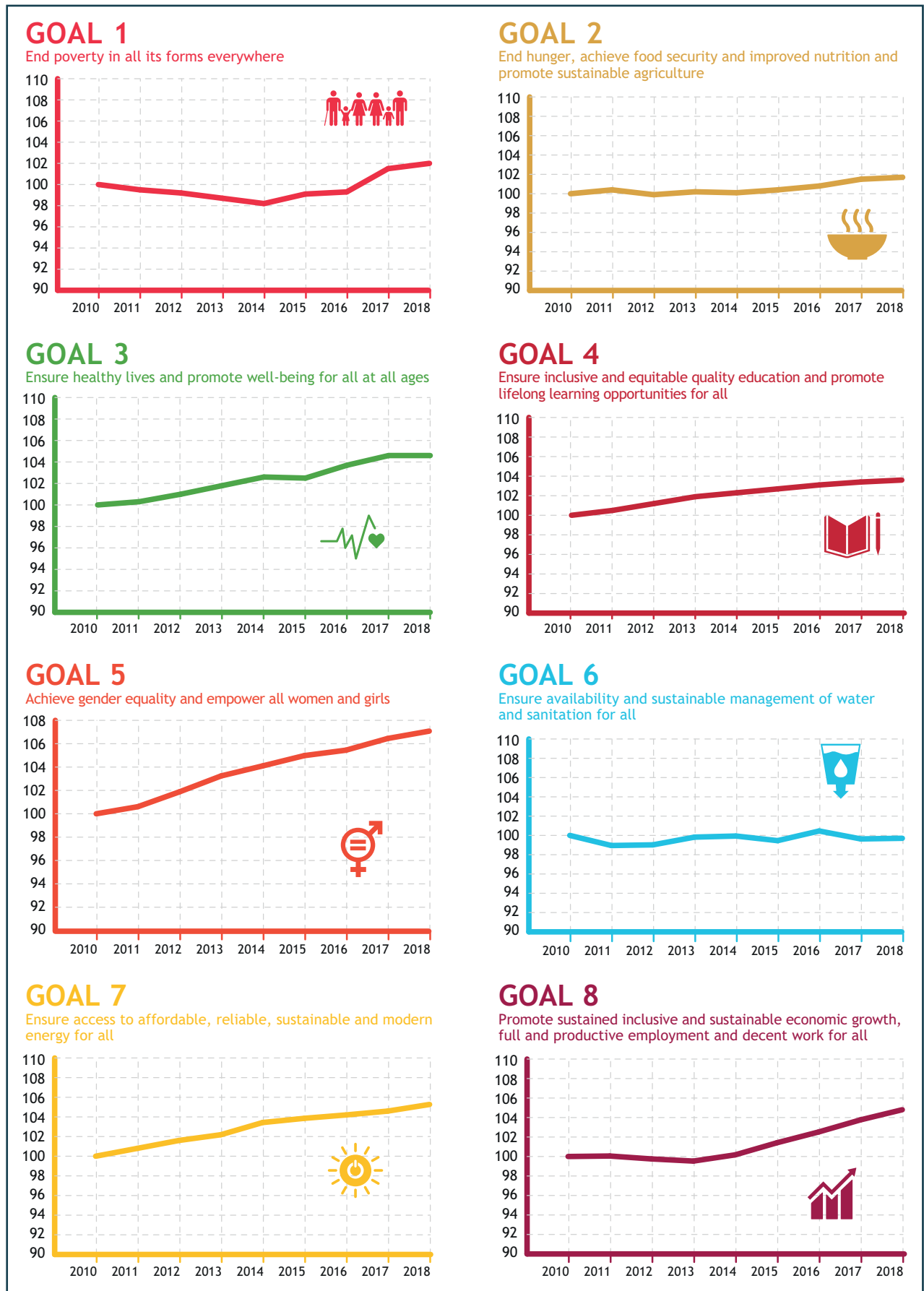
Looking once again at the medium-term perspective, between 2010 and 2018 the situation improved for the following Goals:

- **Goal 3 - Good health and wellbeing.** The composite indicator shows an improvement from 2010 to 2017, and a largely stable situation in 2018. Particularly noteworthy is the increase in life expectancy, which peaks in 2016 (81 years) and then remains almost the same until 2018. In particular, mortality from diseases

such as tuberculosis, HIV/AIDS and hepatitis, as well as the road accident death rate, are declining. Over the last year, a deterioration in perceived health conditions and an increase in the number of people without access to health services has been registered.

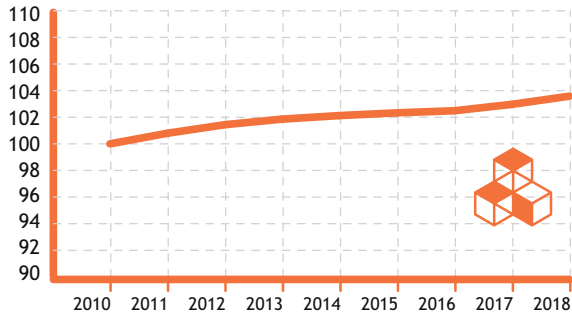
- **Goal 4 - Quality education.** The composite indicator improved throughout the period under review. In particular, increases were registered in the employment of recent graduates and the percentage of people with at least one university degree, which stands at 40.7% of the population, in line with the target set for 2020 (40%) by the Europe 2020 strategy. The school drop-out rate of 10.5% in 2018 is also substantially in line with the target set by the strategy. The only indicator that goes against the trend is the share of students who do not attain basic reading skills, which deteriorated from 2015 to 2018, rising to 21.7% in the last year with available data.
- **Goal 5 - Gender equality.** The composite indicator improved significantly between 2010 and 2018 thanks to the narrowing of the pay gap between women and men, and the increase in women's presence in parliaments (30.6% in 2018, which is still well below the 50% target). It should be noted that, despite the improvement seen in recent years, the gender gap in terms of numbers of people caring for the elderly or children is still very wide: in 2018 it was 4.6% for men and 31.7% for women.
- **Goal 7 - Affordable and clean energy.** The composite indicator shows a positive trend throughout the period analysed, thanks to an improvement in energy productivity and the share of energy from renewable sources, which stood at 18% in 2018, not far from the 20% target set in the Europe 2020 strategy.
- **Goal 8 - Decent work and economic growth.** The composite indicator deteriorated slightly between 2010 and 2013, in the context of the economic crisis, due to increased unemployment and lower investment. As of 2014, the indicator saw a recovery, which continued until 2018. In particular, an upturn was registered in per capita income and the employment rate, which last year stood at 73.2%, not far from the target set for 2020 (75%). The decreases in workplace accidents and in the share of young people not in education, employment or training (NEETs), which in 2018 accounted for 12.9%

Figure 3 - Summary indicators for the European Union



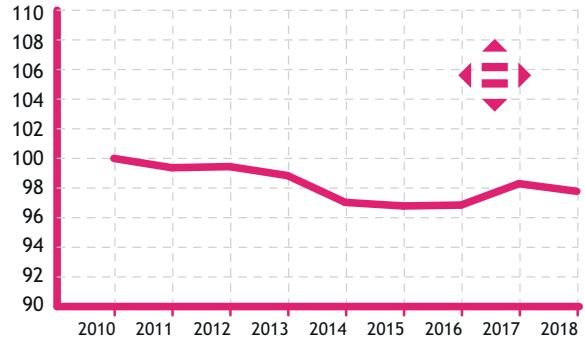
GOAL 9

Build resilient infrastructure, and promote inclusive and sustainable industrialisation and foster innovation



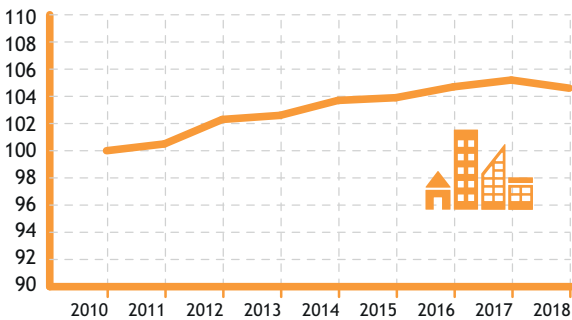
GOAL 10

Reduce inequality within and among countries



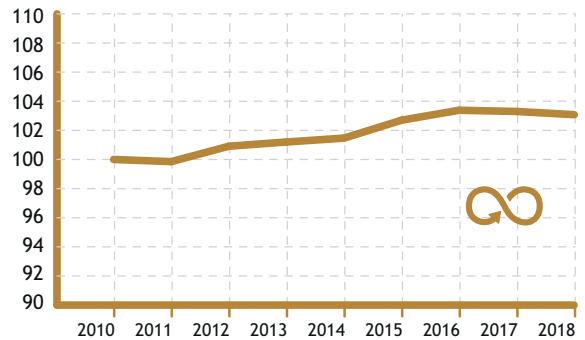
GOAL 11

Make cities and human settlements inclusive, safe, resilient and sustainable



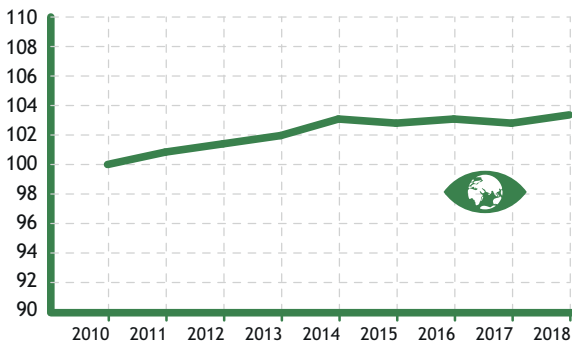
GOAL 12

Ensure sustainable consumption and production patterns



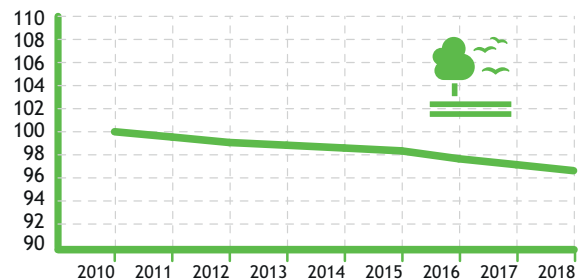
GOAL 13

Take urgent action to combat climate change and its impacts



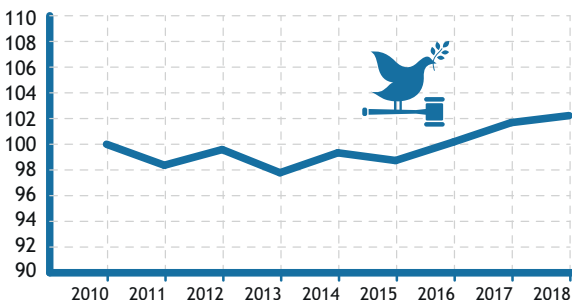
GOAL 15

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss



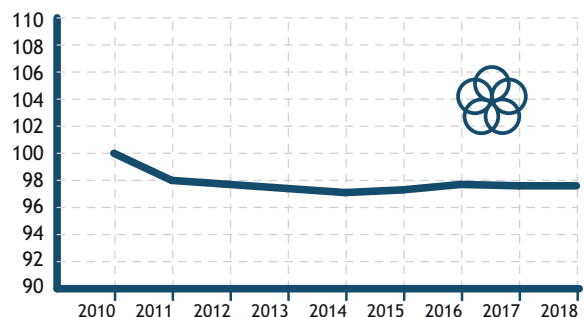
GOAL 16

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels



GOAL 17

Strengthen the means of implementation and revitalise the global partnership for sustainable development



of the European population aged between 15 and 29, were confirmed.

- **Goal 9 - Industry, innovation and infrastructure.** The composite indicator performed well throughout the period under review. In the last two years, research and development (R&D) expenditure as a percentage of GDP, and the number of researchers as a percentage of total employees, have increased significantly. Nevertheless, in the last year observed, the share of R&D expenditure is still far from the 3% target of the Europe 2020 strategy (2.1%).
- **Goal 11 - Sustainable cities and communities.** The composite indicator registers an upturn until 2017, thanks to decreases in the share of the population living in overcrowded housing, whose indicator reached its minimum value in the last year with available data, and in the exposure of the population to particulate matter <10µm (PM10). However, in the last year the trend has reversed due to an increase in the number of people living in housing affected by external noise.
- **Goal 12 - Responsible consumption and production.** The composite indicator rose steadily between 2011 and 2016. In particular, the figures relating to “productivity”, the “circularity” of materials and the share of recycled urban waste, which rose to 47% in 2018, improved. However, from 2016 to 2018 the trend reversed, due to increases in per capita waste production and in the CO2 emissions per kilometre of new cars.
- **Goal 13 - Climate action.** The summary indicator shows an improvement between 2010 and 2014 due to a reduction of greenhouse gas emissions. In the following period, the indicator registers a stable trend due to a moderate increase in emissions. In the last year, based on available data, emissions fell again to 8.6 tonnes of CO2 equivalent per inhabitant. However, the current rate of reduction is insufficient to reach the target, adopted by the European Green Deal, of a 50-55% reduction in emissions compared to 1990 levels by 2030.

The situation has deteriorated for three Goals:

- **Goal 10 - Reduced inequalities.** The summary indicator registered a downturn until 2016, caused by greater inequality of disposable income and a growing risk of poverty. The year 2017 saw an upturn thanks to an improvement

in all the indicators analysed, but in 2018 it deteriorated again, as the income gap between the poorest and richest sections of the population widened.

- **Goal 15 - Life on land.** The composite indicator saw a sharp deterioration, caused by an increase in artificial land cover which, according to the Copernicus monitoring system, accounted for 1.8% of European land in 2015. The only indicator bucking the trend was the one regarding forest cover, which rose from 41.9% to 42.1% between 2015 and 2018.
- **Goal 17 - Partnerships for the Goals.** The composite indicator registered a downtrend until 2014, due to a decrease in imports from developing countries and an increase in public debt. In the following years, the composite indicator improved slightly, but did not return to the level observed in 2010, due to a steady reduction in the share of environmental taxes in total tax revenues.

Finally, the situation is stable for four Goals:

- **Goal 1 - No poverty.** The composite indicator fell from 2010 to 2014, when it reached its lowest level for the entire period under review. From 2015, the indicator steadily improved until 2018, thanks to a better performance by all elementary indicators, to the extent that in 2018 severe material deprivation and low employment intensity reached their minimum values for the entire period under review (5.9% and 8.8% respectively).
- **Goal 2 - Zero hunger.** The composite indicator was almost flat from 2010 to 2014, while it has improved slightly over the last four years. Since 2015, substantial increases have been registered in the total area under organic farming and in agricultural productivity, which improved until 2017 and then fell back in 2018. Also of note is the constant worsening of the environmental impact of agriculture, measured by ammonia emissions, which amounted to 20.3 kg per hectare cultivated in 2017.
- **Goal 6 - Clean water and sanitation.** The composite indicator (calculated for the first time thanks to the availability of new data) registered a largely stable situation from 2010 to 2018. The share of households without access to basic health services and the number of people connected to wastewater treatment plants improved considerably. On the other

hand, the water exploitation index, which measures the share of water used in a year compared to the total of renewable water resources, deteriorated.

- **Goal 16 - Peace, justice and strong institutions.** In the first five years, the composite indicator fluctuated due to the volatility of citizens' confidence in the European Parliament. However, since 2016 an overall improvement has been registered, due to a reduction in the homicide rate (which has been steadily decreasing since 2010) and in the share of citizens reporting the presence of crime and violence in the areas where they live.

IN-DEPTH ANALYSIS

Disparities between European countries with regard to the 2030 Agenda









In addition to analysing the performance of the indicators for the European Union as a whole, it is also interesting to assess the performance of individual countries, in order to observe the disparities between them. In this in-depth study, bar charts show the different levels of the composite indicators in 2010 and in 2018. The various composite indicator values calculated for the EU are determined on the basis of the level and performance of the elementary indicators relating to the individual countries, which are in turn aggregated, thereby producing composite indicators for each Goal at country level. Account is taken of the gaps between countries measured by the composite indicators, which indicate the disparities between the various member states of the European Union. Moreover, once the composite indicators for the 17 Goals regarding the individual countries had been calculated, "sensitivity" analysis (also known as influence analysis) was carried out. This enabled assessment of whether and to what extent

the rankings of the European countries change after elimination of an elementary indicator from the initial set.









For each Goal, given the n elementary indicators available, n replications were carried out by eliminating a different indicator each time, and calculating the values of the summary indicators on the basis of the remaining $n-1$ indicators. For each replication, the rankings of the European countries were constructed, and for each country the absolute differences in ranking between the position in the original ranking and the position in the ranking relating to the $n-1$ indicators were calculated.

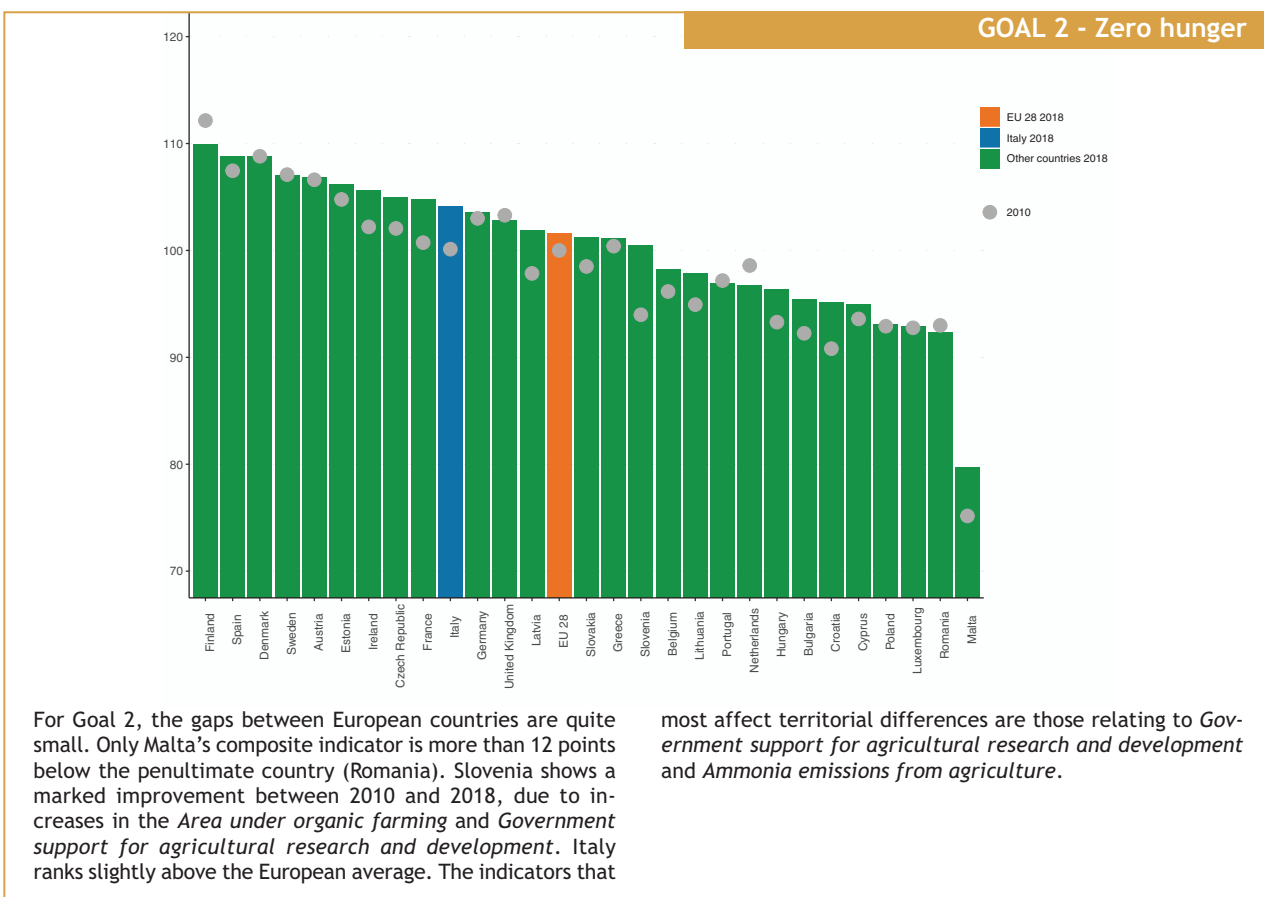
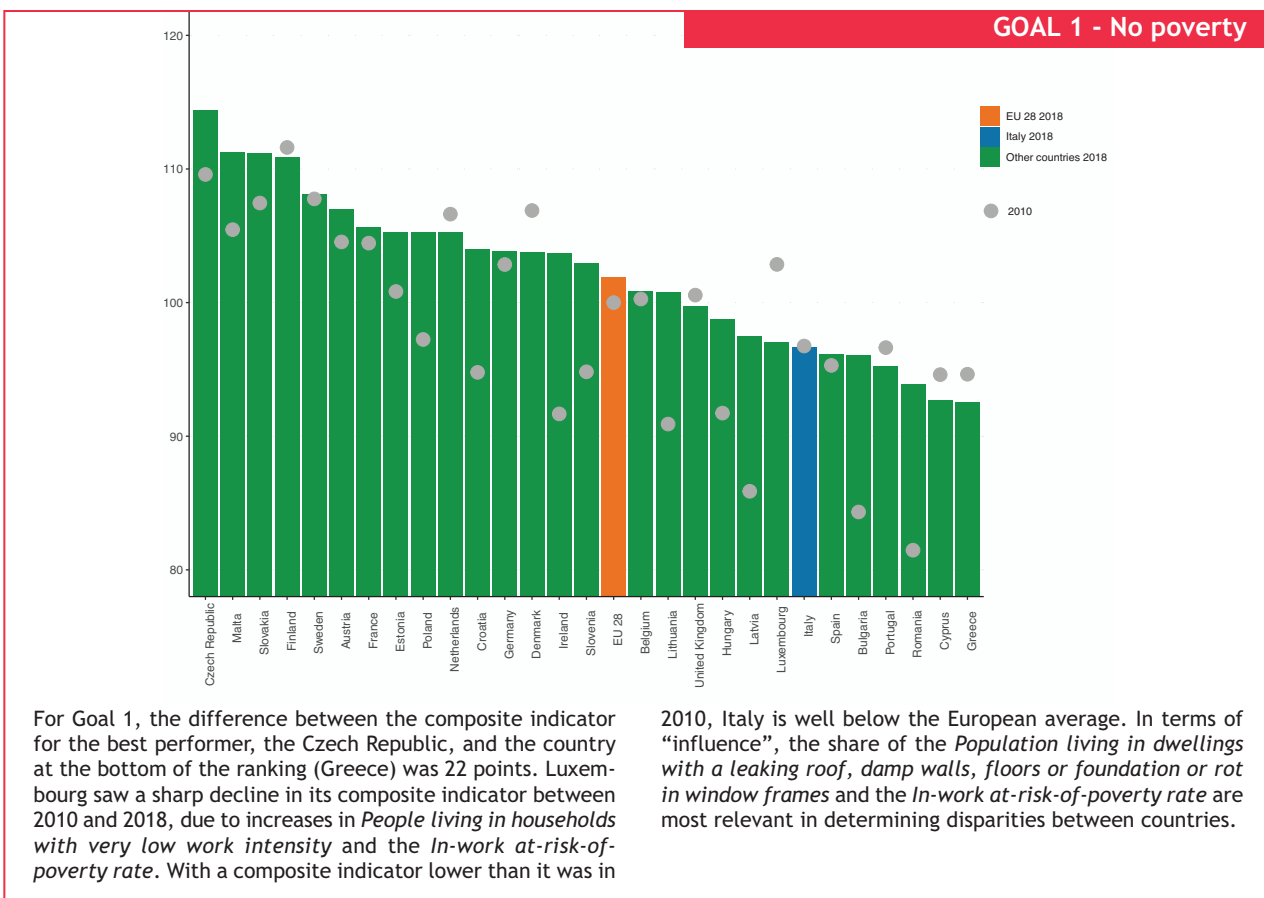
The following table shows, for each Goal, the various elementary indicators ordered according to their "influence". Subsequently, bar charts for each Goal show the differing levels of the composite indicator in relation to the various European countries.

Table 1 - List of elementary indicators used to construct composite indicators for European countries in descending order of “influence” on the performance of the composite indicators

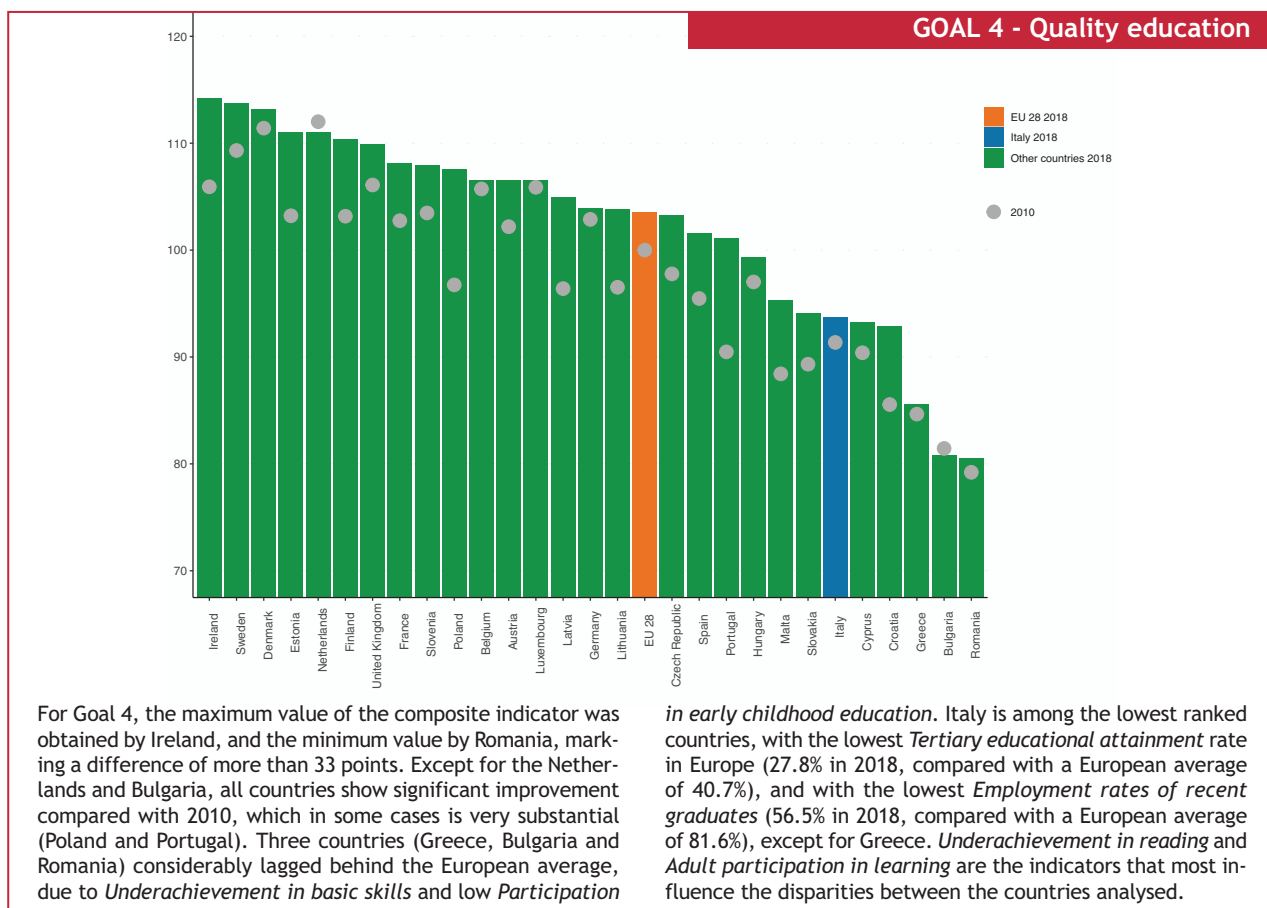
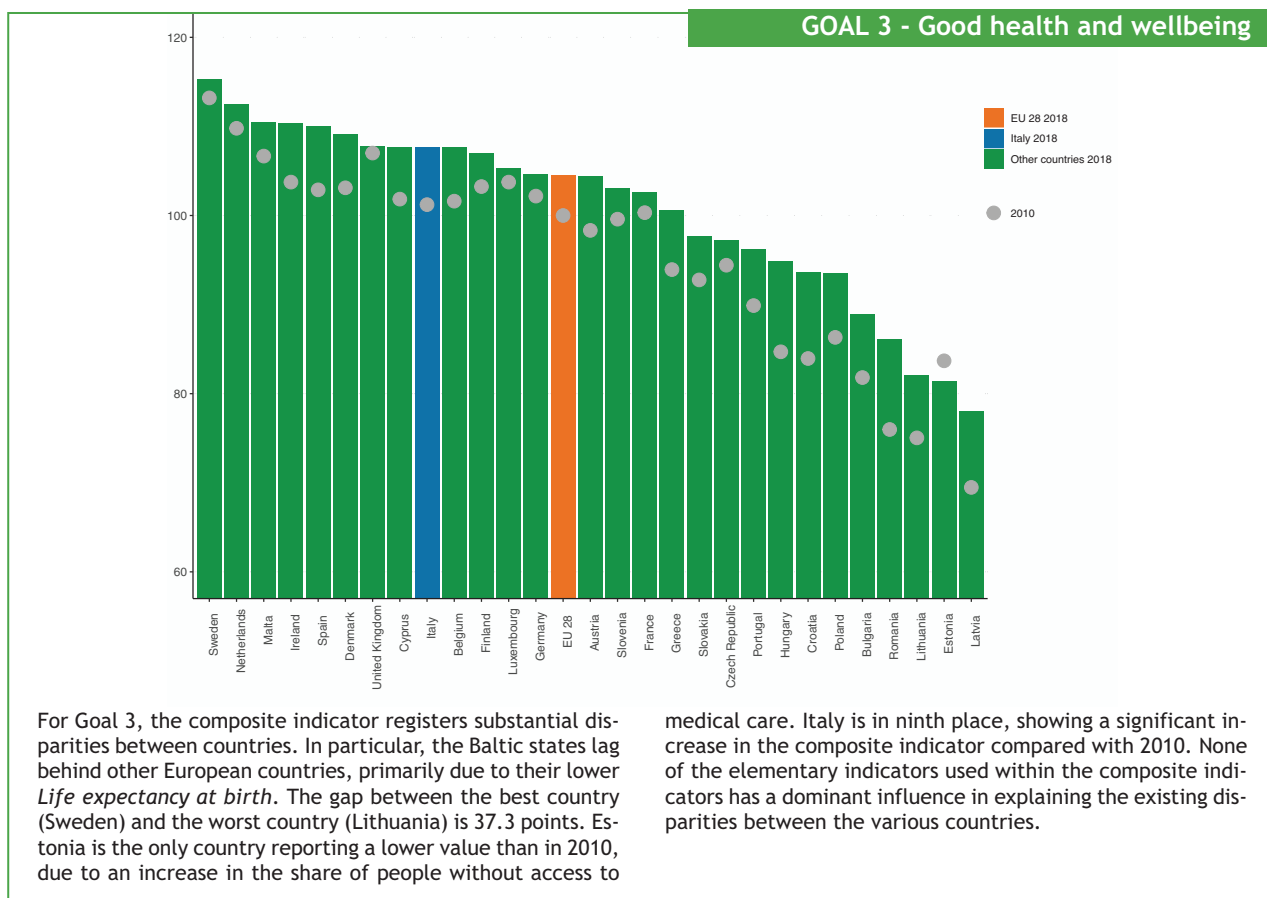
Indicator	Average
GOAL 1 	
Population living in a dwelling with a leaking roof, damp walls, floors or foundation or rot in window frames of floor	3,14
In work at-risk-of-poverty rate	2,79
People living in households with very low work intensity	2,50
Severely materially deprived people	1,57
GOAL 2 	
Government support to agricultural research and development	3,29
Ammonia emissions from agriculture	3,07
Agricultural factor income per annual work unit	2,57
Area under organic farming	2,50
GOAL 3 	
Self-reported unmet need for medical examination and care	1,07
Alcohol consumption	1,00
Smoking prevalence	0,93
Share of people with good or very good perceived health	0,79
People killed in road accidents	0,71
Life expectancy at birth	0,64
Standardised death rate due to tuberculosis, HIV and hepatitis	0,64
Standardised preventable and treatable mortality	0,50
GOAL 4 	
Underachievement in reading	1,57
Adult participation in learning	1,50
Underachievement in math	1,21
Tertiary educational attainment	1,14
Participation in early childhood education	1,07
Early leavers from education and training	0,86
Employment rates of recent graduates	0,86
GOAL 5 	
Seats held by women in national parliaments	2,64
Positions held by women in senior management positions	2,21
Gender pay gap in unadjusted form	2,14
Gender employment gap	1,43
Female / male ratio of Inactive population due to caring responsibilities	0,86
GOAL 6 	
Water exploitation index plus	4,92
Population connected to at least secondary waste water treatment	4,39
Population having neither a bath, nor a shower, nor indoor flushing toilet in their household	1,69
GOAL 7 	
Energy productivity	5,93
Share of renewable energy in gross final energy consumption	4,57
GOAL 8 	
People killed in accidents at work	1,26
Adjusted gross disposable income of households per capita	1,19
Real GDP per capita	1,19
Investment share of GDP	1,07
Employment rate	0,89
Young people neither in employment nor in education and training	0,74
Long-term unemployment rate	0,37

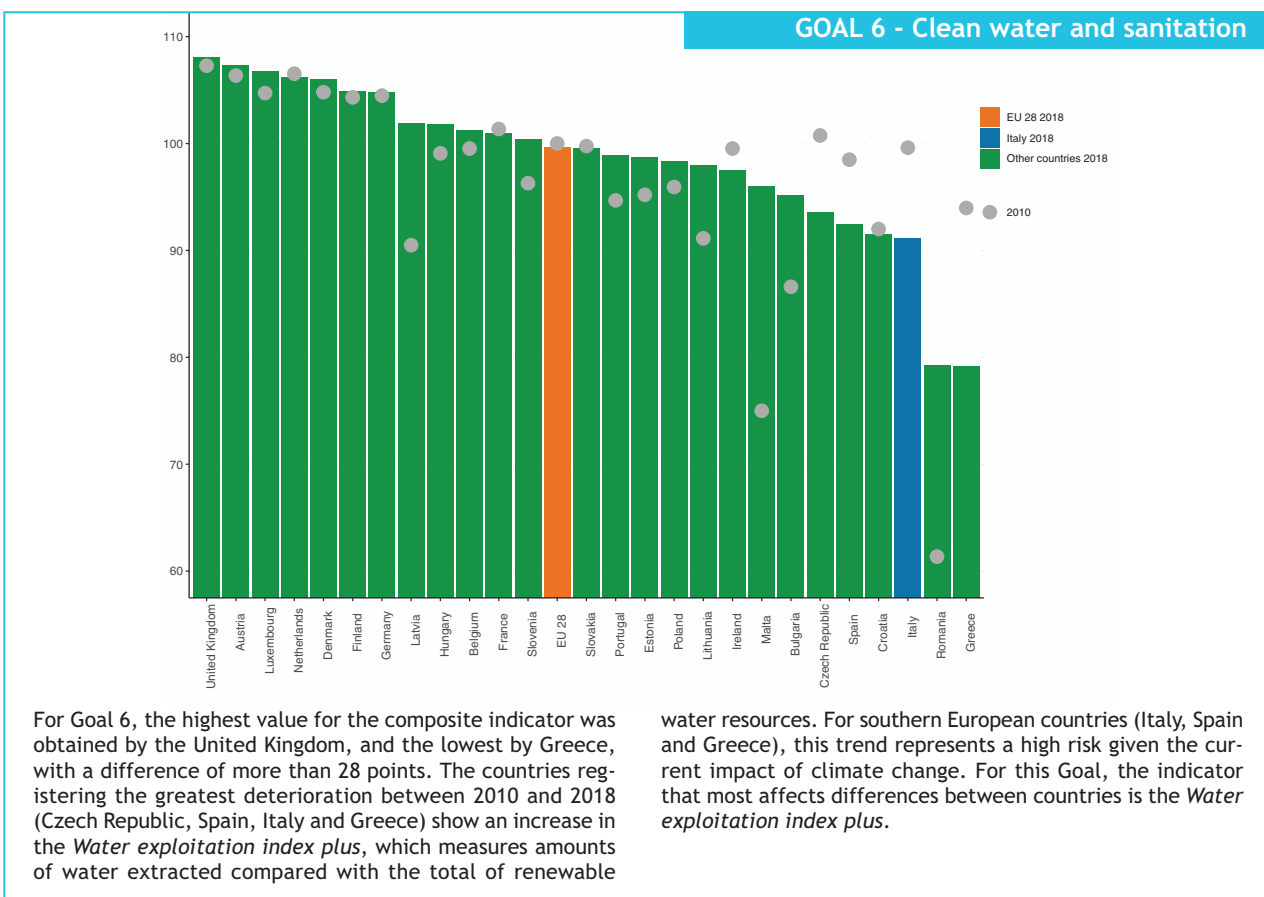
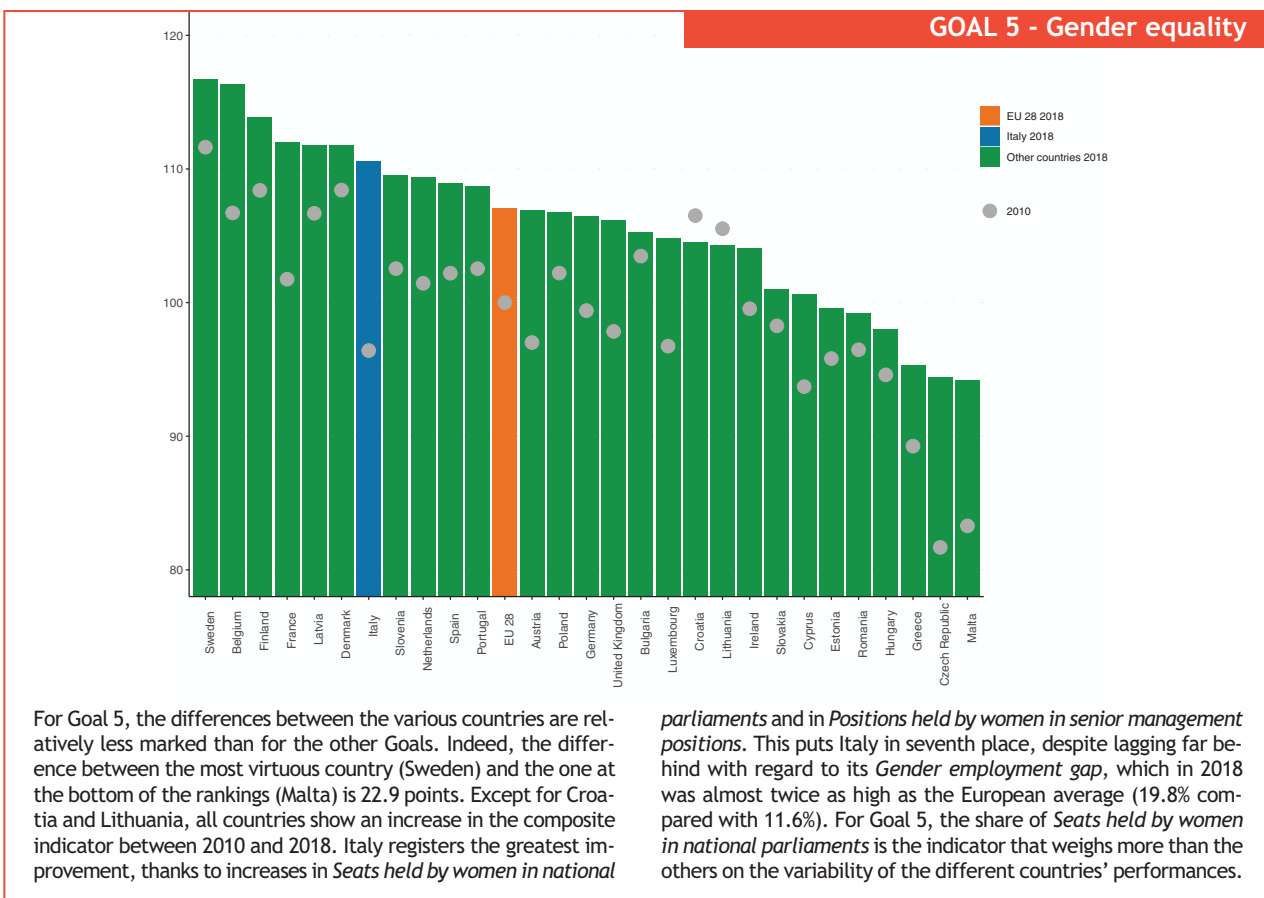
2. The European Union and the response to the crisis with a focus on sustainable development

GOAL 9 	
Share of rail and inland waterways in total freight transport	1,92
Share of busses and trains in total passenger transport	1,69
Gross domestic expenditure on R&D	1,31
Air emissions intensities	1,15
R&D personnel	1,08
Human resources in science and technology	1,00
Patent applications to the European Patent Office	0,62
GOAL 10 	
Relative median at-risk-of-poverty gap	1,71
Income share of the bottom 40 % of the population	1,07
Income distribution	0,86
GOAL 11 	
Overcrowding rate	5,93
Population living in households considering that they suffer from noise	3,19
Exposure to air pollution by particulate matter	2,96
GOAL 12 	
Recycling rate of municipal waste	2,64
Resource productivity and domestic material consumption	1,86
Circular material use rate	1,64
Average CO2 emissions per km from new passenger cars	1,57
Generation of waste excluding major mineral wastes	1,21
GOAL 13 	
Greenhouse gas emissions	-
GOAL 15 	
Share of forest area	4,57
Surface of terrestrial sites designated under Natura 2000	3,93
Soil sealing index	3,64
GOAL 16 	
Corruption Perceptions Index	4,00
Population reporting occurrence of crime, violence or vandalism in their area	3,36
Population with confidence in EU Parliament	2,64
Standardised death rate due to homicide	2,14
GOAL 17 	
General government gross debt	5,64
Share of environmental taxes in total tax revenues	4,57
Official development assistance as share of gross national income	4,14
EU imports from developing countries	3,93

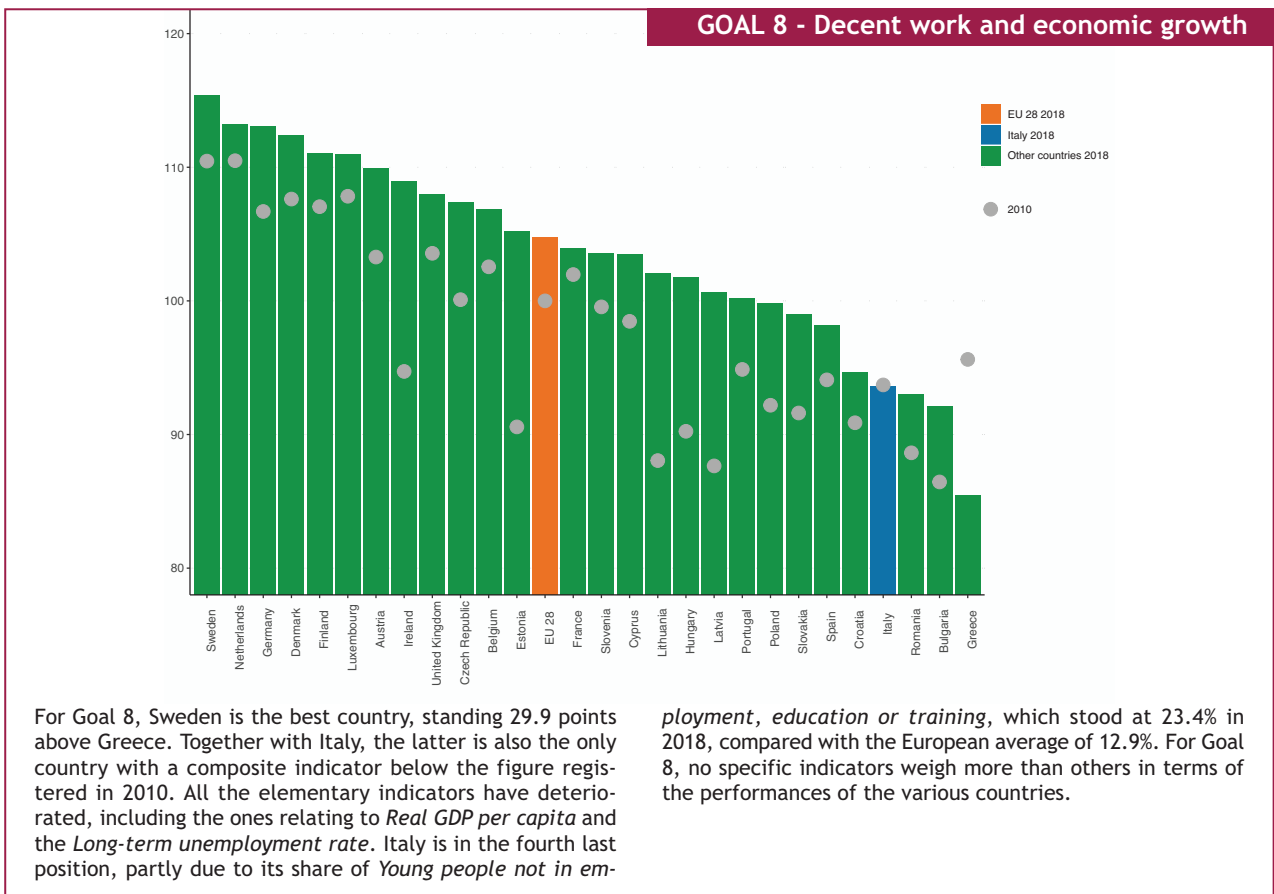
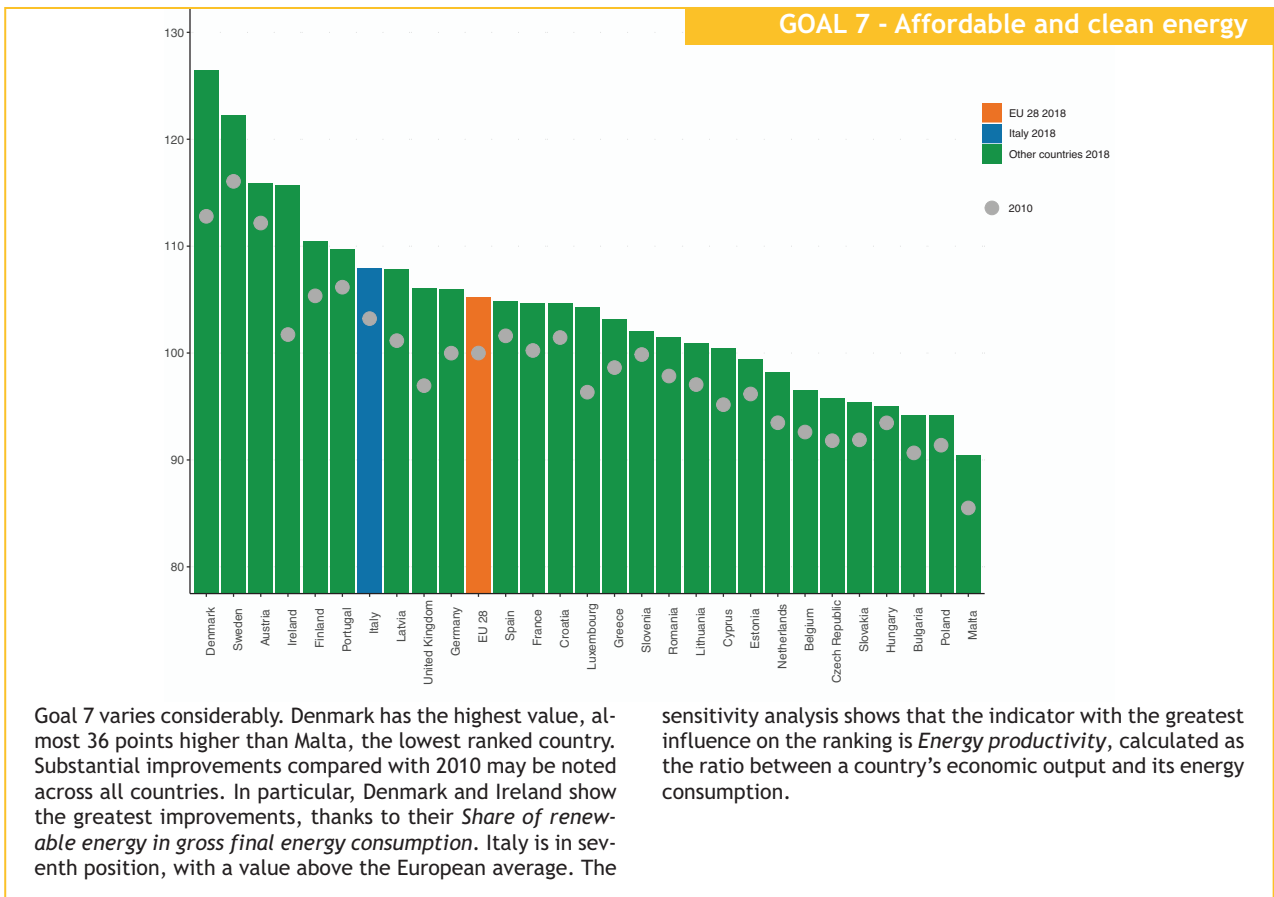


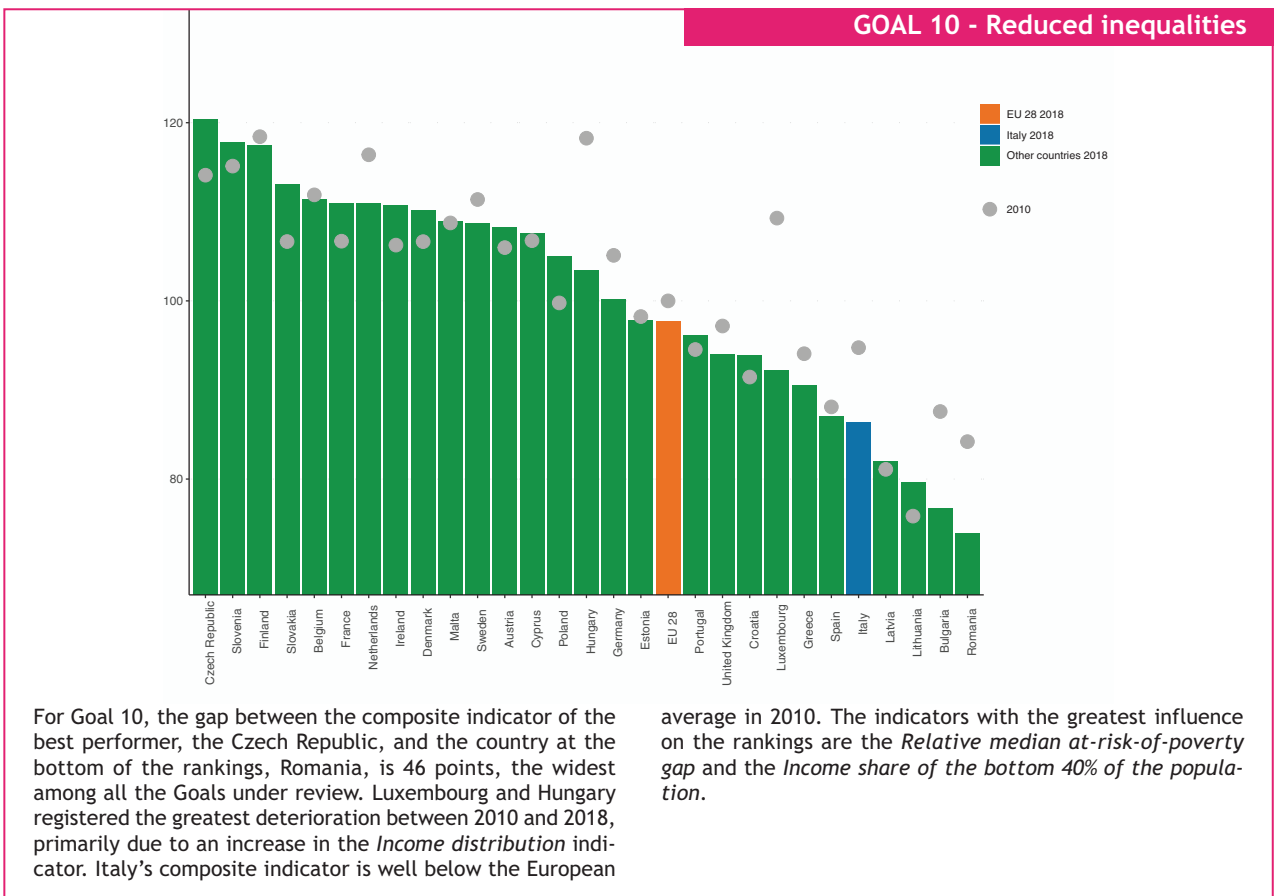
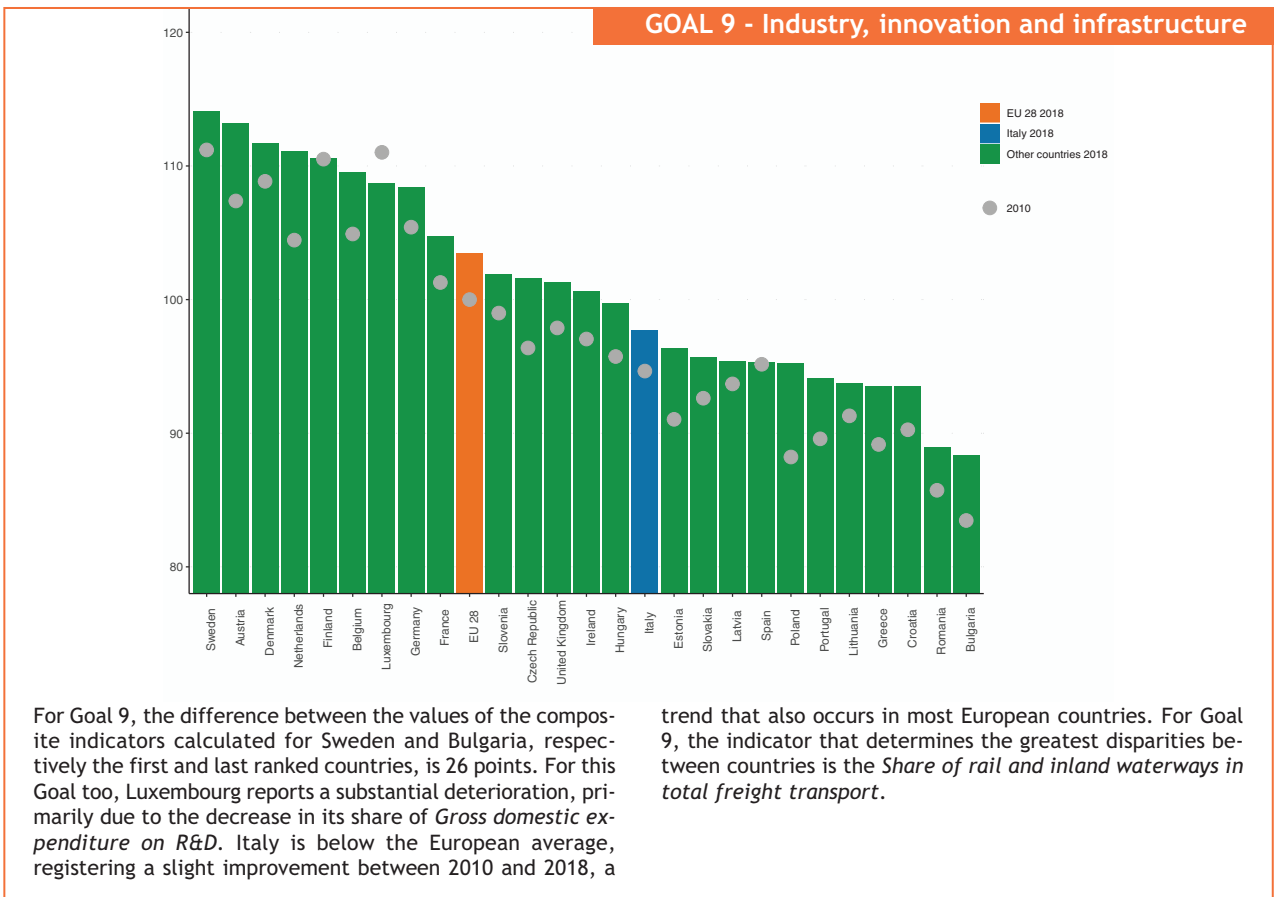
2. The European Union and the response to the crisis with a focus on sustainable development



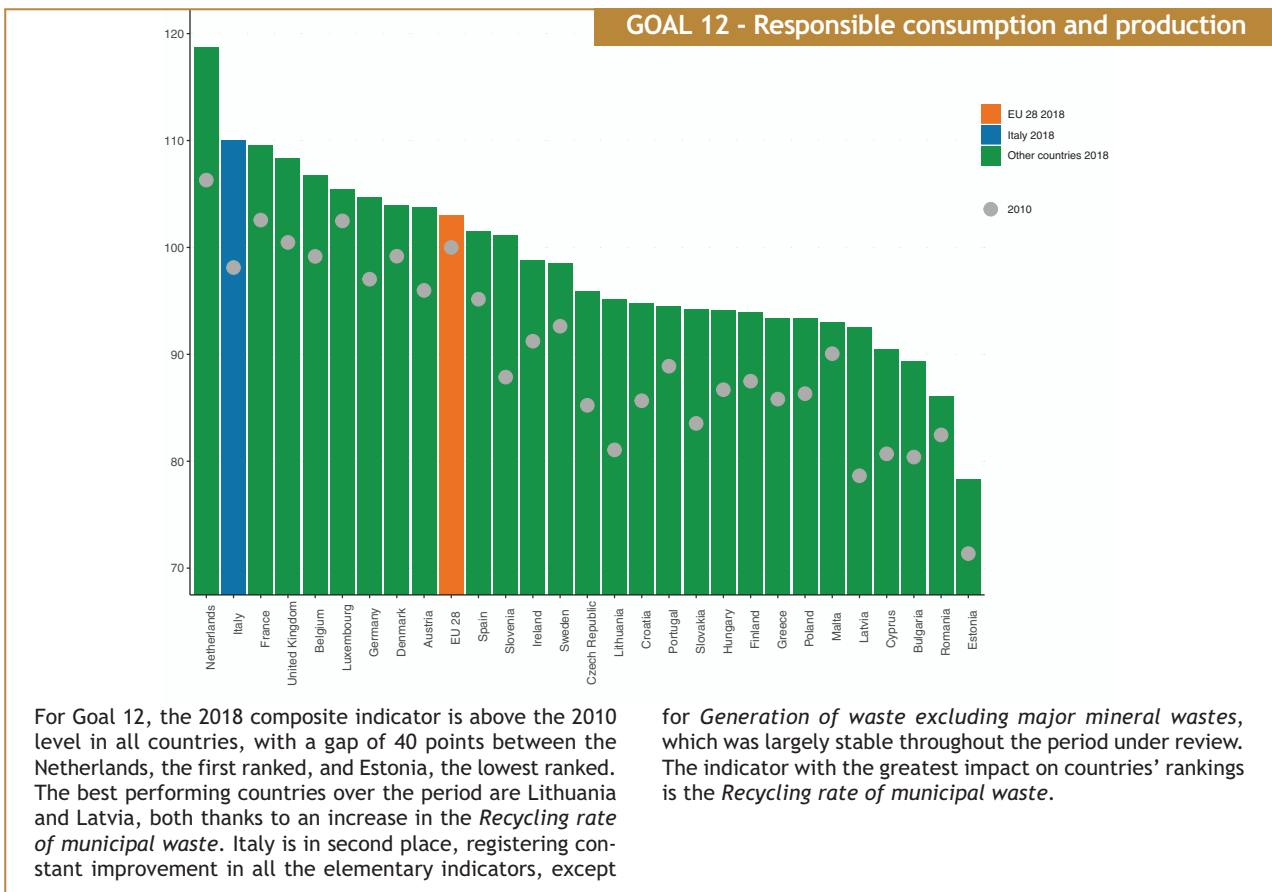
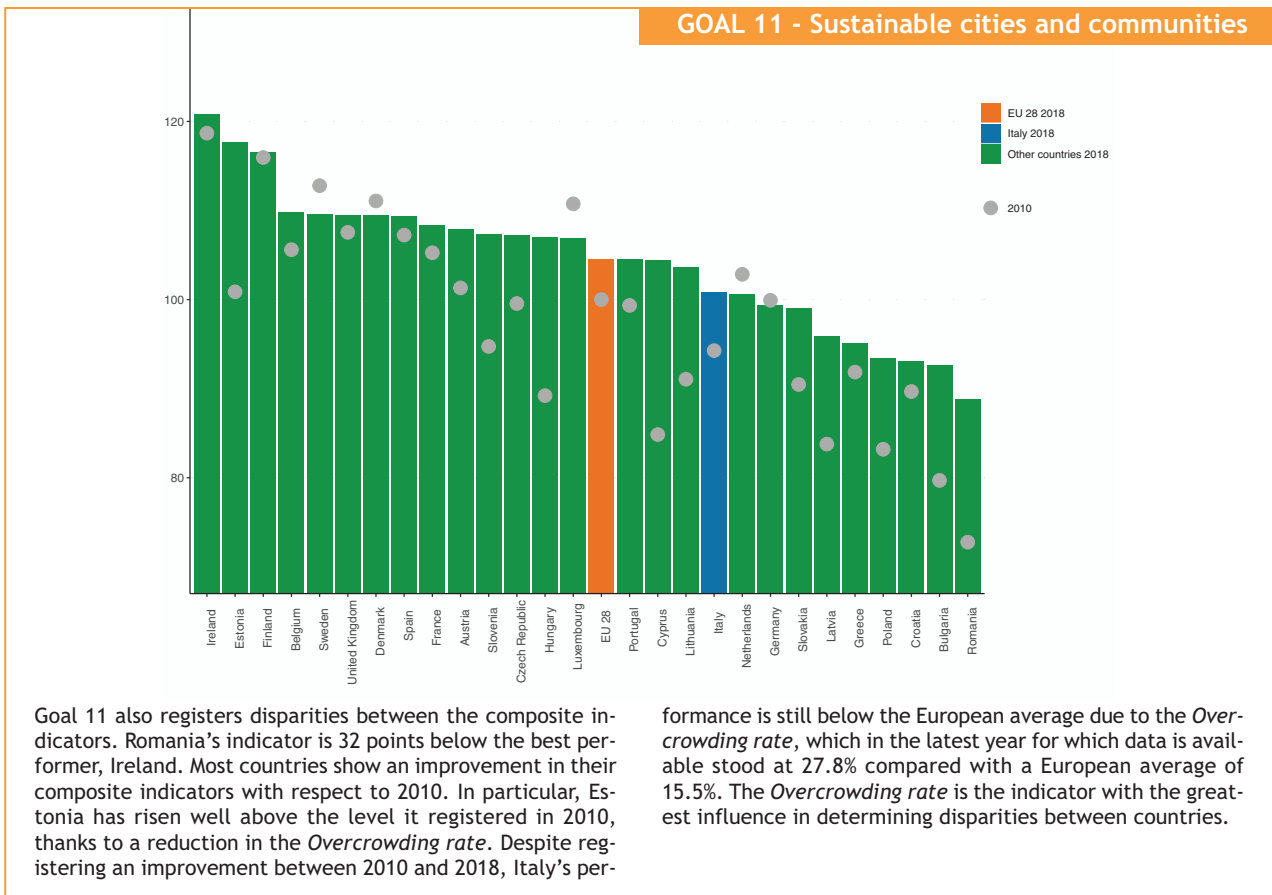


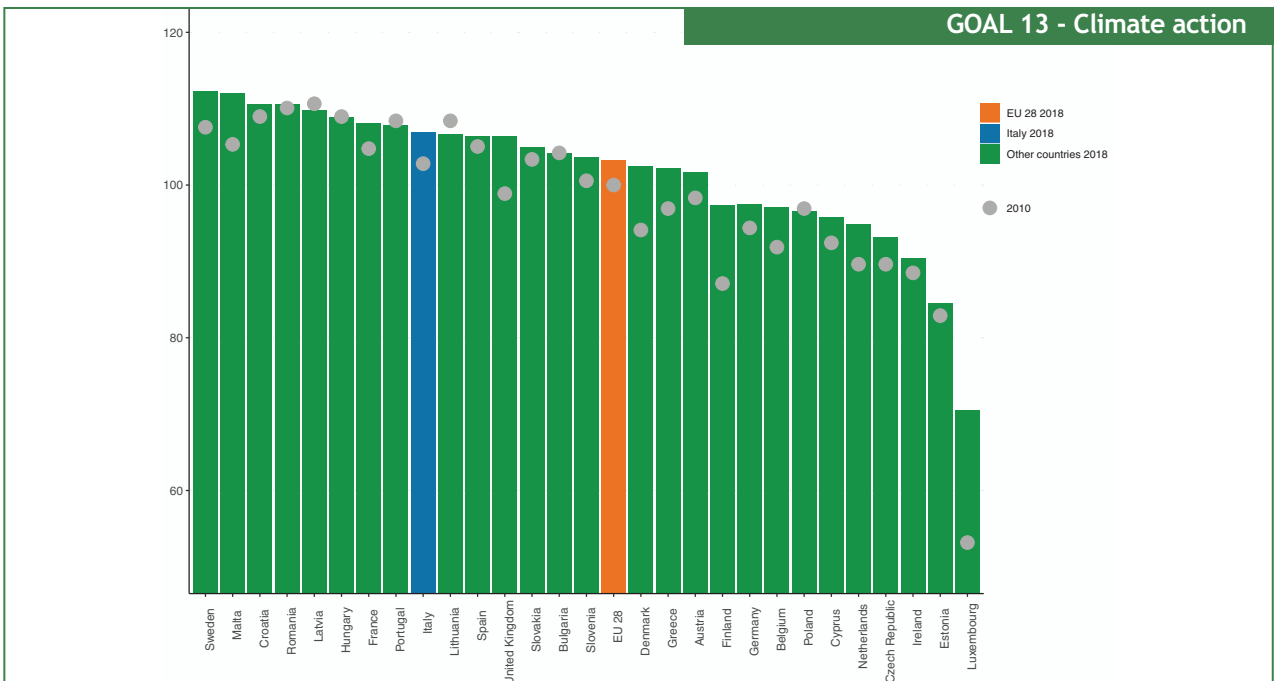
2. The European Union and the response to the crisis with a focus on sustainable development





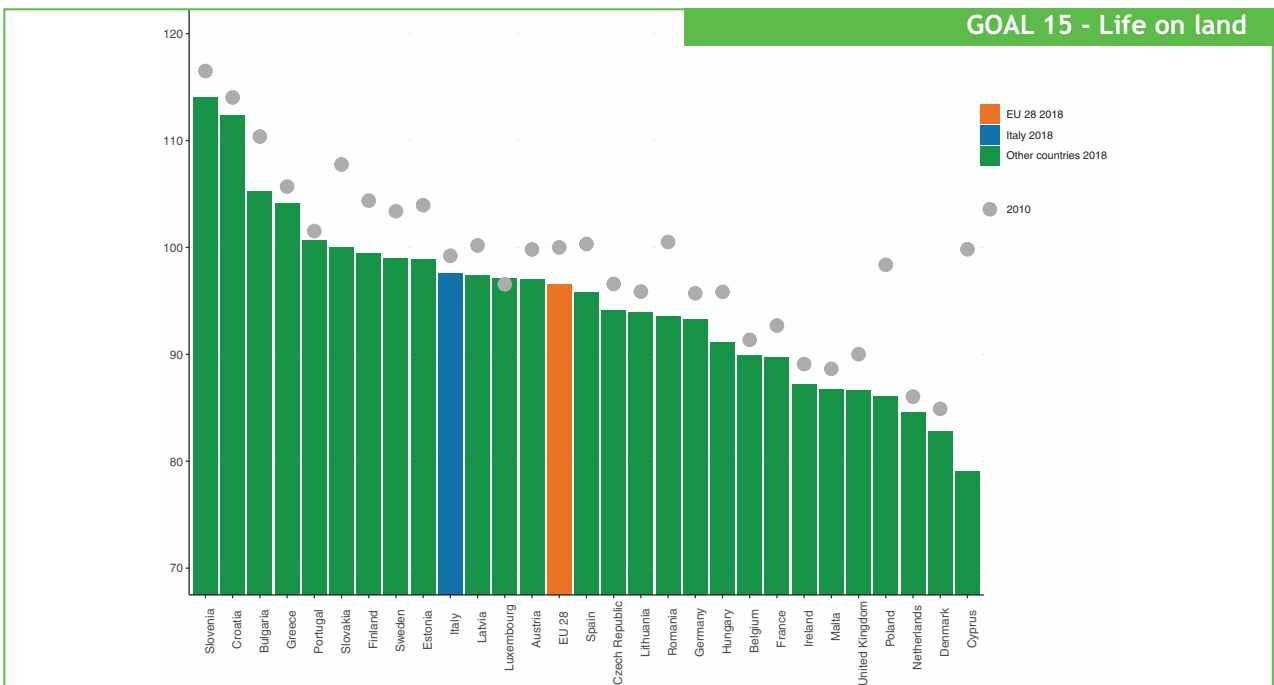
2. The European Union and the response to the crisis with a focus on sustainable development





The average European figure for the Goal 13 headline indicator, regarding *Greenhouse gas emissions*, improved slightly between 2010 and 2018. Most countries show a reduction in emissions, while Sweden and Malta registered the best composite indicators in 2018. Despite improvements between 2010 and 2018, Luxembourg's performance is particularly poor, registering a level of emissions four times higher than

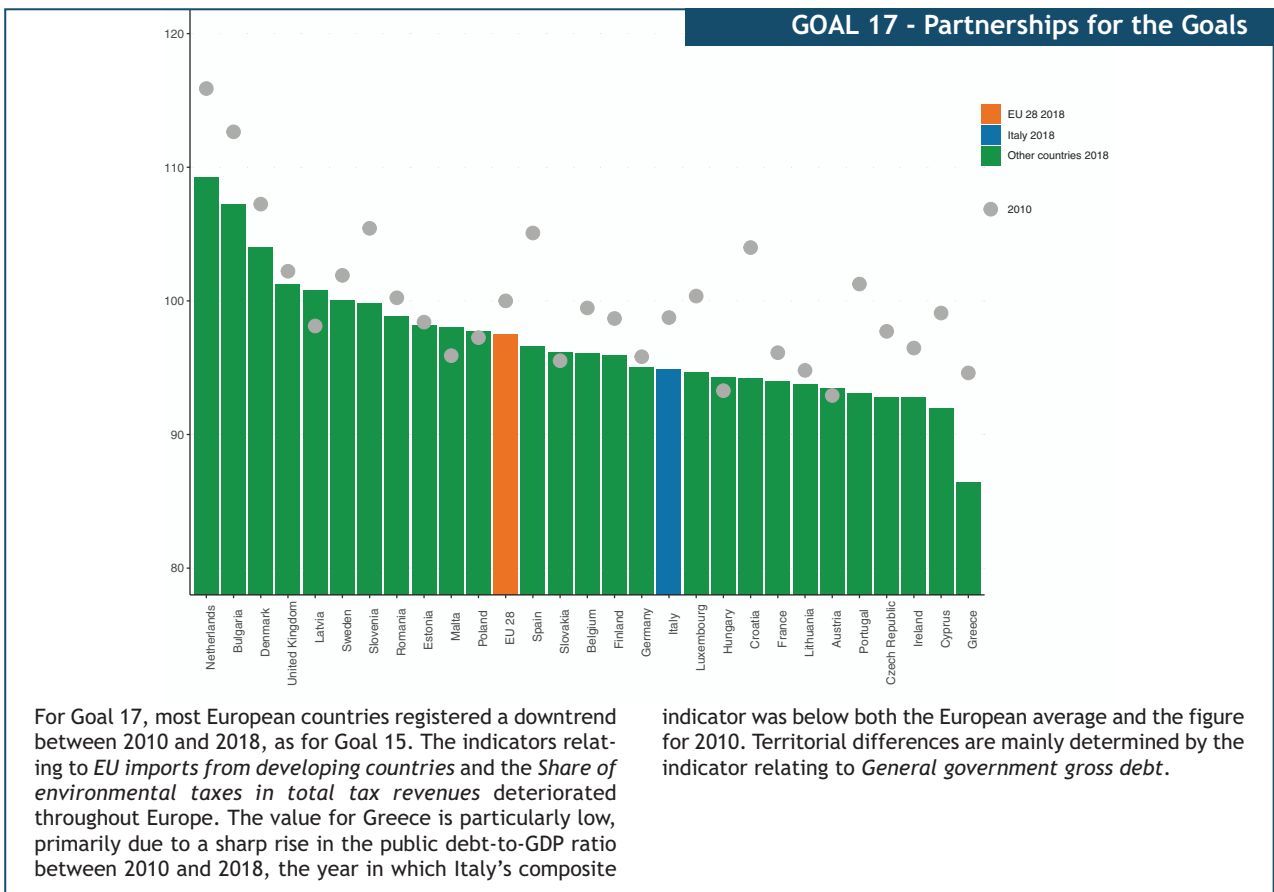
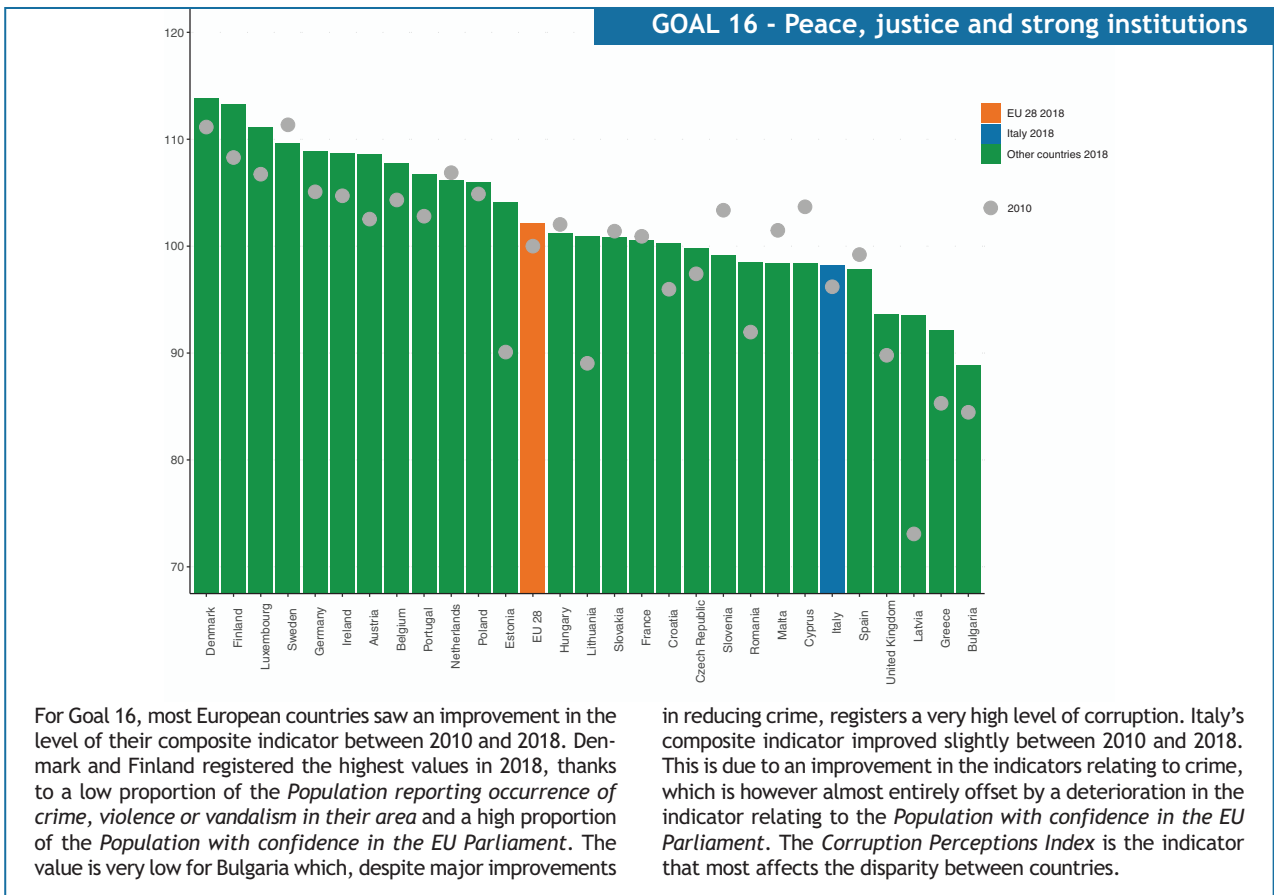
Sweden and twice the European average. Italy's performance is above the European average, with composite indicators constantly improving between 2010 and 2018.



The situation regarding Goal 15 is bleak. Except for Luxembourg, all countries registered downtrends between 2010 and 2018. Slovenia is in the best situation, whereas Cyprus is in the most critical situation. Despite the extremely poor performance registered for this Goal and a constant increase in the *Soil sealing index*, Italy stands just below the European average, albeit registering a downtrend throughout the his-

torical series. The indicator relating to the *Share of forest area* has the greatest impact on the ranking of countries.

2. The European Union and the response to the crisis with a focus on sustainable development



NOTES

- ¹ eur-lex.europa.eu/legal-content/IT/TXT/PDF/?uri=CELEX:52020PC0080&from=EN
- ² eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020DC0299&qid=1594536027602&from=EN
- ³ eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020DC0301&qid=1594536027602&from=EN
- ⁴ ec.europa.eu/transparency/regdoc/rep/1/2020/IT/COM-2020-102-F1-IT-MAIN-PART-1.PDF
- ⁵ ec.europa.eu/transparency/regdoc/rep/1/2020/IT/COM-2020-103-F1-IT-MAIN-PART-1.PDF
- ⁶ eur-lex.europa.eu/resource.html?uri=cellar:9903b325-6388-11ea-b735-01aa75ed71a1.0020.02/DOC_1&format=PDF
- ⁷ eur-lex.europa.eu/resource.html?uri=cellar:ea0f9f73-9ab2-11ea-9d2d-01aa75ed71a1.0009.02/DOC_1&format=PDF
- ⁸ eur-lex.europa.eu/resource.html?uri=cellar:a3c806a6-9ab3-11ea-9d2d-01aa75ed71a1.0009.02/DOC_1&format=PDF
- ⁹ ec.europa.eu/taxation_customs/sites/taxation/files/2020_tax_package_tax_action_plan_en.pdf
- ¹⁰ eur-lex.europa.eu/legal-content/IT/TXT/PDF/?uri=CELEX:52020DC0274&qid=1594488882074&from=IT
- ¹¹ eur-lex.europa.eu/legal-content/IT/TXT/PDF/?uri=CELEX:52020DC0276&qid=1594488882074&from=IT
- ¹² eur-lex.europa.eu/legal-content/IT/TXT/PDF/?uri=CELEX:52020JC0004&qid=1588663655650&from=EN
- ¹³ eur-lex.europa.eu/legal-content/IT/TXT/PDF/?uri=CELEX:52019DC0650&from=EN
- ¹⁴ eur-lex.europa.eu/resource.html?uri=cellar:e8c76c67-37a0-11ea-ba6e-01aa75ed71a1.0012.02/DOC_1&format=PDF
- ¹⁵ ec.europa.eu/commission/priorities/deeper-and-fairer-economic-and-monetary-union/european-pillar-social-rights/european-pillar-social-rights-20-principles_it
- ¹⁶ data.consilium.europa.eu/doc/document/ST-13432-2019-INIT/it/pdf
- ¹⁷ eur-lex.europa.eu/legal-content/IT/TXT/PDF/?uri=CELEX:52020DC0067&from=IT
- ¹⁸ eur-lex.europa.eu/legal-content/IT/TXT/PDF/?uri=CELEX:52020DC0241&qid=1594562540840&from=EN
- ¹⁹ ec.europa.eu/transparency/regdoc/rep/1/2020/IT/COM-2020-22-F1-IT-MAIN-PART-1.PDF
- ²⁰ eur-lex.europa.eu/resource.html?uri=cellar:ae92fbf3-a0be-11ea-9d2d-01aa75ed71a1.0021.02/DOC_1&format=PDF
- ²¹ eur-lex.europa.eu/legal-content/IT/TXT/PDF/?uri=CELEX:52020DC0152&from=EN
- ²² eur-lex.europa.eu/legal-content/IT/TXT/PDF/?uri=CELEX:52020DC0276&qid=1594555818019&from=EN
- ²³ eur-lex.europa.eu/legal-content/IT/TXT/PDF/?uri=CELEX:52020DC0274&qid=1594555818019&from=EN
- ²⁴ eur-lex.europa.eu/resource.html?uri=cellar:8e89305c-bc37-11ea-811c-01aa75ed71a1.0011.02/DOC_1&format=PDF
- ²⁵ www.consilium.europa.eu/it/meetings/european-council/2020/04/23/
- ²⁶ www.europarl.europa.eu/doceo/document/TA-9-2020-0054_IT.pdf
- ²⁷ eur-lex.europa.eu/legal-content/IT/TXT/PDF/?uri=CELEX:52020DC0456&qid=1591006426096&from=EN
- ²⁸ www.consilium.europa.eu/media/45118/210720-euco-final-conclusions-it.pdf
- ²⁹ www.esm.europa.eu/content/europe-response-corona-crisis
- ³⁰ [27.4 billion euros have been allocated to Italy https://ec.europa.eu/commission/presscorner/detail/it/ip_20_1496](https://ec.europa.eu/commission/presscorner/detail/it/ip_20_1496)
- ³¹ ec.europa.eu/commission/presscorner/detail/it/IP_18_1404
- ³² Regulation (EU) 2020/852 of 18 June 2020:
eur-lex.europa.eu/legal-content/IT/TXT/PDF/?uri=CONSIL:PE_2020_INIT&from=EN
- ³³ Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector eur-lex.europa.eu/legal-content/IT/TXT/PDF/?uri=CELEX:32019R2088&from=EN
- ³⁴ Regulation (EU) 2019/2089 amending Regulation (EU) 2016/1011 with regard to the EU climate transition benchmark indicators, the EU benchmark indicators aligned with the Paris Agreement and sustainability communications relating to benchmark indicators, of 27 November 2019
eur-lex.europa.eu/legal-content/IT/TXT/PDF/?uri=CELEX:32019R2089&from=EN
- ³⁵ The draft Regulatory Technical Standards (RTS) developed by the Joint Committee of European Financial Market Supervisors (European Banking Authority - EBA, the European Securities and Markets Authority - ESMA, and the European Insurance and Occupational Pensions Authority - EIOPA: these rules regulate the content of the Disclosure Regulation in greater detail).
- ³⁶ Two EBA initiatives relating to ESG risk management and ESG risk management reporting, respectively. These proposals are contained in the Sustainable Finance Action Plan published by the EBA (<https://eba.europa.eu/file/376050/download?token=oMDnkR18>).
- ³⁷ Delegated acts by which the European Commission introduces the consideration of ESG criteria in financial consulting.
- ³⁸ ASviS participated in the preparatory work of the Italian Civil Society Platform convened by the European Movement (CIME), within which the conference will draw up policy documents.
- ³⁹ The historical series prior to the UK's exit from the European Union (on 31 January 2020) continue to consider the United Kingdom as a member state, as does Eurostat.

2. The European Union and the response to the crisis with a focus on sustainable development

⁴⁰ In some cases, the EU average is not based on all 28 member states, but only on those for which data is available.

⁴¹ The calculation of influence is based on the absolute average difference in decreasing rank, which expresses, on average, the extent to which elimination of the indicator entails changes in the ranking of countries, and therefore in the value of the composite indicator. Consequently, the higher this average is, the more relevant the elementary indicator is in determining changes in the composite indicator and, therefore, differences between the countries analysed.



Italy and the 2030 Agenda in the year of the pandemic



3. Italy and the 2030 Agenda in the year of the pandemic

3.1 The impact of the crisis on sustainable development in Italy

ASviS periodically develops composite indicators that measure the path Italy (and its local areas) has taken to achieve the SDGs. In order to improve the quality of the information provided, a review of the elementary indicators and methodologies used to assess Italy's ranking with respect to the 17 Goals¹ has been conducted in recent months. The review of the elementary indicators was carried out with the assistance of the working groups of the Alliance and experts on issues relating to the various SDGs. The composite indicators were also updated to 2019, and some assessments were made, including quantitative ones, referring to 2020, updating the almost exclusively qualitative work already disseminated last May.

The composite indicators presented here are based on 105 elementary indicators produced by ISTAT, Italy's National Statistical Office, or sources whose validity has been carefully analysed. The indicators were developed using the Adjusted Mazziotta-Pareto Index (AMPI) method, also adopted by ISTAT to create similar indicators regarding Fair and Sustainable Wellbeing (FSW). A composite indicator for 16 out of 17 Goals was developed, while for Goal 13 it was decided to use a single headline indicator².

Recent data reveals that between 2018 and 2019³ Italy shows signs of improvement for four Goals (1, 8, 12, 16) and substantial stability for ten Goals (2, 3, 4, 5, 6, 7, 10, 13, 15 e 17), whereas the indicators relating to Goals 9 and 11 deteriorate. Between 2010 and 2019, Italy shows improvement regarding eight Goals: sustainable food and agriculture, health, education, gender equality, the energy system, innovation, sustainable production and consumption models, and climate action. However, for six Goals the situation deteriorates: poverty, water, economic and employment conditions, inequalities, terrestrial ecosystems and international co-

operation. For the remaining three Goals (conditions in cities, marine ecosystems, and peace, justice and strong institutions), the situation is largely unchanged.

GOAL 1 - NO POVERTY

End poverty in all its forms everywhere

This indicator declines sharply until 2016 due to a deterioration in all the elementary indicators analysed, especially the indicator regarding absolute poverty. From 2016, an uptrend may be noted due to decreases in severe material deprivation and the number of people living in housing with structural problems. 2019 saw a decline in the absolute poverty rate (down 0.7 percentage points compared to 2018), although the number of poor people still stands at around 4.6 million, with wide disparities between generations (under-17s register an absolute poverty rate of 11.4%, compared to 4.8% for the over-65s) and in family composition (the share of families with one minor child is 6.5%, compared to 20.2% for families with three or more minor children).

In 2020, the negative effects of the current crisis have been confirmed, despite the Government's intervention to support businesses and workers, which - according to ISTAT - in the first quarter of the year limited the reduction in households' disposable income to 1.6% as GDP fell sharply. In Italy (according to Prometeia projections), the crisis will lead to a 9.6% fall in GDP and a reduction in disposable income of around 3.1% (at constant prices). The negative impact of the pandemic on this key 2030 Agenda Goal is thus very clear.

GOAL 2 - ZERO HUNGER

End hunger, achieve food security and improved nutrition and promote sustainable agriculture

After the improvement registered up to 2015 - mainly due to increases in production per work

unit on farms and in the share of the Utilised Agricultural Area (UAA) allocated to organic crops - in the following four years the composite indicator is largely stable, reflecting a combination of the increases in organic crops and labour productivity, and decreases in the gross operating margin for small farms and good nutrition. The latter indicator, which measures the share of the population consuming at least four portions of fruit and/or vegetables every day, registered the worst value (17.7%) of the entire historical series in 2019 (compared to 20% in 2010).

According to ISTAT, in the first two quarters of 2020 agriculture registered declines in value added compared to the previous quarter of 1.9% and 3.7%, respectively. At the same time, reductions in the number of work units amounted to 1.8% and 3%, while reductions in employment income amounted to 0.2% and 0.7%. On the basis of these data, the negative effects of the crisis on the agricultural sector and the decline in food quality **make an overall negative impact of the pandemic on this Goal likely.**

GOAL 3 - GOOD HEALTH AND WELLBEING

Ensure healthy lives and promote wellbeing for all at all ages

The composite indicator registers an uptrend from 2010 to 2019, thanks to an improvement in most of the elementary indicators analysed. The number of people injured in accidents decreases from 51.5 per 10,000 inhabitants in 2010 to 40.0 in 2019, risky behaviours such as alcohol consumption and smoking decline, and healthy life expectancy at birth increases to stand at 58.6 years. On the other hand, downturns are registered for vaccination coverage for the over-65s (which fell by about 8 percentage points from 2010 to stand at 54.6% in 2019), and for hospital beds per 10,000 inhabitants, which fell by more than 14% over the period under review.

Due to the pandemic, from 20 February to 31 March 2020, a dramatic increase in deaths was noted at the national average level for all causes (90,946), compared to the average for the period 2015-2019 (65,592), which corresponds to a 49% increase. The excess mortality of 91% observed at the national average level in March 2020 was con-

centrated in the areas of the epidemic's highest spread. In May, thanks to prevention measures, the mortality rate fell to 2.2%.

According to the latest analysis by ISTAT, 1,482,000 people (2.5% of the population living in households) are IgG positive, and have developed antibodies for SARS-CoV-2. Here too, regional differences are very marked: Lombardy tops the ranking with 7.5% seroprevalence, a value seven times higher than the ones found in the regions with the lowest spread of the virus, which are mostly in southern Italy. **These data confirm the negative impact of the current crisis on this Goal.**

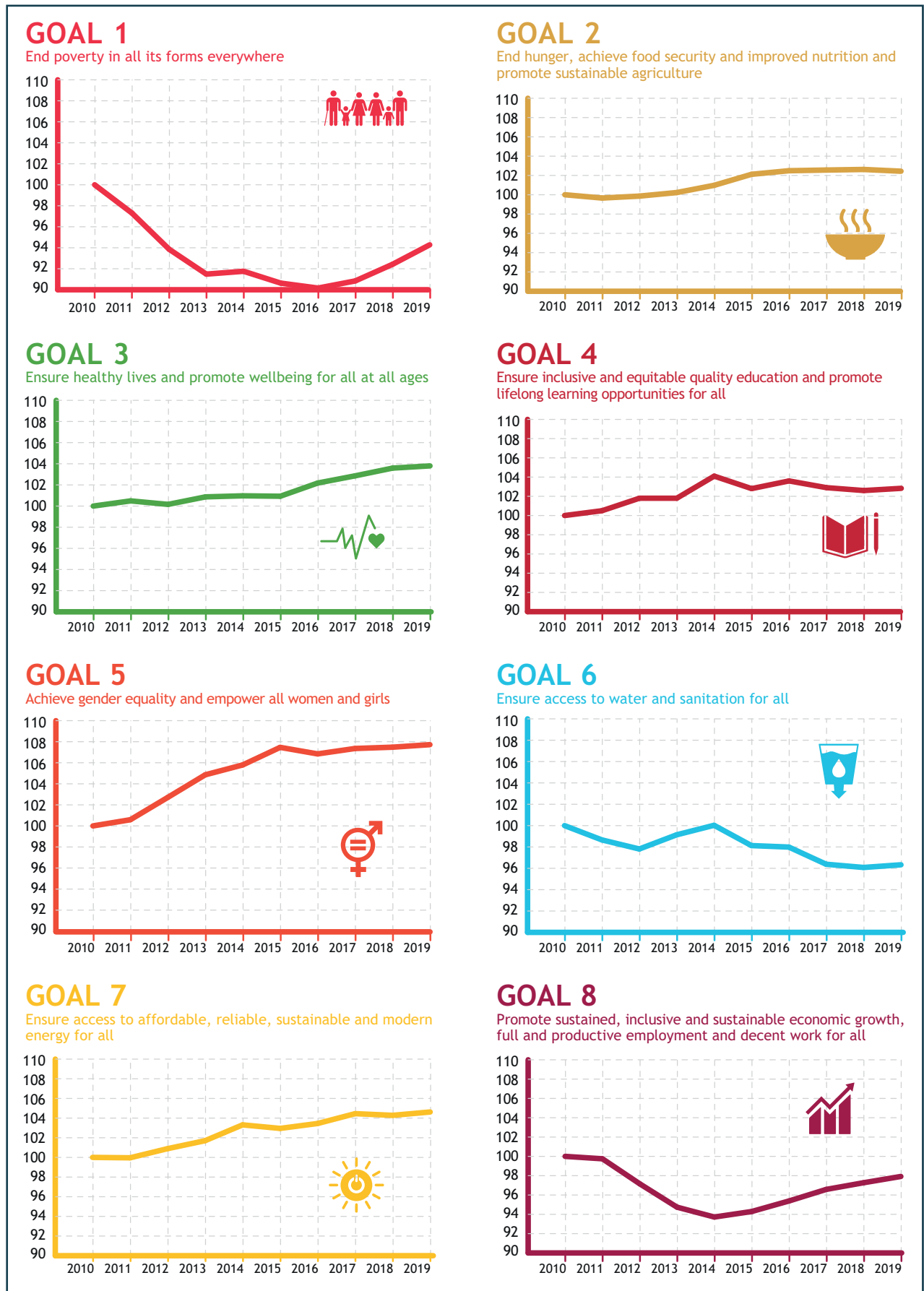
GOAL 4 - QUALITY EDUCATION

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

The composite indicator improves significantly until 2014 thanks to the progress made by most of the indicators analysed. However, from 2014, the uptrend halts and then reverses. The deterioration is caused by declines in cultural participation, basic reading skills and a lower rate of participation in educational activities by five-year-olds (down 4.1 percentage points over eight years). Despite the improvements registered, Italy still lags far behind the European average for all the indicators analysed, with a particularly wide gap for the tertiary education rate, which stood at 27.6% in 2019 compared to the European average of 41.6%.

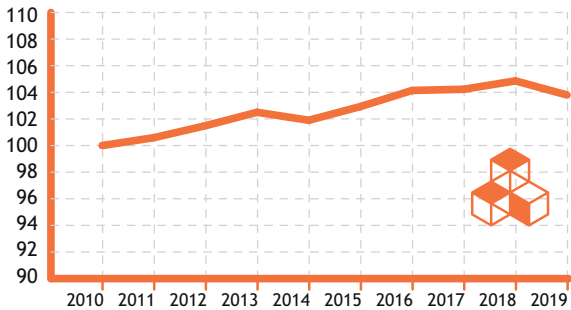
During the months of lockdown, ISTAT estimates that around 3 million students, between the ages of 6 and 17, had problems in following their distance learning lessons, mainly due to lacking or inadequate computer equipment at home. This situation is especially acute in southern Italy, where around 20% of children have been affected. The phenomenon is particularly serious as the crisis is increasing the likelihood of early school leaving, especially in the most vulnerable sections of the population. These factors, together with the presumable drop in the number of workers participating in education and training activities, **confirm the negative impact the crisis has had on this Goal.**

Figure 4 - Summary indicators for Italy



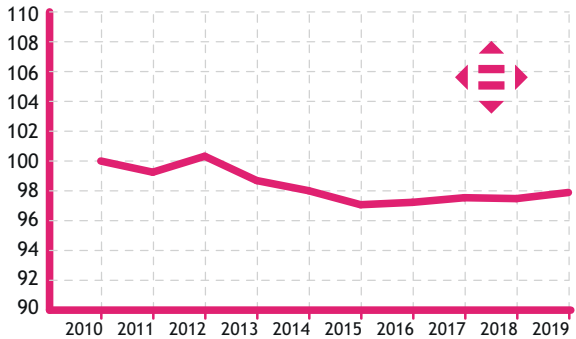
GOAL 9

Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation



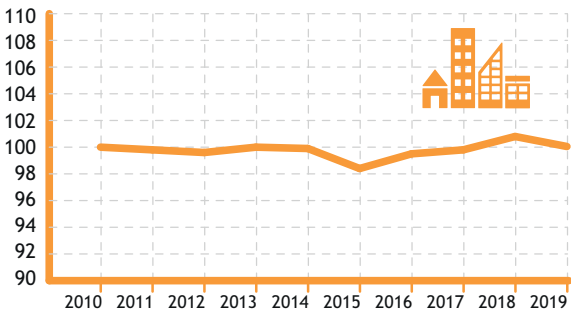
GOAL 10

Reduce inequality within and among countries



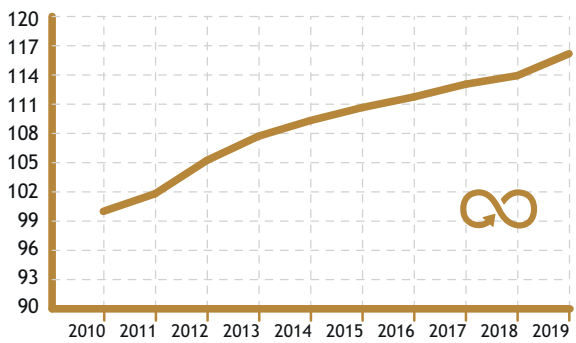
GOAL 11

Make cities and human settlements inclusive, safe, resilient and sustainable



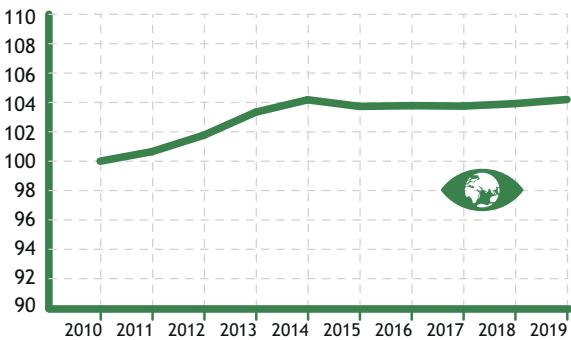
GOAL 12

Ensure sustainable production and consumption patterns



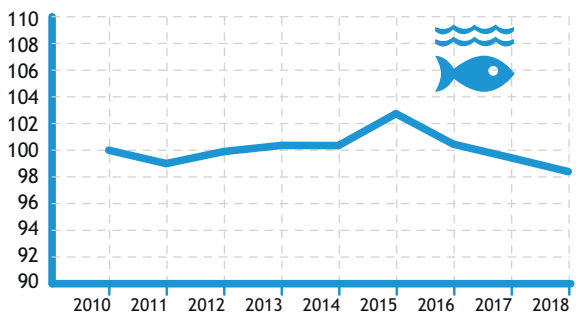
GOAL 13

Take urgent action to combat climate change and its impacts



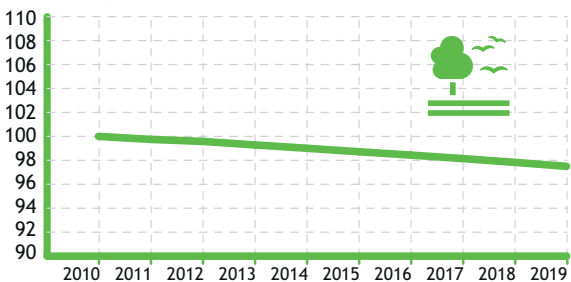
GOAL 14

Conserve and sustainably use the oceans, seas and marine resources



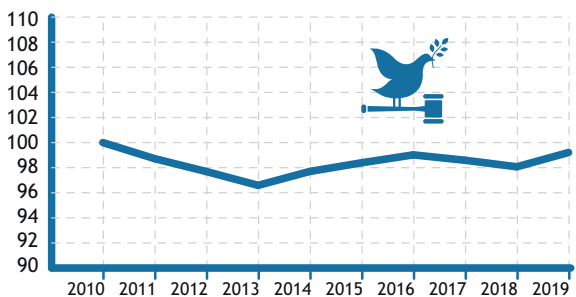
GOAL 15

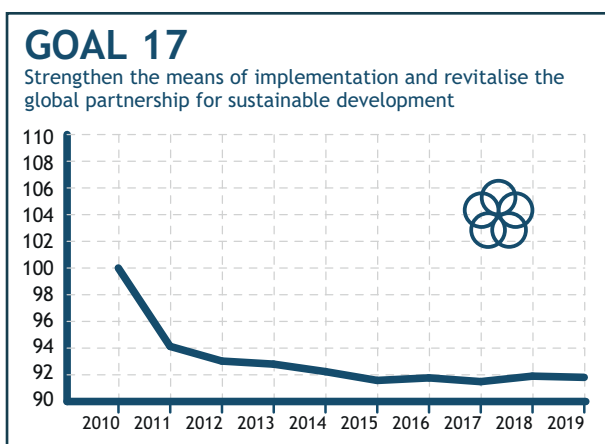
Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss



GOAL 16

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels





GOAL 5 - GENDER EQUALITY

Achieve gender equality and empower all women and girls

The composite indicator shows a sharp up-trend until 2015. After falling back slightly in 2016, the indicator rises again, but with a much less marked trend. The composite indicator's good performance is bolstered by increases in the share of women on the boards of directors of listed companies and decision-making bodies, and in the female employment rate. The only indicators that go against the trend are those relating to the enrolment rate of women for scientific and technical university courses (showing that women are less and less likely to opt for scientific university courses compared to men), and the involuntary part-time rate, which has risen significantly for women.

As regards 2020, according to the latest data published by ISTAT, the female employment rate in the second quarter of 2020 fell by 2.2 percentage points compared to the same period in 2019, against the decrease of 1.6 percentage points registered for men, highlighting how the crisis is disadvantaging women in the world of work. **On the basis of the available data, it is deemed that the crisis will worsen gender inequalities in 2020.**

GOAL 6 - CLEAN WATER AND SANITATION

Ensure access to water and sanitation for all

Between 2010 and 2014, the composite indicator shows a fluctuating trend, with a deterioration from 2015 to 2017 and a subsequent stabilisation. The deterioration derives from an increase in the Water Exploitation Index (which compares water abstractions for all uses to available water resources), which more than doubled in seven years (from 6.7% in 2010 to 15.7% in 2017). The increase in the Water Exploitation Index is influenced by the impact of droughts, which at the same time cause an increase in extractions in certain sectors (e.g. for irrigation) and reduced availability in water bodies. This trend, combined with the low efficiency of the national water system, poses a serious threat to the sustainability of our country's water resources, especially in the regions of southern Italy.

GOAL 7 - AFFORDABLE AND CLEAN ENERGY

Ensure access to affordable, reliable, sustainable and modern energy for all

The composite indicator shows an overall up-trend between 2010 and 2019, thanks to improvements in the share of energy from renewable sources in gross final energy consumption and the ratio of gross final energy consumption to value added. In the last three years, the indicator has shown a largely stable trend, due a lack of growth in the share of energy from renewable sources. Nevertheless, Italy should exceed the target set by the Europe 2020 strategy for energy from renewable sources, which in 2019 stands at 18.1%, in line with the target of 17%.

In 2020, forecasts from the International Energy Agency for countries such as Italy that have undergone a sharp reduction in economic activities project a steep fall in energy consumption and an increase in the share of energy from renewable sources, the only energy sector that has not been affected by the current crisis. On the other hand, the drastic reduction in GDP will lead to a deterioration in the ratio of gross final energy consumption to

value added. Therefore, the assertion in the May Report that it is impossible to assess the effects of the crisis on this Goal for 2020 has been confirmed.

GOAL 8 - DECENT WORK AND ECONOMIC GROWTH

Promote sustained, inclusive and sustainable growth, full and productive employment and decent work for all access to affordable, reliable, sustainable and modern energy for all

In the last ten years, this composite indicator has been strongly influenced by the economic cycle. Therefore, it deteriorated until 2014 due to the poor performance of gross fixed capital formation as a percentage of GDP and increases in the share of involuntary part-time work and in the share of youth not in employment, education or training (NEETs), which is the highest among EU countries. The next five years saw a slow recovery, driven by an improvement in all the variables analysed, including increases in employment and disposable income. The only indicator that goes against the trend is the share of involuntary part-time work in total employment, which rose throughout the period observed (from 7.3% in 2010 to 12.2% in 2019). In 2019, Italy registered an employment rate of 63.5%, still very far from the target of the Europe 2020 strategy (67%).

Due to the health crisis, the second quarter of 2020 saw dramatic declines in GDP (down 17.7%), disposable income, the number of hours worked (down 20%) and employment (down 1.9 percentage points) compared to the same quarter of 2019. On the other hand, compared to the previous quarter an increase of 1.5% in employment income per capita was registered (up 2% on the second quarter of 2019), reflecting rises of 1.4% in services, 2.4% in industry in the narrower sense of the term, and 6.5% in employment. Agriculture, on the other hand, fell 0.7%.

According to the European Commission's forecasts, in the absence of a second wave of infections and further containment measures such as those undertaken in March and April, economic activity should pick up again in the third quarter

of 2020. Industry will benefit from a more rapid recovery than other sectors, such as services and technology. A robust rally is expected in 2021, with annual GDP growth of 6%, but GDP will not swiftly return to 2019 levels. According to the Bank of Italy, if a second lockdown does not occur, the contraction should stand at 9.5%, followed by two years of recovery (4.8% in 2021 and 2.4% in 2022), so that by the end of 2022 GDP would still be 2% lower than in the fourth quarter of 2019.

In terms of employment, youth and women will be the hardest hit groups, partly due to the widespread precarious nature of existing contracts, but also because of the concentration of employees from these two groups in some of the sectors most affected by the pandemic, such as catering and hospitality and the retail trade.

In conclusion, the crisis will have an extremely negative impact on this Goal, one of the most seriously affected in 2020, including in the medium term.

GOAL 9 - INDUSTRY, INNOVATION AND INFRASTRUCTURE

Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

Between 2010 and 2019, most of the elementary indicators improved significantly. In particular, the indicators relating to broadband penetration among households, the number of researchers per 10,000 inhabitants and production specialisation in high-tech sectors increased. The share of GDP allocated to research and development also rose, reaching 1.37% in 2019, which is still well below the target set by the Europe 2020 strategy (3%) and the European average (2.12%). However, in 2019, the composite indicator trend reversed, mainly due to a sharp reduction in the share of workers and students using public transport (18%, the lowest value in the entire historical series).

2020 saw a deterioration in the intensity of CO₂ emissions compared to value added. Despite the scarcity of data for the current year, **the negative impact of the crisis on this Goal can be confirmed.**

GOAL 10 - REDUCED INEQUALITY

Reduce inequality within and among countries

In the three-year period 2012-2015, the composite indicator shows a downtrend, due to a rise in the disposable income inequality index (which in 2015 reached the highest level observed in the historical series), and a widening gap between the youth employment rate and the total employment rate. In the last four years, the composite indicator has been stable, due to the effects of a deterioration in the share of residence permits issued as a percentage of the total number of non-EU residents, offset by an improvement in the disposable income inequality index.

In 2020, the crisis is widening social inequalities. During the lockdown, workers from “locked-down” sectors show average wage levels that are significantly lower than workers employed in “essential” sectors, due to instability and work inactivity affecting the former sectors. Moreover, signs of growing inequalities are highlighted in the second quarter of 2020 by decreases in the employment rates of young people between 15 and 34 years of age (down 3.2 percentage points) and of foreigners (down 5.5 percentage points), compared to the total employment rate (down 1.9 percentage points).

In addition, according to Prometeia, the crisis affects the various economic sectors and social groups asymmetrically, thereby increasing social inequalities. The main differences are attributable to:

- **sector of activity:** Tourism and entertainment are the hardest-hit sectors, with falls in revenue that could exceed 30% in 2020, compared to other sectors that may see an increase in their value added. Similar differences may be found in the industrial sector, where some sectors (automotive, textiles and clothing) are harder hit than others (pharmaceuticals and food);
- **professional status:** Employees on permanent contracts have been “protected” via income support measures and the freeze of redundancies. Self-employed people have suffered serious consequences, which have been only minimally mitigated by income support measures. Overall, women and

youth are the groups most affected by the crisis;

- **income level:** Many people working in the sectors most at risk (tourism and services) also receive a lower income on average than workers in industry. In addition, millions of people, including illegal workers, have completely lost their income during the lockdown;
- **type of enterprise:** The soundest companies driven by international demand have been able to hedge falling revenues with financial instruments, while the more vulnerable (usually smaller) companies have faced enormous difficulties;
- **location:** The distribution of companies across the country and differing levels of sectoral concentration have affected local areas in different ways, not only in terms of their location in northern, central or southern regions, but also in terms of whether they are located in cities or inner areas.

Consequently, **the crisis will lead to a sharp rise in inequalities in 2020, and have an extremely negative impact on this Goal, presumably also in the medium term.**

GOAL 11 - SUSTAINABLE CITIES AND COMMUNITIES

Make cities and human settlements inclusive, safe, resilient and sustainable

The composite indicator shows a decline in 2015 due to an increase in PM10 pollution, which in the following three years, however, fell back significantly. This led to an improvement in the composite indicator until 2018, the year in which for the first time Italy met the European target for the number of days in which PM10 limits are exceeded (31.4 days compared to a target of 35). However, it should be noted that over the period of time under review the public transport offering decreased by 8.7%. In 2019, the decline in the composite indicator reflects an increase in illegal construction (up 5.5% between 2010 and 2019), overcrowded housing (up 18.6%) and greater use of private vehicles for commuting.

In 2020, as a result of reduced travel, air quality in cities improved considerably, but the health

emergency reduced the use of public transport. These two contrasting phenomena confirm **the difficulties in assessing the direction the Goal will take in 2020.**

GOAL 12 - RESPONSIBLE CONSUMPTION AND PRODUCTION

Ensure sustainable consumption and production patterns

For this Goal, the composite indicator rose substantially between 2010 and 2019, thanks to an improvement in all the elementary indicators. In particular, the material circularity indicator and the percentage of recycled waste, which with a value of 49.8% is close to the European target for 2020 (50%), made significant progress. In addition, domestic material consumption per unit of GDP is constantly falling (down 27.5% on 2010).

In 2020, due to the sharp fall in GDP, the production of urban waste is decreasing, **which will lead to an improvement in the indicator relating to this Goal.**

GOAL 13 - CLIMATE ACTION

Take urgent action to combat climate change and its impacts

The headline indicator (tonnes of CO₂ equivalent per capita) improves until 2014 and then, as the economy recovers slightly, flatlines over the next five years. This trend shows that Italy has accumulated a major delay in its fight against the climate crisis. While Italy is expected to reach this year's target of a 20% reduction (compared to 1990 levels) in climate-altering gas emissions set by the Europe 2020 strategy, the current rate of reduction is not in line with the 2050 decarbonisation target. In order to achieve this result, the current rate of reduction of CO₂ emissions needs to be more than tripled.

Due to the interruption of some production activities during the lockdown and the economic recession, 2020 has seen a sharp drop in CO₂ emissions (down 7.5% according to ISPRA estimates), which should **lead to an improvement of the indicator in the average for the year.**

GOAL 14 - LIFE BELOW WATER

Conserve and sustainably use the oceans, seas and marine resources

Over the last decade the composite indicator has shown a fluctuating trend. It improves until 2015, thanks to the significant expansion of marine protected areas, and then deteriorates significantly in the last three years, due to increased fishing activity and overfishing (90.7% compared to a European average of 38.2%). This situation is partly determined by a decrease in fishing effort (calculated as the product of boat tonnage and fishing days, which falls around 36% compared to 2010), and an increase in catch per unit of effort (which rises more than 25% compared to 2010). Therefore, no overall recovery of the exploited resources may be noted.

GOAL 15 - LIFE ON LAND

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

The composite indicator shows a downtrend throughout the decade, caused by a sharp decline in the elementary indicators relating to land fragmentation and land cover. Both these indicators reach their lowest values in 2019 (respectively 7.1% and 35.4%) and bear witness to the process of reduction in the continuity of ecosystems, habitats and landscape units deriving from such phenomena as urban expansion and development of the infrastructure network.

GOAL 16 - PEACE, JUSTICE AND STRONG INSTITUTIONS

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

The composite indicator shows a downtrend until 2013, which then reverses thanks to an overall improvement in crime indicators, regarding both predatory crimes (robbery, theft and pickpocketing) and the number of homicides. In the decade under review, the indicators relating to the efficiency of the legal system and confidence in institutions also show uptrends. However, there was

a worrying increase in cybercrime, which rose 92% from 2010 to 2018, and a decrease in social participation (down 4.2 percentage points from 2010 to 2019).

According to data from the Ministry of the Interior, the period 1 March-10 May 2020 saw a 61% reduction in the total number of offences committed compared with the same period in 2019. In particular, robberies decreased by 63%, burglaries by 76% and homicides by 56%. Even though these data relate to the period in which the toughest restrictions were implemented, **the positive impact of the crisis on Goal 16 for 2020 can be confirmed.**

REVIEW OF THE ASVIS COMPOSITE INDICATORS

Four years on from the publication of the first Report, ASviS deemed it necessary to carry out an in-depth review of the set of indicators used to monitor the Sustainable Development Goals, and of the methodological approach with regard to the allocation of missing data and the development of the composite indicators. Thanks to the working groups operating within the Alliance and the contribution of sectoral experts, the composite indicators presented in this Report have been improved and updated. The main differences compared to the past include:

- a critical review, for each Goal, of the list of elementary indicators used to describe the various Goals;
- standardisation of the indicators used for the calculation of national and regional indicators;
- a review of the methodology used for the allocation of missing data relating to the elementary indicators used in the development of the composite indicators.

The review of the elementary indicators (which are listed in Table 2) was aimed at taking into account the new data developed by ISTAT and other bodies, and to achieve a better numerical balance between the indicators relating to the various thematic areas pertaining to each Goal. In conceptual terms, the subdivision of the Goals into homogeneous subsets was guided by the analysis of the individual Targets set out in the 2030 Agenda. The indicators were also selected on the basis of the principles of timeliness, prudence and sensitivity, which, with the exception of certain specific circumstances, were reconciled with the need to use indicators that included a degree of regional local detail and a broad historical series.

The decision to standardise the sets of indicators used at national and regional level - in the few cases where it was deemed indispensable to use an indicator that only applies at national level - has necessitated the introduction of certain expedients that still allow use of the AMPI methodology. For example, regarding the indicators for which only the national historical series are available, the definition of minimum and maximum regional values has been based on values observed at European level.

Regarding the estimation of missing data, a rigorous procedure has been defined, which covers all possible cases (indicators not available for all years, whether relating to the most distant or interim years, lack of data for the last year(s), lack of data for some regions or unavailability of national data when regional data is available, etc.).








GOAL 17 - PARTNERSHIPS FOR THE GOALS










Revitalize the global partnership for sustainable development

The composite indicator deteriorates until 2015 due to rising public debt and declining imports from developing countries. In 2019, the share of Official Development Assistance (ODA) in gross national income stood at 0.24% of GNI, which still falls far short of the international target (0.7%).

2020 will see an extraordinary increase in the public debt-to GDP-ratio, which, according to Eurostat, already stood at 137.6% at the end of the first four months of the year. The new indicators used for this Goal, which incorporate ODA (the only one used until last year), **determine the change with respect to the opinion expressed in May regarding the effects of the crisis on this Goal, which we now deem to be decidedly negative.**

Table 2 - Elementary statistical indicators used to calculate the composite indicators for Italy and their polarity (a “+” sign indicates that an increase in the elementary indicator contributes to the growth of the composite indicator, and a “-” sign indicates a negative contribution to its performance)

Indicator	Polarity
GOAL 1 	
Absolute poverty rate	-
Relative household poverty rate	-
Low employment intensity	-
Serious material deprivation	-
People living in housing with structural problems or damp	-
GOAL 2 	
Overweight or obese adults (over 18 years of age)	-
Adequate nutrition	+
Production per work unit on farms	+
Gross operating margin on small enterprises' work units	+
Gross saleable production on the utilised agricultural area of farms	+
Fertilizers distributed in agriculture	-
Plant protection products distributed in agriculture	-
Share of the utilised agricultural area allocated to organic crops	+
Number of adult cattle on the utilised agricultural areas of farms	-
GOAL 3 	
Infant mortality rate	-
Standardised mortality rate for the leading causes of death between 30 and 69 years of age	-
Injury rate for road accidents	-
Life expectancy at birth	+
People aged 14 and over presenting at least one risky alcohol consumption behaviour	-
People aged 14 and over who say they currently smoke	-
People aged 14 and over who do not engage in any physical activity	-
Influenza vaccination coverage for the over-65s	+
Number of doctors, nurses and midwives per 10,000 inhabitants	+
Number of inpatient beds in acute-care hospitals per 1,000 inhabitants	+
Number of beds in residential social welfare and social healthcare facilities per 10,000 inhabitants	+
GOAL 4 	
People aged 25-64 who have participated in education and training activities in the previous four weeks	+
Early leaving from education and training	-
Participation rate in educational activities (kindergarten and first year of primary school) of 5-year-olds	+
Pupils with disabilities in lower secondary schools	+
Cultural participation	+
People aged 25-64 who have completed at least secondary school (high school)	+
People aged 30-34 years who have obtained a university degree	+
15-year-old students who have not attained basic reading skills	-
15-year-old students who have not attained basic mathematical skills	-
GOAL 5 	
Women in decision-making bodies	+
Women and political representation at local level	+
Feminisation rate for life expectancy at birth	+
Feminisation rate for STEM university course enrolments	+
Ratio between employment rates (25-49 years) of women with pre-school-age children and women without children	+
Feminisation rate of employees' average annual salaries	+
Feminisation rate of the employment rate (20-64)	+
Feminisation rate of involuntary part-time work	-
Women members of boards of directors	+
GOAL 6 	
Households wary about drinking water from their taps	-
Households complaining about water supply anomalies	-
Wastewater treatment	+
Efficiency of drinking water distribution networks	+
Water Exploitation Index	-
GOAL 7 	
Share of energy from renewable sources in gross final energy consumption	+
Gross final energy consumption as a percentage of value added	-

GOAL 8 	
GDP per capita	+
GDP per work unit	+
Disposable income per capita	+
Gross fixed capital formation as a percentage of GDP	+
Employment rate (20-64)	+
NEETs (15-29)	-
Non-participation in the labour market	-
Fatal accident and permanent incapacity rate	-
Share of involuntary part-time work in the total number of employees	-
Share of illegal workers	-
GOAL 9 	
Households with a fixed and/or mobile broadband connection	+
Use of public transport by workers, students, schoolchildren and public transport users	+
Share of rail transport in total freight transport	+
Loans to non-financial companies and productive households as a percentage of GDP	+
Intensity of CO2 emissions as a percentage of value added	-
Companies with innovative product and/or process activities	+
Research intensity	+
Researchers (full-time equivalents)	+
Production specialisation in high-tech sectors	+
GOAL 10 	
Share of income received by the poorest 40% of the population	+
Disposable income inequality index	-
Risk of poverty	-
Ratio between the youth employment rate (15-29) and the employment rate (15-64)	+
Inter-regional hospital patient mobility	-
Mobility of Italian graduates	-
Number of residence permits issued as a percentage of the total number of non-EU residents	+
GOAL 11 	
Illegal construction index	-
Urban green spaces as a percentage of total urbanised areas in cities	+
Exceedances of daily PM10 limit value in provincial capitals	-
Available seat kilometres offered by local public transport	+
People who usually commute only by private vehicle	-
People living in overcrowded housing	-
Children who have benefited from municipal childcare services	+
Difficulty in accessing certain services	-
GOAL 12 	
Domestic material consumption per unit of GDP	-
Material circularity	+
Recycling rate	+
Municipal waste sent to landfill as a percentage of total municipal waste collected	-
Separate collection of municipal waste	+
Production of municipal waste per capita	-
GOAL 13 	
Total greenhouse gases according to the National Emissions Inventory (UNFCCC) per capita	-
GOAL 15 	
Land cover index	-
Land fragmentation index	-
GOAL 16 	
Victims of voluntary homicides committed	-
Predatory crime rate	-
Cybercrime	-
Prisoners awaiting first judgment as a percentage of the total number of inmates	-
Duration of civil proceedings	-
Overcrowding in prisons	-
Social participation	+
Confidence in institutions index	+
GOAL 17 	
Official Development Assistance as a percentage of GDP	+
Imports from developing countries	+
Public debt-to-GDP ratio	-
Share of environmental taxes as a percentage of total tax revenue	+

3.2 A race against time: the 2030 Agenda Targets to be reached by 2020

Just a few months ahead of the deadline for reaching 21 of the 169 Targets set by the 2030 Agenda, Italy is still a long way from achieving the values defined at international level or the ones prevailing in the main European countries. This is not at all surprising given that, despite the pressure exerted by ASviS, none of the successive governments since September 2015 (Renzi, Gentiloni, Conte I, Conte II) has ever made any definite commitments to ensure achievement of the Targets, even though some of them are particularly important for Italy. These include: reducing the number of young people not in education or employment; drawing up systematic plans to increase youth employment; halving the number of deaths and injuries caused by road accidents; the preparation of plans by cities to deal with environmental and other emergencies; the protection, restoration and sustainable use of marine and terrestrial ecosystems, including ensuring water supplies; and the availability of broadband networks for households and businesses. Moreover, despite ISTAT's commitment to measure the SDGs, some of the Targets lack the necessary data for monitoring the ongoing state of our country. **In other words, regarding many issues Italy has lost five out of the five years available for implementation of the 2030 Agenda, mainly due to the scant attention paid to these issues by the ruling class - not only politicians - and public opinion.**

The following Targets reach their deadlines in 2020:

- 2.5 - By 2020, maintain the genetic diversity of seeds, cultivated plants and farmed and domesticated animals and their related wild species, including through soundly managed and diversified seed and plant banks at the national, regional and international levels, and promote access to and fair and equitable sharing of benefits arising from the utilization of genetic resources and associated traditional knowledge, as internationally agreed.
- 3.6 - By 2020, halve the number of global deaths and injuries from road traffic accidents.
- 4.b - By 2020, substantially expand globally the number of scholarships available to developing countries, in particular least developed countries, small island developing States and African countries, for enrolment in higher education, including vocational training and information and communications technology, technical, engineering and scientific programmes, in developed countries and other developing countries.
- 6.6 - By 2020, protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes.
- 8.6 - By 2020, substantially reduce the proportion of youth not in employment, education or training.
- 8.b - By 2020, develop and operationalize a global strategy for youth employment and implement the Global Jobs Pact of the International Labour Organization.
- 9.c - Significantly increase access to information and communications technology and strive to provide universal and affordable access to the Internet in least developed countries by 2020.
- 11.b - By 2020, substantially increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters, and develop and implement, in line with the Sendai Framework for Disaster Risk Reduction 2015-2030, holistic disaster risk management at all levels.
- 12.4 - By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.
- 13.a - Implement the commitment undertaken by developed-country parties to the United Nations Framework Convention on Climate Change to a goal of mobilizing jointly \$100 billion annually by 2020 from all sources to address the needs of developing countries in the context of meaningful miti-

gation actions and transparency on implementation and fully operationalize the Green Climate Fund through its capitalization as soon as possible.

- 14.2 - By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans.
- 14.4 - By 2020, effectively regulate harvesting and end overfishing, illegal, unreported and unregulated fishing and destructive fishing practices and implement science-based management plans, in order to restore fish stocks in the shortest time feasible, at least to levels that can produce maximum sustainable yield as determined by their biological characteristics.
- 14.5 - By 2020, conserve at least 10 per cent of coastal and marine areas, consistent with national and international law and based on the best available scientific information.
- 14.6 - By 2020, prohibit certain forms of fisheries subsidies which contribute to overcapacity and overfishing, eliminate subsidies that contribute to illegal, unreported and unregulated fishing and refrain from introducing new such subsidies, recognizing that appropriate and effective special and differential treatment for developing and least developed countries should be an integral part of the World Trade Organization fisheries subsidies negotiation.
- 15.1 - By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements.
- 15.2 - By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally.
- 15.5 - Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species.
- 15.8 - By 2020, introduce measures to prevent the introduction and significantly reduce the impact of invasive alien species on land and water ecosystems and control or eradicate the priority species.
- 15.9 - By 2020, integrate ecosystem and biodiversity values into national and local planning, development processes, poverty reduction strategies and accounts.
- 17.11 - Significantly increase the exports of developing countries, in particular with a view to doubling the least developed countries' share of global exports by 2020.
- 17.18 - By 2020, enhance capacity-building support to developing countries, including for least developed countries and small island developing States, to increase significantly the availability of high-quality, timely and reliable data disaggregated by income, gender, age, race, ethnicity, migratory status, disability, geographic location and other characteristics relevant in national contexts.

The 2030 Agenda clearly identifies the values to be achieved for only three of the 21 Targets, which are shown with a red dot in the following charts:

Target	Indicator	Target for 2020	Figure for Italy (last year for which data is available)
3.6	Deaths due to road traffic accidents	2.8 per 100,000 inhabitants	5 (2019)
14.5	Marine protected areas	10%	19% (2013)
17.11	Percentage of imports from developing countries	10,2%	5,2% (2018)

Compared with the benchmark values, Italy is out of line with two of the three Targets.

For the rest of the Targets, the 2030 Agenda does not provide specific quantitative objectives to be achieved. In reality, it is up to each country to define these objectives, but the national Sustainable Development Strategy approved by the government in December 2017 does not contain any

quantitative indicators either for the 21 Targets to be met by 2020 or for the others. As a result, in order to come up with usable objectives for Italy, for the eight Targets for which it was possible to arrive at an indicator available at European level, we have chosen to base the quantitative objectives to be met by 2020 on the most recent indicators for the four best-performing European countries most similar to Italy, namely France (FR), Spain (ES), Germany (DE) and the United Kingdom (UK). These objectives are shown with a green dot in the following charts.

Target	Indicator	Target for 2020	Figure for Italy (last year for which data is available)
8.6	Percentage of young people aged 15 to 29 not in employment, education or training (NEETs)	7.6% (DE)	22.2% (2018)
8.b	Unemployment benefits (% of GDP)	3% (FR)	1.7% (2015)
9.c	Households with internet access (%)	96% (UK)	84% (2019)
13.a	Millions of US dollars contributed to the Green Climate Fund	6,730 (DE)	633 (2017)
14.4	Overfished fish stocks (%)	38% (north-eastern Atlantic)	91% (2017)
15.1	Terrestrial protected areas (% - NATURA 2000)	27% (ES)	19% (2018)
15.2	Forested areas (%)	41% (ES)	37% (2018)
17.8	Official development aid to fund statistical capacity building (\$m)	35.5% (UK)	1.7% (2018)

Compared with the identified benchmark values, Italy is out of line with five of the eight Targets.

For five of the Targets, it was not possible to identify an indicator at European level, but only at national level. It was not possible to establish

quantitative objectives for these Targets, although it was possible to analyse the indicator's performance over time.

Target	Indicator	Figure for Italy (last year for which data is available)	% change
4.b	Official development aid to fund scholarships for students from developing countries (€m)	15 (2018)	-26% (2013-2017)
6.6	Wetlands of international importance (hectares)	80,836 (2018)	+5% (2013-2018)
12.4	Percentage of hazardous waste sent for recovery out of total special hazardous waste produced (millions of tons)	4.4 (2018)	+5% (2014-2016)
15.5	Fragmentation of natural and agricultural land as a percentage of total land surface area	35.4% (2019)	+7% (2010-2017)
15.8	Spread of alien animal and plant species (number of alien species introduced per decade)	92 (2010-2017)	+250% (1950-59, 2010-2017)

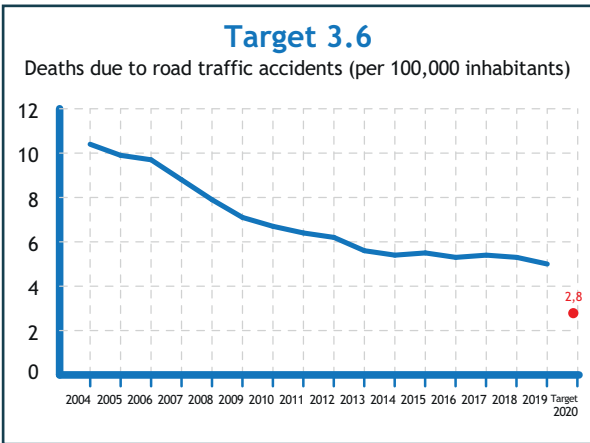
In three out of five cases, Italy is a long way from reaching the Targets, and in two cases it is moving in the wrong direction. For the remaining two Targets, Italy is in line with the quantitative objective or is clearly moving in the right direction.

For the remaining five Targets (2.5, 11.b, 14.2, 14.6 and 15.9), it was not possible to identify an indicator at either European or national level.

2020 Targets with a quantitative objective defined in the 2030 Agenda

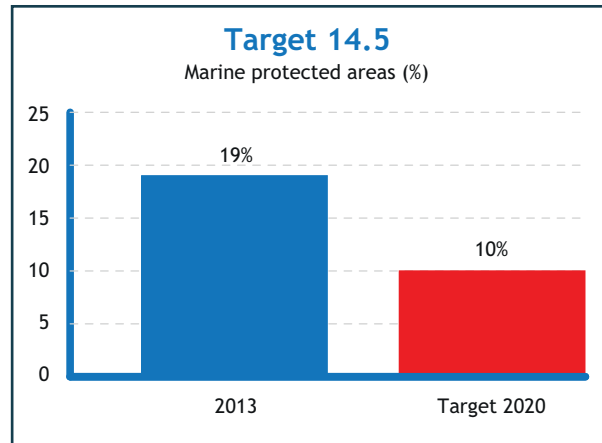
Target 3.6 - By 2020, halve the number of global deaths and injuries from road traffic accidents

Based on the latest ISTAT Report on road traffic accidents in 2019, the number of deaths fell compared to 2018 (down 4.8%), the lowest value achieved in the last decade. In the first six months of 2020, partly thanks to the effects of the lockdown, the number of deaths fell 36% compared to the same period in 2019. However, even if this trend continues for the rest of 2020, Italy will not reach the Target, as the number of victims in Italy is expected to fall by around 46% in the current year compared to 2019.



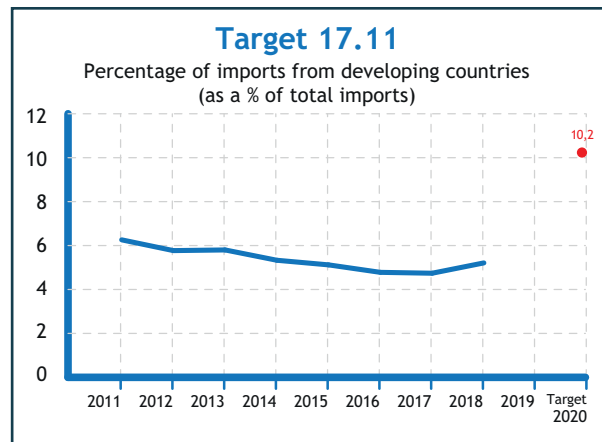
Target 14.5 - By 2020, conserve at least 10 per cent of coastal and marine areas, consistent with national and international law and based on the best available scientific information

Italy’s 6th official report on the Convention on Biological Diversity (CBD)⁴ shows that the proportion of Italian marine areas and coastlines that were protected in Italy in 2013 was 19.1%. Our country is thus well ahead of the 10% required by Target 14.5 and Aichi Target 11, on which the former was based. The overall figure includes marine protected areas and “Nature 2000” areas, but does not take into account the level of quality of the protection. To make the figures more comparable, the CBD report ought to take into account “efficiently protected areas” where there is a ban on extractive uses (so-called “no-take areas”).



Target 17.11 - Significantly increase the exports of developing countries, in particular with a view to doubling the least developed countries’ share of global exports by 2020

The figure for Italy is broadly stable between 2011 and 2018, indicating a lack of commitment to making the necessary progress and **meaning that our country is not on track to meet the related Target⁵.**

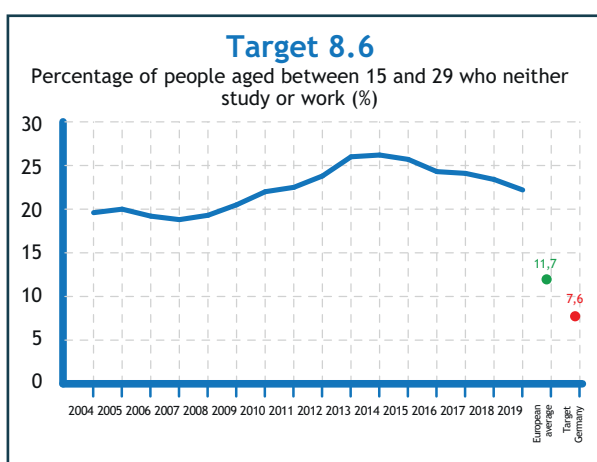


2020 Targets with a quantitative objective defined with reference to other European countries

Target 8.6 - By 2020, substantially reduce the proportion of youth not in employment, education or training

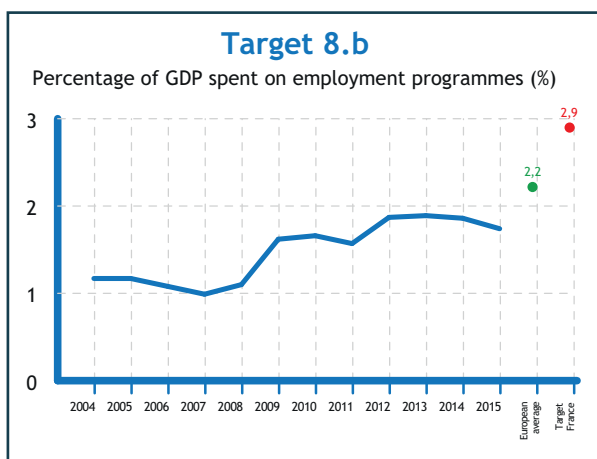
The related indicator regards the number of people aged between 15 and 29 not in employment, education or training (NEETs).

Despite the slight improvement in recent years, **the situation in Italy remains extremely concerning and it is unrealistic to expect a significant reduction in this figure**, especially given the Covid-19 crisis. Between 2013 and 2019, the percentage fell from 26% to 22.2%, but Italy remained the lowest ranked EU country, well behind Greece (17.7%), Romania (16.8%) and Bulgaria (16.7%). In 2019, there are 2 million NEETs, with southern Italy accounting for more than half of this number. If we also consider young adults aged between 30 and 34, this figure rises to approximately 2.9 million.



Target 8.b - By 2020, develop and operationalize a global strategy for youth employment and implement the Global Jobs Pact of the International Labour Organization

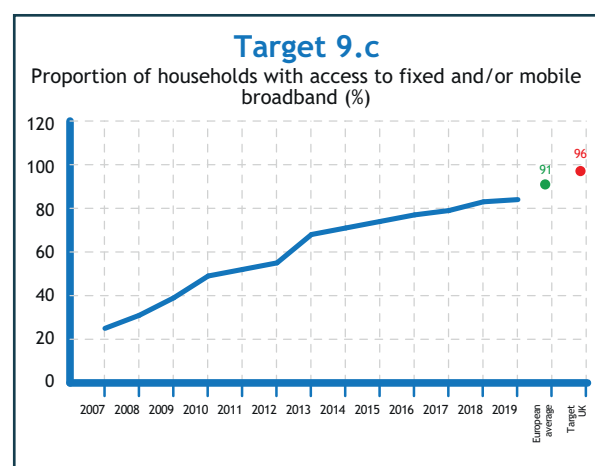
The indicator relating to this Target is the proportion of GDP spent on employment programmes. Italy has not yet reached the targets set for 2020, reporting a figure of 1.7% for 2015 (the latest year for which figures are



available). This is half a percentage point up on the figure for 2004. Italy lags well behind France (2.9%) and the average for the four countries referred to above (2.2%). Moreover, the country does not have a youth employment strategy, as proposed in the ASviS Report for 2018.

Target 9.c - Significantly increase access to information and communications technology and strive to provide universal and affordable access to the Internet in least developed countries by 2020

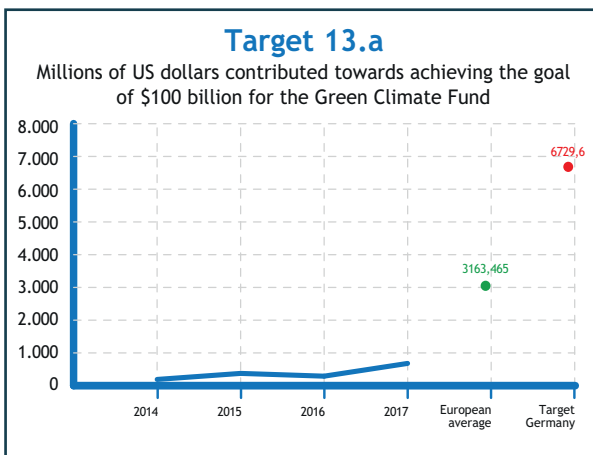
The indicator for Target 9.c, provided by Eurostat, is the proportion of households with access to fixed or mobile broadband, a figure that has risen sharply from 49% in 2010 to 84% in 2019. Should the trend of the last nine years continue in 2020, Italy would be capable of reaching the average figure of 91% for the four countries used as a benchmark, albeit still a long way behind the 94% registered by the United Kingdom in 2019.



Target 13.a - Implement the commitment undertaken by developed-country parties to the United Nations Framework Convention on Climate Change to a goal of mobilizing jointly \$100 billion annually by 2020 from all sources to address the needs of developing countries in the context of meaningful mitigation actions and transparency on implementation and fully operationalize the Green Climate Fund through its capitalization as soon as possible

To measure the progress made towards Target 13.a, we have used the indicator, provided by

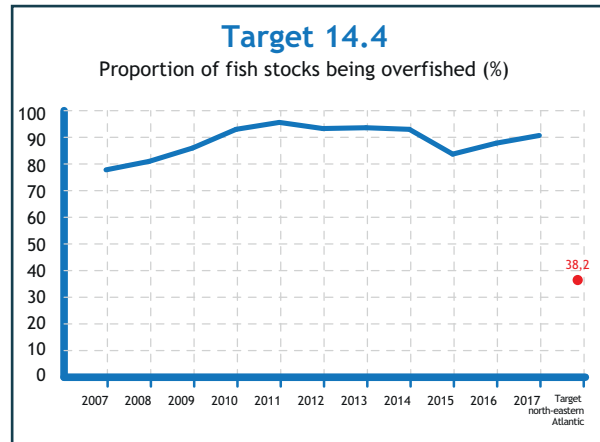
Eurostat, based on the contribution (in US dollars) towards achieving the goal of \$100 billion for the Green Climate Fund⁶. Italy contributed \$143 million in 2014, \$327 million in 2015, \$243 million in 2016 and \$633 million in 2017 (making a total of \$1.3 billion). Despite the increase seen over these three years, **Italy will fail to meet its commitments under the United Nations Framework Convention on Climate Change.** One only has to consider that Germany contributed \$6.7 billion in 2017 alone and that the average for the four countries in the benchmark was around \$3 billion.



Target 14.4 - By 2020, effectively regulate harvesting and end overfishing, illegal, unreported and unregulated fishing and destructive fishing practices and implement science-based management plans, in order to restore fish stocks in the shortest time feasible, at least to levels that can produce maximum sustainable yield as determined by their biological characteristics

According to the data presented in ISPRA’s year-book, published in February 2012, most of the fish stocks surveyed are not sustainable. Between 2007 and 2013, the percentage of overfished stocks rose from 77.8% to 93.6%, before falling back to 83.7% in 2015 and then rising again to 90.7% in 2017⁷. If the Italian figure is compared with the objective based on the north-eastern Atlantic, equal to 38%, **it is clear that Italy is lagging a long way behind at over 90%.** Not only is the figure for last year a source of concern, but also is the fact that the trend is heading in the wrong direction: the figure for the Atlantic fell from 78% in 2007 to 38% in 2017, declining by approximately 40 percentage points in

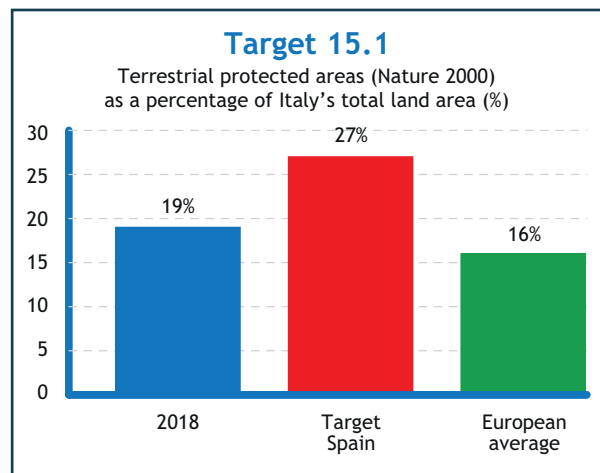
10 years, whilst the figure for Italy recorded a significant increase, equal to 13 percentage points.



Target 15.1 - By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements

Italy is a long way from reaching this Target, which has a key role to play in achieving the objectives of the Convention on Biological Diversity and the Aichi Target adopted no less than five years ago in the 2030 Agenda. Achievement of these targets was meant to be part of efforts to make biodiversity a mainstream consideration in government policymaking and in economic policies in all sectors and at all levels, beyond the percentage of areas that are protected.

Based on the indicator for these areas⁸, which should be evaluated along with the other available indicators, such as those relating to land use, urban sprawl and those that monitor imple-

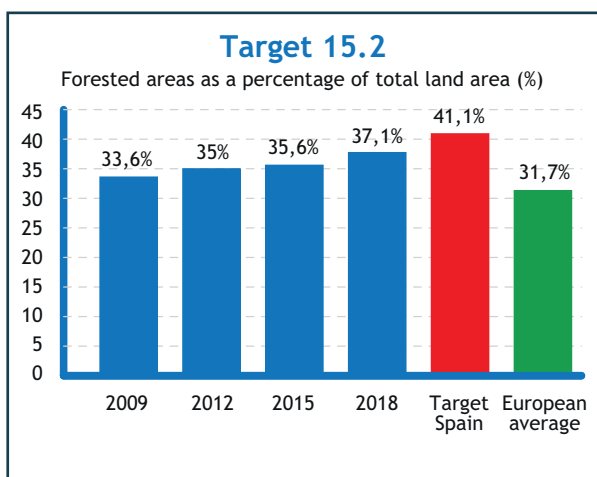


mentation of the EU’s Habitat and Birds Directives, in 2019 terrestrial protected areas made up 19% of Italy’s total land area, compared with 27% in Spain. It was, however, higher than the average of 16% for the four countries in the benchmark.

Target 15.2 - By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally

In the case of forests, the indicator calculated by the FAO shows that the surface area of the country covered by forest rose from 33.6% in 2009 to 37.1% in 2018. **This marks positive progress and is higher than the average for the four European countries in the benchmark**, although it is below the figure of 41.1% for Spain. Moreover, it is not sufficient to guarantee the ability to sustainably manage forested areas or adequate measures to prevent forest fires.

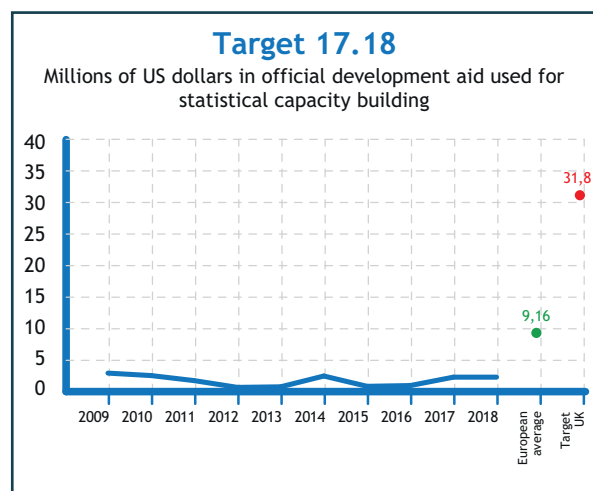
In Italy, at 31 December 2018, 819,021 hectares of land was certified under the Programme for the Endorsement of Forest Certification (PEFC) and 65,427 hectares was certified by the Forest Stewardship Council (FSC), respectively marking increases of almost 10% and 3% compared with 2017⁹.



Target 17.18 - By 2020, enhance capacity-building support to developing countries, including for least developed countries and small island developing States, to increase significantly the availability of high-quality, timely and reliable data disaggregated by income, gender, age, race, eth-

nicity, migratory status, disability, geographic location and other characteristics relevant in national contexts

The data examined comes from the OECD-DAC Creditor Reporting System in relation to how much of official development aid is spent on statistical capacity building. In Italy’s case, the figure was highly volatile between 2009 and 2017, whilst remaining at very low levels. In many instances, Italian funding for statistical capacity building is channelled through international institutions and programmes, rather than being used for projects managed directly by the Italian authorities. In absolute terms, Italy spent \$1.7 million in 2018 on statistical capacity building in developing countries, compared with the sum of \$35.5 million spent by the UK in the last year for which figures are available, and an average of \$10 million registered by the four countries in the benchmark, which is far behind the Target set for 2020.

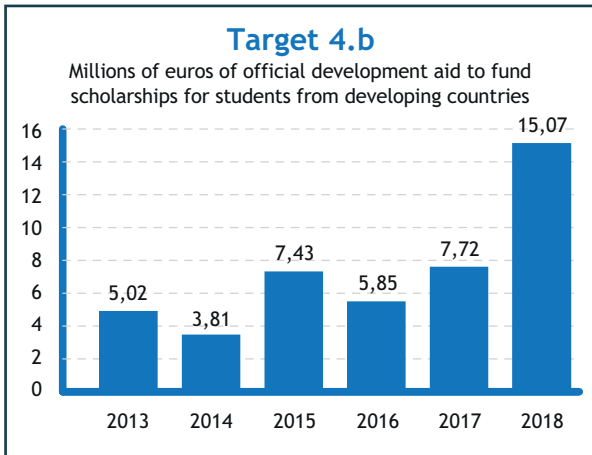


2020 Targets without a quantitative objective, for which it was possible to identify an indicator at national level

Target 4.b - By 2020, substantially expand globally the number of scholarships available to developing countries, in particular least developed countries, small island developing States and African countries, for enrolment in higher education, including vocational training and information and communications technology, technical, engineering and scientific programmes, in developed countries and other developing countries

According to figures from ISTAT, ODA to fund scholarships for students from developing coun-

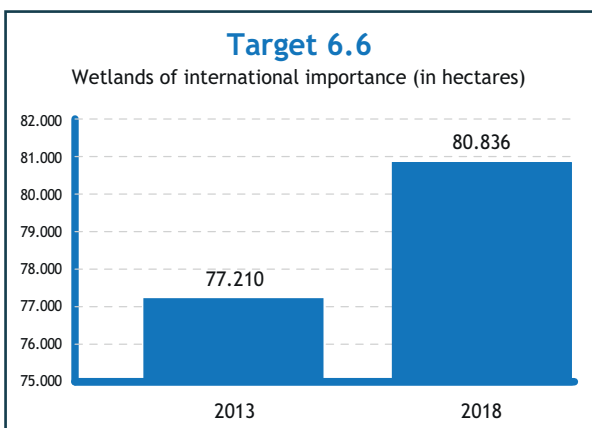
tries decreased between 2015 and 2016, and then rose over the next two years to stand at €15 million in 2018, the highest figure registered in the last five years. **If this trend is confirmed in 2020, Italy would be able to meet the Target.**



Target 6.6 - By 2020, protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes

Italy is a long way from reaching this Target, which should have already been largely achieved in 2015, in accordance with the obligations imposed by the Water Framework Directive of 2000, the aim of which was to achieve good qualitative and quantitative status of all water bodies. Moreover, the Directive envisaged the potential to set more ambitious goals for ecological status as defined in Annex V and to make efforts to “restore” aquatic ecosystems more effective.

In its Communication of 26 February 2019¹⁰ the European Commission recommended that Italy commit to making “improvements to aspects relating to measurement and standardisation of the related criteria, the planning of initiatives, the def-

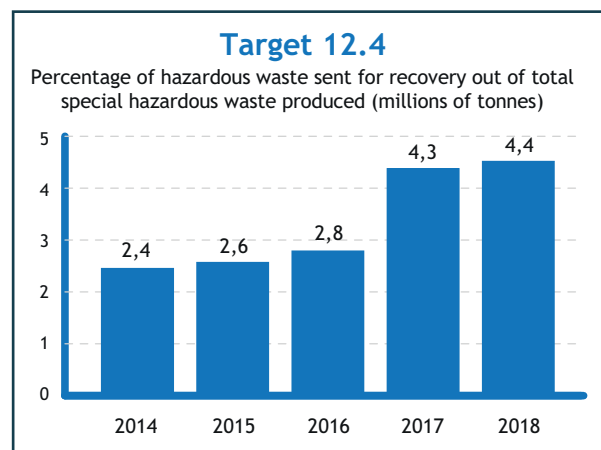


inition of financial instruments, measures to combat the illegal extraction of groundwater, the inadequacy of measures regarding the quality of waste water and drought management”.

To monitor this Target, ISPRA computes an indicator that measures the size of wetlands of international importance, which has increased from 77,000 hectares in 2013 to 81,000 in 2018.

Target 12.4 - By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment

To measure the progress made towards Target 12.4, ISPRA uses an indicator showing the “Percentage of hazardous waste sent for recovery out of total special hazardous waste produced”, which rose approximately 80% between 2014 and 2018, while the amount of special hazardous special waste sent for disposal fell 14%. These significant improvements have been achieved despite a 14% increase in the total production of special hazardous waste, which shows that Italy has made significant progress towards reaching the Target, but has not fully achieved it.

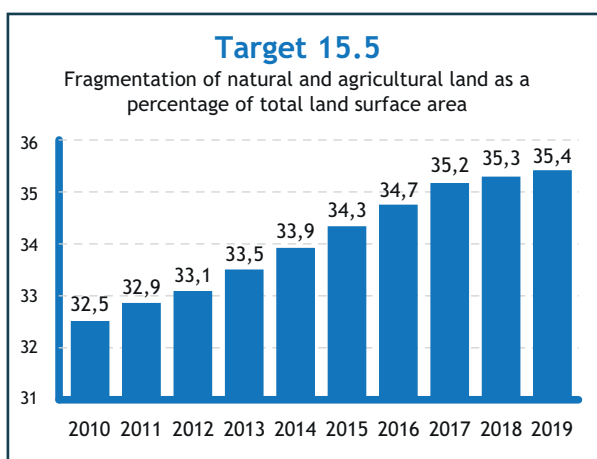


Target 15.5 - Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species

Prevention of the extinction of threatened species is achieved by halting the degradation of natural

habitats. For this reason, ISPRA uses an indicator showing the “Fragmentation of natural and agricultural land as a percentage of total land surface area”, which measures the process of reducing the continuity of ecosystems, habitats and landscape units following phenomena such as urban expansion and the development of infrastructure networks.

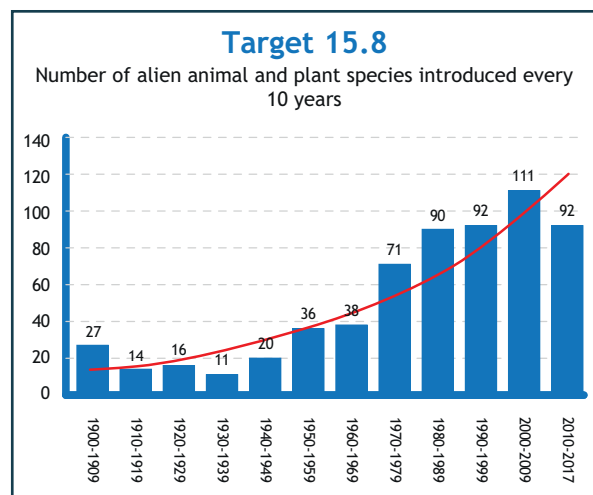
The indicator shows that, overall, around 35% of Italian territory is fragmented, with 10% very highly fragmented. The very lowest levels of fragmentation are concentrated in the Alps, whilst more than half of Apennine areas show average or high levels of fragmentation. There are no areas where fragmentation is very low in central Italy and a large part of the country’s south. The regions with the highest levels of fragmentation are Veneto, Emilia-Romagna and Lombardy¹¹. Consequently, Italy is a long way from reaching the Target, and in recent years has even moved in the wrong direction.



Target 15.8 - By 2020, introduce measures to prevent the introduction and significantly reduce the impact of invasive alien species on land and water ecosystems and control or eradicate the priority species

There is no available information to monitor or directly assess the preventive measures adopted, the need for which has been even more urgent by climate change. In terms of alien species, on the other hand, the indicator shows that the number of such species in Italy is progressively and constantly on the rise. More than 3,300 exotic species have been introduced into our country since 1900, with 3,182 currently present. Of these, 1,600 are animal species and around 1,500 are plant species

(a quarter not present on a permanent basis), in addition to fungi, bacteria and chromists. The average number of species introduced per year has risen exponentially over time, arriving at 13 species per year in the period from 2010 to 2017¹², even if it is likely that the actual figure is higher. Therefore, in this case too **Italy is a long way from reaching the Target and is moving in the wrong direction.**



Targets for which it was not possible to identify any indicator

Target 2.5 - By 2020, maintain the genetic diversity of seeds, cultivated plants and farmed and domesticated animals and their related wild species, including through soundly managed and diversified seed and plant banks at the national, regional and international levels, and promote access to and fair and equitable sharing of benefits arising from the utilization of genetic resources and associated traditional knowledge, as internationally agreed

The Target relates to the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilisation, signed by Italy in 2011 within the context of the Convention on Biological Diversity. The protocol came into effect in 2014, but Italy has still not ratified it or adopted the measures introduced at EU level in Regulation 511/2014¹³. As a result, the package of infractions published by the European Commission on 24 January 2019¹⁴ includes a request for Italy to enact legislation designating the authority responsible for implementing the Regulation.

Target 11.b - By 2020, substantially increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters, and develop and implement, in line with the Sendai Framework for Disaster Risk Reduction 2015-2030, holistic disaster risk management at all levels

An update of ASviS-Urban@it's Urban Agenda for Sustainable Development Report no. 1/2019, published on 22 July 2019, reveals that currently 4,895 municipal authorities have signed up to the Covenant of Mayors, a very high number, of which 989 have committed to presenting a Mayors Adapt and/or Mayors Pact for Climate and Energy 2015 plan¹⁵. Of the 3,296 action plans presented, 440 are from municipal authorities also committed to adaptation, though the nature of these plans has not been made clear.

The Italian situation is marked by a highly fragmented policy approach to reducing exposure to the risks associated with climate change and natural disasters. To overcome this, it is necessary to ensure coordination between the various bodies responsible for preventing and mitigating the risks associated with natural disasters: the cabinet Office's Casa Italia Department, responsible for preventing earthquake risk; the Department of Civil Protection, which is responsible for implementing the Sendai Framework for Disaster Risk Reduction 2015-2030; the Ministry for the Environment, which is tasked with the prevention of hydrogeological risk and approval of Italy's National Climate Change Adaptation Plan; and the Ministry for Economic Development, which is responsible for approval of the country's National Integrated Energy and Climate Plan¹⁶.

Target 14.2 - By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans

In requiring the achievement of Good Environmental Status (GES) for all marine waters by 2020, the existing legislation (see Framework Directive 2008/56/EC regarding a strategy for the marine environment, as implemented by Legislative Decree 190/2010) is aligned with both the content

of and the deadline for Target 14.2. Italy has, however, fallen behind with respect to its practical application, leading the European Commission, following its latest assessment of progress in implementing the Marine Strategy¹⁷ (July 2018), to request the country to “address the lack of data about the status of its marine environments and better define the related methods”¹⁸.

Target 14.6 - By 2020, prohibit certain forms of fisheries subsidies which contribute to overcapacity and overfishing, eliminate subsidies that contribute to illegal, unreported and unregulated fishing and refrain from introducing new such subsidies, recognizing that appropriate and effective special and differential treatment for developing and least developed countries should be an integral part of the World Trade Organization fisheries subsidies negotiation

The latest edition of the “Catalogue of environmental subsidies” (relating to 2018¹⁹) classifies the following as environmental subsidies that are harmful for fisheries:

- in terms of indirect subsidies, the reduction of the IRPEF and IRES income tax base for fishing companies, amounting to €7.5 million in 2017 and estimated at €6.1 million in 2018;
- in terms of direct subsidies, the recent introduction (not yet quantified in financial terms) of daily compensation payable to workers employed by sea fishing businesses during periods when they are banned from fishing and extension of the guarantees for loans to fishing and fish farm businesses.

Target 15.9 - By 2020, integrate ecosystem and biodiversity values into national and local planning, development processes, poverty reduction strategies and accounts

The Target requires the production of ex-ante and ex-post assessments of territorial planning initiatives and development strategies, which are to include aspects of a non-financial nature. The measure applies at national level and to regional authorities, metropolitan cities and provincial and municipal authorities.

To achieve Target 15.9, it is necessary to adopt a new legislative instrument combining financial and territorial planning tools, strengthening the content of the Environmental Impact Assessments

and Strategic Environmental Assessments required by Legislative Decree 152/2006. The legislative instrument should then include guidelines relating to the relevant methods, indicators, databases and measurement and monitoring processes, thereby providing the various authorities with standardised criteria and ensuring that data can be shared and exchanged and that there is vertical and horizontal cooperation between the different levels of government.

3.3 Government initiatives: an overview

Over the last year, ASviS has continuously monitored the regulatory interventions that have been implemented via ordinary measures, such as the Budget Law, and extraordinary measures, such as the “Climate” (*Clima*) Decree and the Law Decrees adopted to tackle the crisis brought about by the pandemic. While “The 2020 Budget Law and Sustainable Development” Report, published on 26 February, contains a detailed analysis of the Italian Budget Law in the light of the 17 SDGs, when the “Cure Italy”, “Liquidity” and “Restart” (the *Cura Italia*, *Liquidità* and *Rilancio*) Law Decrees were adopted, the individual interventions were analysed in this interpretative light, and also using a policy classification scheme developed by the Joint Research Centre (JRC) of the European Commission, based on whether policies prevent future shocks, prepare for and protect against them, and promote and transform the socio-economic system.

Before analysing the impact of the legislation on the individual Goals, we will summarise, in chronological order, the main measures adopted by the Government in the last twelve months:

- **Clima Decree:** in October 2019 the Government presented Law Decree 111/2019, which was substantially amended by Parliament in December. The Decree contains a provision regarding the future approval of a national strategic programme to combat climate change and improve air quality, and certain primarily experimental provisions relating to sustainable transport, urban reforestation, environmental economic zones, reclamation, and reduction of the use of plastics, especially in retail trade. Of particular importance since 1 January 2021, has been the change of the name of the CIPE, the Interministerial Committee for Economic Planning, to the CIPESS, the Interministerial Committee for Economic Planning and Sustainable Development, which reflects a recommendation made by ASviS from the Committee’s inception.
- **2020 Budget Law:** with this legislation, the Government has made a clear break with the past, significantly shifting its approach towards sustainable development in line with its policy guidelines and those defined at EU level. While



most of the provisions regarded the cancellation of safeguard provisions and the related increase in VAT, thus avoiding a sharp rise in the tax burden, which would also have had negative effects on inequalities, many provisions are specifically aimed at sustainable development (thus implementing various ASviS recommendations): including a link between Industry 4.0 incentives and those for the circular economy, the launch of an Italian Green New Deal, commitments to sustainable mobility and innovation, the fight against gender inequality and focusing attention on housing and suburban problems. At the same time, the Budget Law had some shortcomings, as reported by the Alliance, for instance concerning biodiversity protection, and issues of insufficient allocation of resources in such areas as education, development cooperation and youth employment, especially taking into account the 21 Targets with deadlines in 2020.

- **FSW Report:** in line with this shift in approach, in February 2020 the Government presented the third Report to Parliament on the performance of the Fair and Sustainable Wellbeing (FSW) indicators for the three-year period 2020-2022, in the light of the Budget Law approved in December. The 2020 Report is far more comprehensive and goes into greater depth than the previous ones. For example, a framework is presented that links the main measures contained in the Budget Law to the various dimensions of the FSWs, in accordance with a similar methodology used by ASviS with regard to the SDGs;
- **Southern Italy 2030 Plan:** this important strategic programme for the revival of southern Italy is based on the use of 2014-2020 European programme funds that have yet to be earmarked. The plan contains several proposals, which are also presented using the SDGs and related 2030 Agenda Targets as a benchmark;
- **Cura Italia Decree:** the first Decree approved just a few days after the widespread outbreak of the pandemic was published in the Official Gazette on 17 March 2020 (Law Decree 18/2020, converted into Law 27/2020), and focused on measures to protect Italy from the most immediate effects of the crisis. Most of the provisions contained in the Decree regarded strengthening of the healthcare system

and the protection of businesses and workers most affected by the lockdown and at greater risk of infection. In particular, the Decree includes provisions regarding income and employment support, welfare and social safety nets, liquidity for households and businesses, suspension and postponement of taxation, incentives for production activities, simplification, recruitment and investment in the public sector.

- **Liquidità Decree:** in this Law Decree, published in the Official Gazette on 28 April 2020 (Law Decree 23/2020, converted into Law 40/2020), the Government's attention was focused on financial support to businesses and workers. In particular, important measures were introduced to enable companies to access credit until the end of the year, amounting to €200 billion provided by SACE SpA, of which at least 15% is allocated to small companies and extension of the Guarantee Fund for SMEs, for which coverage was granted free of charge;
- **Rilancio Decree:** this is the most substantial government intervention (€55 billion), which was published in the Official Gazette on 19 May 2020 (Law Decree 34/2020, converted into Law 77/2020), The Decree refinanced many of the *Cura Italia* measures and provided for new interventions to enable households, workers and businesses to move beyond the economic crisis. In addition to further measures to strengthen the healthcare system and relating to emergency management, the interventions include: provisions to ensure liquidity and support for businesses affected by the Covid-19 emergency, with non-refundable grants, capital strengthening instruments, bonuses and tax relief; measures aimed at directly or indirectly supporting the incomes of households and workers, including the Emergency Income proposed by ASviS and ForumDD²⁰, refinancing of the redundancy fund and support for sectors less affected by previous decrees (tourism, entertainment); tax provisions, including postponement of various deadlines and the introduction of the Ecobonus and the Sismabonus;
- **Semplificazioni Decree:** Published in the Official Gazette on 16 July 2020 (Law Decree 76/2020, converted into Law 120 of 11 September 2020), this Decree is aimed at promoting the simplification and acceleration of

administrative procedures, eliminating and speeding up bureaucratic procedures, digitalising the public sector, and supporting the green economy and business activities. The Decree focuses on four areas of intervention: simplification of public contracts and construction; procedural simplification and the responsibilities of civil servants; simplification measures to support and disseminate digital administration; and simplification of business, environmental and green economy activities. Particularly positive are the interventions aimed at promoting technological innovation, including digitalisation of the public sector, dissemination of the Public Digital Identity System (SPID) and the Digital Identity Card, and the launch of the National Digital Data Platform, in order to achieve fully interoperable information systems for public authorities. Regarding Environmental Impact Assessments and simplification of the authorisation procedures for the green economy and renewable energy sources, the Decree introduces positive innovations, although there is still a risk that this may lead to an increase in corruption and abuse, with negative repercussions on important areas of the 2030 Agenda, such as land consumption and hydrogeological risks.

- **Agosto Decree:** Law Decree 104/2020, published in the Official Gazette on 14 August 2020, brought in several measures to extend the previously introduced support to the economy, focusing on the labour market, unemployment, tax deadlines and Emergency Income. Furlough payments were extended for a further 18 weeks, with contributions of 9% or 18% depending on a company's drop in turnover. The ban on redundancies was extended to include companies benefiting from the furlough scheme or the contributions holiday. Emergency Income was also extended with amendments, including a one-off payment ranging from €400 to €800 per household. Several tax deadlines were postponed to 2021, including the payment of 50% withholding tax, VAT and INPS contributions. In order to help the tourism sector, businesses forced to close were exempted from payment of the second instalment of IMU (property tax). Finally, various funds already earmarked to support economic growth have been strengthened, including the Business Recovery Fund, development contracts, the Coop Fund, technology projects of

European interest and innovation manager consultancy vouchers.

At the same time, the Government has undertaken a series of initiatives aimed at medium-term planning, including for the preparation of the National Recovery and Resilience Plan:

- **Committee of Experts on Economic and Social Issues:** On 10 April, in order to set up the so-called "Phase 2", the Prime Minister established a Committee of Experts led by Vittorio Colao and tasked with drawing up and proposing measures needed to deal with the emergency and for a gradual recovery in the various sectors of social, economic and production activities. After an initial contribution aimed at defining a methodology for the "reopening" of the various production sectors as the health emergency developed, in June the Committee submitted an extensive report to the Government entitled "Initiatives to Restart Italy 2020-2022", accompanied by 102 explanatory notes. The proposed actions are divided into six areas of intervention to create a stronger, more resilient and fairer Italy, first of all by overcoming gender inequality: businesses and employment, to act as a driving force for the economy; infrastructure and the environment to drive recovery; tourism, art and culture as a key part of Italy's branding as a country; a public sector in alliance with citizens and businesses; education, research and skills as key factors for development; and individuals and households in a more inclusive and fairer society. The proposals put forward include postponement of the settlement of the tax balance due for 2019 and of the payment on account for 2020; renewal of the derogation of temporary contracts for 2020; tax relief for tourism; the digitalisation of public services; the reshoring of high value-added businesses; greater efforts to bridge the digital divide, by strengthening the infrastructure needed to connect the entire country; and clear references to the 2030 Agenda, with particular attention paid to promoting the green economy and combating hydrogeological instability. Applying the above JRC framework, it emerges that out of the 102 explanatory notes proposed by the Committee of Experts, 47 regard promotion, 42 transformation, 7 protection, 5 preparation and 1 prevention.

- **States General of the Economy:** At the initiative of the Prime Minister, a broad consultation of national civil society (including ASviS) took place from 13 to 20 June, with a view to gathering motivations and suggestions for preparation of a plan to relaunch the economic system. As illustrated during the States General meeting, the plan will be structured around three strategies: modernisation of the country; ecological transition; and social, territorial and gender equality inclusion. These strategic guidelines will be implemented via nine courses of action: a fully digital country; a country with safe and efficient infrastructure; a greener and more sustainable country; a more competitive and resilient economic fabric; an integrated plan to support production chains; a public sector at the service of citizens and businesses; greater investment in research and training; a fairer and more inclusive Italy; and a more modern and efficient legal system.
- **Economic and Financial Document-National Reform Plan 2020:** The National Reform Plan 2020, which was not presented until 9 July due to the health crisis, contains several strategic guidelines regarding the possible content of the Recovery and Resilience Plan the Government intends to submit to the European Union in mid-October. The first part of the document sets out the steps relating to the nine courses of action, as illustrated at the States General meeting. The National Reform Plan also contains a section - which is actually quite unsatisfactory and totally detached from the content of the rest of the document - dedicated to the crossover between the priority areas of the Government's agenda and the SDGs.

Overall, the measures adopted by the Government have constituted a major effort, both at the regulatory and financial levels. However, it should be noted that scant attention has been paid to certain key issues of the 2030 Agenda, such as gender inequality and the environment. In general, the first three decrees lack references to the European Commission's new path set out in Green New Deal, which should be the way forward for achieving the SDGs.

An analysis of the various interventions based on the 17 Sustainable Development Goals shows how **political action has been mainly focused on Goal**

3 (Health), Goal 8 (Economic and employment conditions), Goal 9 (Innovation), with several measures aimed at offering healthcare/welfare support to the population, as well as supporting employment and in general the resilience of the Italian economy, and on Goal 16 (Peace, justice and strong institutions) in relation to the aspects of administrative simplification and increasing the efficiency of the public sector's activities. There is also a strong focus on Goal 11 (Sustainable cities and communities), with the aim of boosting the role of local communities as "institutions" closer to the needs of the population.

ASviS has also examined the content of the various decrees using the conceptual framework developed by the Joint Research Centre (JRC) described in Chapter 1 in order to develop and disseminate a culture of resilience to protect citizens, businesses and institutions from future systemic shocks. The framework organises public policies into five categories: "preventive" measures, aimed at reducing the incidence and scale of shocks and, if possible, avoiding them; "preparatory" measures, aimed at creating appropriate tools to strengthen resilience if a shock occurs; "protective" measures, needed to mitigate the effect of shocks and avoid potential hardships or reduction in living standards; "promotional" measures, aimed at boosting the adaptive capacity (flexibility) required for long-term or very large shocks; and "transformative" measures, aimed at transforming the system so that it is capable of dealing with future challenges.

Overall, in the five decrees analysed, 436 articles (54%) are oriented towards protection, 158 (19%) towards promotion, 98 (12%) towards transformation, 73 (9%) towards preparation and 43 (5%) towards prevention. Although this is only a quantitative analysis, it is clear that the various measures are weighted differently. The governmental decrees have prioritised immediate action to deal with the worst effects of the crisis, with only a few provisions aimed at creating "transformative resilience" in our country. Moreover, given the negative impact of the crisis on many of the SDGs, it should be pointed out **that the many emergency measures adopted up to August 2020 have above all looked towards economic and social recovery in the short term without investing in a more sustainable and resilient future for our country.**

Table 3 - Classification of the interventions provided for by the legislative measures relating to the Covid-19 emergency in accordance with the 17 Sustainable Development Goals of the 2030 Agenda (absolute values and percentages)

Measure	Sustainable Development Goals																	
	SDG1	SDG2	SDG3	SDG4	SDG5	SDG6	SDG7	SDG8	SDG9	SDG10	SDG11	SDG12	SDG13	SDG14	SDG15	SDG16	SDG17	TOTALE
“Cura Italia”	19 (9%)	4 (2%)	33 (16%)	4 (2%)	1 (0%)	0 (0%)	0 (0%)	61 (30%)	25 (12%)	19 (9%)	1 (0%)	5 (2%)	0 (0%)	1 (0%)	0 (0%)	27 (13%)	2 (1%)	202
“Liquidità”	3 (4%)	1 (1%)	10 (14%)	0 (0%)	0 (0%)	1 (1%)	1 (1%)	18 (26%)	15 (22%)	3 (4%)	1 (1%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	15 (22%)	1 (1%)	69
“Rilancio”	33 (4%)	12 (1%)	53 (6%)	20 (2%)	1 (0%)	0 (0%)	8 (1%)	153 (19%)	102 (12%)	28 (3%)	40 (5%)	15 (2%)	7 (1%)	1 (0%)	2 (0%)	72 (9%)	7 (0%)	554
“Semplificazioni”	0 (0%)	0 (0%)	1 (1%)	1 (1%)	0 (0%)	0 (0%)	6 (4%)	2 (1%)	44 (32%)	2 (1%)	7 (5%)	3 (2%)	2 (1%)	3 (2%)	8 (6%)	57 (42%)	0 (0%)	136
“Agosto”	14 (6%)	3 (1%)	11 (5%)	6 (3%)	2 (1%)	0 (0%)	3 (1%)	53 (23%)	45 (20%)	16 (7%)	26 (12%)	1 (0%)	4 (2%)	0 (0%)	1 (0%)	41 (18%)	0 (0%)	226
TOTAL	69	20	108	31	4	1	18	287	231	68	75	24	13	5	11	212	10	1,187

Figure 5 - Classification of the interventions provided for by the legislative measures relating to the Covid-19 emergency in accordance with the 17 Sustainable Development Goals of the 2030 Agenda (absolute values)

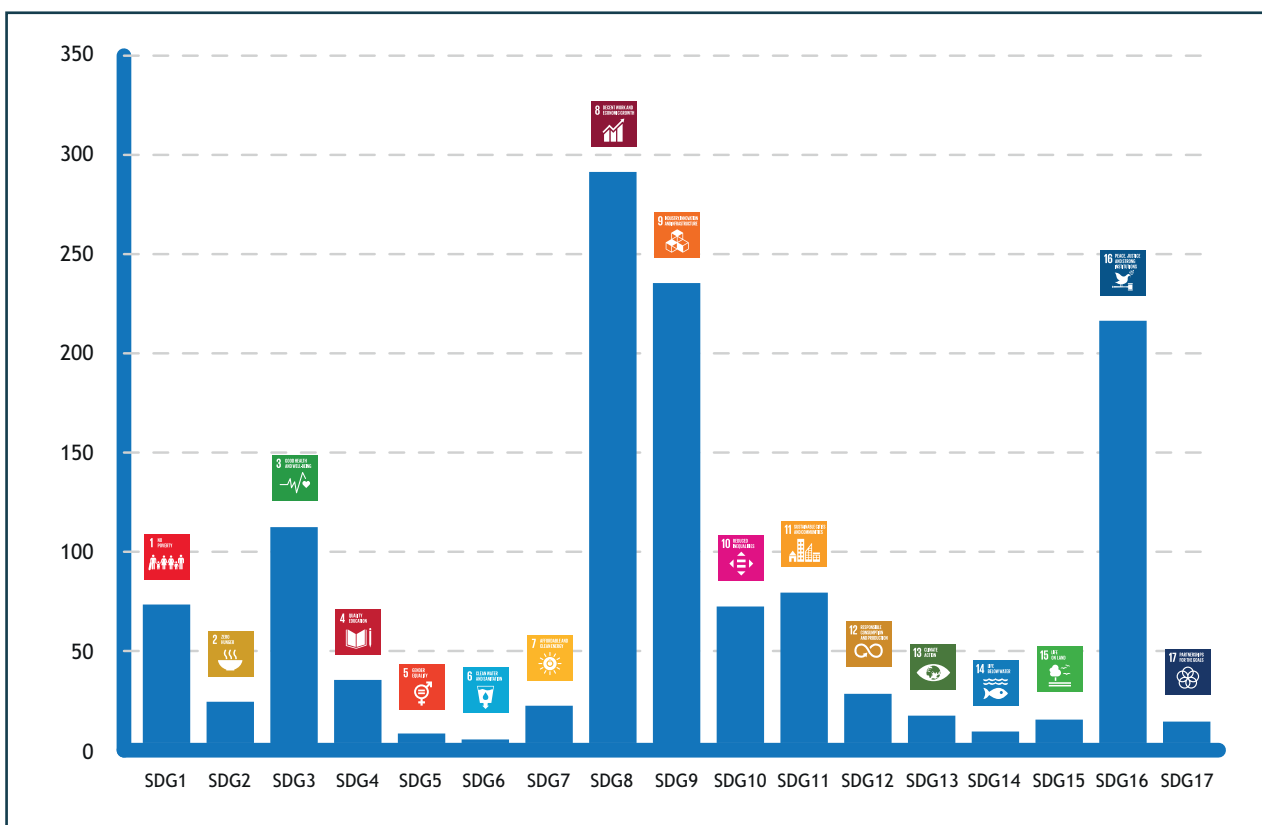
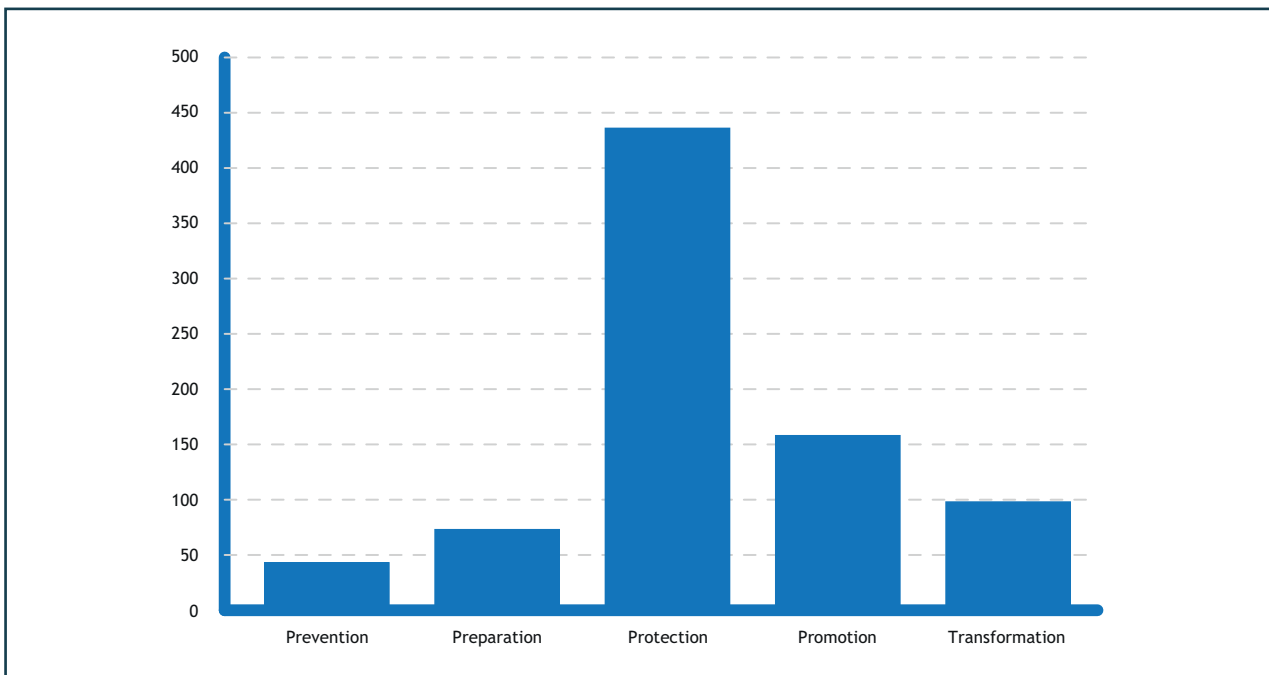


Table 4 - Classification of the interventions provided for by the legislative measures relating to the Covid-19 emergency in accordance with the “transformative resilience” categories (absolute values and percentages)

Measure	Tipo di politica					TOTAL
	Prevention	Preparation	Protection	Promotion	Transformation	
“Cura Italia”	0 (0%)	0 (0%)	119 (94%)	8 (6%)	0 (0%)	127
“Liquidità”	0 (0%)	0 (0%)	30 (73%)	8 (20%)	3 (7%)	41
“Rilancio”	21 (5%)	49 (13%)	214 (56%)	81 (21%)	20 (5%)	385
“Semplificazioni”	2 (2%)	11 (13%)	15 (17%)	15 (17%)	44 (51%)	87
“Agosto”	20 (12%)	13 (8%)	58 (35%)	46 (27%)	31 (18%)	168
TOTAL	43 (5%)	73 (9%)	436 (54%)	158 (19%)	98 (12%)	808

Figure 6 - Classification of the interventions provided for by the legislative measures relating to the Covid-19 emergency in accordance with the “transformative resilience” categories (absolute values and percentages)



3.4. Developments in legislation in relation to the various Goals

GOAL 1 - NO POVERTY

End poverty in all its forms everywhere

With regard to the reduction of poverty in all its forms (i.e. including poverty of services, housing quality, etc.), an integrated vision of the various measures implemented over the years is still lacking. In the fight against poverty, the key role is played by the substantial resources already allocated to the Citizens' Basic Income scheme via the last two Budget Laws (approximately €8 billion for 2020), which continues to be implemented. As already pointed out last year, this support, even though it has become an important element of the Italian welfare system, continues to raise several doubts with regard to its formulation and the way it is implemented. In particular, it is an intervention primarily based on income support, which cannot claim to have a profound effect on poverty, as at best it can only alleviate some aspects of it. Indeed, poverty is a multidimensional phenomenon that goes far beyond income deprivation and normally involves various spheres of life.

As it has been conceived, the Citizens' Basic Income is a measure to combat poverty and also an active labour policy. Regarding the former, its positive impact is undeniable, as it has reduced the number of households living in absolute poverty. Since the scheme became fully operational, ISTAT estimated a reduction of 148,000 households living in absolute poverty in 2019 (equivalent to 447,000 people). In particular, in southern Italy, household poverty has fallen from 10% to 8.6%, and individual poverty from 11.4% to 10.1%²¹. On the other hand, the procedures for implementing the measure are still inadequate, as it was largely left on the shelf at the outset and then abandoned with the suspension of the requisite conditions applied by the anti-crisis measures.

Since July 2020, the requisite conditions have been reactivated, albeit in the context of a structural crisis in labour demand deriving from the recession triggered by the health crisis. It is hard to imagine a swift return to normality. Above all, it is difficult to envisage that requisite conditions alone can facilitate a return to employment, tak-

ing into account the many difficulties that benefit recipients already face when looking for a job: poor qualifications, prolonged unemployment, and various forms of social and household vulnerability.

With regard to other hardships suffered within the non-monetary dimensions of poverty (housing, education, healthcare, social relations, etc.), interventions have emerged in the last year that address some highly relevant issues, such as those relating to educational poverty, child poverty, access to health services and housing. However, the positive impact of the inclusion of these measures is hampered by the limited resources made available and, above all, by the lack of an overall long-term strategy that links the various interventions in a coherent way.

The Covid-19 crisis hit a country where, in 2018, over 16 million people were classified as being at risk of poverty and social exclusion. According to Eurostat, Italy was the sixth country most at risk of poverty in Europe, affecting 27.3% of the population, which is significantly higher than the European average. ISTAT's latest annual survey regarding 2019 shows that almost 1.7 million households are estimated to be living in abject poverty in Italy, with a higher percentage for numerous and single parent households, and over 1.1 million minors living in absolute poverty. Given this situation, it is not surprising that, despite the Government's interventions, initial estimates of the impact of the pandemic and forecasts on the future evolution of poverty paint a very negative picture, with a rise in the number of people experiencing material deprivation and an overall decline in income associated with the interruption of many activities.

The Government promptly introduced substantial financial assistance for several categories, offering wage subsidies for companies that had used the redundancy fund, as well as allowances for various categories of workers, including private sector employees, workers registered under a separate social security and pension scheme, self-employed workers and professionals. Moreover, several tax and administrative deadlines that could not have been met by the majority of the population have been suspended or postponed.

The Government decrees issued in recent months have had a significant impact on Goal 1. The measures brought in by the *Cura Italia* Decree in-

clude the introduction of leave and compensation for self-employed and employed workers affected by the emergency; a voucher for the purchase of babysitting services for employees in the public and private health sector; establishment of the Last-resort Income Support Fund for workers affected by the Covid-19 virus; and implementation of a “first home” mortgage solidarity fund, the so-called “Gasparrini Fund”. The latter measure was further extended in the *Liquidità* Decree.

The most important measures contained in the *Rilancio* Decree of May 2020 include abolition of the safeguard provisions linked to VAT and excise duty, which have weighed on citizens’ purchasing power like a sword of Damocles; a €140 million increase in the fund to provide support to people in rented accommodation; extension of the Last-resort Income Support Fund introduced in the *Cura Italia* Decree; introduction of a €500 allowance for domestic workers in April and May; a boost for the fund for people who are not self-sufficient; and the introduction of Emergency Income, intended for people who do not benefit from other welfare schemes, entailing an expenditure commitment of more than €1 billion for 2020. Emergency Income, which was designed on the basis of the proposal put forward by ASviS and the Inequality and Diversity Forum (Forum DD), consists of an allowance of €400, which may reach €840 per household. It has been disbursed in two instalments for applications submitted by 31 July, and in a subsequent instalment introduced by the so-called “August” (*Agosto*) Decree with a deadline of 15 October. Emergency Income uses the same mechanisms applied to Citizens’ Basic Income, according to an equivalence scale parameter, and replaces it for new applicants during the period of validity.

According to the data published by INPS in mid-July²², by 30 June 2020 455,000 households had applied for Emergency Income: 46% of these (209,000) were granted the allowance, 49% (223,000) were rejected and the remaining 5% (23,000) are awaiting determination of their application. An estimated total of approximately 867,000 households have met the requirements, equivalent to around 2 million people.

Moreover, the *Cura Italia* Decree has channelled the resources of the services portion of the “Poverty Fund” - which is currently not used due to suspension of the activities relating to the req-

uisite conditions connected with the Citizens’ Basic Income - to the social and social welfare interventions relating to the current Covid-19 emergency situation. With Memorandum no. 3013 of 14 April 2020, in the wake of the European Commission proposals contained in the Coronavirus Response Investment Initiative, the managing authority of the National Operational Programme for Inclusion has decided to extend the eligible types of expenditure and has defined additional types of actions/services that may be activated.

The increase in social funds to boost interventions that support people experiencing poverty and at greater risk of social exclusion has been accompanied by important interventions to support the third sector which, since the beginning of the Covid-19 emergency phase, has significantly helped public authorities in the fight against economic and educational poverty. The actions planned to support food solidarity, which was also confirmed this year in the Budget Law, include the additional “spending voucher” measure provided for by Civil Protection Department Order no. 658 of 29 March 2020. This measure has allocated €400 million to municipalities, which can be used via simplified procedures for urgent measures regarding food provision.

GOAL 2 - ZERO HUNGER

End hunger, achieve food security and improved nutrition and promote sustainable agriculture

The 2020 Budget Law contains several provisions that regard Goal 2. Given the increased focus in the political agenda on the issue of poverty, the national fund for the distribution of food products to the needy has been increased, while the so-called Sugar Tax, a tax on the consumption of sweetened soft drinks, has been introduced in line with the recommendations of the World Health Organisation (WHO) to combat obesity and diabetes²³. Notwithstanding the need for preventive action with respect to these diseases, it is also important to focus on food education actions aimed at changing lifestyles. In addition, the effects that such measures can have on the agri-food sectors involved and on the economy of certain local areas should be explored in depth, in order to evaluate and define

possible alternative strategies. With the *Rilancio* Decree, the Government postponed the entry into force of the Sugar Tax to 1 January 2021.

The Budget Law includes interventions aimed at supporting the income of operators in the primary sector and incentives to improve the competitiveness of businesses. In particular, measures affecting the following are provided for:

- income levels (income support for fishing sector workers, determination of the business income of horticultural entrepreneurs, an IRPEF exemption on income from the ownership of land and agricultural incomes of direct growers and professional farmers, compensation initiatives for damage caused by Asian insect pests);
- improvement of competitiveness (funds for investment and innovation, fund for the competitiveness of agricultural supply chains, loans to farms run by female entrepreneurs);
- improvement of human capital (tax credit for staff training expenses);
- land protection;
- internationalisation (special plan to promote “Made in Italy” branded products and tax credit for participation in international events).

These interventions can help to improve the economic performance of the food system, but the strategic approach of sustainability is barely touched upon. Therefore, it would be desirable for the implementing decrees to emphasise this approach, taking into account the environmental and social implications of the individual measures.

However, the 2020 Budget Law does not lack measures to improve the environmental sustainability of the primary sector. Some of these are aimed at limiting the impact of negative externalities on the environment, by acting directly on the production process, while others encourage the circular economy in local areas, by supporting the production of electricity from biogas plants built by farmers. The institutional commitment to reduce the use of plastics deserves to be appreciated, but the decision to intervene with taxation mechanisms rather than incentives for parties who invest in research and development and adopt virtuous solutions is concerning.

The main innovation is the commitment to create an Italian Green New Deal through specific investment programmes and partnerships - including public-private partnerships - to implement projects regarding decarbonisation, the circular economy, urban regeneration, sustainable tourism and mitigation of climate change risks. These are important innovations, in which agriculture can play a leading role.

The Budget Law contains no specific interventions on the protection of biodiversity, which is the core of Target 2.5, although the measure that extends the tax breaks that benefit wine tourism to olive oil tourism is worth mentioning. This should boost olive-growing activities, leading to the protection of these crops and, implicitly, the protection of the agricultural landscape they characterise. Moreover, if in implementing the measure it were possible to incentivise the cultivation of olive groves with native varieties, a concrete contribution could also be made to the protection of biodiversity.

With the arrival of the health emergency generated by Covid-19, the scope of some the issues relating to the achievement of Goal 2 became even more evident. The halting of production activities and the recession have led to a reduction in financial resources for large sections of the population, with many households finding it hard to meet their daily needs.

Despite the widespread halting of production activities, the agri-food supply chain has managed to continuously supply and distribute its products nationwide. However, the sector has experienced operational difficulties and substantial financial losses. In particular, restrictions on the movement of people between neighbouring countries have affected the availability of skilled labour required for seasonal production processes for some crops. International trade has also slowed down due to the spread of the pandemic and the hotel and catering sector is at a standstill, which has led to the absence of vital market share for mid- and high-end products. Consumer demand for fresh products has also declined, as consumers have been inclined to stockpile and buy dry products. Entire sectors, such as agritourism, have also completely closed down.

Legislative activity has necessarily concentrated on the identification of measures that could support people’s income and the survival of busi-

nesses. The *Cura Italia* (Law Decree 18/2020), *Liquidità* (Law Decree 23/2020) and *Rilancio* (Law Decree 34/2020) Law Decrees have introduced certain measures that directly concern Goal 2:

- an increase of €250 million for the distribution of food to the needy as a result of the emergency caused by the spread of the SARS-CoV-2 virus;
- the establishment of an integrated promotion fund, which has been allocated €150 million for 2020, for implementation of a special communication campaign to support Italian exports and internationalisation of the national economic system in the agri-food sector;
- the reform of the state guarantee system regarding the insurance commitments undertaken by SACE, which is required to favour the internationalisation of the Italian production sector, giving priority to commitments in strategic sectors for the Italian economy, including the domestic agricultural sector, in terms of employment levels and repercussions for Italy's economic system;
- a straight grant, up to a maximum of €100,000 and 80% of eligible expenses, for the development of innovative production processes, whilst maintaining the expenditure limit of €1 million for 2020;
- the regularisation of illegal agricultural employment. In particular, two forms of regularisation of Italian and foreign workers employed in agriculture, the care sector and domestic work have been introduced.

Overcoming the overall crisis situation and, at the same time, dealing with the effects generated by the emergency calls for a strategy that combines cyclical and structural measures able to steer the economy towards a lasting recovery. A number of initiatives undertaken by the European Commission that will certainly have an impact on the future development of the agri-food sector move in this direction:

- the “From Farm to Fork. Our food, our health, our planet, our future” strategy (F2F, Farm to Fork Strategy; COM(2020) 381 final of 20 May 2020) aimed at improving the sustainability of the agri-food system and access to healthy and sustainable food, increasing the income of primary producers and strengthening the EU's competitiveness, including by reducing the use

of chemical pesticides and fertilisers and introducing environmentally friendly practices, considerably expanding the EU's organic farming area by 2030, combating waste and strengthening research and innovation throughout the supply chain;

- the EU Biodiversity Strategy for 2030 (COM(2020) 380 final of 20 May 2020), aimed at strengthening the resilience of societies and preventing the emergence and spread of future diseases through the protection and restoration of nature and biodiversity and the functioning of ecosystems, in order to achieve, among other things, food security, climate action and mitigation of natural disasters;
- the action plan for the circular economy focused on the sustainable use of resources (ec.europa.eu/commission/presscorner/detail/en/fs_20_437), which includes measures to increase the production and consumption of sustainable food packaging, with a positive impact on waste reduction.

GOAL 3 - GOOD HEALTH AND WELLBEING

Ensure healthy lives and promote wellbeing for all at all ages

In the 2020 Budget Law, the trend to expand the funding of the National Health Service continued, with an increase of €2 billion in the Health Fund and guaranteed funding for innovative medicines. An assessment of the changes in the financial items relating to health and social welfare reveals that additional funding in the three-year period 2020-2022 is approximately €7.5 billion, broken down into €3.5 billion for the Health Fund (€2 billion for 2020 and €1.5 billion for 2021), €2 billion for construction and €739 million for abolition of the co-payment surcharge (€185 million for 2020 and €554 million for 2021).

In the same three-year period, an additional €1,260 million has been earmarked for a range of measures including pharmacy services, specialist examinations, disability support and other minor items. In addition, funds have been allocated for healthcare construction projects and medical equipment for primary care general practitioners and paediatricians. Trials of pharmacy services have also been extended, and - in implementation of the National Chronic Dis-

eases Plan - the possibility of using a personalised medicine access service at pharmacies is envisaged.

As part of the resources earmarked for national public research and funds for endometriosis research, funds have been allocated to the Human Technopole Foundation, funds for medical training have been increased and the pay scales for staff hired during the first application of the standard for public Scientific Institutes for Research, Hospitalisation and Healthcare and Experimental Zooprophyllactic Institutes have been assigned. The diplomas and certificates awarded to social healthcare professional educators after attending regional or specific training courses held between 1997 and 2000 are deemed equivalent to a university diploma.

In terms of prevention, contributions have been made to the National Institute for Health, Migration and Poverty and the National Network of Cancer Registries and Monitoring Systems. Excise duties on tobacco will be increased, and taxes will be levied on sweetened drinks.

Regarding policies to support disabled people, the necessary funds have been allocated to implement the relevant delegation. At the same time, three new separate funds have been envisaged for protection of the right to work, assistance and mobility requirements.

To cope with the Covid-19 crisis, the Government issued several legislative and administrative measures to implement pandemic management actions. As well as measures strictly relating to the “pandemic period”, the law decrees and the Cabinet Office Decree approved from the end of January onwards also contain measures relating to the “interpandemic” and “pre-alert” periods, as according to the pandemic management plan “if a pandemic event is notified after the initial phases, all the measures foreseen for the previous phases and not implemented must be carried out at the same time in addition to the measures foreseen for the declared phase”.

On 31 January 2020, the Cabinet Office declared a state of emergency, whilst the Law Decree of 23 February 2020 laid down the first restrictions in some municipalities in Lombardy, Veneto, Emilio-Romagna and Marche. In addition to this intervention, two Cabinet Office Decrees (of 1 March and 4 March) were issued regarding the implementation of urgent measures to con-

tain and manage the health emergency, in particular to activate an inter-regional cooperation model, to increase the availability of hospital beds (+50% in intensive care, and +100% in pneumology and infectious diseases), to coordinate regional and inter-regional patient transfers, and to earmark certain facilities as Covid hospitals. Between March and April, with a view to managing and containing the epidemiological emergency, given the difficulty the health system was having in coping with the spread of the virus, several actions were implemented to contain, delay and reduce the impact of the pandemic, including: social distancing and subsequent closure of production and commercial activities (the Cabinet Office Decree of 11 March 2020); restriction of the movement of people between municipalities (the Cabinet Office Decree of 22 March 2020); limitation of gatherings and relative sanctions (Law Decree 19 of 25 March 2020); suspension of sports events and competitions, and of the training of professional and non-professional athletes at sports facilities (the Cabinet Office Decree of 1 April 2020); travel restrictions and domiciliary restrictions for people with respiratory tract infections, ban on access to parks and public gardens, ban on events, etc. (the Cabinet Office Decree of 10 April 2020 and the Cabinet Office Decree of 26 April 2020).

Law Decree 14 of 9 March 2020, “Urgent measures to strengthen the National Health Service in response to the Covid-19 emergency”, introduced regulations to boost human resources in the National Health System, by hiring healthcare personnel on fixed-term contracts, and using care networks (activation of Special Care Continuity Units). Incentives were also provided for the production of medical devices and procurement procedures were simplified.

Law Decree 18 of 17 March 2020 (the *Cura Italia* Decree), “Measures to strengthen the National Health Service and provide financial support for households, workers and businesses in connection with the Covid-19 epidemiological emergency”, includes measures to strengthen the National Health Service and provides for the appointment of a Special Commissioner for the implementation and coordination of measures to contain and combat the emergency. The measures envisaged regard boosting the National Health Service, support for employment, support

for liquidity via the banking system and the liquidity of households and businesses.

Via Law Decree 23 of 8 April 2020 (the *Liquidità* Decree), “Urgent measures regarding access to credit and tax obligations for businesses, special powers in strategic sectors, interventions relating to healthcare and employment, and extension of administrative and procedural deadlines”, urgent measures were taken to launch specific assistance functions (with remuneration of the related costs for personnel, setting up wards and emergency management), to immediately raise the hourly fees payable to primary care general practitioners, paediatricians and out-patient specialists. In addition, simplified procedures for medical radiological equipment and procedures, and urgent provisions relating to trialling medicines for the epidemiological emergency were introduced. It is envisaged that the public authorities concerned will meet these obligations with the human, financial and equipment resources put at their disposal by current legislation setting their budgets. A Special Commissioner has been appointed for the National Agency for Regional Health Services for the emergency period, to help efforts to boost the hospital and regional care network, in order to ensure the highest level of healthcare response to the emergency by monitoring the adoption, update and implementation of the plans adopted in application of Ministry of Health Circular GAB 2627 of 1 March 2020 and subsequent amendments;

Law Decree 30 of 10 May 2020, “Urgent measures regarding epidemiological and statistical studies on SARS-COV-2”, authorises the seroprevalence survey of SARS-COV-2 conducted by the Ministry of Health and ISTAT, aimed at conducting epidemiological studies and developing reliable and complete statistics on the immune status of the population.

Law Decree 34 of 19 May 2020 (*Rilancio* Decree), “Urgent measures regarding healthcare, support for employment and the economy, and social policies relating to the Covid-19 epidemiological emergency”, contains measures to strengthen healthcare facilities operating nationwide, with a view to boosting prevention and care services, to be activated immediately to identify, control, circumscribe and assist local and family infection hotspots. The measures, which stem from the urgent situation notified in the first report on the

monitoring of indicators to assess the conduct of Phase 2 produced by the Steering Committee (Ministry of Health, National Health Institute, regional representatives), are in line with Law Decree 18 of 17 March 2020, converted, with amendments, by Law 27 of 24 April 2020. The measures and the functional and structural strengthening plans provided for by the new Law Decree should be considered as complementary to the operational programmes already in place, and are subject to joint monitoring by the Ministry of Health and the Ministry of Economy and Finance.

In the *Rilancio* Decree, the health package is divided into four parts: €1,256 billion for regional assistance, €1,467 billion for hospitals, €430.9 million for various interventions regarding healthcare personnel, and €95 million to finance 4,200 additional medical specialisation contracts. The package contains urgent measures for regional assistance, including establishment of a family or community nurse, reorganisation of the Covid-19 emergency hospital network, an increase in grants for specialisation students, and extension of the validity of prescriptions restricting the use of Class A medicines and treatment plans. It also includes funding for ISTAT statistical surveys relating to the epidemiological emergency, refinancing of the national emergencies fund, and the hiring on fixed-term contracts (for a period not exceeding three years) of 40 medical health managers, 12 veterinary health managers and 91 technical prevention officers to work in the field and in workplaces for the Ministry of Health and 7 biomedical engineers.

Article 2 (Reorganisation of the hospital network for the Covid-19 emergency) provides for at least 3,500 intensive care beds (corresponding to an increase of around 70% in the number of beds existing before the pandemic) and a planned increase of 4,225 beds in semi-intensive units. In relation to the evolution of the pandemic curve, at least 50% of these can be immediately converted into intensive care beds, by supplementing the individual bed facilities with the necessary ventilation and monitoring equipment. In addition, for a maximum period of four months from the date of activation, a total of 300 beds have been made available, divided into four mobile facilities. Each facility will be equipped with 75 beds.

The measure envisages the boosting and strengthening of the provisions regarding elec-

tronic medical records and the increase in the number of military medical and nursing staff (70 doctors and 100 nurses). The provisions of the *Cura Italia* Decree regarding specific leave for private sector employees have been amended, bringing the period of leave for parents who are employees to 30 days for children up to the age of 12, and increasing the overall maximum limit for the purchase of babysitting services to €1,200, and up to €2,000 for the accredited public and private healthcare sector, and for the security, protection and public rescue services sector.

Regarding disability assistance and services, the fund for people who are not self-sufficient will be increased by an additional €90 million for 2020, of which €20 million have been earmarked for independent living projects. Finally, the VAT rate has been reduced to 5% for the sale of goods serving the containment and management of the epidemiological emergency (medical equipment, devices, personal protection equipment, dressing materials, sanitisers), and provisions have been made to increase the liquidity available at healthcare facilities and enforcement actions against healthcare facilities have been temporarily suspended until 31 December 2020.

GOAL 4 - QUALITY EDUCATION

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Since September 2019, the education policy landscape has undergone several changes. As in other areas, schools and universities have also been affected by an acceleration in regulatory developments and an increase in the amount of funding made available as a result of the health emergency.

The end of 2019 was marked by important provisions for Italian schools. The persistent difficulties in recruiting teaching staff - with the 2019-20 school year beginning with staffing shortfalls and the late allocation of as many as 188,000 supply teachers for the year - led the Government to issue a Law Decree at the end of October to speed up recruitment. The aim was to launch competitions in order to have around 50,000 new teachers in secondary school posts by September 2020. In December, the 2020 Bud-

get Law obtained additional funding for the system on four fronts: unfreezing the renewal of contracts for teachers and administrative, technical and auxiliary staff for the three-year period 2019-21; modernisation of learning spaces and school buildings (Target 4.A); high-quality early childhood development for 0-6-year olds (Target 4.2); and guaranteeing the right to university study (Target 4.3). It should be pointed out that the Law did not envisage initiatives regarding two long neglected issues: continuing adult education (Target 4.6) and international solidarity (Targets 4.B and 4.C).

The substantial additional resources allocated by the Budget Law did not prevent the resignation of the Minister of Education, Universities and Research (MIUR), Lorenzo Fioramonti, who had threatened to leave the executive if at least €3 billion was not allocated to fund the restart of the education sector. Following the resignation, the Government decided to separate MIUR's competences into two separate Ministries: the Ministry of Education, entrusted to Lucia Azzolina, and the Ministry of Universities and Research, entrusted to Gaetano Manfredi.

This separation took place just as the Covid-19 crisis hit the country, with the transition to distance learning, causing further delays in the response to the emergency situation. Attention was initially focused on the difficulties of the transition to distance learning and the categories excluded from it. At the end of March, the *Cura Italia* Decree allocated €85 million for platforms, digital devices, network connections and school staff training, so that all schools could adopt distance learning. However, in the meantime the usual procedures for approaching the next school year continued unchanged: student enrolment, class formation, the appointment of tenured teachers and administrative, technical and auxiliary staff, transfer applications, and so on.

Courageous decisions which, with hindsight, would have ensured an easier restart in September 2020 - such as the creation of smaller first classes, a curb on the usual flurry of transfers for tenured teachers or, for temporary teachers, the reconfirmation of contracts expiring at the end of June beyond the summer - were sidestepped, partly because of the high cost involved. Only with the relaxation of public finance restrictions - in particular with the

THE ITALIAN EDUCATION SYSTEM AND THE COVID-19 CRISIS

Education - the mainstay of cultural, economic and civil change - is currently essential for lifting Italy out of the crisis caused by the Covid-19, which has brought inequalities and vulnerabilities to the surface even more visibly, but also extraordinary human resources and potential. The health emergency has had a strong impact on Goal 4 of the 2030 Agenda: 1.65 billion children have interrupted their normal school activities around the world. The closure of schools for a prolonged period of time and the resulting adoption of distance learning has had a negative impact on teaching and learning processes, as well as on the capacity for inclusion, and consequently, on the level of students' competence and school dropout rates (12.3% of children do not have a personal computer or tablet at home).

The suspension of in-person teaching activities, the widespread obligation of social distancing and closer cohabitation within families have radically changed the habits of the younger generations and the functioning of the education system. In its 2019 Report, ASviS had set out the five strategic priorities for Goal 4, all of which have been directly impacted by the Covid-19 crisis: quality education, reduction of early school leaving, priority given to inclusion, the lifelong learning challenge, and education for sustainable development and global citizenship. The role of culture is even more vital in the new context. Despite the current difficulties, museums, libraries and cultural organisations have tried to continue to nurture a sense of culture, the ability to succeed and look towards the future, being close to citizens and sharing artistic and scientific expertise.

The shock the country has undergone has obliged us to take up the challenge of distance learning in order to improve access to knowledge and quality education, reduce inequalities and also offer adults lifelong learning opportunities. It has highlighted the importance of the digital transition in every field and revealed the shortcomings of the Italian system, starting with infrastructure. Indeed, Italy was ranked 24th out of 28 EU countries in the 2019 Digital Economy and Society Index (DESI). To facilitate access to useful resources for distance learning, in April the Ministry of Education published a National Operational Programme call for tender for the procurement of personal computers, tablets and internet connection devices for primary and secondary schools. 4,905 schools were funded (87.2% of potential beneficiaries), with a total amount of €63.6 million.

As also stated in the report entitled "Education in a post-Covid world: Nine ideas for public action" from the International Commission on the Futures of Education, which was established by UNESCO in 2019 and comprises leading figures from academia, science, government, economics and schools, the decisions taken today will have long-term consequences for the future of education. Therefore, political leaders, educators and communities are called upon to make high-profile choices, and their decisions should be guided by shared principles and visions of desirable futures for the community, in order to propose policy actions that can be undertaken today to move education forward tomorrow. It is essential to rethink the role of education, learning and knowledge in the light of the enormous challenges and opportunities stemming from foreseen, possible and preferred futures. It will be necessary to put investment in young people at the heart of the political agenda. Investing in education means investing to reduce inequalities - today and tomorrow - and therefore means investing in the future. The girls and boys who are now in their final years of primary school will have reached adulthood in 2030 and will have to cope with what we have or have not dealt with today.

In order to become more resilient, the direct engagement of young people is also necessary for sustainable development, but it is up to older people, who bear the responsibility for the current degradation, to develop solutions based on available information, helping the new generations to find their way through the complex web we have spun and promoting the principle of intergenerational justice.

Rilancio Decree in May, which has resulted in funding measured in hundreds rather than tens of millions of euros, and even more so in July with the European agreement on NextGenerationEU - has it been possible to evaluate potential derogations from current legislation, in order to favour a safe restart.

In the meantime, the ever more eagerly awaited recruitment drives for teachers, although deemed to be imminent since the era of the first Conte Government, have been frozen by the crisis. The *Rilancio* Decree increased the number of posts to be filled through the related competitive examinations by 16,000, and at the end of April examinations for 13,000 posts for nursery and primary schools was announced, but this group of 78,000 teachers are unlikely to take up their posts before the start of the 2021-2022 school year.

An analysis of the *Rilancio* Decree - converted into law in July - reveals the different treatment meted out to schools and universities compared with the past. Both sectors have been allocated abundant resources, but while funding for schools is concentrated in the period 2020-2021 and clearly responds to an emergency situation, more structural funding is provided for universities, including: the recruitment of 3,000 researchers, the launch of a new Research Projects of National Interest programme, and a permanent increase in the Ordinary Financing Fund to promote research activities carried out at universities. It should also be noted that, in order to prevent a possible decline in enrolments, a significant increase in the funds allocated to the right to study has been envisaged.

Finally, the emergency backdrop to educational funding²⁴ has seen public debate in recent months focus on the purchase of items considered indispensable for the start of the school year (for example, the tender for millions of single-seat desks with castors, a choice that also raises certain doubts in terms of sustainability), rather than on the most appropriate ways to deal with the burdensome negative legacy of the lockdown, first and foremost the link between the loss of education connected with distance learning and the loss generated by the long summer closure (yet another Italian anomaly in the European context), with the consequent worsening of inequalities.

GOAL 5 - GENDER EQUALITY

Achieve gender equality and empower all women and girls

The 2020 Budget Law has paid more attention than previously to combating gender-based violence, with an increase in funding (€4 million) for implementation of a special action plan to combat sexual and gender-based violence, and the establishment and promotion of gender university courses to promote education on gender differences (€1 million). Expenditure of €1 million for 2020 and €2 million per year from 2021 has also been authorised to strengthen the network of assistance for the victims of crime. These interventions are aimed at the social and welfare protection of victims, ensuring their right to information, emotional and psychological support, protection and advice, and also at preventing secondary and repeat victimisation.

Another very important step is the measure in favour of children orphaned by femicide (or adults who are not financially self-sufficient), who cannot be obliged by the state to pay from inherited assets amounts due from perpetrators of the crime. However, it should be emphasised that, as well as receiving financial protection, the orphans must be taken care of, especially if they have witnessed violence, so that they may embark upon appropriate educational and support pathways as a form of harm reduction (a necessary intervention to implement the provisions of Law 69 of 19 July 2019, the so-called "Red Code").

The obligation to display the national anti-violence and anti-stalking telephone number 1522²⁵ in public premises where services are provided directly to users, and in public places, local healthcare units and pharmacies is a positive development. Similarly, awareness and information campaigns, including initiatives to combat harassment in the workplace, are also welcome. In this regard, there has never been a better time to involve trade associations in the creation of measures to support companies, in order to implement actions to combat such behaviour.

The *Rilancio* Decree increased the fund for policies relating to rights and equal opportunities by €3 million euros for 2020, as provided for by Law Decree 223 of 4 July 2006 (converted, with

THE SUSTAINABLE DEVELOPMENT CULTURE

In addition to the interventions relating to culture contained in the 2020 Budget Law and mentioned with reference to Goal 11 (tax relief for the refurbishment of building facades and refinancing of the Culture Card for 18-year-olds), regulatory developments relating to culture include:

- Cabinet Office Decree 169/2019, which changes the scope of activities of the Italian Ministry of Cultural Heritage and Activities and Tourism (MIBACT) by reintroducing the functions attributed to the state in the field of tourism and by establishing the National Superintendence of the Sea, the General Department for the Protection of Heritage (a first step towards civil protection for cultural heritage and a framework for the “blue helmets of culture”) and the Institute for the Digitalisation of Heritage. The Directorate-General for Contemporary Creativity has also been strengthened, with responsibilities relating to urban regeneration, suburbs, cultural and creative industries, photography, design and fashion;
- Law of 13 February 2020, also known as the “Piccoli-Nardelli Law” (which officially came into force on 25 March 2020) regarding reading, with an annual budget of €4.35 million from 2020. This measure contains three particularly important elements:
 - > recognition of the “vital importance of reading for the development of knowledge, the spread of culture, promotion of the nation’s civil, social and economic progress, and the formation and wellbeing of citizens”;
 - > efforts to encourage collaborative behaviour among a multiplicity of parties (public and private) on a local scale in order to achieve the purposes of the law;
 - > encouragement of actions that build and mobilise social capital around reading, by creating a diversified network of retail outlets (12 million people live in municipalities without a bookshop).

Although there is no explicit reference to the 2030 Agenda, the Law does provide guidance on how to move towards achievement of Goals 1 (combating educational and cultural poverty), 10 (reducing inequalities), 11 (sustainable cities), 16 (combating misinformation) and 17 (partnership for sustainable development). Local authorities participate in the national plan via implementation of local reading pacts involving libraries and other public bodies (including schools), as well as private bodies operating in the area. In this context, the Government annually nominates a city as the “Italian Book Capital”.

After a legislative process lasting several years, on 23 September Italy finally ratified the Council of Europe’s Framework Convention on the value of cultural heritage for society, launched in Faro, Portugal, on 27 October 2005. The Convention, which has been ratified by around 20 countries in addition to Italy, represents an important opportunity for our legal system, introducing the right to cultural participation and recognising it as a sustainable development factor.

On the European front, it was decided to maintain the budget of Creative Europe (the leading European programme for cultural sectors) at €1.64 billion, and, for the first time, to envisage full integration of the cultural and creative sectors in the Horizon 2020 research programme, thanks to the new “Culture, Creativity and Inclusive Society” funding mechanism.

The initiatives planned for culture and tourism as part of the various legislative measures have recognised the extreme fragility of cultural industries and have foreseen various interventions to deal with the emergency and - in part - to promote investment in the sector: specific measures for the tourism industry (incentives and tax breaks), employment incentives, compensation for municipalities and support for cultural mobility; as well as support for various types of cultural organisations, for the tourism and culture professions and for well-known citizens experiencing poverty.

In the near future, the actions to be undertaken (also suggested by the Conference of the Regions and Autonomous Provinces, and based on the experience initiated by the Law on reading) include:

- very close collaboration between MIUR, MIBACT and local authorities, and between the world of education and cultural industries, in order to create educational communities in urban areas. The introduction of similar measures by the main banking foundations is also noteworthy;
- a framework law for the live entertainment sector;
- a plan to stimulate demand for culture across various sectors, involving collaboration between pub-

amendments, by Law 248 of 4 August 2006), with a view to mitigating the serious economic effects of the Covid-19 epidemiological emergency for women in the most vulnerable situations, and, through financial independence, to encourage the autonomy and empowerment of women who are victims of violence in situations of poverty. An increase of €4 million from this fund has also been earmarked to set up a special assistance programme aimed at providing legal, psychological, health and social assistance to victims of discrimination based on sexual orientation and gender identity, as well as to people who are in vulnerable social and family situations due to their sexual orientation or gender identity (these activities are carried out ensuring beneficiaries' anonymity). In this area, it should be noted that the increase in funds must be accompanied by effective monitoring of their distribution to reception centres and shelters - a task which is entrusted to the regions - as well as the dissemination and smooth running of these facilities, which are vital for supporting victims.

As far as gender equality is concerned, the 2020 Budget Law extended the period of compulsory paternity leave for employees from five to seven days. This is a first step - although it definitely doesn't go far enough - towards a cultural shift in terms of equal opportunities and encouraging shared parenting. Public sector employees are still excluded from the provision, which introduces an inexplicable disparity in treatment compared to private sector employees. In this regard, it should be noted that Italy has not yet fallen into line with Directive (EU) 2019/1158 of the European Parliament and of the Council of 20 June 2019 regarding work-life balance for parents and carers, which sets a minimum of ten days' paternity leave after the birth of a child.

The need to take care of children during the Covid-19 emergency period, entailing the closure of all types of schools, has been addressed by the *Cura Italia* Decree, which grants 15 days of special leave on 50% pay to all private and public employees with children under 12 years of age. An alternative option to special leave is a kind of "babysitting voucher" worth €600, which is also available to self-employed workers (for healthcare workers the voucher amounts to €1,000). The *Rilancio* Decree subsequently

amended these provisions until 31 August 2020, increasing the period of leave to 30 days, which can be used on a daily or hourly basis, and raising the amount of the "babysitting voucher" to €1,200 based on documented enrolment for summer camps, supplementary services for children, local social and educational services, educational and recreational centres, and complementary or innovative early childhood services. It should be noted that the aim of encouraging shared parenting via flexible working requires more inclusive strategies, also in the light of a ValoreD survey administered to 1,300 male and female workers. The survey found that one in three women working remotely works more than before and is unable - or struggling - to maintain a work-life balance (among men the ratio is one in five).

The *Rilancio* Decree also intervened to support sharing of childcare for employed parents. Indeed, until the state of epidemiological emergency ends, working parents employed in the private sector who have at least one child under the age of 14 - provided that a household does not include another parent benefiting from income support measures due to suspension or cessation of work, or a non-working parent - are entitled to work flexibly even in the absence of individual agreements, without prejudice to compliance with the disclosure requirements laid down in articles 18 to 23 of Law 81 of 22 May 2017, and on condition that this working method is compatible with the characteristics of the service provided.

With regard to gender representation in listed companies, the 2020 Budget Law has strengthened existing legislation, by raising the least represented gender share from 33% to 40% and extending the duration of this obligation to six terms of office. The intervention is in line with ASviS's recommendations, although the scope of application is limited (only the boards of directors and boards of statutory auditors of public and listed companies), and should be extended as soon as possible.

In order to promote the professionalisation of women's sport and to extend to athletes the protections laid down by the regulations relating to sports employment, the 2020 Budget Law has provided that women's sports organisations entering into sports employment contracts with athletes, pursuant to articles 3 and 4 of Law 91

of 23 March 1981, for the years 2020 to 2022, may request exemption from the payment of social security and welfare contributions, excluding compulsory accident insurance premiums, up to an annual maximum limit of €8,000. This regulatory provision, which concerns all sports and moves in the direction recommended by ASviS last year, is above all intended to affect football governance, where gender differences are more evident, especially in terms of pay.

The *Rilancio* Decree also remedied the disparity suffered by domestic workers (domestic helpers, carers, babysitters, cooks, maids and housekeepers). These jobs are mostly held by women, who are excluded from the special furlough scheme designed to alleviate the financial difficulties experienced by employees during the Covid-19 emergency. An allowance of €500 was introduced for the months of April and May 2020, paid in a lump sum of €1,000, with a total budget limit of €460 million. The allowance for domestic workers is payable to those who, as of 23 February 2020, had one or more active employment contracts for a total duration of more than 10 hours per week, and is only granted to non-live-in domestic workers.

GOAL 6 - CLEAN WATER AND SANITATION

Ensure availability and sustainable management of water and sanitation for all

No legislation having an impact on the implementation of Goal 6 was passed during the last year. As noted in the Report dated February 2020, the 2020 Budget does not in any way focus specifically on the issue of water, even if the various measures relating to the Green New Deal and sustainable local development, as well as those regarding innovation in agriculture, organic farming and efforts to cut plastic pollution, may contribute to achieving the Targets included in this Goal. On the other hand, the different forms of funding provided to public bodies and private entities do not entail any specific commitment to take Goal 6 into account. This is despite the fact that a country such as ours, with a highly fragile geomorphological structure, should be making every effort to protect and clean up its fresh water ecosystems, particularly in the light of the climate crisis.

In addition, no funds have been made available to deal with the various infraction proceedings arising due to the failure to comply with Directive 91/271/EC²⁶.

Funds earmarked in the Budget Law to finance projects launched in previous years may be used to help achieve Target 6.4 (*By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity*). These funds include the section of the national water plan covering reservoirs and aqueducts (Law 205/2017, art. 1.c.516 and Law 145/2018, art. 1.c.153) and the Fund set up to boost central government investment and the country's development (Law 145/2018, art. 1.c.95-98), which aims to upgrade the infrastructure used to supply the water used for drinking and irrigation, etc., with work to be carried out at both ends of the supply chain, intervening both on large reservoirs and water mains and on widespread distribution networks. This Target also benefits from the funds earmarked for investment in urban regeneration, sustainable and infrastructure development projects for towns, grants to local authorities to fund land protection initiatives, above all regional authorities for this purpose, including the clean-up of polluted sites, and the innovative national programme designed to improve the quality of housing. To make these measures more effective, it is necessary to train the public officials and professionals who will be involved in planning and implementing the projects in order to ensure the best possible results. Obviously, a greater commitment to delivering on the Goal 6 Targets could result from the European funding provided as part of the "Recovery and Resilience Plan" financed by the Next Generation EU initiative. It is indeed no coincidence that the European Council's recommendations of 20 July 2020 indicate the need for Italy to take action to bridge its infrastructure gap in the water sector too.

The pandemic has slowed the process of approving new legislation that could play a key role in achieving the various Goal 6 Targets. These include draft law AC 52²⁷, "Provisions governing public and participatory governance of the integrated water cycle", presented on 23 March

2018, and draft law AC 773²⁸ of 22 June 2018, containing “Principles governing the protection, governance and public management of water resources”. Whilst having the same objectives, the two laws differ from each other as regards certain aspects relating to governance of the water cycle and the public management model, partly in response to the outcome of the referendum on public water services held in 2011. The issue has already been dealt with in the ASviS Report for 2019, to which reference should be made. However, it should be noted that, two years on from their presentation, these two laws are still awaiting discussion by the Chamber of Deputies’ Environment Committee and they are not due to be debated before the end of 2020²⁹.

At European level, the Directive concerning the quality of water for human consumption, drawn up in response to the “Right2water” European citizens’ initiative in 2014, was adopted by the European Council on 24 February 2020³⁰. The Directive aims to ensure that the environment and human health are well protected against the impact of contaminated drinking water, whilst as regards the issue of the right of access to water the legislation merely recognises the value of water as a right of access on the grounds of subsidiarity. The Directive also aims to reform the legislation on water quality, introducing a risk-based approach to monitoring water so as to facilitate the collection and dissemination of information on the quality of water and of the water services supplied to consumers, and to improve access to water. In particular, member states are encouraged to ensure that everyone has the right to access water for human consumption, especially the vulnerable or marginalised, and to promote tap water for human consumption, also to reduce the consumption of bottled water, the use of plastic and the related impact on the environment.

Various parts of the new Directive regard key aspects of Goal 6 and overlap with or supplement the content of the above draft laws. It is to be hoped, therefore, that Italy can adopt a single national legislative framework governing the entire water cycle, thereby bringing forward or accelerating implementation of the Directive. It should be noted, in this regard, that although Italy ranks fifth in Europe (after Austria, Sweden, Ireland and Hungary) for the quality of tap

water³¹, 29% of Italian households do not think it is safe to drink and 45% believe that bottled water is safer.

Another area of concern regards the failure to implement (scheduled to take place by the end of 2020) the EU Directive on waste water treatment in a number of Italian cities (74 urban areas), resulting in the payment of over €30 million every six months in fines imposed by the Commission³². This is also linked to the recent issue of Regulation (EU) 2020/741 dated 25 May 2020, which sets out the principles and minimum qualitative requirements for the reuse of waste water for agricultural irrigation, with the aim of curbing water stress and reducing the volume of pollutants that finish up in water bodies. The overall objective of the Regulation is to help to ease the problem of water scarcity throughout the European Union, as part of efforts to adapt to climate change, by increasing the reuse of treated waste water (above all for irrigation). The Regulation forms part of a broader European strategy responding to the problems represented by water scarcity and drought, implementing the Action Plan for the Circular Economy and integrating the current process of modernizing the EU’s Agricultural Policy and the climate change targets set out in the European Green Deal. Implementation of the new Regulation is in fact dependent on the upgrade of existing treatment plants or on the construction of new refining plants.

An initial qualitative assessment would appear to show that the measures taken to contain the health emergency have had an impact on both the level and the composition of water consumption: there was an increase in resident household use and a reduction in consumption by retailers, small traders and industrial users (above all during the period when most businesses were forced to close).

To ensure access for all, the *Autorità di Regolazione per Energia Reti e Ambiente* (the Regulatory Authority for Energy, Networks and the Environment, or ARERA) took action, on the one hand, to protect consumers by suspending application of the rules governing credit protection in the event of late payment and allowing customers to pay in instalments, and, on the other, by easing the impact of the lockdown on operators. In particular, in terms of cost recognition, the regulator introduced a method for

assessing items susceptible to increases and those that may have fallen because of the health emergency³³.

On the other hand, the use of personal protective equipment, which is expected to continue over time, will have an extremely negative impact on the environment, with repercussions for the pollution of groundwater bodies and waste water, unless legislation governing the management of such equipment as waste is introduced.

As regards the hydrogeological risks faced by Italy and the achievement of Target 6.6 (*By 2020, protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes*), the National Forestry Strategy was presented in February 2020 (dealt with in Goal 15). This, together with Specific Action 7 “Riparian and floodplain forests”, could indirectly lead to an improvement in the water cycle, thanks to the overall role in the cycle performed by such forests. This improvement could also benefit from art. 63 of the so-called “Simplification” (*Semplificazione*) Decree³⁴, which includes an extraordinary programme of maintenance for woodland and mountain areas and work on irrigation and water catchment infrastructure. The related plan must be implemented within 180 days of adoption of the Decree, “in line with the Sustainable Development Goals set by the United Nations for 2030 and the European Green New Deal”.

GOAL 7 - AFFORDABLE AND CLEAN ENERGY

Ensure access to affordable, reliable, sustainable and modern energy for all

A central role in Italy’s national energy policies through to 2030 will be played by the National Integrated Energy and Climate Plan (“PNIEC”), the final version of which was submitted to the European Commission in January 2020, confirming the previous goal of achieving a 37% reduction in emissions with respect to 1990. This commitment is well below the target needed to meet the objective of achieving a reduction of 50-55% by 2030, as set in the European Green New Deal. This discrepancy marks a serious problem, given that the PNIEC is set to play a key role in drawing up the “Recovery and Resilience Plan” provided for under the Next Generation EU initiative. Moreover, Law 141 of 12

December 2019³⁵, converting Law Decree 11 of 14 October 2019 (the “Climate” or *Clima Decree*) into law, set a deadline of 90 days for preparation of a national strategy for combating climate change and improving air quality, which, however, one year later, has yet to be adopted.

In connection with the Italian Green New Deal, the 2020 Budget Law focused more on issues relating to decarbonisation than in the past, without however setting out structural measures to be included in a national energy policy (this topic is dealt with in the Report on the 2020 Budget Law).

This was then followed by the so-called “Restart” (or *Rilancio*) Decree, which has significantly increased the tax relief on certain types of investment in the energy efficiency of buildings, raising it to 110% (the so-called “Superbonus”). The work must be carried out by the end of 2021 and must result in an improvement in the energy rating of at least two classes or to the highest class. The incentive also covers the installation of photovoltaic plants and the related storage systems, and charging points for electric vehicles, if carried out in conjunction with energy efficiency improvements.

The same Decree provides incentives for the purchase of low-emission hybrid or electric vehicles, with or without scrappage. The following schemes are being run for the residents of towns subject to EU infraction proceedings in relation to air pollution:

- scrappage without the purchase of a new vehicle, with a mobility voucher of €1,500 and €500, respectively, for each motor vehicle or motorcycle scrapped up to Euro 3 class;
- the purchase of a season ticket for local and regional transport;
- the purchase of bicycles, including power-assisted bikes.

Another mobility voucher, worth up to €500, for all towns with over 50,000 inhabitants is also available for use to cover similar types of expenditure until 31 December 2020. In addition, businesses and public entities that employ more than 100 people in towns with over 50,000 inhabitants are also required to appoint a mobility manager, with whom town councils can work in order to coordinate the organization of their employees’ transport.

The *Semplificazione* Decree³⁶ puts forward a number of measures aimed at implementing the PNIEC. Art. 50 introduces legislation simplifying the procedures for obtaining environmental consents for works provided for in the PNIEC, whilst art. 57 gives towns six months to draw up plans to install and operate charging points for electric vehicles, specifying that there must be at least one point for every 1,000 inhabitants. Moreover, service station operators awarded a new concession (or renewing an existing one) have an obligation to install electric vehicle chargers.

Art. 62 contains measures designed to simplify the procedures involved in the upgrade of energy production and storage systems, limited to increases in capacity of no more than 5%. In terms of urban planning regulations, projects resulting in increases in volume in excess of 30% require the presentation of a start of work notification. Finally, energy storage projects are subject to different procedures depending on capacity expressed in Megawatts (MW), whilst art. 64 has introduced rules governing the issue of guarantees for loans funding Green New Deal projects, amounting to €2.5 billion for 2020.

The latest EU Directives concerning the energy performance of buildings and energy efficiency were implemented in June and July 2020. Legislative Decree 48 of 10 June 2020³⁷ has amended Legislative Decree 192 of 19 August 2005, introducing a long-term strategy to support the renovation of the country's housing stock, to be adopted within 30 days of the entry into effect of the implementing legislation. The strategy, which has yet to be adopted, must ensure the decarbonisation of buildings by 2050, whilst a subsequent Presidential Decree will update the procedures involved in managing and checking systems.

In order to support investment in energy upgrades, ENEA (Italy's National Agency for New Technologies, Energy and Sustainable Economic Development) and GSE (a state-owned energy service company) are required to prepare a report with proposals for combining projects, reducing the risk perceived by private investors and encouraging additional investment, and to provide, in collaboration with town councils, advice to the public through a series of one-stop shops. ENEA will also set up the "National website for the energy performance of buildings" to

gather data and offer information on technical solutions and financing for energy performance improvements.

Legislative Decree 73 of 14 July 2020³⁸ has amended Legislative Decree 102 of 4 July 2014 in relation to energy efficiency. The new legislation has set up a steering committee - chaired by the Ministry for Economic Development - to coordinate energy efficiency measures for publicly owned buildings. The PNIEC is also to include an annex containing a report describing the calculation of the volumes of energy savings to be achieved over the ten-year period between 2021 and 2030. In keeping with this programme, the decrees concerning the mechanism for white certificates and Thermal Account incentives are also to be revised. Incentives will be made available to SMEs to drive the adoption of energy management systems and an annual programme, designed to foster awareness and provide advice on the conduct of energy audits, will be prepared by ENEA.

Finally, art.9 requires that new meters installed after 25 October 2020 must be capable of being read remotely, in compliance with minimum user information and transparency requirements. Art.14, on the other hand, provides for exemptions to the limits on volume and distance between buildings established in urban planning regulations in the event of work on existing buildings that improves energy efficiency, with a minimum 10% reduction in thermal transmittance compared with the limits set by Legislative Decree 192/2005, as amended.

GOAL 8 - DECENT WORK AND ECONOMIC GROWTH

Encourage sustainable, inclusive and sustainable economic growth, full and productive employment and decent work for all

The last year has seen a number of legislative initiatives relating to Goal 8. The 2020 Budget Law has introduced measures that clearly go in the direction required in order to meet certain Targets, even though they do not appear to be the result of an organic, systemic approach. In addition, a number of measures are inadequately funded (the new "Youth Card" is an example) or are dependent on funding in future

budgets or on funds earmarked for other purposes, such as the increase in the National Voluntary Service Fund financed from funds set aside for non-deferrable expenses at the Ministry of the Economy and Finance. In other instances, other measures are to be repurposed. This is the case with the *Cresci al Sud* Fund for southern Italy, to be financed with funds previously provided to finance the Special Economic Zones (SEZs) managed at regional level, given that these zones have not been established due to the fact that the legislation launching the major investment plan for the special economic zones has not been implemented.

With the outbreak of the crisis caused by Covid-19, the lack of an organic approach has exposed the extreme fragility of the country's economy and its labour market. The asymmetrical impact of the crisis, from both geographical and generational viewpoints, with underdeveloped regions and the young hardest hit, has led the country to lose ground in its efforts to achieve Target 8.6, which had actually been expected to be reached this year (*By 2020, substantially reduce the proportion of youth not in employment, education or training*). Labour market data clearly indicate that the impact of the crisis on employment has been felt most by young people in unstable jobs or in self-employment, and by the young just about to enter the jobs market.

In general, Goal 8 is the one that has attracted most attention, in terms of the number of articles, in the three main law decrees issued by the government in response to the crisis, with the number of measures exceeding 280. Despite this, as can be seen from application of the policy classification used by the European Commission's Joint Research Centre (JRC), the vast majority of these are designed to protect against the immediate effects of the crisis. There is, therefore, a lack of measures aimed at either correcting systemic economic imbalances and the clearly asymmetrical impact of the pandemic, or at preventing future economic crises caused by unexpected external shocks such as Covid-19. Furthermore, many measures (including those relating to the Green New Deal) have put off action until complex future legislation can be enacted, assuming that the government will continue with the same strategy and that there will be coordination with the actions taken to manage the crisis and stimulate the recovery.

Among the measures introduced by the government in response to the crisis, one of the most important was the extension of special forms of income support to include the entire country. This includes several job-protection schemes, including: furlough, leave, grants for various categories of worker, agile work incentives, measures designed to support liquidity via the banking system, an increase in the guarantee fund for SMEs, and financial support for businesses. The most significant measures regarded establishment of the Last-resort Income Support Fund for workers affected by the Covid-19 virus, capped at €300 million for 2020, and those designed to support the liquidity of businesses and further initiatives to boost the guarantee fund for SMEs, which however did not have the hoped-for rapid impact on the real economy.

Finally, the *Rilancio* Decree has introduced a series of measures: delays to the payment of IRAP (a business tax); measures designed to strengthen companies' balance sheets; establishment of a fund at Cassa Depositi e Prestiti (the *Rilancio* Fund); export credit guarantees through SACE; incentives for start-ups; new funds to protect jobs and businesses; changes to income support and furlough schemes; grants for domestic workers; support for agile work; the cancellation of safeguard provisions relating to VAT and excise duty; and the creation of a Tourism Fund for summer 2020. In addition, the legislation authorises the Ministry of the Economy and Finance to conclude the agreements necessary in order to finalise Italy's contributions to the EIB's Guarantee Fund and to SURE.

GOAL 9 - INDUSTRY, INNOVATION AND INFRASTRUCTURE

Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

As regards the issues covered by Goal 9, the various legislative measures introduced in 2020 laid the groundwork for a paradigm shift towards the digital transformation of the Italian socio-economic system, Italy's Green New Deal, the *Impresa 4.0* incentives for businesses and the circular economy, the commitment to sustainable mobility and social innovation. This approach marks an undoubted change with respect to the past and is in keeping with the policy agendas of

the new government and the European Union. Furthermore, the government has cut red tape for SMEs and in relation to the construction of new infrastructure and the maintenance of existing infrastructure. A description of the measures targeting specific areas is provided below.

- **Innovation and digitalisation of business, economic and social processes.** Recent legislation aims to open up to innovative tools, demonstrating that both the public and private sectors are highly capable of reacting to change, something that could have occurred earlier and under non-emergency circumstances. The hope is that legislation, allied with an increase in general awareness, will lead to a series of actions and measures designed to boost investment in research, innovation and digitalization systems so as to make optimum use of the financial resources available and ensure a timely response to emergency situations such as the one created by Covid-19.
- **Road infrastructure and transport.** The legislation included in the above Decrees is particularly important with regard to the construction of resilient infrastructure, as it has significantly simplified existing regulations and, in particular, the tenders code, in order to speed up the delivery of new infrastructure and Prestatyn modernization projects. On the other hand, the tragic collapse of the Morandi road bridge in Genoa highlighted serious deficiencies in motorway monitoring and maintenance. Various studies agree on the fact that roads built with reinforced concrete have useful lives of no more than between 50 and 70 years. Wear and tear of the materials used, temperature changes, weather and increased traffic loads mean that the demands placed on infrastructure far exceed those estimated at the time of its design. Despite this, there has been no significant attempt to adopt predictive maintenance, whilst it is necessary to identify specific projects and financing for monitoring and safety maintenance of infrastructure, schools and buildings based on ICT/artificial intelligence, with a view to minimising the risk of collapse and disaster (an initial assessment of the cost of such work amounts to around €1-1.5 billion a year over 3 to 5 years).
- **Sustainable mobility.** The Buono Mobilità scheme is designed to encourage people to scrap their polluting vehicles and purchase

season tickets for local and regional public transport (in towns at risk of infraction proceedings for poor air quality). A significant amount of funding has also been provided for use by provincial authorities and metropolitan cities that carry out extraordinary road maintenance. Moreover, until 30 June 2021, up to 5% of government funding for the refurbishment of road vehicles and railway rolling stock used for local and regional public transport may be spent on the installation of equipment designed to curb the risk of infection for passengers and staff. The money can also be spent on projects involving the purchase of power-assisted electric bicycles for use in sharing schemes, and the use of such means to combine flexible services and shared mobility schemes with existing schemes.

- **Airport infrastructure.** Pre-Covid, Italy was seeing growth in travel to destinations outside Europe, partly thanks to investment in airport modernisation programmes totalling €4.2 billion in the five-year period 2016-2020, almost entirely financed by the operators themselves. It is therefore necessary to act rapidly to counterbalance the impact of the almost total shutdown of activity due to the health emergency, given that airport use is well below potential capacity, making it difficult to cover fixed costs, which have remained practically unchanged.
- **Rail transport.** In response to the problems caused by the health emergency and the resulting economic crisis, the *Rilancio* Decree contains measures that aim to compensate for the significant damage incurred by railway undertakings and the network operator. This is evidence of the government's commitment in helping a sector that has a low environmental impact as part of efforts to bring about a sustainable recovery. In addition, legislation has been approved with the aim of supporting business activity in the sector, including the refinancing of certain incentives for rail freight transport and cuts to the fees paid by the operators of passenger and freight services for use of the network.

Of particular importance for the railway sector and for the construction of resilient rail infrastructure is the legislation in the *Rilancio* and *Semplificazione* decrees designed to simplify and speed up the construction of new infrastructure and the modernization of existing in-

frastructure. On an initial assessment of the above measures, it would appear that the government has responded almost immediately to the issues brought to its attention by operators, even if most of the measures, though significant, take more the form of a “bonus” rather than being of a structural nature. Certain measures are also inadequately funded, especially those designed to support companies that operate under a public service obligation and the compensation covering the damage incurred by the rail network operator.

- **Energy saving technologies.** The government has put in place a number of urban regeneration initiatives, including the 110% Ecobonus. These may be expected to have a major impact, but the consents process, consisting of circulars to be issued by the public administration, complicates matters and leads to delays, thereby significantly reducing the impact. The doubt is that newly created businesses will benefit most, as opposed to those in existence before the Covid-19 emergency, which have been in shutdown for months.
- **Water infrastructure.** As regards this type of infrastructure, and above all irrigation systems, recent legislation has not had much of an impact on the sector, at least with regard to aspects linked to management of existing irrigation infrastructure. However, the various Decrees (above all the *Rilancio* Decree) do contain a number of related measures, including a public investment programme that aims to renew water supply networks and infrastructure, which suffer from a high water loss rate (around 37%), and upgrades to sewerage and waste water treatment systems, following fines imposed by the European Commission. The aim of the latter is to reduce contamination and limit the impact on biodiversity and on the ecology of surface and groundwater, and facilitate the implementation of the new EU regulation on the reuse of waste water for irrigation. Moreover, the Decree envisages an extraordinary programme of publicly funded work on the maintenance of irrigation infrastructure, including routine and non-routine maintenance of networks and canals that provide irrigation and protect the land. Finally, as already mentioned, the 2020 Budget Law has confirmed the funding for long-term projects on which work has already begun in previous years.

GOAL 10 - REDUCED INEQUALITIES

Reduce inequality within and among countries

New legislation relating to Goal 10 includes a series of necessary -although not yet sufficient- measures to make significant progress in reducing the deep inequalities visible throughout the country and which have heightened the dramatic economic and social effects of the health crisis brought about by the pandemic. What is lacking is a long-term, joined-up approach accompanying the redistributive policies adopted by the government, as reflected in measures in the 2019 and 2020 Budget Laws designed to benefit deprived individuals and families by significantly boosting the services provided. A systemic, unified approach to combatting inequalities should take into account the key aspects of people’s lives, such as access to education, knowledge, technological innovations and health services, and the state of housing and the environment. In particular, as already noted in the assessment of the 2020 Budget Law, there has been a clear and positive change of direction compared with the previous round of amnesties and flat taxes. Equally positive are the measures aimed at improving access to housing and the quality of housing, at softening the impact of VAT increases and at setting up a universal allowance and services for families. Despite this, pre-redistributive measures, capable of having a significant impact on primary sources of income and access to essential services for the most disadvantaged, remain limited. Moreover, an examination of the actions taken to mitigate the social and economic effects of the health emergency in the light of the 17 Sustainable Development Goals and the five key ingredients of “transformative resilience” policies (prevention, protection, preparation, promotion and transformation), carried out by ASviS, shows that the government’s approach has focused mainly on protection.

With regard to measures designed to improve social, economic and political inclusion, the funding provided by the 2020 Budget Law for nursery and elementary schools marks a positive step towards boosting educational provision in terms of infrastructure. This will address inequalities of opportunity for children and support employment for people without a strong family support network and who are economically vulnerable.

However, to enable every province to achieve the goal of providing for 33% of children between 0 and 2 years of age, within the ordinary early-stage educational system for 0-3-year-olds, municipalities must be given lasting support by the state. Other key aspects regard the offer of full-time provision for children of nursery or elementary school age, and the creation within the Ministry of Education, Universities and Research of an office with specific responsibility for steering, planning and coordinating an integrated system for 0-6-year-olds.

Investment in urban regeneration projects and the provision of funding for social infrastructure are a first step towards understanding the strong link between environmental injustice and social inequality, but there is a clear need for environmental sustainability policies to focus above all on the most vulnerable members of society and for actions to be designed around the characteristics and needs of local communities. In this regard, it is important to forge alliances with local civil society to draw up integrated long-term strategies capable of improving access to essential services and removing barriers to entrepreneurship. Equally important is the commitment of the three main ministries involved (Education, Health and Infrastructure) to support implementation of the respective strategies at local level.

In terms of housing deprivation, which continues to be one of the main causes of poverty and inequality, continued provision of a guarantee fund to help people purchase a main dwelling and the national fund to support access to rented accommodation is welcome, but annual funding for the innovative programme set up to improve the quality of housing is of modest proportions.

As regards equal opportunities and reducing unequal outcomes, the decision to exempt advance payments of the new National Employment Social Insurance Benefit (NASPL) from income tax is to be welcomed. More generally, tax, wage and social protection policies should be directed more towards reducing inequalities: from this point of view, the decision to soften the impact of increases in VAT and excise duty (no increases in 2020 and partial increases from 2021), is a positive step, but the decision to resolve the problem of how to cover current expenditure through short-term solutions makes it impossible to develop a more organic strategy designed to effec-

tively impact equality of access to opportunities for people and the creation of wealth and primary sources of income. As regards measures benefiting families, there is an ongoing need to boost and rationalise the fragmented system of measures to support families with dependent children, with a view to improving both effectiveness and fairness.

No action is to be taken to regulate and control global financial markets and institutions or to strengthen the application of regulations, nor has there been any attempt to give developing nations a greater say in decision-making at international economic and financial institutions. Also, with regard to the implementation of well-managed planned migration policies, there is a continuing need for the increase in the resources provided for the reception of unaccompanied minors to be associated with a wide-ranging, organic and integrated migration policy. No legislation has been introduced to reduce to less than 3% the transaction costs applied to migrant remittances or to eliminate remittance corridors with costs higher than 5%.

Examination of the *Cura Italia*, *Rilancio* and *Liquidità* decrees in the light of the 17 Sustainable Development Goals and the five key ingredients of “transformative resilience” policies (prevention, protection, preparation, promotion and transformation) shows that most of the measures introduced regard protection. Overall, 68 measures in the five decrees analysed relate to this Goal out of a total of almost 1,200, representing 5.7%.

The *Cura Italia* Decree marked an initial, important response to the health crisis, aimed at containing social deprivation and growth in inequality. The measures include: Emergency Income, the provision of ordinary income support for companies previously making use of the extraordinary furlough scheme and ordinary funding for employers currently using the existing solidarity allowance, new rules for the exceptional redundancy scheme, a series of special regulations reducing working hours and providing support for workers, and tax-related measures to provide liquidity support for households and businesses.

In addition to key provisions such as the cancellation of safeguard provisions relating to VAT and excise duty and the introduction of Emergency Income, the *Rilancio* Decree contains the

POLICIES FOR SOUTHERN ITALY AND INNER AREAS

The government has paid particular attention to bridging the divide between people and communities in different areas of the country, as a key part of efforts to kickstart sustainable and lasting growth at national level. The government's strategic framework for its approach to southern Italy (valid also post-Covid-19) is represented by its Piano Sud 2030, presented just a few days before the declaration of the health emergency. This aims to speed up use of the resources made available under the current cohesion policy cycle and set the tone for the new planning period 2021-2027, as well as reiterating the need to rebalance the distribution of ordinary national resources for southern Italy (the so-called 34% provision).

This Plan identifies five specific objectives having various aspects in common with the Sustainable Development Goals in the UN's 2030 Agenda: a "south for the young", investing in all areas of the educational system, starting from efforts to combat educational poverty among children, strengthening human capital, reducing inequality and giving renewed impetus to social mobility; a connected, inclusive south, expanding on and modernising physical and social infrastructure, providing connection and social inclusion and reconnecting certain isolated areas of the south and people in need; a greener south, strengthening commitment to the Green Deal in the south and in inner areas, so as to meet certain specific objectives in the 2030 Agenda and mitigate the risks connected with climate change; a south at the cutting edge of innovation, supporting technology transfer and strengthening the links between research and business, as part of a new industrial policy; an outward-looking south at the heart of the Mediterranean, strengthening the role of the area's economy and society at global level. The document also includes a strategic framework for business and employment and for a new approach to regional policies, together with a regeneration plan for the public administration to improve the way in which cohesion funds are spent and get better value for money, as well as specific actions relating to the various objectives requiring investment in the short term.

In response to the Covid-19 emergency, which has clearly exacerbated pre-existing inequalities and structural fragilities, the Minister for the South and Territorial Cohesion has significantly revised the various programmes together with regional authorities in the south and central government agencies responsible for operational programmes, with the aim of dealing with the health, economic and social emergency. The changes amount to a total of €10.4 billion. The Minister has, however, continued to ensure that the resources are spent in the south, without funds being switched from the most marginalised areas of the country to finance immediate economic support. In addition, in implementing the strategic guidelines in the Piano Sud, the government has committed to taking action to above all stimulate new economic activity and growth in the south (the launch of the Cresci al Sud and the Resto al Sud funds, the increase in tax relief for research and development in the south, the introduction of special economic zones, and the contributions holiday included in the "August" (*Agosto*) Law Decree for new hires in southern regions) and strengthen social cohesion by providing direct support for the third sector in those areas.

Regional policy has also been given new impetus by the relaunch of the National Strategy for Inner Areas (*Strategia Nazionale per le Aree Interne*, or SNAI), launched in 2012 to improve services and bridge the divide between people in different areas of the country, and focusing on issues such as mobility, education and health. As a result, the Strategy should now move on from the experimental stage to forming part of national policy. In addition to improving procedural aspects and governance, the relaunch has been backed by significant funding provided by the 2020 Budget Law and the *Rilancio* Decree. This is to be used to support businesses, small traders and retailers and to provide support for people resident in deprived areas.

In the meantime, work is underway on the strategy for the new cohesion policy cycle for the period 2021-2027 (the so-called Partnership Agreement) which, following the decision taken last July by the European Council, will benefit from estimated funding from the Commission of €38.3 billion in 2018 prices, including European and national funds (including those provided by the 2020 Budget Law, which has increased the share of annual GDP to be allocated to the Development and Cohesion Fund from 0.5% to 0.6%). 30% of the resources earmarked for cohesion initiatives (as is the case with all the Multiannual Financial Framework and the Next Generation EU initiative) will by necessity be used to fund projects linked to the climate.

following measures relating to “promotion”: a €20 million increase in the National Voluntary Service Fund for 2020 and provisions relating to civil protection volunteers, with the aim of ensuring that there is adequate funding for the provision of assistance to the most vulnerable and for reconstruction of the social fabric damaged by the epidemic; extraordinary help for asylum seekers; an increase in funding for the third sector, with the aim of supporting voluntary organisations, social associations and charitable foundations that respond to social emergencies. “Protection” measures include those providing support for businesses, the economy and workers, and those relating to disability and the family.

GOAL 11 - SUSTAINABLE CITIES AND COMMUNITIES

Make cities and human settlements inclusive, safe, resilient and sustainable

As regards housing and urban regeneration policies³⁹, the 2020 Budget Law has cut the flat tax on regulated tenancy agreements from 15% to 10% and has refinanced the national fund to support access to rented accommodation (€50 million a year for each year between 2020 and 2022). In addition, the legislation converting the *Rilancio* Decree into law has increased the size of the fund for 2020 by €160 million, of which €20 million is earmarked for rented accommodation for students living away from home who have an Equivalent Economic Status Indicator of no more than €15,000. These are important, positive measures, above all during the Covid-19 crisis and in particular with regard to refinancing of the social fund for rented accommodation, aimed at people who do not qualify for public housing but still have a hard time accessing the private rental market.

The Budget Law has also set up an innovative new National Programme to Promote Quality Housing (“*Rinascita urbana*”). The aim is to help to reduce housing problems, above all in suburban areas, and encourage the creation, reconversion and construction of social housing. The Programme has total funding of €853.81 million for the period 2020-2033 (€12.2 million for 2020) and a call for tenders will be held for metropolitan cities, provincial capitals and towns with over 60,000 in-

habitants to present proposals. These are to be assessed by a High Commission to be set up at the Ministry of Infrastructure and Transport. Whilst the Programme is a step in the right direction, the initiative suffers from a significant lack of funding for the initial years, given the large number of local authorities it is intended to help. In addition, the mechanism used is again the much-criticised tender process, whilst the Programme is completely out of sync with implementation of the Suburban Regeneration Plan of 2016 (amounting to €2.2 billion), which is being overseen by the Cabinet Office.

As regards urban regeneration and energy efficient buildings, the measure with the most impact is the legislation converting the *Rilancio* Decree into law. This has introduced a so-called “superbonus” enabling 110% of expenditure on specific types of construction project between 1 July 2020 and 31 December 2021 (2022 in the case of public housing) to be deducted from tax over a five-year period. Such projects must relate to energy efficiency (including demolition and reconstruction), earthquake proofing and the installation of solar photovoltaic systems and charging points for electric vehicles in buildings. The measure is primarily targeted at co-owners in apartment buildings and is conditional on achieving an improvement in the building’s rating of at least two energy classes. The deductions may take the form of a discount from the amount billed by the supplier, or the amount receivable can be assigned to another party, such as a broker or a bank. The measure is particularly welcome as it identifies the refurbishment of existing housing stock as a means to kickstart the construction industry following the Covid-19 crisis, but it has two major defects: its duration is too short and the improvement of two energy classes is too little to result in appreciable reductions in household energy bills.

In terms of mobility, the legislation converting the *Clima* Decree into law (Law 141 of 2019) set aside funding of €255 million for the period 2019-2024 to finance a trial voucher initiative for residents of towns subject to EU infraction proceedings for poor air quality. The vouchers can be used by the resident, or another member of the same household, to purchase season tickets for local or regional public transport, or to pay for shared mobility services for individual use, or to purchase

bicycles, including power-assisted bikes, within the following three years.

The legislation converting the *Rilancio* Decree into law has also increased funding for the purchase of low-emission vehicles (Law 145 of 2018) by €100 million for 2020 and €200 million for 2021. The grants are available whether or not the old vehicle is scrapped and are valid from 1 August to 31 December 2020 and can be used together with the Ecobonus (Law 145 of 2018). The same legislation has also altered the incentives for the purchase of hybrid and electric vehicles covered by the Ecobonus. These measures are welcome, even if there are doubts about the fact that the grants introduced by the *Rilancio* Decree can also be used to purchase petrol or diesel vehicles.

The 2020 Budget Law provides funding for the development of urban cycle networks, allocating €50 million a year for 2022, 2023 and 2024 to finance 50% of the work to be carried out. The Law also categorises electric scooters alongside bicycles, as defined in the Highway Code. The legislation converting the *Rilancio* Decree into law has introduced a mobility voucher that can be used, from 4 May 2020 until 31 December 2020, to purchase bicycles, including power-assisted bikes, and powered vehicles for individual use, or to make use of shared forms of mobility, excluding the use of motor vehicles.

In terms of the culture and tourism sector, the 2020 Budget Law has introduced tax relief for the refurbishment of building facades, with 90% of any documented costs incurred in 2020 to be deductible from tax. The relief covers work on the renovation or restoration of the facades of buildings located in specific zones. This is a highly positive step, even though the fact that it is not in coordination with the Ecobonus and Superbonus risks missing out on major opportunities to carry out overall upgrades of buildings. Another positive step is the decision to refinance the Culture Card for 18-year-olds for 2020. The total cost of the Card, which can be used to purchase certain cultural products, has been capped at €160 million for 2020, with this figure increases by €30 million in the legislation converting the *Rilancio* Decree into law.

The same legislation converting the decree into law has also raised the value of the funds set aside to provide support in the event of emergencies (from €130 million to €245 million for

2020) and has created the following funds: to support cultural businesses and institutions in emergency situations (€171.5 million for 2020); to support entities that produce and distribute live music events (€10 million for 2020); and to promote investment in and support for other initiatives relating to tangible and intangible cultural heritage (€50 million for 2020). These initiatives have an important role to play in responding to the emergency, although they will not necessarily have a positive impact in the medium term.

Support for tourism, which has been hit particularly hard by the Covid-19 crisis, was provided by the legislation converting the *Rilancio* Decree into law, which provides for a holiday tax credit to be used between 1 July and 31 December 2020 for travel within Italy, and exemption from IMU (property tax) payable in 2020. The legislation has also provided for the following funds: to finance the purchase, renovation and upgrade of buildings used for tourism and holiday accommodation (€50 million for 2020); to promote tourism in Italy (€20 million for 2020); and to support travel agencies and tour operators (€25 million for 2020). What was said above with regard to funding for culture applies here too.

In order to improve air quality, the super bonus legislation converting the *Clima* Decree into law requires approval of a national strategic programme to combat climate change and improve air quality within 90 days. The law has also set up a permanent interministerial working group on climate change, establishing that the above programme must be approved in coordination with the National Integrated Energy and Climate Plan (“PNIEC”) and with local planning for efforts to combat hydrogeological instability. A portion of the money raised from carbon auctions - with the proceeds paid to the Ministry for the Environment, Land and Sea Protection - have been earmarked to refinance the fund set up to finance efforts to improve air quality and cut emissions of particulate matter. In addition, the legislation converting the *Rilancio* Decree into law has increased funding for specific initiatives designed to address air pollution in the Po Valley by €10 million for 2020.

It is undoubtedly extremely positive that Italy has clearly set itself the goal of improving air quality as part of the measures to combat climate change, but it is of paramount importance that

action is taken urgently, also in consideration of the EU infraction proceedings in which our country is involved.

As regards green space, the *Clima* Decree provides funding for an experimental plan for the reforestation of metropolitan cities, allocating the sum of €15 million per year for 2020 and 2021. The Decree has also set up the *Programma Italia Verde* (“Green Italy Programme”), which will annually award one of the country’s provincial capitals the title of “Green Capital of Italy”. This also represents a step in the right direction, but such initiatives should be coordinated with the overall effort to regenerate city centres and suburban areas.

GOAL 12 - RESPONSIBLE CONSUMPTION AND PRODUCTION

Guarantee sustainable models of production and consumption

New legislation regarding sustainable production and consumption primarily includes EU legislation, starting with the Political Guidelines for the Next European Commission 2019- 2024, A Union that strives for more, in which the first two priorities (the Green Deal and “An economy that works for people”) explicitly set out to achieve environmental and social sustainability. This approach was reiterated in the Next Generation EU programme, created in response to the crisis and restart Europe’s economy and society.

Key European initiatives regarding the transition to a more sustainable circular economy from all points of view include:

- draft Regulation (EU) COM (2020) 80 final of 4 March 2020 (the European Climate Law), which has set the climate neutrality target to be met by 2050, amending Regulation EU 2018/1999 based on the principle of a just transition indicated in the European Green Deal;
 - the Circular Economy Action Plan EC COM (2020) 98 final, adopted by the European Commission on 11 March 2020, and containing measures covering the entire lifecycle of products, with the aim of making the economy more sustainable and boosting competitiveness, whilst protecting the environment and consumer rights, including through innovation and digitalization;
 - the “Farm to fork” strategy (“Our food, our health, our planet, our future” - COM (2020) 381 final dated 20 May 2020), which aims to improve the sustainability of Europe’s agri-food system by setting quantifiable environmental and social objectives to be achieved by 2030, alongside intensified efforts to combat food waste, to invest more in research and innovation and to encourage the transition to sustainable good systems at global level;
 - the Commission’s Delegated Decision (EU) 2019/1597, dated 3 May 2019, which supplements Directive 2008/98/EC of the European Parliament and Council, setting out a shared methodology and minimum quality requirements for the uniform measurement of levels of food waste⁴⁰;
 - the Recommendations for Action as part of efforts to combat food waste, developed by the EU, regarding food loss and wastage, dated 12 December 2019⁴¹;
 - the Communication from the Commission to the European Parliament, the European Council, the European Economic and Social Committee and the Committee of the Regions, “A New Industrial Strategy for Europe”, COM (2020) 102 final, dated 10 March 2020⁴²;
 - the EU’s Biodiversity Strategy for 2030 (COM (2020) 380 final, dated 20 May 2020), which aims to protect and restore nature, biodiversity and well-functioning ecosystems, to improve people’s wellbeing and society’s ability to combat climate change, to contain threats to human life and our vulnerability to natural disasters, to provide food security and ensure the continuation economic activity, above all in the agri-food and construction sectors;
 - the draft regulation amending the annexes to Regulation (EC) 852/2004 of the European Parliament and Council on the hygiene of foodstuffs as regards food allergen management and systems for managing food safety in the retail sale of food products or food donations. The aim is to facilitate the redistribution of food whilst at the same time guaranteeing the safety of consumers.
- At national level, the 2020 Budget Law has introduced a number of important changes. This

was followed by certain measures relating to Goal 12 as part of the response to the emergency caused by the pandemic. The 2020 Budget Law is less inorganic and fragmentary than the previous Budget Law in terms of responsible consumption and production, above all as regards the latter, whilst it only touches on responsible consumption, an essential tool for getting people involved and exerting bottom-up pressure for sustainability. Almost all the Goal 12 Targets are touched on by the Law, even if it is surprising that there are no specific measures for Target 12.4 on the environmentally sound management of chemicals, the only Goal 12 Target that, for the 2030 Agenda, must be achieved by 2020. In particular:

- paragraphs 85-99 contain measures regarding a plan for public investment in development of an Italian Green New Deal, establishing targeted funding, initiatives designed to foster female and youth entrepreneurship, environmental economic zones and, whilst also finalizing the creation of a rotating fund for research and authorizing the issue of green bonds;
- paragraphs 70, 113-117 and 631 promote energy efficiency, the replacement of older vehicles with electric versions and electricity production;
- paragraph 123 fosters innovative investment in farming businesses, whilst paragraph 522 supports the creation of organic food supply chains and organic farming, although the measures appear insufficient to cut food waste and loss in the various components of the supply chain. Funding for art. 12 of Law 166/16 (“Financing for food waste reduction”) has not been renewed;
- in terms of consumer protection, paragraphs 291-295 require that, in cases of overbilling (breaches of the law regarding the measurement of consumption, back-billing or unjustified charges and overcharging for consumption, services or goods), the business must not only refund any amounts paid, but also pay a penalty;
- paragraphs 634-658 discourage the consumption of products made from single-use plastic and offer incentives for factories that produce biodegradable and compostable plastic, but the later *Rilancio* Decree has delayed introduction of the plastic tax until 1 January 2021;
- paragraphs 14-15, 24-25 and 27 provide grants to businesses to fund investment in the circular economy, decarbonisation of the economy, reducing emissions, energy saving and environmental sustainability, as well as in the retraining and training of workers to play a role in innovation;
- paragraphs 107-109 (Green Mobility) aim to replace at least half of public sector vehicles with electric or hybrid versions;
- paragraph 553 has established a fund for infrastructure development or land regeneration projects in towns located on Italy’s smaller islands, partly with a view to developing sustainable tourism;
- paragraph 98 has set up a Committee to study proposals for the ecological transition, for reducing subsidies that are harmful to the environment and put development of an Italian Green New Deal on a permanent footing, supporting innovation and investment in research and development of infrastructure for use in environmental reconversion, with the aim of cutting greenhouse gas emissions by 2030.

Moreover, on 10 March 2020, the Ministry for the Environment issued a Decree on “Minimum environmental criteria for the food service industry and the supply of foodstuffs”, which are applicable to the various sectors of the food service industry (catering services for schools, offices, universities and military barracks, hospitals, care homes, social and health service providers and prisons) and to the supply of foodstuffs. The Decree contains important measures designed to make progress towards the use of green public procurement, with the measures coming into force at the beginning of August. For the first time, the mandatory criteria for food supply also cover fair trade products and (cocoa, bananas and exotic fruit, tea and herbal tea, sugar and coffee).

In terms of promoting responsible production, the Corporate Governance Code for companies listed on the Italian Stock Exchange was approved on 31 January 2020 for application from 2021. The Code aims to encourage listed companies to adopt strategies that are increasingly based on a sustainable approach. Board of direc-

tors are encouraged to pursue sustainable success, such as the creation of long-term shareholder value, whilst bearing in mind the interest of the business's key stakeholders. Boards are assigned responsibility for making sustainability an integral part of a company's business plan, its internal control and risk management system and its remuneration policy.

GOAL 13 - CLIMATE ACTION

Take urgent action to combat climate change and its impacts

Towards the end of 2019, European and Italian institutions stepped up their focus on the need to combat climate change. The European parliament declared a climate and environmental emergency in the resolution of 28 November 2019⁴³. In its European Green Deal communication of 11 December 2019, the European Commission noted that tackling climate and environmental-related challenges was this generation's defining task⁴⁴. On the same day, the Italian Chamber of Deputies approved a motion⁴⁵ committing the Italian government to implement legislative and other initiatives recognising that our country is in a state of environmental and climate emergency.

Despite this, the gap between these statements of principle and what is actually done remains very wide. For example, as previously noted with reference to Goal 7, Law Decree 111 (the *Clima* Decree) of 14 October 2019, later converted into Law 141 of 12 December 2019⁴⁶, set a deadline of 90 days for preparation of a national strategy for combatting climate change and improving air quality. Unfortunately, the strategy has yet to be drawn up, even if, during conversion of the Decree into law, a state of climate emergency was declared and a permanent interministerial working group on climate change was set up by the Ministry for the Environment, Land and Sea Protection. Similarly, at the beginning of October 2019, the same Ministry launched a public consultation on a Long-term Decarbonisation Strategy (to 2050)⁴⁷. Such a strategy has, however, yet to be drawn up, despite the fact that the deadline for its presentation to the European Commission was 1 January 2020.

Finally, in January 2020, the final version of Italy's National Integrated Energy and Climate Plan ("PNIEC") to 2030 was submitted to the European

Commission. This confirms a 37% cut in emissions by 2030, even though the European Green Deal targets a 50-55% reduction.

At European level, there was an unprecedented succession of climate change initiatives. On 14 January, the European Commission presented its plan to finance the Green Deal and for a just transition, adopted in new European policies as a key factor in reconciling efforts to decarbonise the economy with the need to create a socially fair and inclusive transition process. Member States have been asked to prepare Territorial Plans for the just transition in keeping with their respective National Integrated Energy and Climate Plans.

This was followed, on 11 March, by the presentation of draft European climate legislation, to take the form of a regulation that will be binding on Member States with the aim of achieving climate neutrality by 2050⁴⁸. The draft regulation delayed the final definition of interim emission reduction targets, to be achieved by 2030, until September 2020 and proposed to revise Europe's Climate Change Adaptation Strategy by 2021, to be updated every 5 years as regards the rules governing control and compliance. As regards public participation, the Commission has relaunched the concept of multi-level dialogue on the climate and energy, as provided for earlier in Regulation 2018/1999 (yet to be activated in Italy). In this case, local authorities, civil society organisations, stakeholders and members of the public are actively involved in achieving climate targets and the related transition processes.

On the same date, public consultation on the "European Climate Pact" initiative began, accompanied by consultations on revision of the Energy Taxation Directive, including the proposal for an internal carbon tax within the EU and a border carbon tax.

The measures decided on by the European Council in order to help the economy recover from the pandemic are firmly focused on tackling climate change, in terms of both mitigation and adaptation, as can be seen from the specific recommendations aimed at Italy. The "Recovery and Resilience Plan" financed by the Next Generation EU initiative specifically requires consistency with countries' National Integrated Energy and Climate Plans⁴⁹, but in line with the new and more ambitious European targets for cutting

green gas emissions by 50-55% by 2030, and with the specific recommendations for each country within the European Semester framework⁵⁰. On the other hand, investment financed with European debt must have a lasting impact on the relevant Member State.

In the conclusions of its meeting held between 17 and 21 July 2020⁵¹, the European Council indicated that 30% of the funding provided under the Next Generation EU initiative and the Multi-year Financial Framework must be used to finance climate action, and that this action must be translated into appropriate targets in sectoral legislation. In the meantime, 40% of spending under the Common Agricultural Policy (CAP) must be directed towards climate action. In addition, in principle, all EU expenditure should be in line with the targets in the Paris Agreement and with the European Green Deal's "do no harm" to the environment principle.

Everything that is done in the coming years must, therefore, be directed at achieving climate neutrality by 2050 (the goal for Italy, to which the Prime Minister, Giuseppe Conte, committed during the UN General Assembly) and the EU's new climate targets by 2030. Accordingly, the measures introduced to finance the Next Generation EU initiative include the introduction of a border carbon tax.

Whilst the new measures introduced in the last year in order to combat climate change through energy policy are described in the above section on Goal 7, Legislative Decree 47 of 9 June 2020⁵² has implemented Directive (EU) 2018/410 on the European Union's Emissions Trading System (ETS). It has also introduced legislation governing cuts to emissions from air transport. Aspects of the proposed National Forestry Strategy are also significant from the point of view of mitigating and adapting to climate change. The Strategy is also designed to back up climate and energy agreements that are already legally binding, contained in Regulation EU 841/2018 on Land Use, Land Use Change and Forests (LULUCF)⁵³, which has established the "no debit rule" principle, under which the national balance for emissions from forestry, agriculture, livestock management and wetlands must not generate greenhouse gas emissions. Regulation EU 842/2018⁵⁴ has, meanwhile, set Italy a target of 11.5 MtCO₂ for the capture of emissions in the period 2021-2030.

Finally, it should be noted that there is no news regarding adoption of the National Climate Change Adaptation Plan, prepared and published for comment as far back as 2017.

GOAL 14 - LIFE BELOW WATER

Conserve and sustainably use the oceans, seas and marine resources for sustainable development

Achievement of four of the nine Goal 14 Targets and compliance with the obligations resulting from implementation of the EU's Marine Strategy Framework Directive 2008/56/EC (subsequently transposed into Italian law by Legislative Decree 190 of 13 October 2010) are both due by 2020. Despite this, no major new legislation has been introduced in the last year to speed up implementation of the commitments made or make up for the lack of progress made in sustainably managing marine resources. The recent report on implementation of the Marine Strategy, presented to the European Commission on 25 June 2020⁵⁵, highlights the delays in submitting the reports provided for in the Directive and the significant lack of data. Italy remains one of the Member States that has largely failed to implement the Strategy, despite the fundamental importance of a healthy marine environment for our country's environmental, social and economic wellbeing. The Commission has acknowledged the complexity involved in implementing the Marine Strategy, noting that around 75% of the measures in the Framework Directive have been taken from other legislation and that it requires greater integration between sectoral policies.

The 2020 Budget Law marks progress in terms of the resources allocated to Italy's Green New Deal and the setting up a Committee to study proposals for the ecological transition, for reducing subsidies that are harmful to the environment. On the other hand, it is necessary to ascertain that the fisheries subsidies introduced in paragraphs 515-516 of the Law are not classifiable as environmentally harmful subsidies, as reported in the 2018 edition of the "Catalogue of environmental subsidies" (with reference to the year 2017).

Draft law 1571 on "Encouraging the recovery of marine waste and the circular economy" (the so-called "Save the Sea law")⁵⁶ is still being debated

at the Senate. The content of this legislation was discussed in ASviS's 2019 Report⁵⁷. In this regard, Italy is required to implement Directive EU 2019/883 of the European Parliament and Council, dated 17 April 2019⁵⁸, by 28 June 2021. This regards port reception facilities for the delivery of waste from ships, amending Directive 2010/65/EU and repealing Directive 2000/59/EC. The aim of the Directive is to “protect the marine environment against the negative effects from discharges of waste from ships using ports located in the Union, while ensuring the smooth operation of maritime traffic, by improving the availability and use of adequate port reception facilities and the delivery of waste to those facilities”. Implementation of the Directive should be carried out in full coordination with the content of the legislation under discussion, which should be approved before the date for implementation of the Directive.

Finally⁵⁹, it should be noted that articles 26 and 54 of the *Rilancio* Decree contain measures designed to strengthen the capital of medium-sized enterprises, including fishing and fish farm businesses, without setting conditions that could contribute to achievement of the Goal 14 Targets. In the meantime, art.227-bis has set aside €2 million to be spent in 2020 on cleaning up the sea in protected marine areas.

GOAL 15 - LIFE ON LAND

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

Despite the fact that 2020 is the deadline for achievement of the Aichi Targets in the Convention on Biological Diversity (“CBD”) and of those in the European and National Biodiversity Strategy, commitments and instruments, which are consistent with each other and aligned with the deadline of 2020 for achieving no less than five of the 12 Goal 15 Targets, no legislation having a major impact on the implementation of Goal 15 was passed during the last year. As already noted in the assessment of the 2020 Budget Law, various measures, ranging from those of a more general nature relating to the Green New Deal and sustainable territorial development, to other specific

measures (innovation in agriculture and organic farming, reducing pollution, above all in terms of plastics), may contribute to achieving the Goal 15 Targets. However, it is clear that there is no strategic framework for this sector, in spite of the fact that biodiversity and ecosystem services have a key role to play in sustainable development policies and in implementation of the Green New Deal itself.

Positive developments include Law 141 of 12 December 2019, converting Law Decree 11/2011 (the *Clima* Decree) into law, which has provided financing for an experimental tree planting scheme, allocating the sum of €15 million per year for 2020 and 2021. Law 141 also provides funding for reforestation and environmental and hydrological protection in internal areas, setting aside €1 million for 2020 and €2 million for 2021, without however setting a goal for the number of trees to be planted.

The *Clima* Decree has provided for the “publication of environmental data”, in implementation of the Aarhus Convention of 1998 ratified and implemented in Law 108 of 16 March 2001. The legislation assigns ISPRA (the Institute for Environmental Protection and Research) responsibility for putting air pollution and all other environmental data into an open, accessible form, and for publishing it in a specific section that can be accessed from the Ministry for the Environment, Land and Sea Protection website.

In implementation of Legislative Decree 34 of 3 April 2018, in April 2020, the Ministry of Agriculture, Food, Forestry and Tourism published for comment the National Forestry Strategy⁶⁰. This is a complex document, based on the three guiding principles in the EU's Forestry Strategy: sustainable forest management and the multifunctional role of forests, delivering multiple goods and services in a balanced way and ensuring forest protection; resource efficiency, optimising the contribution of forests and the forest sector to rural development, growth and job creation; global forest responsibility, promoting sustainable production and consumption of forest products. The Strategy covers a period of twenty years and brings together all the international commitments contained in the CBD, the 2030 Agenda and the Paris Agreement, as already set out in various EU policies.

In this regard, there are a number of climate and energy agreements that are already legally bind-

ing, contained in Regulation EU 841/2018 on Land Use, Land Use Change and Forests (LULUCF)⁶¹, which has established the “no debit rule” principle, under which the national balance for emissions from forestry, agriculture, livestock management and wetlands must not generate greenhouse gas emissions. Regulation EU 842/2018⁶² has, meanwhile, allotted Italy 11.5 million tonnes of CO₂ in emissions produced by LULUCF to be used in the period 2021-2030 to offset other emissions, implying a positive target for the capture of carbon emissions by soil and vegetation.

The Strategy includes many innovative initiatives referring to further specific implementation instruments, such as the remuneration of ecosystem services of public and social interest, and is intended to be implemented through Regional Forestry Programmes.

The European Green Deal and the new European Strategy on biodiversity through to 2030, adopted on 20 May 2020⁶³, provide for the adoption, in 2021, of a new EU forestry strategy (setting a target of at least 3 billion trees to be planted by 2030). In the meantime, the European Parliament (in the resolution of 15 January 2020⁶⁴) has indicated during talks on the new CBD that it intends to target the restoration of 30% of all degraded land at global and European level by 2030. Given the twenty-year duration of the Strategy, completion of the approval process must take into account these new guidelines, given access to the funds made available in the short term by the Next Generation EU initiative, and in accordance with the indications in the new EU Strategy on biodiversity through to 2030 and in line with the specific recommendations for each country drawn up by the European Council on 20 July 2020. These highlight Italy’s high level of vulnerability to extreme weather events and hydrogeological disasters, including drought and forest fires.

The health emergency has delayed the approval of a number of draft laws, including the law aimed at halting or reducing land consumption⁶⁵, which is essential if we are to halt the loss of biodiversity and respond to the various Goal 15 Targets and those in the 2030 Agenda more generally. In this regard, it should also be noted that Italy’s Court of Auditors, in Determination 17/2019/G⁶⁶ of 31 October 2019, having examined the legislation on hydrogeological risks and

referencing in the recitals the goals set in the 2030 Agenda and ISPRA reports on land use and hydrogeological risks, has stated that “there should be no delay in taking decisive systemic action in order to protect land, an essential part of mitigating and adapting to climate change and combating hydrogeological risks”. It is to be hoped, therefore, that Parliament will urgently approve legislation that can provide a basis for projects to be included in the National Recovery and Resilience Plan.

The *Semplificazioni* Decree has amended Legislative Decree 152 of 3 April 2006 (the “Environment Code”) as it regards the procedure to be followed in conducting environmental impact assessments for initiatives forming part of the National Integrated Energy and Climate Plan (“PNIEC”), with implementation delayed until later Cabinet Office decrees and the establishment of a specific PNIEC working group for “the implementation of initiatives that will increase the safety of road, motorway, rail and water infrastructure, and infrastructure works”. The revised assessment procedure will also apply to restoration projects designed to combat hydrogeological risks in environmental economic zones, to projects or plants fuelled by renewable energy and certain other new plants. Rather than simplifying the procedures to speed up environmental reconversion and decarbonisation, a number of these articles could have a negative impact on the environment, on health, on the climate and on employment. In addition, they could negatively affect the right of local authorities, social partners and communities to express their view on decisions that will have a major impact on the country’s future. This is particularly the case where it involves reducing the time available for the examination of projects, given the shortage of appropriate personnel that could mean that projects are not properly examined and that assessments of the impact on the environment and on public health are not sufficiently thorough.

In this regard, the simplification of consents processes should be accompanied by actions to be taken in response to point four in the specific recommendations from the European Council, dated 20 July 2020. These suggest that our country should improve efficiency in our judicial system and how the public administration works. In addition, the reduction in the time available for inter-

ested parties to comment on projects prior to approval, for an assessment of whether or not the project should be subject to an environmental impact assessment and for regional environmental impact assessment procedures could prevent organisations, associations, communities and individual members of the public from exercising their right to be fully informed and to take part in the decision-making process.

In general, other articles in the Decree (including art. 9 on infrastructure projects, art. 10 on construction, articles 52-53 specifically regarding restoration) also appear designed to speed up public and private investment, as opposed to ensuring that such investment supports the ecological transition and fulfils the ambitious goals set out in the European Green Deal.

GOAL 16 - PEACE, JUSTICE AND STRONG INSTITUTIONS

Promote peaceful and more inclusive societies for sustainable development; provide access to justice for all and create efficient, accountable and inclusive organisations at all levels

In continuity with last year's Report, the implementation of the law on the "Introduction of citizenship education courses in schools" is of particular significance in relation to Goal 16. Implementation has taken the form of guidelines issued by the Ministry of Education, Universities and Research in Ministerial Decree 35 of 22 June 2020, in compliance with article 3 of Law 92 of 20 August 2019. The Decree identified three key areas on which citizenship education should focus: study of the Constitution, sustainable development and digital citizenship. This provides a framework covering many Goal 16 Targets: effective implementation of the guidelines could, therefore, lead to increased cultural awareness among the new generations regarding values such as legality and non-violence, respect for diversity and efforts to combat discrimination, as the essential basis on which to build a peaceful, just, inclusive and sustainable society.

In terms of Target 16.1, which aims to reduce all forms of violence and the related death rates, a number of measures have been introduced to contain the rise in cases of domestic violence reported during the lockdown. In this regard,

articles 18-bis, 105-bis and 105-quater of Law 77 of 17 July 2020, converting with amendments Law Decree 34 of 19 May 2020 (the *Rilancio* Decree) into law, have increased the resources available to provide assistance for the victims of violence and sexual discrimination.

Similarly, given that, as highlighted in a report published by the Italian police's Postal and Communications unit, the lockdown led to an increase in digital violence, cyberbullying and sexting, paragraph 256 of Law 160 of 27 December 2019 (which refers to Law 71 of 29 May 2017 containing "Measures designed to protect minors by preventing and combating cyberbullying") appears well-timed. This legislation has earmarked €1 million per year for 2020 and 2021 to fund the training of teachers in how to prevent and combat bullying and cyberbullying, and to make students aware of topics such as non-violence and the need to combat all forms of discrimination.

With regard to Target 16.2, which aims to end the trafficking, exploitation and violent treatment of children, a Parliamentary Committee has been set up to look into the use of stay-away orders and children who are taken into care, following the Chamber of Deputies' approval, on 20 July 2020, of draft law 1887. As regards Target 16.3 (the rule of law), on the other hand, Law 70 of 25 June 2020, converting law Decree 28 of 30 April 2020 into law, is of importance. Law 70/2020 includes measures relating to wiretapping, prison legislation, civil, administrative and accounting justice and the introduction of a Covid-19 warning system for home visits and house arrest for mafia-type criminals, a guaranteed track and trace system for people who have contracted the Coronavirus, and drones to ensure prison security.

On 13 February 2020, the Cabinet approved a draft law delegating the government authority to improve the efficiency of the criminal court system introducing measures designed to speed up cases pending before courts of appeal". The aim of the reform is to reduce the time it takes to hear cases and to respond to public demands for faster justice. The key points in the draft law, which is currently being examined by the Chamber of Deputies' Justice Committee, regard shortening the time needed to conduct preliminary investigations and trials, with a number of provisions relating to alternative pro-

ceedings and appeals, remote trials and sanctions for judges who, due to unjustifiable negligence, do not respect predetermined timing for trials.

In terms of the reform of civil justice, the draft delegated law presented on 9 January 2020, and currently undergoing a first reading before the Senate's Second Justice Committee (draft law AS 1662), contains similar measures. The law introduces changes to trials at first instance and appeals, by reducing and simplifying the procedures involved, and reforms regarding alternative methods of dispute resolution.

Finally, it should be noted that, from 1 January 2020, a number of new measures regarding statutes of limitations (already contained in Law 3 of 9 January 2019, containing "Measures to fight crimes against the public administration and on the matter of statutes of limitations and the transparency of political parties and movements") is due to have a major impact on legal proceedings that, each year, are abandoned after expiry of the statute of limitations.

With regard to Target 16.4 (*Significantly reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets and combat all forms of organized crime*), article 103 of Law 77 of 17 July 2020, converting with amendments Law Decree 34 of 19 May 2020 (the *Rilancio* Decree) has, in order to combat forms of violence and exploitation, introduced procedures for legalising Italian and migrant agricultural, care and domestic workers. The legislation provides for the issue of temporary residence permits with the aim of bringing undeclared employment out into the open, and new offences of false declaration and tougher punishments for gang-masters working for criminal organisations. In addition, the *Rilancio* Decree also includes a number of provisions strengthening the lawfulness of the self-declaration procedures required by anti-mafia legislation and the eventual seizure of assets, and has increased the resources available to combat loan-sharks and protect their victims.

With regard to Target 16.5 (*Substantially reduce corruption and bribery in all their forms*), on 6 July 2020, the Cabinet Office approved the Legislative Decree implementing Directive 2017/1371/EU, which aims to combat fraud in order to protect the European Union's financial interests by means of criminal law (the PIF Directive). This could have an

impact on internal control systems and business integrity controls.

Law 120 of 11 September 2020, which has converted with amendments Law Decree 76 of 16 July 2020, containing urgent measures designed to simplify bureaucracy and promote digital innovation (the *Semplificazioni* Decree), includes provisions regarding public contracts and construction, in addition to cuts to red tape and measures regarding the responsibilities of civil servants. Above all, the legislation has amended the Public Procurement Code as regards:

- the direct award of contracts for the provision of works, services and goods with a value below €150,000, adding the possibility to conduct a negotiated procedure, without a call for tenders but with the requirement to consult a certain number of bidders, for all contracts worth €150,000 or more but below the threshold of €1 million;
- the liability of civil servants which, until 31 July 2021, will be limited to the loss of public revenue resulting from wilful misconduct, whilst the rules governing negligence have remained unchanged, meaning that civil servants are to be held to account more for a lack of action than for active conduct. The range of criminal offences covered by abuse of office has also been more closely defined so that civil servants can be certain about which kind of conduct is punishable under the law;
- the promotion of tender protocols;
- the introduction of urgent procedures for the issue of anti-mafia certificates.

In general, the above measures are heading in the right direction, but it should be remembered that efforts to cut red tape must never breach the principles of free competition, non-discrimination, transparency and the lawful award of contracts by public organisations.

As regards Targets 16.6, 16.7 and 16.10, relating to transparency in relations between government institutions and citizens, public participation in decision-making processes and the right of access, the *Rilancio* Decree (art. 230) has allocated funding for technological innovation and digitalisation. This is to be used to support a strategy for sharing and using public information for government purposes, for the widespread implementation and standardisation of support for digitalization and

online access using enabling platforms. In addition, the digital divide is to be bridged by stepping up the rollout of digital identities, digital domiciles and electronic signatures. In order to boost efforts to safeguard IT protection and cyber security, the Decree has set up a unit with responsibility for developing initiatives to prevent and protect against cyber threats within the Department of Public Safety at the Ministry for Internal Affairs.

The Decree has also amended the Digital Administration Code, setting new targets for the digital public administration. The resulted changes are wide-ranging, partly in view of the large number of articles in the Code involved, and with the aim of making it easier for members of the public to use the online services provided, by both the public and private sectors, by using their digital identity. This is certainly a welcome initiative, as the spread of digital infrastructure and education is necessary in order to ensure that everyone can exercise their universal citizens' rights, especially people who live in isolated areas or on the margins of society.

In terms of participatory democracy, as referred to in Target 16.6, it should be borne in mind that the frequent use of Cabinet Office decrees during the recent emergency, and the centralisation of legislative power at government level, has often deprived Parliament of the ability to have a real impact on the content of legislation, including measures with an impact on the economy, for which votes of confidence were repeatedly used in order to ensure their approval. This tendency to centralise power in the hands of the executive, though justified by the exceptional nature of the Covid-19 emergency, if not adequately kept in check, could have a negative impact on the principles of representative democracy upheld by the parliamentary system and on the balance of power provided for in the Constitution.

With regard to Target 16.a, in terms of international cooperation as a means of strengthening democratic institutions and respect for human rights, it should be noted that, in the case of relations between Italy and Egypt, partly following the Regeni and Zaki cases, it is essential that Italy applies the provisions of Law 185 of 1990. This bans the supply of arms when they represent a threat to the wellbeing of citizens of purchasing countries.

Finally, as concerns Target 16.b (*Promote and enforce non-discriminatory laws and policies for sustainable development*), draft law C569, approved by the Chamber of Deputies' Justice Committee and currently going through Parliament, aims to combat and prevent all acts of violence and discrimination linked to sex and gender. Whilst the draft legislation represents a valid approach to achieving the intended aims, it is necessary to take into account the risks, in terms of individual liberty, of applying repressive and coercive measures in response to mere expressions of "opinion".

GOAL 17 - PARTNERSHIPS FOR THE GOALS

Strengthen the means of implementation and revitalise the global partnership for sustainable development

The figure published by the OECD DAC relating to Italy's expenditure on Official Development Assistance (ODA) in 2019 was not provided by the Italian government, but was estimated by the DAC Secretariat to account for around 0.24% of Gross National Income (GNI). This is down on the figure for 2018 and again far away from achievement of the international commitment to spend 0.7% of GNI on ODA. Italy is the only DAC country where the figures for 2019 are estimates, probably because not every ministry has provided information on how much was spent: above all, it is possible that the Ministry of the Interior did not spend the significant funds that it received last year (€1,681 million) due to a decline in the number of migrants entering Italy and reduced expenditure as a result of the "Security" (*Sicurezza*) Decrees.

The Budget for 2020-2022 has set aside approximately €4.7 billion per year, at least partly to fund development aid. This could increase the ratio of the amount spent to GNI, but in interpreting this figure it should be borne in mind that the latter has fallen sharply as a result of the economic crisis. Moreover, it should be noted that, within this amount, funding for asylum seekers and refugees has declined, following the significant increases seen in previous years (most of this funding is handed to the Ministry of the Interior).

As regards the implementation of the law on development aid (Law 125/2014), the Interminis-

terial Committee for Development Cooperation, which is responsible for planning and coordinating the related activities, has met only once in 2020. During this meeting, the Committee approved the Three-year Planning and Policy Guidelines for the period 2019-2021, previously drawn up after the process of consultation and dialogue carried out by the National Council for Development Cooperation, which brings together ministries and the various development aid actors. The Cabinet Office gave its final approval on 3 September, but there is a real risk that, as we are by now over halfway through the three-year period, the plans are out of date and need revising.

The Interministerial Committee for Development Cooperation has also approved the Italian Strategy for Global Citizenship Education, a document drawn up over two years previously, following large-scale involvement of civil society organisations. This document is the basis for promoting efforts to educate and inform members of the public and to involve them in achieving the Sustainable Development Goals.

In June 2020, the Joint Committee for Development Aid held its first meeting. The Committee, which is responsible for approving aid initiatives to be carried out by the Italian Agency for Development Cooperation, approved an aid package worth €125 million. This included €87 million in voluntary donations to international organisations (€28 million will be given to GAVI, the global vaccine alliance, whilst €13 million will be used by the Covid-19 Fund to finance initiatives promoted by civil society organisations and approximately €24 million will be used for aid initiatives in countries in the Middle East, Asia and Europe).

At the end of June, the Ministry of Foreign Affairs and International Cooperation set up the “Multi-institution operating committee responsible for coordinating Italy’s contribution to the prevention of and global response to Covid-19”. The new body’s task is to ensure that Italian development aid organisations provide a unified, coherent response as part of the global fight against the pandemic. In addition to the Ministry, this involves other institutions, such as the Civil Protection Agency and the National Institute of Health, who are strongly committed to sharing, at global level and with countries with limited resources, their know-how and technical exper-

tise in prevention and in coordinating the response in terms of health, sanitation economic and social initiatives.

Last March, at the proposal of the G20 and the European Commission, a global initiative was set up to respond to epidemics and, in April, an initial group of bodies engaged in improving global health (the Bill and Melinda Gates Foundation, CEPI, GAVI, the Global Fund, UNI-TAID, the Wellcome Trust and the WHO), private partners and other stakeholders decided to set up a global partnership in order to speed up the development, production and fair access to diagnostic tools, treatments and Covid-19 vaccines. The partnership, called Access to Covid-19 Tools (ACT) Accelerator, aims to accelerate efforts to boost the ability of health systems to cope with the pandemic and mitigate its impact on other diseases. In response to this initiative, on 4 May, the European Union together with a number of countries, including Italy, organised a global event to raise funds for the fight against Covid-19. The event, called the Coronavirus Global Response, aimed to immediately raise €7.5 billion to fund the development of diagnostic tools, accessible treatments and vaccines. In response to the event of 4 May, Italy’s Prime Minister undertook to contribute €140 million. Although it has not yet been decided exactly how this money will be allocated, €10 million is expected to be given to CEPI (to which Italy has never provided funding), €10 million to the WHO, €1 million to the Red Cross and the WHO, €120 million to GAVI over 5 years (2021-2025) and €500,000 to the Global Fund. This money is the result of savings relating to an earlier Italian initiative providing technical assistance to the Fund (this is not, therefore, additional money, as it already forms part of Italy’s contribution to the Global Fund for the period 2016-2018). Similarly, the contribution to GAVI has been divided up into €70 million for the core budget and €50 million for the fight against Covid-19, but as the contribution for the previous five years was €100 million, the net increase is just €20 million.

Other resources not specifically earmarked for specific initiatives will, in any event, have an impact on the global fight against Covid-19, including the funding provided by the Ministry of the Economy and Finance to the International Finance Facility for Immunization (€137.5 million

for the period 2021-2025) and to the Covax Facility (€150 million and €79.4 million for the period 2026-2030).

The National Council for Development Cooperation met on 20 July 2020. The Council meeting was called two years after the previous meeting solely following pressure from civil society organisations. It served to assess the progress made in implementing the law on development aid and in responding to the Covid-19 emergency. Numerous requests were made for institutions to commit to a relaunch of development aid as part of the National Reform Plan and, therefore, as part of the “Recovery and Resilience Plan”.

In terms of legislative aspects, the role played by the third sector in development cooperation has received a major boost. The Constitutional Court ruling of 20 May 2020, published on 26 June 2020, provides an in-depth interpretation and clarification of article 55 of the “Third Sector Code” as regards joint planning by the public administration and third sector organisations. This Constitutional Court ruling finally upholds the view of the Third Sector Forum that joint planning tools provide the basis for partnerships between public entities and third sector organisations, as they pursue shared goals for the overall benefit of the community and fully in line with the constitutional principle of subsidiarity.

Recent legislation contains a series of specific measures designed to support third sector organisations, putting them on the same footing as businesses, and the workers and volunteers who work for them. Key measures include the €100 million increase in funding for organisations involved in addressing social and care emergencies caused by the Covid-19 epidemic. Subject to certain conditions, third sector organisations will benefit from tax relief on rental expense and from access to credit through the Guarantee Fund for SMEs, provided that the organisation trades as a business, even if not on an exclusive or prevalent basis or merely in order to finance itself.

In addition, grants have also been made available to cover safety expenses and tax relief on the cost of sanitising workplaces; distribution of the 0.5% of income tax that taxpayers can donate to a charitable organisation has been speeded up, with amounts for 2019 to be distributed by 31 October 2020; a specific measure has been introduced to support third sector organisations in southern Italian regions (extended to also include

Veneto and Lombardy), involving payment of a grant to help beneficiaries deal with the impact of the emergency. The total outlay, financed from the Development and Cohesion Fund, is €120 million for 2020, including €20 million earmarked for initiatives combating educational poverty. A further €20 million has been made available for 2021.

Among other measures, a further €20 million in funding has been provided for voluntary service initiatives whilst payment of the final balance due as IRAP for 2019 and the payment on account for 2020 have been delayed. However, the temporary liquidity support provided by article 1 of Law Decree 23 of 2020 has not been extended to non-commercial organisations, including third sector organisations. Access to liquidity support is, however, available to social enterprises.

3.5 The crisis and the response of businesses in terms of sustainable development

The 2030 Agenda requires its 193 signatories to promote sustainable patterns of production and consumption. The scenario resulting from the pandemic has confirmed this need and showed that the pursuit of sustainable development is unimaginable without the involvement of businesses. The initiatives adopted over the years have demonstrated that responsible production is possible when companies and organisations adopt an approach in which sustainability forms an integral part of their business model. This means taking a long-term view of profitability, where sustainability and innovation offer a response to the various economic, social and environmental issues of the time.

In the midst of the Covid-19 crisis, many Italian businesses confirmed their commitment to adopting a more conscious approach to production, taking courageous decisions in order to respond to the health emergency and demonstrating a readiness to embrace new policies and business strategies to set the restart on a sustainable footing. During the event organised by ASviS in June 2020, ISTAT, Italy's National Statistical Office, presented original data designed to enable an assessment of whether or not the reaction to the crisis was in some way linked to the adoption, or otherwise, of a sustainable approach prior to the pandemic. The resulting analysis is of great interest in understanding how the crisis, and the related lack of liquidity, has influenced businesses with regard to energy efficiency, decarbonization and the switch to a circular economy, etc.

51.5% of businesses (37.8% of the workforce) expect that they will have insufficient liquidity to cover their expenses through to the end of 2020. In almost two-thirds of such cases, these are businesses who have seen a more than 50% reduction in revenue in the two months covering March and April. Within this group of firms with liquidity constraints (around 150,000):

- 29.5% say that they have not put a specific strategy in place to deal with the crisis;
- approximately 35.5% have sought to respond to the crisis by downsizing the business, which has involved cutting investment and jobs. The proportion of businesses in this situation that

are facing liquidity constraints is double the proportion without liquidity problems;

- 73.9% have required loans, compared with 37.9% of the businesses without liquidity problems, whilst 49.0% expect the sustainability of their operations to be at serious risk. In sectoral terms, the hardest hit areas are the hotel and hospitality, arts, sports and entertainment sectors.

Analysing firms with a workforce of more than 10, and more on the basis of their strategic profile prior to the crisis based on various statistical indicators (profitability, innovation, etc.), ISTAT has devised five categories of dynamism (low, medium low, medium, medium high and high) and set them against the response to the Covid-19 crisis. The data shows how resilience and response strategies vary from sector to sector and from business to business, whilst differences between geographical areas are less marked. In particular, the degree of "dynamism" provides a clear explanation of both the impact of the crisis and the response strategy adopted. The analysis shows that:

- the ability to withstand the crisis is positively linked to the degree of dynamism, including for micro businesses. On the other hand, however, greater openness (at both national and international level) exposes the most dynamic businesses to greater potential demand-side and supply-side effects;
- 28% of businesses in the low dynamism category have opted to downsize, a proportion that is similar to the 30% registered by highly dynamic businesses;
- only around 25% of firms with low dynamism have opted to expand their businesses, compared with around 50% of those that are highly dynamic;
- 26% of firms with low dynamism have adopted a reorganisation strategy, compared with around 55% of those that are highly dynamic.

If we look at the sustainability profiles of businesses with a workforce of 10 or more, we can see that there is not a strong link to the short-term impact of the crisis, whilst the type of response has had a greater influence. 28.5% of low sustainability businesses opted for a downsizing strategy, as did 33.1% of high sustainability businesses, whilst 29.4% of the former and 41.0% of the latter opted for expansion, and 30.8% of the former and

HOW ITALIAN BUSINESSES APPROACHED SUSTAINABILITY BEFORE THE CRISIS

On the occasion of the permanent business census, ISTAT conducted an in-depth survey of the sustainability profiles of businesses, also in relation to other aspects of corporate life. The data, published in June 2020, was based on a sample of approximately 280,000 businesses with a workforce of 3 or more, out of a total of a million firms (24.0% of businesses, 84.4% of value added, 76.7% of the workforce and 91.3% of employees). The survey was conducted between May and October 2019, with reference to 2018.

84.3% of the firms involved had carried out at least one social responsibility initiative during the period, and 75.8% at least one environmental sustainability initiative. 68.9% of the firms declared that they are committed to improving the occupational wellbeing of their personnel, 66.6% to reducing their impact on the environment and 64.8% to improving safety within their business or in the community in which they operate. In terms of number of initiatives, on the other hand, the environment was at the top of the list: 30.3% had carried out less than five initiatives in this area, 35.3% between five and ten, 10.3% more than 10.

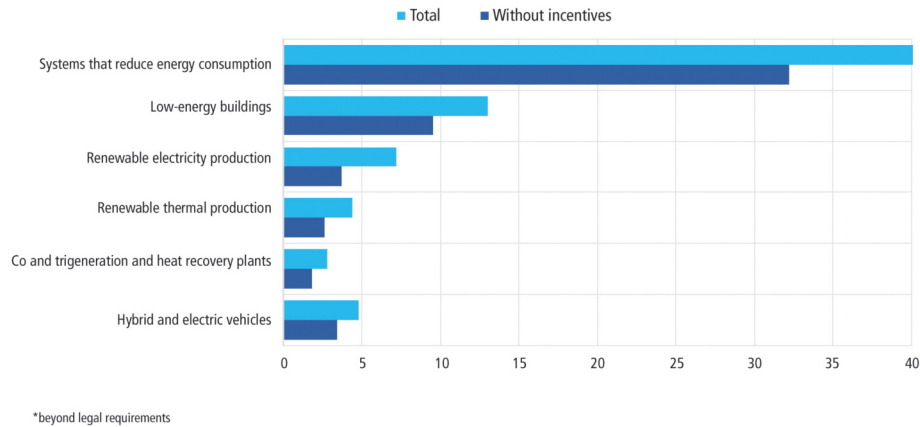
For 32.1% of businesses, the main reason behind their commitment to sustainability was their desire to improve their reputation among customers and suppliers, whilst 27.8% believe it to be in keeping with their role as a business. “Sustainable” behaviours acquire greater importance as the size of the business increases: firms with 250 or more workers register percentages 10-20 points higher than the national averages. Above all, as regards environmental initiatives, the percentage is 18 percentage points above the average. Micro businesses (3-9 workers) focus more on improving occupational wellbeing, whilst firms with 500 or more workers are more committed to safety and reducing their environmental footprint.

Among initiatives designed to reduce environment impact, the most important refer to the efficient and sustainable management of energy and transport, where the rate of expansion is high due to incentives that aim to drive the use of renewable energy sources and boost energy efficiency. In order to cut energy consumption, 40.1% of firms use efficient machinery, plant and/or devices and 32.2% have installed such equipment without taking advantage of the incentives. In terms of investment in saving energy, 13% of firms have chosen to install thermal insulation for buildings and/or to use low-energy buildings, whilst almost 10% have invested without using the incentives. Renewable and thermal energy production has had a more limited impact (involving 7.2% and 4.4% of businesses, respectively), as has the construction of cogeneration, trigeneration and/or heat recovery plants (2.8%). It should be noted that half of the investments of this type benefitted from the incentives. Sustainable mobility initiatives continue to be slow to take off: only 4.8% of businesses have purchased electric or hybrid vehicles.

Obviously, the measures adopted are highly dependent on the type of production process involved and the size of the business. Electricity, gas, steam and air conditioning suppliers tend to have invested more (with or without incentives) in energy efficiency: 43.8% have installed machinery, plant and/or devices designed to reduce consumption and 18.5% have installed thermal insulation in buildings and/or use low-energy buildings and “clean” energy. Investment in sustainable energy and transport is less widespread in central Italy and more prevalent in the south and north east (for example, renewable energy plants have been installed by 8.8% of businesses operating in the south, by 7.6% of those in the north east and by 5.7% of those in central Italy).

In terms of size, the proportion of firms committed to the sustainable management of energy and transport increases in tandem with the size of the workforce, with very significant differences with respect to investment in cogeneration, trigeneration and/or heat recovery (involving 2.4% of micro businesses and 17.9% of firms with a workforce of 500 or more), the purchase of electric or hybrid vehicles (3.9% and 28.3%, respectively) and renewable electricity production (5.9% and 26.3%, respectively).

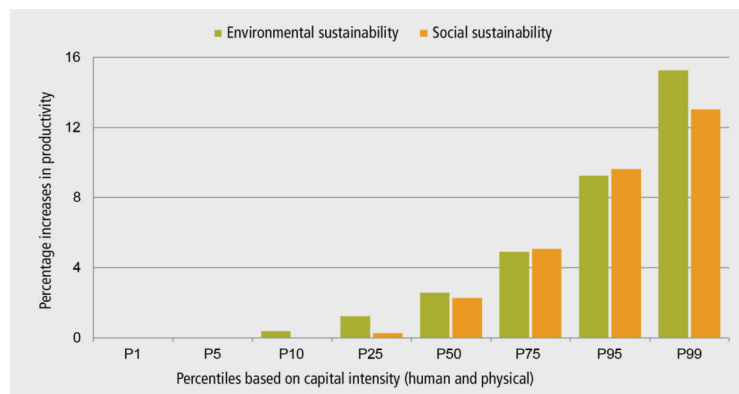
Figure 7 - Businesses who have invested in the sustainable management of energy and transport between 2016 and 2018, by type of investment and use or otherwise of incentives (as a percentage of total businesses who have taken steps to reduce the environmental impact of their activities)



Businesses committed to both environmental and social sustainability gain major advantages in terms of productivity. Analysing the data for the three-year period 2015-2017, based on firms with a workforce of 50 or more, ISTAT has identified the most frequent approaches and the link between their adoption and financial performance. With regards to environmental sustainability, 88.4% of the businesses taken into account recycle their waste, whilst 69.1% actively monitor energy use in order to cut consumption; 50% actively monitor water use and take steps to reduce consumption and to control atmospheric emissions. Far less frequent (around 20% of the businesses taken into account) are the reuse of waste water and the use of secondary raw materials, representing one of the cornerstones of the circular economy. Manufacturers in the wood, printing, chemicals and petroleum products sectors are those most committed to environmental sustainability, followed by those in the tyre, plastics and metals sectors (obviously, a fair basis for comparison must take into account the stricter regulatory requirements to which certain sectors - such as power, water or waste management - are subject and the material nature of production processes).

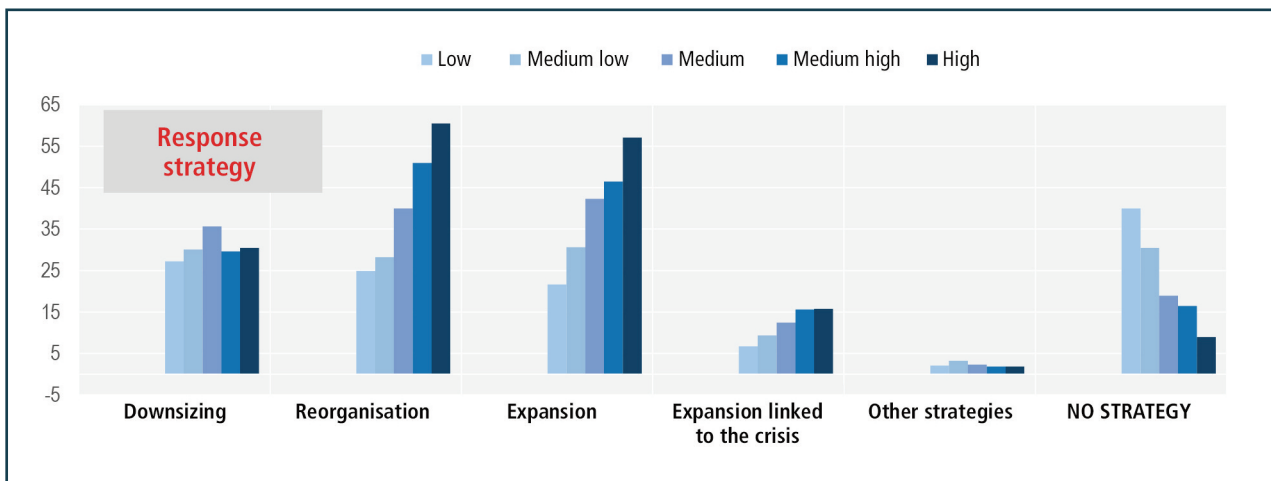
By combining these indicators with measures of businesses’ financial performance, we can see a link between the level of commitment to sustainability and apparent labour productivity (value added per worker). All other things being equal, this “productivity bonus” for businesses that invest in sustainability (environmental and social) is significant and increases along with the size of the business, rising to 15% for very large businesses, measured in terms of their employment of human and physical capital.

Figure 8 - Estimated labour productivity with reference to capital intensity (human and physical) and social and environmental sustainability. The average for 2015-2017 (percentage increases compared with firms who have not adopted sustainability strategies and who have low levels of human and physical capital)



Source: based on data from ISTAT

Figure 9 - Short-term effects of the crisis and the response strategies of businesses with a workforce of 10 or more, based on strategic profile (low, medium low, medium, medium high, high levels of dynamism) in the period 2016-2018 (percentage of businesses)



40.8% of the latter opted for reorganisation. In other words, whilst the decision to adopt a sustainable approach to doing business does not appear to be the dominant element of “protection” from the crisis, it does seem to play a greater role in explaining the positive behaviour of businesses who have opted for expansion and reorganisation.

The sustainable business networks belonging to ASviS, which have always been committed to fostering new organisational systems for companies, potentially able to combine growth and high levels of productivity with environmental, social and cultural sustainability, also played an important role during the crisis. This involved helping to spread a new approach, in which economic and financial aspects form part of a wider picture that takes into account the sustainability dimension, and consisting of measurable and replicable behaviours and practices, providing an interesting basis for future development.

In response to the stop to the production of goods deemed to be non-essential, many businesses opted to make a concrete contribution. This led them to reopen following the lockdown by reconverting their production chains in order to meet demand for protective equipment, such as masks and ventilators. An initial survey of how businesses responded to the crisis shows that many of these firms had already taken steps to introduce welfare schemes before the health emergency struck. At the same time, most businesses that had not done so before, during the pandemic adopted new welfare social responsibility policies. In particular,

Anima per il sociale nei valori d’impresa, an association promoted by the Rome and Lazio branch of Confindustria, the Confederation of Italian Industry (*Unione degli industriali e delle imprese di Roma e del Lazio*), grouped the many initiatives launched during the lockdown into three types: people (remote working, psychological and financial support, additional support for their workers); the resilience of businesses, forced to transform the way they work; solidarity through donations, the distribution of material and the supply of equipment to the main organisations engaged in fighting the pandemic.

The willingness to look beyond the emergency and act now to mitigate the risks that may occur in future is the aim of the research project named “Covid-19: beyond the emergency”, which **Fondazione Sodalitas** has conducted together with Milan University’s “Luigi Sacco” Department of Biomedical and Clinical Sciences. The first part of the project focused on tracing transmission using the molecular epidemiology of Covid-19, with the aim of studying its genetic makeup in order to reconstruct the origin of the epidemic and map its progress and trajectory as it spread throughout northern Italy. The second part is focusing on developing potential pharmacological treatments based on a series of agents, and directly testing their efficacy in the laboratory. Fondazione Sodalitas has also published on its website details of the initiatives carried out by its 60 member firms in response to the pandemic.

The firms who are members of **Impronta Etica** have also gone to great lengths to combat the

health emergency and support their stakeholders in this period of crisis. In particular, Impronta Etica has decided to support its member firms by gathering together the main initiatives taken by members, with the aim of sharing good practices in responding to the crisis.

National standard setters also played an important role. By way of example, the **Italian Standards Institution** made available a large number of technical standards for masks, protective equipment (including gowns and medical devices), with a value of over €10 million, available free of charge to the market and businesses.

Finally, the **CSR Manager Network** used its network of hundreds of members to facilitate the circulation, at national and global level, of good practices, innovative models and approaches and solidarity initiatives developed in response to the pandemic, giving as always priority to the sustainable development goals. In this regard, the Network carried out all its training initiatives remotely using webinars, strengthened the communication channels used to keep people informed about members' projects, initiatives and good practices, and worked with various organisations to gather ideas and CSR projects related to the emergency.

3.6 ASviS's activities in the year of the pandemic

Organisational structure and cooperation with other stakeholders

In August 2020, ASviS had 270 member organisations (33 or 12.2% more than last year), whilst there were 201 "associates" (up 90). The latter are partners that, while not falling within the categories qualifying for membership, play an active role in promoting sustainable development and provide examples of good practice, and that in this way work with the Alliance.

ASviS's activities, defined by the General Assembly through an annually approved programme, are carried out with the support of **20 working groups**⁶⁷ (14 focusing on the SDGs, in some cases grouped together by topic area, and 6 on cross-cutting issues), in which around **600 experts appointed by members participate**. Two new working groups focusing on cross-cutting issues are to be created in the fourth quarter of 2020: the first will involve the youth memberships of ASviS's member organisations; the second will bring together the many member foundations and will be tasked with identifying and developing potential topics to be discussed during Italy's presidency of the G20, and with boosting the role that Italian foundations play in achieving SDGs.

The Secretariat encourages and coordinates implementation of the programme of activities and contributes to realisation of the various initiatives. The Editorial Board is responsible for managing the website and producing the weekly newsletter, which has come to be considered a vital source of information on sustainable development issues.

ASviS engages with numerous government institutions, participating in the following initiatives:

- the "2030 Agenda, policy consistency, effectiveness and assessment" working group set up by the National Development Cooperation Council at the Ministry of Foreign Affairs and International Cooperation;
- the coordinating group at the National Sustainable Development Forum set up by the Ministry for the Environment, Land and Sea Protection. In addition, ASviS is responsible for coordinating the Forum working group, "Sustainability vectors - Knowledge, communication, education and training";

- Working Group 1 set up by the National Development Cooperation Council at the Ministry of Foreign Affairs and International Cooperation to work on the 2030 Agenda, and the Ministry's multi-institution operating committee responsible for coordinating Italy's contribution to the prevention of and global response to Covid-19;
- the programme promoted by Unipol's regional councils to support the development of inner areas (pilot projects in Abruzzo, Molise and Sicily);
- five partner topic groups to work on planning for the period 2021-2027 and set up by the Cabinet Office's Department for Cohesion Policies;
- the activities of the Commission set up to plan events at Italy's pavilion, focusing on sustainable development issues, at EXPO DUBAI 2020. ASviS has also continued to work with the Italian pavilion at Expo Dubai 2020, which has been postponed until 2021 due to the pandemic.

ASviS is also heavily involved with the Ministry of Education, as provided for in the memorandum of understanding entered into with the aim of disseminating a sustainable development culture as part of efforts to implement the 2030 Agenda goals (see the section on education). In addition, the Director of ASviS is also a member of the *Benessere Italia* ("Wellness Italy") steering committee set up by the Cabinet Office in July 2019.

ASviS also works with the *Rete delle Università per lo Sviluppo Sostenibile* (University Network for Sustainable Development or RUS), established by the Conference of Italian University Rectors. The main aim of RUS is to spread sustainability culture and good practices, within and beyond universities.

ASviS has been a non-financial sponsor of more than 55 events over the last year, in recognition of the proven commitment of the events' organisers to spreading awareness of 2030 Agenda issues throughout Italy. Active partnerships set up to promote a sustainability culture include those with:

- Roma Capitale (the City of Rome), regarding the launch of a Culture Card, its promotion and distribution throughout the city in collaboration with sister metropolitan cities around the world;
 - Forum PA (an annual event focusing on modernisation of the public administration), during the virtual edition held in 2020 and the "For a sustainable and resilient Public Administration" competition, created to reward public sector projects that look to the future by transforming the crisis into an opportunity;
 - FOCSIV, helping to write the "Guide for communities and parishes on integrated ecology" and distribute it throughout Italy.
- During the year, ASviS continued to work on **Toward 2030**, a project combining art and urban regeneration launched in partnership with Turin City Council and Lavazza. The aim is to use the universal language of street art located in the centre of the city and in its suburbs to spread the word about the 17 Goals. In addition to being a member of the scientific committee, ASviS has also been involved in providing and revising the data available in the area of the project's website dedicated to the 2030 Agenda, and in preparing a catalogue for the initiative, with a view to fully capitalising on the project and the works produced and reaching a wider audience.
- At international level, ASviS also belongs to:
- the **European Sustainable Development Network (ESDN)**, a network of institutional actors, associations and experts which has been dealing with sustainable development policies and strategies since 2003;
 - the **SDG Watch Europe** association, a European alliance of civil society organisations created to monitor implementation of the 2030 Agenda for sustainable development in the European Union;
 - the **Partnership for the SDGs**, the multi-stakeholder network, led by the UN's Sustainable Development Division, that works on achievement of the SDGs;
 - **Europe Ambition 2030**, the coalition of civil society actors set up in March 2017 after the Conference, "Europe Ambition 2030, making Europe the world leader in sustainable development: a unique opportunity to build a stronger European Union", organised by ASviS, which aims to rethink EU governance and policies, making achievement of the SDGs the cornerstone of the Union's future actions;
 - **Comité 21**, a French network of over 450 members, including businesses, local authorities, NGOs and public institutions, which work to mobilise civil society to take part in the Annual Forum on European Ecological Citizenship.
- ASviS has assumed the task of coordinating the working group on sustainable development created as part of the civil society platform for the Conference for the Future of Europe, organised by

#ALLEANZAAGISCE, ASVIS MOBILISES IN RESPONSE TO THE COVID-19 CRISIS

At the height of the Covid-19 crisis, the Alliance launched #AlleanzaAgisce, a solidarity initiative designed to gather, disseminate and grant immediate access to the hundreds of projects carried out by members of the ASviS network throughout Italy. The objective of the initiative was both to address the difficulties caused by the health emergency and to prepare the foundations on which to build a more sustainable and resilient future. The initiative has gathered together a total of 214 examples of good practice, with details provided in a dedicated section of ASviS's website. During the lockdown, this section contained news, interviews and in-depth coverage of the concrete commitment shown by the Alliance members and associates. The project received the "Solidarity award" from the UN's SDG Action Campaign, a United Nations initiative recognising the 50 best solidarity initiatives carried out around the world in response to the Covid-19 emergency.

Participants in the initiative included not only trade associations, businesses, confederations, universities and research centres, but also third sector organisations, unions, museums and foundations, who acted to provide support for citizens and businesses throughout Italy, above all to the categories worst hit by the crisis. The good practices cut across all sectors of society, although a particularly important role was played by the University Network for Sustainable Development, which carried out approximately a hundred initiatives. As well as adapting educational provision to the new requirements imposed by the emergency, and ensuring the continuity of the services offered to students, universities provided support for their local communities. This ranged from assisting businesses and health providers with research free of charge, conducting studies focusing on Covid-19 and the certification of products, remote psychological support for students, video recipes and online gymnastics sessions.

The many initiatives carried out included free financial education webinars, digital laboratories for kids, training courses for teachers focusing on how to produce remote learning, and fairy tales for children in video clips. Protecting the rights of children was also the aim behind a number of fundraising initiatives designed to provide food, learning packages and basic necessities for children from disadvantaged homes. The cultural sector took part in the project by quickly converting museum exhibitions into virtual tours, creating multimedia content and digital games and entertainment for children, making the material produced by museums freely accessible through dedicated platforms.

The involvement of businesses and trade associations primarily consisted in the reconversion of certain chains of production and donations to the national health service, providing personal protection equipment and ventilators, financing free accommodation for health workers involved in responding to the emergency, supplying food vouchers and distributing food to those in need. An example is represented by the case of the large-scale 3D printing of valves to transform snorkel masks into ventilators. In certain sectors, solidarity funds were created to provide income support for workers who were laid off or whose hours were reduced. These funds were also used to create information dashboards on Covid-19 and task forces to interpret general and sector-specific regulations and to provide operational and organizational advice linked to the emergency.

The creation of a platform bringing together philanthropic and non-profit organisations was also important. The aim here was to coordinate the solidarity initiatives carried out by foundations, businesses and private entities (resulting in almost a thousand initiatives, including donations and fundraising initiatives raising a total of almost €800 million) and map the short and medium-term needs of the non-profit organisations involved in responding to the emergency. Third sector organisations mobilised to support the most vulnerable in both Italy and developing nations, resulting in a series of projects: medical support for refugees, children and the homeless; the distribution of meals and food, meetings to provide information on remote working and disability, information campaigns on anti-Covid legislation, language assistance in healthcare facilities, remote orientation and legal support. Remote psychological support was provided for women, alongside public information campaigns designed to make people aware of the unequal demands placed on them, and reflect on the connection between the health of the planet and human health.

the Italian chapter of the European Movement. The Conference, which has been postponed due to the pandemic, should begin in 2021 and will attract suggestions and proposals from European society and the continent's citizens.

The Alliance is also participating in the preparations for the G20 Summit in 2021. This has involved working with the Ministry of the Economy and Finance and other institutions engaged in preparing Italy's presidency in their efforts to put the topic of sustainable development at the top of the agenda for the meeting. In addition, thanks to the Fondazione Unipolis, ASviS is participating in the F20 Network, consisting of more than 60 foundations and philanthropic organisations from various parts of the world, united by the commitment to joint, transnational action for sustainable development, as defined in the 2030 Agenda. In view of the G20 and as part of the F20 Network, ASviS has offered to organise an international meeting focusing on foundations, so to reinforce the role that these bodies can play in accelerating progress towards implementation of the 2030 Agenda.

The Alliance also strengthened its international promotional efforts, participating in the Global Festival of Action organised by the United Nations Secretariat.

Institutional engagement

On 26 February, the Alliance presented the second edition of the document, "The 2020 Budget Law and sustainable development"⁶⁸, prepared on the basis of contributions from experts from the Alliance's member organisations. The document examines individual provisions in the 2020 Budget Law with reference to the 17 Sustainable Development Goals. The presentation was attended by, among others, the Minister of the Economy and Finance, Roberto Gualtieri, the President of the European Parliament, David Maria Sassoli, and the Coordinator of the Cross-party Parliamentary Group for Sustainable Development, Chiara Braga. The event was also attended by representatives of four youth organisations: Aiesec Italia, Rome Hub Global Shapers, European Youth Parliament and Fridays for Future Roma. ASviS also used the occasion to publish the results of a survey of awareness of the 2030 Agenda and of "demand" for sustainable development policies.

ASviS also took part in a number of hearings on issues relating to the 2030 Agenda, notably:

- on 29 January 2020, the Director of ASviS gave evidence before the Chamber of Deputies' European Union Policies Committee as part of the Committee's assessment of Italy's international efforts to implement the 2030 Agenda;
- on 4 June 2020, the Director of ASviS gave evidence before the Chamber of Deputies' European Union Policies Committee as part of a cycle of assessments conducted for the purposes of a joint examination of the European Commission's Work Programme for 2020 and the Planning Report on Italy's participation in the European Union in 2020;
- from 13 to 20 July 2020, ASviS took part in the States General of the Economy, the event organised by the Cabinet Office in order to bring together civil society, business organisations, labour unions and individual experts to discuss ideas for the country's restart and recovery;
- on 29 July 2020, the Director of ASviS gave evidence before a combined committee set up by the speakers of the two houses of Parliament, and including representatives from parliamentary groups, from the Senate's 1st Constitutional Affairs Committee and 8th Public Works and Communication Committee, as part of the process of examining draft law 1883 (the *Semplificazioni* Decree);
- on 11 September, the Director of ASviS gave evidence before the Senate's 13th Land, Environment and Environmental Heritage Committee on European and Italian sustainability policies;
- on 5 October, the Director of ASviS gave evidence before the Senate's 10th Committee (Industry, Trade and Tourism) on the proposed "Guidelines for definition of the national resilience plan".

The Sustainable Development Festival

One of the highlights of ASviS's activities was the Sustainable Development Festival, which over the years has played a leading role in raising awareness in civil society of the issues surrounding economic, social and environmental sustainability. The Festival aims to bring about the cultural and political change that will enable our country to implement the 2030 Agenda and achieve the 17 Sustainable Development Goals.

After the success of the 2019 edition (1,061 events, up 51% compared with the previous year), the 2020 edition, originally scheduled for May and June 2020,

THE RESPONSE OF THE “MILAN PACT” ASSOCIATIONS TO THE HEALTH AND ECONOMIC EMERGENCY

In the current scenario, businesses have been required to manage the fallout from an unexpected shock, taking a series of actions and initiatives aimed at reorganising their business operations so as to put them on a more sustainable footing and within the framework of the 2030 Agenda. The commitment made when Italy’s ten leading business associations - all of whom are members of ASviS - signed the document, “Speeding up the transition to sustainability. Businesses and the 2030 Agenda”, has thus acquired even greater importance, marking as it does the associations’ decision to continue with conviction and confidence the process launched with signature of the “Milan Pact”. The document commits the signatories (the Alleanza delle Cooperative Italiane, Confagricoltura, Confartigianato Imprese, CIA-Aicoltori Italiani, Confederazione Nazionale dell’Artigianato e della Piccola e Media Impresa (CNA), Confcommercio, Confindustria, Federazione Banche Assicurazioni e Finanza (FEBAF), Unioncamere and Utilitalia) to fostering, in line with the 2030 Agenda, the development of innovative business models, partnerships with all stakeholders and the use of ethical and responsible finance in order to help to achieve the sustainable development goals.

Since 2017, the signatories have carried out various activities, initiatives and projects designed to help the individual organisations and their members make the most of the SDGs. Also, in response to the dramatic situation created by the pandemic, the associations lived up to their commitments through their response to the health emergency and support for their stakeholders. Associations from all sectors of the economy were quick to respond to the crisis, first and foremost in order to protect their employees and their businesses, but also and above all to support the country as a whole. This involved a series of initiatives designed:

- to support businesses as they dealt with the emergency, enabling them to stay up-to-date with new legislation as it was issued;
- to create the conditions enabling businesses to restart, putting in place extraordinary measures to support the economic system;
- to back public institutions, especially the Civil Protection Agency and charitable bodies at the height of the emergency;
- to ensure the continuity of public services even when the strictest measures designed to combat the spread of the disease were in place, where necessary continuing to provide their services by introducing digital processes and online platforms;
- to work with public bodies in order to best manage the emergency;
- to enter into a political dialogue in order to check and offset the impact of the decline in private demand;
- to draw up action and reaction plans to head off the impact of the economic downturn;
- to structure information and training initiatives, broadening and refreshing their online training so as to support their businesses.

was postponed to take place from 22 September to 8 October. Major changes had to be made, with events to be held online or in a “mixed” format (at the time of preparing this Report, almost 800 events have been planned). In particular:

- the press conference launching the Festival was held on 17 September;
- on 22 September, the MACRO Auditorium in Rome hosted the Festival’s opening event en-

titled *Dalla crisi alla ripresa: trasformare l’Europa e l’Italia nel segno dello sviluppo sostenibile* (“From crisis to recovery: transforming Europe and Italy through sustainable development”);

- on 1 October, the MACRO Auditorium also hosted the conference on *I territori come motore dello sviluppo sostenibile* (“Territories as drivers of sustainable development”);

- on 8 October, the International Conference Hall at the Ministry of Foreign Affairs and International Cooperation hosted the fourth edition's closing event entitled *L'Italia e gli Obiettivi di sviluppo sostenibile* ("Italy and the Sustainable Development Goals"), which for the first time coincided with the presentation of this Report.

The Festival offered 16 occasions to discuss key issues relating to sustainable development and the various 2030 Agenda goals, organised by Alliance members, with contributions from ASviS's working groups and external partners. For the first time, by working with the Ministry of Foreign Affairs and International Cooperation, the Festival, which was already recognised by the United Nations as an example of international good practice, opened a window on the world with a series of events organised in embassies and Italian Cultural Institutes around the world.

This year, the Festival worked closely with other major festivals organized by Italian civil society. The ANSA agency and ASviS presented *Voci sul futuro* ("Voices on the future"), 10 events featuring discussion of the future and sustainability by leading Italian and international experts, and focusing on the issues on which the state and future development of the economy, innovation, society, legal systems and the environment depend.

To mark the fifth anniversary of approval of the 2030 Agenda on 25 September, ASviS organised a concert by Paolo Fresu e Daniele Di Bonaventura, which was streamed live from the Macro Museum in Rome. Finally, the Festival was enriched with new types of event: animated films explaining the SDGs to young children, an online training course on sustainable economics and finance, an app designed to improve our lifestyles, floodlit monuments, concerts and book presentations.

Awareness raising and information

The period of the lockdown coincided with an exceptional increase in online communication by ASviS, so much so that **April registered a 188% increase in traffic on the website asvis.it compared with the same month in 2019**. Instead June, when the lockdown ended, saw the increase stabilise at around 65%, with 54,000 unique users. **During the summer, the website and the connected subsites dedicated to each of the 17 Goals were completely redesigned and improved**, introducing innovations that have made it more appealing and easier to understand and use. **Social media also registered a significant in-**

crease in visitors, with 36,000 followers on Facebook (up 53% compared with the end of 2019), 15,000 on Twitter (up 45%) and over 3,000 on Instagram.

The need to react to the crisis caused by Covid-19 and strengthen links with members and associates led to two initiatives: #AlleanzaAgisce, providing information on the website on more than 200 good practices adopted by ASviS members as part of a concrete response to the economic and social problems caused, and a series of video interviews with leaders from member organisations entitled *Oltre la crisi* ("Beyond the crisis").

In the last twelve months, a number of major communication initiatives have been launched:

- the saturdaysforfuture.it website, focusing on responsible consumption and production, to accompany the initiative organised by ASviS and NeXt with the aim of building greater public awareness of sustainable patterns of production and consumption (Goal 12) and call attention to the need to think about sustainability when shopping, above all when households do their weekly shop on Saturday;
- cooperation with ANSA leading to the ansa2030.it website, featuring news items relating to sustainability and a separate independent area for ASviS, marking a first for Italy's leading press agency;
- cooperation with RAI, Italy's state broadcaster, in relation to the *Rai per il Sociale* project, which develops ideas and initiatives spreading information designed to increase knowledge about sustainability among Italians;
- publication of the first "ASviS Guide", providing in-depth information about "Sustainable development goals and European policies - From the Green Deal to Next Generation EU". The first edition of the new series helps the reader to navigate through European legislation on the 2030 Agenda, partly with a view to preparation of Italy's recovery and resilience plan.

Throughout the year, apart from a brief summer break, the weekly programme on Radio Radicale, called *Alta sostenibilità* ("High Sustainability"), continued. The programme features discussion by politicians, experts and leaders from the Alliance of topics relating to sustainable development. The Press Review, made available to member organisations and the Secretariat on the private area of ASviS's website, has been added to with detailed analyses of the main articles published each day.

THE FUTURANETWORK.EU WEBSITE: LOOKING TO THE FUTURE, BEYOND 2030



In May, ASviS, in partnership with the Unipolis Foundation and eminent Italian institutions that study possible futures, launched a new website named Futuranetwork.eu. The site responds to the need, created by the pandemic, to push our country and all of us as individuals to now make the choices necessary in order to set Italy on a sustainable path, without returning to business as usual before Covid-19.

The choice of the site's name represents both the multiplicity of potential futures ("futura", the plural form of the Latin word "futurum"), and the intention to exploit, in a non-episodic manner, the wealth of existing experience and expertise that our country has to offer. This is why futuranetwork.eu has been created in partnership with organisations and associations that combine people who study the future, with networks of researchers and experts in a range of different subjects, with organisations engaged in promoting a modern approach to projecting the future we want.

Futuranetwork.eu is frequently updated and showcases studies, articles, interviews, recommendations for materials focusing on the need, starting from our current situation, to explore potential scenarios and decide what kind of future we want from among the many that are possible. This is an inclusive site that uses blogs, podcasts and interviews to stimulate a wide and informed debate on the options available for a sustainable future. The initiative is also open to businesses and associations interested in presenting their own studies, expressing opinions or participating in the debate.

A part of the site is specifically dedicated to "Studies of the future", looking at both methodological aspects and presenting the various scenarios produced by researchers. "Reflections and proposals" hosts interventions and interviews, but also recommends major research projects, as well as a "topic of the week", which sees people with differing viewpoints discuss a current issue. In addition to blogs and a selection of links to articles published elsewhere, the section, "The future seen from the past", created in collaboration with Rai Teche, offers images and text describing visions of the future developed many years ago. Futuranetwork.eu also aims to be a forum for discussion, with conventions, webinars and training initiatives.

Finally, immediately following presentation of the ASviS Report for 2019, the *Un goal al giorno* ("A goal a day") campaign began providing detailed analysis of Italy's position with regard to the 17 SDGs on social media and the asvis.it website. The information, presented within the seven thematic areas used in the Report (the climate crisis and energy; poverty and inequality; the circular economy, innovation and employment; human capital, health and education; natural capital and environmental quality; cities, infrastructure and social capital; and international cooperation), was also

sent to the 15,000 readers of the newsletter published by ASviS every Friday morning.

Education and sustainable development

As already stated, and made even more apparent during the Covid-19 health emergency, partnerships between civil society and educational institutions should be at the heart of a shared mission to refocus the educational system around a sustainable development culture, transforming teachers and learners into "agents of change".

Therefore, the memorandum of understanding between ASviS and the Ministry of Education, Universities and Research has been renewed for further three years. The aim is to provide education in sustainable development at public and private schools of all types and levels and within provincial adult education colleges, in order to boost awareness, knowledge and adoption of the lifestyles described in the 2030 Agenda. The partnership between ASviS and the Ministry also led to the Alliance's materials being given a mention on the Ministry's website, after they were made available to educational institutions for use in distance learning programmes.

In spite of the difficulties resulting from the health emergency, **the fourth edition of the competition set up by ASviS and the Ministry of Education, Universities and Research, *Facciamo 17 Goal* ("Let's score 17 Goals")**, attracted great interest. This led to the deadline for competition entries being extended until the end of August, enabling many schools to take part with the aim of encouraging them to place a renewed focus on sustainability at a time when the related issues are of such current and widespread interest.

The partnership with the Ministry also covers the start of the new school year, which will see the reintroduction of citizenship education courses in response to Law 92 of 2019: the three topic areas that these wide-ranging courses will focus on are the study of the Constitution, sustainable development and digital citizenship. As the 2030 Agenda will be one of the learning objectives, it is necessary to strengthen the training provided to teachers and senior leaders of schools of all types and levels on this topic, so as to enable them to not only acquire knowledge, but also all the skills needed to meet the challenges posed by sustainable development. As a result, ASviS has bolstered its partnership with the National Institute for Documentation, Innovation and Educational Research (INDIRE), especially in order to expand the "School 2030: education to create value" website⁶⁹, launched in June 2019. This offers all teachers access to self-learning content, resources and materials designed to educate people on the values and the vision behind the 2030 Agenda.

Since 2019, access to the e-learning course on the 2030 Agenda developed by ASviS⁷⁰ has been extended to all of the 800,000 teachers that work in Italy's schools, having previously been available only to newly hired staff (around 63,000

teachers, in addition to the same number of their tutors that over the last three years have had access to the course in the form of online self-learning). The website has also been used to make available the publication, *Un mondo sostenibile in 100 foto* ("A sustainable world in 100 photos"), written by Enrico Giovannini and Donato Speroni and published by Editori Laterza. This is an explanatory guide to the 2030 Agenda in the form of photographs and articles describing the state of our planet and of our socio-economic systems. In addition, we have begun to work with the educational magazine, "Nuovo Gulliver News", which in the second half of 2020 will include nine issues focusing on the 2030 Agenda and the SDGs, produced by experts from the Alliance's working groups.

In order to educate companies and the world of finance, who have an indispensable role to play in effective delivery of the 2030 Agenda, ASviS has created a **new e-learning course called *Azienda 2030 - Le opportunità dello sviluppo sostenibile*** ("Business 2030 - The opportunities provided by sustainable development"). The course aims to guide firms through the business opportunities offered by sustainable development, highlighting the most successful approaches and new financial instruments.

To educate the younger generations in sustainable development, above all children in the 5-10 age group, with the aim of broadening their knowledge of the issues relating to the 2030 Agenda and entering into partnership with the various actors involved in sustainable development, the "**Global Kids' Show Italia**" was created by ASviS and the Edoardo Garrone Foundation, with the support of WINDTRE and in collaboration with Rai Ragazzi and Rai per il Sociale. The show was brought to Italy with A Future and is based on a Swedish show created by the strategic communication agency, The New Division, in 2019. Launched on 6 October during the national event focusing on Goal 4 as part of the Festival 2020, the show aims to engage, inspire and empower children to play their part in achieving the SDGs. There are 17 episodes designed to make the future generations more aware of the challenges we face.

ASviS again took part in preparing the 11th CRC (Convention on the Rights of the Child) Report in 2020, marking the second year it has done so. The report, which will come out at the end of the year, links the various 2030 Agenda Goals and Targets to monitoring of the Convention on the Rights of Chil-

dren and Adolescents in Italy. Preparation of the Report includes dialogue between the government, civil society and experts in the field aimed at improving implementation of the CRC in our country. For the third year running, ASviS participated in the Alberobello Summer School, “The philosophy behind sustainable development. Resilient education during a time of emergency”, organised by the Ministry of Education, Universities and Research and the *Centro di Ricerca per gli Studi Filosofici* (the Centre for Research into Philosophical Studies). The course is aimed at primary and secondary school teachers and at researchers and experts.

However, efforts to educate people about sustainable development go beyond the school. **Registration to the e-learning course, “The 2030 Agenda and the Sustainable Development Goals”, created by ASviS, with new content added in January,**

continues to grow, over and above the more than 11,000 active users on ASviS’s website. As a result:

- the **Chamber of Deputies** has made it available within its internal online training programme, as part of a staff training initiative launched in June;
- **numerous organisations belonging to ASviS and several regional authorities**, with which the Alliance has entered into memoranda of understanding, have included it in their online staff training platforms;
- it is being used by **students attending the Summer Schools and other training courses organised by the Alliance**, partly in partnership with its members (the WIP ECOSOC project, the D20 Leader course, in collaboration with Fondirigenti, a number of master’s courses run by Il Sole 24 Ore, two courses run by the National School of Administration);

ASVIS’S ADVANCED TRAINING SCHOOLS

In 2018, ASviS launched a series of advanced training activities. With the aim of focusing on the systemic logic of sustainable development, since 2018, the “Summer School on Sustainable Development” has taken place in Siena. It is organised in collaboration with the Enel Foundation, Leonardo, the University Network for Sustainable Development, the Sustainable Development Solutions Network Italy, the Mediterranean Sustainable Development Solutions Network and the University of Siena’s Santa Chiara Lab. In 2019, the “Milan Summer School on Wellbeing and Sustainability” was organised in partnership with the “Milano 2046” initiative, and with the participation of universities in the Milan area (Bicocca, Bocconi, Cattolica del Sacro Cuore Umanitas, IULM, La Statale Politecnico and San Raffaele) and of the Eni Enrico Mattei Foundation. The School aimed to provide high-profile, high-level training in wellbeing and sustainability, with a particular focus on policymaking for cities.

The enormous success of the two Schools and increased awareness of issues relating to sustainable development among civil society have led, from the second half of 2019, to a greater request for advanced training from both the public and private sectors. To this end, in addition to the third edition of the School in Siena and the second edition of the School in Milan, 2020 will see further training courses for regional and other local authorities. In particular, thanks in part to the contribution from the Enel Foundation, the knowledge partner for ASviS’s training initiatives, planning has begun for four Schools to provide training in aspects relating to sustainable development to local authorities. A training programme for personnel from regional authorities and autonomous provinces is also in preparation. This will be run in parallel with the initiatives carried out in partnership with National School of Administration for central government bodies, with support from ENI and Terna.

Finally, in partnership with the Ericsson Foundation, the Enel Foundation and the Cassa di Risparmio di Pistoia Foundation, work has begun on planning a School for innovation aimed at “sustainable” start-ups, and focusing above all on topics relating to the circular economy and digitalisation.

Due to the health emergency, all the training initiatives planned for 2020 were postponed until the second half of the year and underwent significant changes in terms of delivery method. The mainly residential nature of the previous courses was replaced by a “hybrid” format, involving provision of a part of the programme via webinars and individual study. This new approach should also make it easier for users to frequent the courses, as in this way they can better reconcile their work commitments with their training needs.

- **26 universities in the Rete delle Università per lo Sviluppo Sostenibile (University Network for Sustainable Development)** use it as a “starter course” on sustainable development for all students and for their teaching and non-teaching staff;
- **the course was made available to journalists** through Italy’s Association of Journalists, which has included the course in its SIGeF online learning platform, with training credits issued to participants. The course was used by many thousands of users, whilst a second course on the economic, social and environmental effects of the pandemic was created and published in July;
- **the Italian Libraries’ Association Platform and the Platform of EBLIDA** (the European Bureau of Library, Information and Documentation Associations) have included both the Italian and English versions of the course in their online resources inglese;
- **the Italian Association of Philanthropic Foundations and Institutions (Assifero)** will shortly issue the course to volunteers in its network;
- the course is used by a **growing number of major companies**, partly within work experience schemes.

ASviS works with the National School of Administration, which organises:

- the “Sustainability Management” course for senior and middle managers from central government involved, above all, in managing general services (human resources, general affairs, contracts and services, etc.);
- the course entitled “Integrated policies for the UN’s 2030 Agenda on sustainable development”. The course is designed for managers from the ministries involved in the policy areas relating to the 2030 Agenda and aims to develop the public administration’s ability to define and implement public policies that systematically take into account the interconnections and potential trade-offs between sustainable development policy options;
- the course entitled “Europe and sustainable development”, which takes an in-depth look at issues linked to the 2030 Agenda from the point of view of relations with the European Union.

In addition, short introductory seminars on the 2030 Agenda were organised for senior managers from various ministries in 2020, whilst all the

courses offered by the National School of Administration were mapped on the basis of the SDGs.

Finally:

- ASviS took part in the two editions of the **WIP-ECOSOC** project organized in March and July 2020. This project was set up by the *Associazione Diplomatici*, an Italian NGO and a member of ASviS with special consultative status with the United Nations ECOSOC. The high-level WIP-ECOSOC training programme for aspiring young diplomats consists of intensive lessons focusing on international relations, cooperation and sustainable development provided to twenty Italian university students;
- the European Schools for the UN Sustainable Development Goals implementation (SUDEGO) project, a part of the Erasmus+ programme, came to an end in January. The project, which used a specially created website⁷¹ providing resources and didactic materials on the SDGs, was set up to facilitate the acquisition of expertise and encourage the attainment of high-quality skills in the area of sustainable development. The project was primarily aimed at primary and secondary school teachers in the countries involved (Italy, Spain, Finland, the UK and Bulgaria), students from the same educational cycles and business and public sector stakeholders, including those from the world of education.

Research initiatives

Over this year, the working group with responsibility for statistical indicators has developed an information system, updated at the time of this Report, with the aim of monitoring the progress made towards achieving the 17 SDGs at national, regional and European level. Working closely with the groups responsible for each of the Goals, the group reviewed the indicators used with a view to improving the description of the performances of EU Member States, Italy and its territories through composite indicators for the different Goals, starting from the data made available by Diplomatic ISTAT (Italy’s National Statistical Office), ISPRA (the Institute for Environmental Protection and Research), Eurostat and other authoritative sources. In addition, to as far as possible assess the impact of the health crisis on the various Goals, the elementary and composite indicators for 2019 were also estimated, supplementing existing data with estimates produced using econometric methods.

ASviS also provides support for regional and local authorities in rating their performances with respect to the SDGs and in drawing up local sustainable development strategies, in accordance with the agreement entered into with the Ministry for the Environment, Land and Sea Protection. ASviS is currently working with the Emilia-Romagna and Tuscany regional authorities, the Autonomous Province of Trento and the cities of Taranto and Parma.

At European level, ASviS is participating in the “No Planet B” project, the duration of which has been extended for a further six months due to the health emergency. This project aims to develop, test and disseminate effective solutions for meeting local and global social needs, encouraging funders and businesses to take part in matching funds initiatives to create a shared pool of money to support efforts to combat climate change. In addition, the organisations who benefit from the funding are included in programmes designed to boost their expertise through coaching and training.

ASviS’s commitment to implementing the 2030 Agenda at local level

The National Sustainable Development Strategy gives regional authorities, autonomous provinces and metropolitan cities a key role in its implementation. Regional authorities are, for example, required to approve and adopt their own Regional Sustainable Development Strategies, taking into account the specific characteristics of their regions. In addition, the Strategy requires coordination of the statistical data used to monitor progress towards the SDGs, partly with a view to maximising consistency with the 12 indicators of Fair and Sustainable Wellbeing adopted in the Economic and Financial Planning Document.

To initiate these processes, in August 2018, the Ministry for the Environment, Land and Sea Protection published a call for tenders inviting the submission of expressions of interest with the aim of concluding partnership agreements with regional authorities and the autonomous provinces in order to devise sustainable development strategies at regional and provincial level. Almost all the regional authorities and one of the autonomous provinces had entered into partnership agreements by the end of 2018 and various initiatives have been launched. In July 2019, the Ministry published a second call relating to further activi-

ties with respect to those provided for in the agreements concluded up to that point.

Responding to requests from ASviS and Urban@, in August 2019, the Ministry for the Environment, Land and Sea Protection published a second call for tenders aimed at metropolitan cities. This call regards the definition of “Metropolitan sustainable development strategies” designed to implement the 2030 Agenda and national and regional sustainable strategies and focusing on the social, environmental and economic aspects of sustainability. In this case, the aims of the call are to strengthen and improve the focus on sustainable development in the master plans for metropolitan areas, fully integrating all the dimensions of sustainability into metropolitan planning, programming and management processes; to promote, alongside local institutions and metropolitan actors, integrated sustainable development initiatives; and to increase awareness and promote social and business activism in relation to sustainability, including actions designed to broaden the involvement of citizens and civil society.

To support these activities, ASviS has made available its expertise and know-how, aware of the institutional role we are called on to fulfil. Following this initiative, **protocols of understanding have been entered into or are being entered into with the Emilia-Romagna, Liguria, Lombardy, Tuscany and Veneto regional authorities, the Autonomous Province of Trento, the cities of Parma and Taranto and the metropolitan cities of Bari, Bologna, Milan and Rome.**

Beyond the technical aspects of the activities covered by the protocols, ASviS is committed to ensuring that the strategies create the conditions for dialogue with civil society, not only in order to define and implement the strategies, but also to ensure the permanent engagement of local communities. In this regard, ASviS, through its network of members, is encouraging local associations that form part of its member organisations to play an active role, with the aim of: raising awareness of the 2030 Agenda among public and private organisations, public opinion and individual citizens; promoting sustainable development training programmes; exploiting the good sustainable development practices adopted by local actors; engaging with local institutions as part of the process of monitoring progress towards the SDGs.

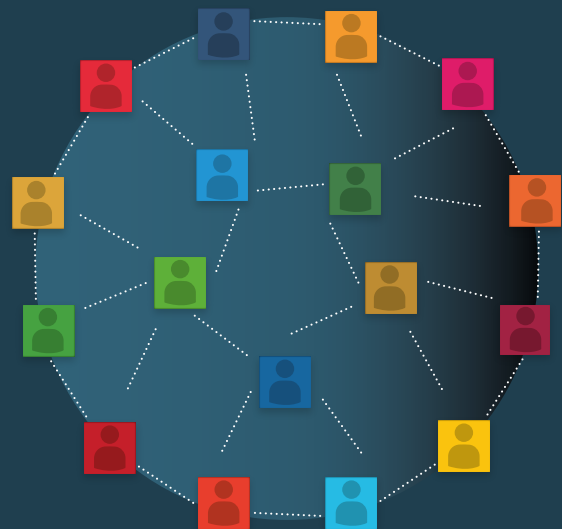
NOTES

- ¹ For a detailed description, see the relevant box.
- ² Both elementary and composite indicators are available in the ASviS database, which also contains data for the various regions. The 2010 value for Italy represents the base value (equal to 100) and the indicators show the improvement (if the value rises) or the deterioration (if it falls) in the situation compared to the 2010 value. If a composite indicator shows an improvement, this doesn't necessarily mean that Italy is on a path that will enable it to achieve the Goals by 2030, but simply that "on average" the country is moving in the right direction as the distribution (i.e. aspects relating to inequality) of the phenomenon is not taken into account.
- ³ For Goal 14, it was decided not to calculate 2019, due to a lack of available data.
- ⁴ See p. 38 chm.cbd.int/pdf/documents/nationalReport6/245699/1
- ⁵ The figure examined is based on the current price of imports. Eurostat's choice of this indicator reflects the need to analyse the trend in EU countries towards achievement of the Target, which however does not fully match the definition used in the 2030 Agenda. Indeed, Eurostat's indicator does not take into account the trend in south-south trade, which could be a good driver of sustainable development in developing countries.
- ⁶ See ec.europa.eu/eurostat/databrowser/view/sdg_13_50/default/table?lang=en
- ⁷ www.istat.it/it/archivio/229565 See page 234. The indicator computed by ISPRA shows progressive growth, between 2007 to 2011, in the number of stocks assessed (from 9 to 34), though the number has fallen back in recent years to approximately 30.
- ⁸ To date, Italy is behind schedule, also in terms of measures for the protected areas themselves. On 24 January 2019, the European Commission sent Italy a letter of formal notice because "463 Sites of Community Importance for which the deadline has expired have not been designated as Special Areas of Conservation yet. Furthermore, Italy has generally and persistently failed to set site-specific detailed conservation objectives and to establish the necessary conservation measures which correspond to the ecological requirements of the natural habitat types, in all the 19 regions and in 2 autonomous provinces". europa.eu/rapid/press-release_MEMO-19-462_it.htm
- ⁹ Yearbook of environmental data for 2019, ISPRA, annuario.isprambiente.it/. As the Target covers all types of forest, the state of those present in urban areas, which are important to avoid biodiversity loss and to ensure an adequate water cycle, as well as mitigation and adaptation to climate change, should be analysed in greater depth.
- ¹⁰ COM(2019) 95 final ec.europa.eu/transparency/regdoc/rep/1/2019/IT/COM-2019-95-F1-IT-MAIN-PART-1.PDF
- ¹¹ Yearbook of environmental data for 2019, ISPRA annuario.isprambiente.it/
- ¹² Yearbook of environmental data for 2019, ISPRA annuario.isprambiente.it/
- ¹³ eur-lex.europa.eu/legal-content/IT/TXT/PDF/?uri=CELEX:32014R0511&from=EN
- ¹⁴ europa.eu/rapid/press-release_MEMO-19-462_it.htm
- ¹⁵ Urban Agenda for Sustainable Development Report no. 1/2019.
- ¹⁶ Urban Agenda for Sustainable Development Report no. 1/2019, cit., p. 48.
- ¹⁷ eur-lex.europa.eu/legal-content/IT/TXT/PDF/?uri=CELEX:52018DC0562&from=EN
- ¹⁸ On 24 January 2019, the European Commission urged Italy to meet its obligation to report on the ecological status of marine water, the deadline for which was 15 October 2018. http://europa.eu/rapid/press-release_MEMO-19-462_it.htm
- ¹⁹ www.miniambiente.it/sites/default/files/archivio/allegati/sviluppo_sostenibile/csa_terza_edizione_dicembre_2019_1.pdf
- ²⁰ Following the approval of the Cura Italia Decree, the ASviS and the Inequality and Diversity Forum highlighted the need to supplement the contents of that measure with the introduction of two instruments: "Emergency Support for the Self-Employed" (SEA), which replaces the €600 bonus for self-employed workers, and "Emergency Income" (REM), in order to reach people in need who do not receive other welfare benefits.
- ²¹ ISTAT, 2020, Poverty in Italy 2019, Report, Rome
- ²² <https://www.inps.it/nuovoportaleinps/default.aspx?itemdir=54037>
- ²³ The Rilancio Decree then postponed the entry into force of this provision until 1 January 2021.
- ²⁴ This includes €331 million for school managers for a safe reopening, €400 million for the newly established ministerial epidemiological emergency fund for 2020, plus another €600 million for 2021.
- ²⁵ During the period of lockdown for the Covid emergency, with quarantine and forced cohabitation, the 1522 app was activated for iOS and Android, which can be downloaded from any smartphone. The app allows you to connect and chat with anti-violence operators and also to activate emergency devices immediately. The chat content remains confidential.
- ²⁶ curia.europa.eu/juris/document/document.jsf?text=&docid=219541&pageIndex=0&doclang=IT&mode=req&dir=&occ=first&part=1&cid=11315758
- ²⁷ www.camera.it/leg18/126?tab=2&leg=18&idDocumento=52&sede=&tipo=
- ²⁸ www.camera.it/leg18/126?tab=&leg=18&idDocumento=0773
- ²⁹ A number of observers continue to express doubts about the manner in which these measures are being implemented with respect to achievement of the Goal 6 Targets.
- ³⁰ data.consilium.europa.eu/doc/document/ST-6060-2020-REV-1/it/pdf
- ³¹ www.greenme.it/consumare/acqua/acqua-potabile-irsa/

- ³² www.rainews.it/dl/rainews/articoli/Ue-a-Italia-maxi-multa-per-le-acque-reflue-5a884261-03c8-48be-a29e-2807002010df.html; www.ansa.it/canale_ambiente/notizie/acqua/2019/07/25/la-ue-bacchetta-litalia-su-fogne-e-depuratori_42de6734-a829-46fd-a533-7b2d545b7056.html
- ³³ Determination 235/2020/R/IDR of 23 June 2020, ARERA.
- ³⁴ Information on the measures in the *Semplificazioni* Decree relating to the environment (articles 50 *et seq*) is provided in the section on Goal 15.
- ³⁵ www.gazzettaufficiale.it/eli/id/2019/10/14/19G00125/sg
- ³⁶ www.gazzettaufficiale.it/eli/id/2020/07/16/20G00096/sg
- ³⁷ www.gazzettaufficiale.it/eli/id/2020/06/10/20G00066/sg
- ³⁸ www.gazzettaufficiale.it/eli/id/2020/07/14/20G00093/sg
- ³⁹ Use is made of the sub-goals for Goal 11 contained in ASviS-Urban@it's Urban Agenda for Sustainable Development Report dated 14 March 2018. Sub-target 11.5 relating to the victims of natural disasters is considered in relation to Goal 13 *Climate action*, whilst the part of sub-goal 11.6 relating to waste is covered in Goal 12 *Responsible consumption and production*.
- ⁴⁰ eur-lex.europa.eu/legal-content/IT/TXT/PDF/?uri=OJ:L:2019:248:FULL&from=EN
- ⁴¹ <file:///C:/Users/Marco/OneDrive%20Fondazione%20Banco%20Alimentare%20Onlus/PC/Desktop/FEBA/RACCOMANDAZIONI%20DI%20AZIONI%20NEL%20QUADRO%20DELLA%20PREVENZIONE%20DEGLI.pdf>
- ⁴² documenti.camera.it/apps/commonServices/docubridge.ashx?url=COM_2020_102_3_IT_ACT_part1_v2.pdf&p=Atti%20Ue%5CCommissione%20Ue%5Cpdf%5C2020%5C03%20-%20MARZO
- ⁴³ www.europarl.europa.eu/doceo/document/TA-9-2019-0078_IT.pdf
- ⁴⁴ eur-lex.europa.eu/resource.html?uri=cellar:b828d165-1c22-11ea-8c1f-01aa75ed71a1.0006.02/DOC_1&format=PDF
- ⁴⁵ Chamber of Deputies' document, *Mozione 1/00181 - aic*. camera.it/aic/scheda.html?numero=1-00181&ramo=C&leg=18
- ⁴⁶ www.gazzettaufficiale.it/eli/id/2019/12/13/19A07885/sg
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- ⁴⁸ As previously indicated in Com (2018) 773 final of 28 November 2018: ec.europa.eu/transparency/regdoc/rep/1/2018/it/com-2018-773-f1-it-main-part-1.pdf
- ⁴⁹ COM (2020) 408 final of 28 May 2020 eur-lex.europa.eu/resource.html?uri=cellar:1813ea3d-a0be-11ea-9d2d-01aa75ed71a1.0001.02/DOC_1&format=PDF
- ⁵⁰ COM (2020) 512 final and European Council of 17-21 July 2020 eur-lex.europa.eu/legal-content/IT/TXT/PDF/?uri=CELEX:52020DC0512&qid=1590479029415&from=EN
- ⁵¹ www.consilium.europa.eu/media/45118/210720-euco-final-conclusions-it.pdf
- ⁵² www.gazzettaufficiale.it/eli/id/2020/06/10/20G00065/sg
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- ⁵⁵ eur-lex.europa.eu/legal-content/IT/TXT/PDF/?uri=CELEX:52020DC0259&rid=9
- ⁵⁶ www.senato.it/leg/18/BGT/Schede/Ddliter/52448.htm
- ⁵⁷ The aim of the draft law is: to encourage the recovery of passively fished waste; to provide incentives for voluntary marine clean-up initiatives; to promote the circular economy by allowing passively fished waste, or waste collected as a result of clean-up initiatives, to be no longer classified as waste.
- ⁵⁸ eur-lex.europa.eu/legal-content/IT/TXT/PDF/?uri=CELEX:32019L0883&from=it
- ⁵⁹ Information on the measures in the *Semplificazioni* Decree relating to the environment (articles 50 *et seq* and Law Decree 76 of 16 July 2020) is provided in the section on Goal 15.
- ⁶⁰ www.politicheagricole.it/flex/cm/pages/ServeBLOB.php/L/IT/IDPagina/15339
- ⁶¹ eur-lex.europa.eu/legal-content/IT/TXT/PDF/?uri=CELEX:32018R0841&from=IT
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- ⁶⁴ www.europarl.europa.eu/doceo/document/TA-9-2020-0015_IT.pdf
- ⁶⁵ Draft law AC 63 of 23 March 2018, containing “Measures to halt land use and to encourage the use of brownfield sites”, and draft law AS 164 of 27 March 2018, containing “Measures to halt land use, encourage the use of brownfield sites and protect landscapes”, previously discussed in the ASviS Reports for 2018 and 2019.
- ⁶⁶ See page 21 www.corteconti.it/Download?id=1588e2fb-c42f-48a2-93cd-ef9dc49ddcfa
- ⁶⁷ asvis.it/gruppi-di-lavoro/
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ASviS's recommendations



4. ASviS's recommendations

4.1 Italy and sustainable development: people's opinions

As mentioned in Chapter 1, opinion polls conducted around the world in recent months show increased awareness of sustainable development issues among the population. For example, the Ipsos international report released in April, "Earth Day 2020: How does the world view climate change and Covid-19?", focusing on the relationship between climate change and Covid-19, found that 71% of respondents in 14 countries believe that climate change is as serious a crisis as the coronavirus one. In addition, 65% believe that an economic recovery focused on green issues is needed to get out of the crisis, and 57% say they would be "disheartened" to vote for a party whose policies do not seriously address the impacts of climate change.

As far as the opinions of the Italians are concerned, perhaps the most interesting figure regards the share of the population (66%) who say they will switch their vote if the political party they usually support doesn't take serious action against climate change. Moreover, 71% believe that if the Government does not act now to combat climate change, it will have failed in its task.

72% of the respondents believe that, in the long term, climate change is an equally serious threat as Covid-19, and 63% think that it is a priority to take action against climate change during the economic recovery after the health crisis. Finally, 50% of respondents do not agree with an economic recovery that might worsen environmental conditions (compared with 41% in favour), and just under half believe that greater public mobilisation against climate change will be seen after the health crisis.

The most recent surveys conducted in Italy confirm the high-level attention paid to environmental issues, but also a growing concern among the population regarding the employment and healthcare consequences of the crisis, which are also part of the 2030 Agenda. For example, a survey carried out by SWG shows a rise in concerns about economic development from 24% to 38%, and a rise from 20% to 25% about healthcare, between

2019 and September 2020, compared to a slight decrease from 28% to 25% in concerns about the environment.

A comparison of the results of the surveys conducted by Eumetra in April and June 2020 reveals that, although still high, the overall level of concern about the current situation has dropped significantly, from 7.88 to 6.94 on a scale of 1 to 10. Also, in June, concerns about the overall state of Italy's economy (down from 8.56 to 8.18) and the world economy (down from 8.39 to 8.06) were still great, as well as concerns about the economic and social sacrifices that will have to be made (down from 8.28 to 7.72) and about the future in general (down from 8.12 to 7.67). On the other hand, the concerns that things will never be the way they were before (down from 7.60 to 7.06), and that the wellbeing we have achieved will never be recovered (down from 7.30 to 6.90), as well as the concern about the effects on savings (down from 7.50 to 7.18), have fallen sharply. However, between April and June all the individual aspects regarding which the level of concern was surveyed dropped significantly, with the exception of two: the concern about the credibility of information, which remains consistent and stable (down from 7.38 to 7.20), and the concern about the environment (up from 6.43 to 6.99), which is the only aspect for which the level of concern is growing.

Also very interesting is the change in priorities expressed by the respondents with respect to the 2030 Agenda. While the issues relating to the Goals ranked as most important have remained largely unchanged over the past year, the period from December 2019 to April 2020 saw an upswing for the issues relating to the protection of human dignity. However, in June growing attention was paid to the Goals affecting the situation of respondents (climate action, good health, good employment and economic growth), while interest in the Goal regarding responsible production and consumption fell significantly, and issues relating to fairer global distribution of resources and primarily supporting the most vulnerable slipped down the ranking.

4.2 The European Union's drive for the sustainable development and resilience of socioeconomic systems

The European “shift” towards sustainable development, including as a strategy for responding to the Covid-19 crisis, marks an extraordinarily positive and far from obvious innovation. The pressure from some countries and some components of European society to react to the crisis in a “classic” way was substantial, especially during the early weeks of the health emergency. But the European Commission, led by Ursula von der Leyen, has unwaveringly adhered to the approach adopted in previous months, clearly stating that the objective of the policies to be put in place to react to the Covid-19 crisis is to build a “more resilient, sustainable and fair Europe”, as indicated in the title of the Roadmap prepared by the President of the Commission and the President of the European Council, which was published on 21 April 2020.

The conclusions of the European Council meeting of 26 March already expressed the need to design national and European public policies in line with the above general guidelines adopted in the summer of 2019 and to strengthen the resilience of European socio-economic systems: “The urgency is presently on fighting the coronavirus pandemic and its immediate consequences. We should however start to prepare the measures necessary to get back to a normal functioning of our societies and economies and to sustainable growth, integrating inter alia the green transition and the digital transformation, and drawing all lessons from the crisis. This will require a coordinated exit strategy, a comprehensive recovery plan and unprecedented investment”.

It is important to note that the conclusions of the March Council meeting already indicated a change of strategic orientation with respect to risk and crisis management: “We must also draw all the lessons of the present crisis and start reflecting on the resilience of our societies when confronted with such events. In that respect, the time has come to put into place a more ambitious and wide-ranging crisis management system within the EU. We invite the Commission to make proposals in that respect”.

The final sentence signals a willingness to take on

board a perspective of “recurring crises” as the new normal, contrary to past practice, and it is no coincidence that the term “crisis” is referred to in the plural, namely without limiting the thematic scope of the innovation the Council aims to bring to European governance. This approach appears to be fully in line with the recommendations of scientists from various disciplines, who for many years - if not decades - have been pointing out the risks of economic, social and environmental unsustainability that will mark the 21st century and put national and supranational institutions to the test, including in industrialised countries.

The decision to oblige the Member States to draw up National Recovery and Resilience Plans - NRRP (to be financed with European funds), taking into account the overall objective of making the European model sustainable by creating particularly binding conditions for the implementation of the Plans and the payment of the various tranches of loans and grants, is another strong element that drives greater coherence of national policies in the direction of economic, social and environmental sustainability. Indeed, the Plans will have to present projects that respond to the Country Specific Recommendations approved within the European Semester, which, by incorporating the 2030 Agenda and the 17 SDGs (exactly as ASviS proposed in 2019), impose a new vision on national policies that is more balanced than the previous approach and largely focused on productivity growth and the stability of public finances.

Moreover, the projects that will form part of the NRRPs must be capable of implementing Integrated National Energy and Climate Plans, which in turn must be brought into line with the EU's carbon neutrality by 2050 objective. The concept of “just transition” also strengthens the commitment to greater fairness, as set out in the Roadmap, to be pursued partly through policies aimed at protecting people from shocks, lifelong learning, the growth of human capital in all its forms, and the reduction of all inequalities, including territorial and gender ones.

The third pillar of the Roadmap is connected with the resilience of economic and social systems, to the growth of which the NRRPs must be geared. The way this concept is applied in the new approach to European policies is highly innovative. The first annual report “Strategic Foresight - Charting the course towards a more resilient Europe”, presented by the European

Ursula von der Leyen's first State of the Union address: "Building the world we want to live in: a Union of vitality in a world of fragility"

On 16 September 2020, the President of the European Commission, Ursula von der Leyen, in her State of the Union Address before the European Parliament, renewed the commitments made so far and presented some important policy innovations:

- **Build a European Union with stronger healthcare**, by relaunching the EU4health programme to tackle future health challenges, boosting the European Medicines Agency and the European Centre for Disease Prevention and Control, and setting up an Agency for Advanced Biomedical Research and Development to strengthen Europe's capacity to respond to cross-border threats;
- **A Europe determined to protect everyone**, with instruments to protect workers and businesses from external shocks. A legislative proposal will be presented to support Member States in the creation of a legal framework for a minimum wage, completion of the Capital Markets Union and the Banking Union, and an update of industrial strategy and competition rules in the first half of 2021;
- **The most urgent acceleration regards the future of our fragile planet**. The declared increase in cutting greenhouse gas emissions by 2030 is set at a minimum of 55%. This is an ambitious but achievable and beneficial target for Europe, and pursuing it could create millions of additional jobs and reduce air pollution by more than half. Also, to achieve this objective, 37% of Next Generation EU funds will be allocated directly to the European Green Deal objectives, with 30% of these funds to be financed by EU green bonds;
- **Make the next ten years the European digital decade**. Europe must lead the process of digitalisation, otherwise it will be forced to follow a path mapped out by others, who would set standards for us. Three priorities have been set: data protection via implementation of a European cloud; definition of a system of rules that puts people at the heart of technological challenges, especially artificial intelligence; equal opportunities for rural areas, including widespread broadband coverage. To this end, a new investment of €8 billion will be made in advanced "made in Europe" supercomputers, and the share of Next Generation EU funds to be allocated to digital transformation is set at 20%;
- **Europe opts for collaboration**. The need to reform the multilateral system of the UN, the WHO and the WTO is highlighted, in order to bring about a change based on planning rather than destruction. Openness to a new transatlantic agreement with the USA, and a commitment to sign off Brexit respecting the agreements that have already been formalised, are reiterated. Europe's diplomatic strength and economic weight will be used to negotiate agreements on ethical, human rights and environmental issues. The presentation of a bill regarding respect for human rights, as repeatedly requested by the Parliament, has been announced. The EU will propose a border carbon tax and an agreement on digital taxation at the OECD and the G20;
- **Humanity and solidarity in the new pact on migration**. The upcoming presentation of the new agreement regarding management of migration flows has been announced, which above all emphasises that saving lives at sea is not optional. The commitment is to guarantee integration and reception, distinguishing between those who have the right to stay and those who do not. The principle that the challenge is European and everyone must play their part is established;
- **Respect for the rule of law**. EU budget and Next Generation EU funds will be protected against all types of fraud, corruption and conflict of interest. The presentation of the first report on respect for the rule of law in the European Union by the end of September has been announced;
- **Anti-racism and the fight against hate crime and discrimination**. The presentation of an anti-racism plan, and the inclusion of incitement to hatred among the list of relevant crimes in the EU, have been announced. Laws against racial discrimination will be strengthened where they have omissions, and the EU budget will be used to tackle discrimination in areas such as employment, housing and health-care. The first coordinator of the Commission Against Racism and Intolerance will be appointed. The Commission is also committed to presenting a strategy to strengthen the rights of LGBTQI people.

Commission on 9 September 2020, outlines the Commission's strategy for integrating strategic forecasting into EU decision-making and the first lessons to be drawn from the Covid-19 crisis, and also introduces resilience as a new compass for European policies. In particular, the report (see box on page 26) adopts the approach to "transformative resilience" developed over the last four years at the Joint Research Centre (JRC) of the European Commission, which ASviS has already used in recent months to assess the Italian Government's policies in response to Covid-19 crisis. The report analyses the resilience of the socioeconomic system across four interrelated dimensions: social and economic; geopolitical; environmental; and digital.

The Commission underlines the importance of this interpretation of resilience for achieving the transition to a digital, sustainable and fair Europe. In particular, it notes that: "Resilience is the ability not only to withstand and cope with challenges but also to undergo transitions in a sustainable, fair, and democratic manner. Resilience is necessary in all policy areas to undergo the green and digital transitions, while maintaining the EU's core purpose and integrity in a dynamic and at times turbulent environment. A more resilient Europe will recover faster, emerge stronger from current and future crises, and better implement the United Nations' Sustainable Development Goals". Also of particular interest are the technical materials that accompany the report, in which "experimental" collections of indicators to assess the vulnerability and resilience of Member States with respect to the various dimensions examined are illustrated.

This approach, which links together resilience and sustainability as defined in the 2030 Agenda, should be adopted by national governments when drawing up their National Plans, which should be designed to contribute towards the recovery of the economic system, as well as greater resilience to future shocks, so that they don't have to depend on the help of others to cope with them. This is far from being a secondary consideration, given the exceptional nature of launching Next Generation EU, as emphasised on several occasions in the European Council's decision and in the statements of European leaders, which does not envisage it being repeated in the future to deal with a new crisis. Ignoring this approach entails obvious risks in terms of acceptance of the Na-

tional Plans by the Commission and the Council.

The strategic objectives approved in 2019 on the basis of the 2030 Agenda, the recommendations of the European Semester focusing on the SDGs, the Integrated National Energy and Climate Plans for energy and ecological transition, strategic foresight, Next Generation EU and the National Recovery and Resilience Plans are the building blocks that have been patiently and painstakingly constructed this year to enable the European Union and its Member States to take a historic leap forward. Ursula von der Leyen also pointed this out in her first State of the Union Address on 16 September (see box on page 142) where the new objectives for cutting greenhouse gas emissions by 2030 were also set out, which the Commission confirmed on 17 September, thereby adopting the guidelines on the matter previously laid down by the European Parliament.

Of course, it is up to the European Council and the Member States to transform these guidelines into concrete actions, by linking up the Next Generation EU funds, the ordinary funds of the Multiannual Financial Framework (to be defined by the end of the year via negotiations between the Commission, the Council and the Parliament) and the funds of national budgets. Ensuring the coherence of sustainable development policies, especially for countries like Italy, which are less accustomed than others to drawing up and implementing such complex multiannual plans, poses a daunting challenge.

4.3 The National Recovery and Resilience Plan: a historic opportunity to focus public policies on sustainable development

The European Commission has issued guidelines for the preparation of the NRRPs, explicitly stating that Member States should set out the main challenges they intend to address, and how they will be addressed via the NRRP. In particular, the Plans must contribute to the achievement of four objectives:

- promoting the economic, social and territorial cohesion of the Union;
- strengthening economic and social resilience and adaptability;
- mitigating the social and economic impact of the crisis;
- supporting the green and digital transitions.

NRRPs should seek to bring about lasting, structural changes, in line with a broad concept of investment as fixed capital formation in the areas of human capital and natural capital.

With regard to the ecological transition, Member States must explain - via a detailed outline - the extent to which each individual project will contribute to achieving it, and how each investment and reform will contribute to the objective of allocating 37% of the NRRP to combating the climate crisis. In addition, details based on specific data should be given on whether and how the planned measures comply with the principle of “not causing significant harm” to environmental sustainability. In explaining how the proposed measures contribute to the green transition, Member States should:

- when possible, take into account the six climate and environmental objectives set out in Regulation 2020/852 (Taxonomy Regulation);
- explain how the project will contribute to the EU’s climate objective for 2030 and climate neutrality by 2050;
- specify how it relates to the goals and objectives contained in the NRRP.

The link between the reforms that are to be implemented and the projects for specific investments will be vital, insofar as governments should describe the interconnections and syner-

gies between these two elements in detail. In particular, with regard to reforms, Member States should provide:

- clear and evidence-based analysis of the challenges faced and the objectives of the reform;
- detailed information on who (businesses in general, SMEs, specific sectors, the general population, households, students, workers, etc.) is involved in the reform;
- a clear description of how the reform is implemented and the authorities - central and/or local - that will be involved, how they will coordinate with each other, and how correct implementation of the reform will be ensured;
- a description of how stakeholders are engaged;
- information on the main expected impediments and the related solution strategies;
- the timing of the implementation of the reform.

Regarding investments, Member States should provide:

- clear and evidence-based analysis of the challenges faced and the objectives of the investment;
- detailed information on who and/or what (for example, installed capacity of renewable hydrogen electrolyzers) is affected by the investment;
- a description of how the investment will be implemented, with reference to both central and local administrative capacity, explaining how the funds will be absorbed in a timely manner and how they will be channelled to the sub-national level;
- the nature and size of the investment and its timing.

The NRRP should allocate at least 20% of expenditure to the digital transition, namely the digital transformation of economic or social sectors (such as public administration, justice, the health system and public services), in order to improve competitiveness, as well as the resilience, agility and security of companies and public actors, while ensuring inclusiveness.

Moreover, the way the NRRP initiatives are coordinated with other plans and initiatives should be specified, with special reference to the National Integrated Energy and Climate Plan (PNIEC), as well as the processes and structures established at national and regional level to ensure complementarity and coordinated manage-

SPECIFIC RECOMMENDATIONS FOR ITALY WITHIN THE SCOPE OF THE EUROPEAN SEMESTER

The European Council meeting of 20 July 2020 adopted the recommendations that, within the framework of Next Generation EU and together with the overall objectives set out in the same initiative, should guide the design of the NRRP:

1. **Implement all necessary measures to effectively tackle the pandemic and support the economy and the subsequent recovery;** when economic conditions permit, pursue budgetary policies aimed at achieving prudent medium-term budgetary positions and ensuring debt sustainability while increasing investment; strengthen the resilience and capacity of the health system with regard to health workers, essential medical products and infrastructure; and improve coordination between national and regional authorities;
2. **In addition to improving governance processes and crisis preparedness plans, policies should aim to address the lack of public investment in healthcare.** In the medium to long term, the development of a strategic investment plan will be crucial to improve the resilience of the health system and ensure continuity in the provision of accessible services;
3. **Provide adequate replacement incomes and access to the social protection system,** especially for atypical workers; mitigate the impact of the crisis on employment, including via agreements on flexible working arrangements and active employment support; and strengthen distance learning and skills upgrading, including digital skills;
4. **Social safety nets should be strengthened to ensure adequate replacement incomes,** regardless of the employment status of workers, especially those lacking access to social protection. The strengthening of income support and replacement income is particularly important for atypical workers and people in vulnerable situations. The provision of services relating to social inclusion and entry into the labour market is also essential. In order to promote a sustainable and inclusive recovery in the future, it is vital to integrate women and young people into the labour market;
5. **Ensure the effective implementation of measures to provide liquidity to the real economy,** especially to small and medium enterprises, innovative enterprises and the self-employed, and avoid payment delays; bring forward mature public investment projects and promote private investment to foster economic recovery; focus investment on green and digital transition, especially on clean and efficient energy production and use, research and innovation, sustainable public transport, waste and water management and a strengthened digital infrastructure to guarantee the provision of essential services;
6. **Investments in the green transition will be particularly relevant to support the recovery and increase future resilience.** Italy is extremely vulnerable to extreme weather events and hydrogeological disasters, including drought and forest fires. The transformation of Italy into a climate neutral economy will require substantial public and private investment over a long period of time. Investments within the scope of the Green Deal are also crucial to reduce the impact of air pollution in Italian cities on human health, especially in the Po basin. Infrastructure deficits relating to water and waste management, especially in southern Italian regions, generate an environmental and health impact that entails substantial costs and revenue loss for the Italian economy. Climate change resilience is important for all infrastructure, including healthcare infrastructure, and this requires adaptation strategies. Addressing the challenges associated with the environment, hydrogeological risks, climate action, the circular economy and industrial transformation provides an opportunity to improve productivity while avoiding unsustainable practices. At the same time, investing in such projects can help create jobs and support the post-crisis recovery. The lockdown has also underlined the importance of investing in the digitalisation of the economy and highlighted the key role played by digital infrastructure;

7. Improve the efficiency of the judicial system and the functioning of public administration.

Effective public administration is crucial to ensure that the implementation measures undertaken to address the emergency and support economic recovery are not slowed down. The provision of social benefits, liquidity support measures, bringing forward investments, etc. may not be effective if hampered by public sector impediments. Effective prevention and suppression of corruption can play an important role in ensuring Italy's recovery from the crisis, as can transparency in the public sector and the strengthening of controls.

ment of the various EU funding sources (including cohesion policy funds). Finally, the following should be specified:

- the methodology that will be used in monitoring - via suitable already agreed or newly designed indicators - each specific component of the Plan and its state of implementation;
- the national management and control systems for implementation of the Plan and the bodies set up to ensure that the objectives and states of progress identified are reliable, as well as application of the principles of proper management of funds (avoiding double funding, fraud and corruption, and conflicts of interest) throughout the period of the Plan. In this regard, the methods for collecting data on the final beneficiaries of the projects or investments needed to achieve the objectives should also be specified.

In order to dialogue with countries during the preparation and analysis of the NRRP, the Commission has set up an ad hoc structure under the direct responsibility of the President, comprising more than 40 experts on the various economic, social, environmental and institutional issues, as well as the economic affairs and reform Directorates-General.

In conclusion, it should be noted that this is a highly complex and well-structured operation, overseen by the Commission to ensure that the process leading to the drawing up of the Plans and their content is fully in line with the policy guidelines laid down by the European Council and the "historic" nature of the challenge. Italy must be able to respond to this challenge, in terms of both its content and the governance of the process. In particular, there appear to be four main weaknesses on which the Italian authorities should work in the coming months and years:

- **the coherence of the strategic plan to bring about the Italy of 2030 from a sustainable development perspective (vision);**

- **the content of the projects and reforms** for which Next Generation EU funds are requested, and their coherence with interventions and reforms financed from other European and national funds (policy coherence);
- **the design of relations between the institutions** (national and local) called upon to plan, execute and monitor implementation of the NRRP (governance effectiveness);
- **the construction of a unified information system** that enables consistent and comparable description, monitoring over time, and assessment of the impact of the actions envisaged, and not only in the NRRP (policy transparency).

Regarding all these aspects, Italy appears to be historically less well equipped than other countries where such principles have long been applied in public policy planning. From this perspective, the extraordinary efforts the Government is putting in place to draw up the NRRP - also under the difficult conditions imposed by the health emergency - should be supported by all institutions and the various components of society, adopting an innovative approach and a timeframe that goes beyond the presentation period of the Plan.

In other words, the NRRP should be an opportunity for Italy to make a great breakthrough in the design, implementation and assessment of public actions at national, regional and local level.

THE SEVEN “FLAGSHIP PROJECTS” OF THE 2021 EUROPEAN SUSTAINABLE GROWTH STRATEGY

In the 2020 Annual Sustainable Growth Strategy (ASGS), the Commission launched a new growth strategy based on the European Green Deal and the concept of competitive sustainability, including four dimensions: environmental sustainability, productivity gains, equity and macroeconomic stability. In its September Communication on the Annual Sustainable Growth Strategy 2021 (COM/2020/575 final), the Commission identified seven flagships the NRRPs should contribute to:

1. **Power up:** Support the construction and sectoral integration of almost 40% of the 500 GW of renewable power generation needed by 2030, support the instalment of 6 GW of electrolyser capacity and the production and transportation of 1 million tonnes of renewable hydrogen across the EU by 2025;
2. **Renovate:** Double the energy and resource efficiency renovation rate of public and private building by 2025;
3. **Recharge and refuel:** Build one out of the three million charging points needed in 2030 and half of the 1,000 hydrogen stations needed for sustainable, accessible and smart transport systems by 2025;
4. **Connect:** Fast rollout of rapid broadband services to all regions and households, including fibre and 5G networks, ensuring the widest possible territorial coverage by 2025;
5. **Modernise:** Digitalise public administration and public services, including justice and healthcare systems, to ensure the provision of a European digital identity (e-ID) by 2025 and that public administrations provide interoperable, personalised and user-friendly digital services;
6. **Scale up:** Increase European industrial data cloud capabilities and develop the most powerful, cutting-edge and sustainable processors by doubling the production of semiconductors in Europe by 2025, to produce 10 times more energy-efficient processors and to double the share of EU companies using advanced cloud services and big data (from 16% today);
7. **Reskill and upskill:** Adapt education systems to promote digital skills and educational and vocational training for all ages, so that by 2025 the share of Europeans aged from 16 to 74 with basic digital skills will reach 70%. In addition, Member States should ensure that pupils' digital competence is significantly improved, in order to reduce the share of 13 to 14-year olds who underperform in computer and information literacy to under 15%. By 2025, at least four in five vocational education and training graduates should be employed, and three in five should benefit from on-the-job training.

4.4 ASvis's recommendations: cross-cutting and systemic actions

What has been presented so far only confirms the need for Italy to significantly and urgently improve its ability to plan its future, to manage sectoral policies coherently, and to transform the way in which legislative measures are designed and policies are monitored and assessed. From this perspective, it should be pointed out that if the recommendations put forward by ASviS in the last four years had been implemented, Italy would now be facing this challenge on a sounder basis. Briefly, these recommendations regard:

- **inclusion of the principle of sustainable development in the Constitution**, based on the principle of intergenerational justice, as a general legal basis for guiding public policies for new and future generations;
- **creation of a reliable and detailed Sustainable Development Strategy** to provide a robust and coherent vision of Italy in 2030, in line with the recommendations now adopted by the European Union;
- **strengthening the various departments within the Cabinet Office** in order to guide government action regarding the various 2030 Agenda Goals, and strengthening of the future CIPESS to ensure that decisions relating to infrastructure and public investment are in line with the SDGs;
- **deep engagement of the regions, provinces and municipalities** in the design and implementation of policies to achieve the SDGs, in order to ensure full coherence between national public policies and those implemented at different local levels, especially in metropolitan areas. It is important to encourage the development of strategies that, area by area, involve municipalities in building strong participatory pathways with citizens, the world of work and businesses;
- **preparation of a National Urban Agenda for Sustainable Development**, as part of the National Strategy, with a strong coordinating role to be played by a duly reformed Interministerial Committee for Urban Policies (CIPU), including encouraging municipalities to engage citizens, the world of work and businesses in robust participatory pathways during the planning and implementation stages of the various initiatives;
- **update the PNIEC to bring it into line with the European objectives** of a 55% cut in emissions by 2030 and carbon neutrality by 2050, and approve the National Climate Change Adaptation Plan and ensure its coherence with other structural policies, in order to adopt the Paris Agreement and international conventions on environmental protection as irrevocable commitments;
- **establishment, within the Cabinet Office, of a High-Level Gender Policies Committee**, in order to continuously involve society in the planning and assessment of policies to combat gender inequalities and to put Italy in step with the most advanced European countries;
- **paying attention to the 21 Targets of the 2030 Agenda that Italy had committed to achieve by 2020** as part of the priorities of all political parties and of the country as a whole, in order to give substance to the actions of public institutions;
- **the involvement of Ministries**, within their respective spheres of responsibility, with regard to implementation of the 2030 Agenda and achievement of the Sustainable Development Goals, so that they can include actions aimed at achieving the SDGs in their operational planning;
- **conduct information and public communication campaigns regarding the importance of the 2030 Agenda and the SDGs**, to be carried out in collaboration with universities, cultural and scientific institutions, associations and private bodies concerned, in order to accelerate the country's cultural shift towards sustainable development, to be widely implemented also in local areas, as part of the European Skills Agenda;
- **inclusion, in the explanatory reports of all Government legislative proposals, of an ex-ante assessment (which is also qualitative) of the expected impact on the 17 SDGs and individual Targets**, so as to ensure that informed decisions are taken in the light of the sustainable development challenge and to improve the coherence of public policies;
- **preparation of an annual law on sustainable development**, as already takes place with reference to the EU and competition issues, in order to have a regulatory vehicle to introduce purely regulatory changes (i.e. without finan-

cial consequences), from a systemic perspective inspired by the 2030 Agenda.

This wasn't rocket science, and it should be recalled that the Government in office had made some of these commitments in programmatic statements and subsequent public speeches made by the Prime Minister. Obviously, **we are reiterating these recommendations, in the hope that they may become part of the governance innovations that will be adopted to make the proposals included in the NRRP more coordinated and synergistic**, and thus bring Italy closer to the most advanced countries in terms of sustainable development policy coherence. In this regard, the OECD Council Recommendations on this issue published in 2019 should be carefully analysed by the Government, in order to see how they can be used to improve the management of NRRP and ordinary policies.

We welcome the fact that MATTM is launching a collaborative project with the OECD on these issues, and we would like to emphasise that the proposals outlined above must not only be implemented as a matter of urgency, but also integrated with equally urgent actions that will enable our country to plan, manage and assess the actions that will be included in the NRRP. Such actions include those designed to provide technical structures to anticipate the risks of future shocks and grasp the opportunities that the future brings, as well as to improve public policy formulation and assessment processes:

- **definition of the new procedures to be adopted by the Interministerial Committee for Economic Planning and Sustainable Development (CIPESS) - scheduled to launch on 1 January 2021 - to assess investment projects**, including those that will be accepted as part of the NRRP. To this end, it would be useful to introduce a tool that enables a "sustainability check" of individual projects with regard to the SDGs and their Targets. A kind of SDG fast check would enable registration of the "sustainability content" of projects from the moment they are taken on board in the public system, provide basic information on public finance for sustainable development - to be used in the subsequent stages of activation and monitoring of the investment - and facilitate the tracking and classification of sustainable development expenditure. The Lazio Region's experience in this area could be

transformed into a standard to be used at national level;

- **creation of a public research body for studies on the future and strategic planning** (the strategic foresight suggested by the OECD and the European Commission), and supervised by the Cabinet Office, with the task of carrying out research on the future evolution of social, environmental and economic phenomena and their implications for the design and implementation of public policies;
- **adaptation of the legislation providing for the report on FSW (Fair and Sustainable Wellbeing) indicators during the budget cycle**, to align it with the SDGs used within the European Semester;
- **assigning the Parliamentary Budget Office (PBO) the task of carrying out quantitative assessments of the impact of the main planning and budget documents** (DEF, Budget Law, etc.) on the SDGs, in line with the European Semester's orientation towards such documents;
- **establishment of a permanent civil society consultation platform for "cross-cutting" assessment of the impact of legislative measures on the 2030 Agenda**;
- **review of the structure of Parliamentary Committees**, made necessary by the reduction in the number of members of parliament and senators, in order to encourage a more integrated analysis of the legislative provisions relating to the various dimensions of the 2030 Agenda.

In the light of the new EU planning cycle, we **renew our call for the preparation of an annual sustainable development law**, designed to contain regulatory norms and to be approved by June each year, which should help to implement the policies set out in the April DEF and the specific recommendations made during the previous annual cycle of the European Semester.

We would also like to point out the urgent need to review the content of Legislative Decree 254/2016 on non-financial reporting, which makes the latter an obligation for just over 200 very large companies. Today, almost four years after the Decree was published, the world of business has also fully realised that non-financial reporting has become a vital tool for individual companies to access the most dynamic component

of finance - namely responsible and sustainable finance - and that the adoption of management practices oriented towards sustainability enables significant cost reductions and productivity gains. Therefore, it is time to make non-financial reporting immediately mandatory for all large companies (over 500 employees), and also gradually (as has been done in Spain) for medium companies (over 250), whilst maintaining a voluntary approach for small companies. Business associations, in addition to promoting non-financial reporting among their members, should also draw up their own sustainability reports, following existing good practices.

As the projects financed by the NRRP, other EU resources and national funds put strong pressure on the planning and implementation capacity of the regions and local authorities, especially in some parts of the country, **special attention should be paid to territorial and cohesion policies**. For some time, Italy has pursued “unified” planning of cohesion policies, based on different financial sources and on a wide range of planning vehicles (which in part have different structures and rules). As far as southern Italy is concerned, the tasks proposed in the 2030 Plan for Southern Italy are very similar to the Green Deal themes and the strategic objectives of the MFF 2021-2027: young people in southern Italy, infrastructure and inclusion, ecological conversion, and central position in the Mediterranean. **Therefore, the Plan is an excellent starting point for ensuring coordination of NRRP funds with the cohesion policies funding provided by other European and national funds.**

In order to boost the transformative impetus in the most vulnerable parts of the country and in those areas where the ecological transition will require substantial transformation of the production system and of the functioning of the socio-economic system, it will be **necessary to implement high-impact financial programmes** that are also able to mobilise companies operating in the so-called “social economy”, which would favour a socially oriented reconversion of local economic systems. However, it should be borne in mind that green and social bond issues for public authorities would also entail additional debt. As regional authorities are allowed to take out debt exclusively for investment expenses and in compliance with strict conditions - meaning that many regions are unable to go down this path - in order

to allow them to use high-impact financing instruments, the regulations could be changed. A mechanism between the state and the regions could be activated, similar to the one used for the “solidarity pacts” between the regions and local authorities, which enables financial objectives to be offset by transfers of portions of debt.

According to the proposed NRRP regulations, no amount may be committed after 2023 either for grants or loans, or for subsidies. Moreover, 70% of the funds allocated must be legally binding by 2021-2022 and the remaining 30% by 31 December 2023. The pressing nature of these deadlines for assuming commitments **suggests the need to boost rotating funds for existing projects and to activate new funds**, in order to have a sufficient number of projects to take advantage of the funding provided, and to ensure the early availability of high-quality, oven-ready projects. Otherwise, 2021 and 2022 risk being taken up with activities relating to the design rather than the launch of projects. In this regard, it should be noted that, as public financial entities, the regional finance companies present in almost all the regions, can play an important role in promoting the 2030 Agenda at local level, in the same way as Cassa Depositi e Prestiti does at national level.

4.5 ASviS's recommendations: policies to accelerate the transition to sustainable development

More than ever since the crisis triggered by the SARS-CoV 2 virus, the transition to sustainable development must start by considering the need to recognise the concept of One Health and the broader concept of Planetary Health (there is only one planetary health that regards nature, which we and our societies derive from and depend on) as the organisational basis of public policies and private decisions. In terms of policies relating to the various dimensions of the 2030 Agenda, the ASviS Report published in May had already set out the priority courses of action to speed up Italy's progress towards achievement of the SDGs, which may be found in the recommendations of the Colao Committee, in the conclusions of the States General, and, above all, in the areas the Next Generation EU initiatives should be aimed at. In particular, the following were and still are deemed to be priorities:

- **the simplification of administrative procedures to enable rapid activation of public investments**, partly with a view to promptly using future European funds;
- **rethinking the role of the State, in order to integrate and support the actions of the private sector, to safeguard common goods and to promote economic behaviour oriented towards the wellbeing of everyone.** This entails acceleration of the transition to a circular economy, greater protection of workers' health and rights, extension to medium enterprises of the obligation to report on the social and environmental impact of their activities, and the introduction of public guarantee financing for sustainable development;
- **acceleration of the digital transition in order to drive sustainable development**, to be combined with work-life balance measures (paying particular attention to the conditions of women, who in this situation risk having to make sacrifices), via corporate welfare and remote working, which will generate positive effects on mobility and benefits for the climate and air quality;
- **consider the state of health of natural capital to be of prime importance**, as it is the basis of our health and wellbeing and the development model, and promote an action plan for housing policies, urban regeneration and upgrading the energy efficiency of building stock;
- **safeguard and strengthen cultural infrastructure**, in every local area and at national level, by promoting an integrated relationship between the worlds of culture, education and tourism;
- **take up the challenge of distance learning to improve access to knowledge**, and the quality of learning, and also reduce inequalities and provide adults with lifelong learning.

Moreover, the need to **interpret the current crisis in terms of its impact on different capital stocks (economic, natural, human and social) and not only flows (GDP)** was highlighted. Indeed, the wellbeing of a country and the sustainability of its development depend on the endowment and intergenerational transmission of all forms of capital, which are essential for the functioning of the socio-economic system and the quality of the environment in which it operates, as they are all used to generate goods and services (i.e. GDP). The shock of Covid-19 has had a negative and serious impact on:

- economic capital - reduction of production capacity, accelerated by the fall in investment, and therefore of capital accumulation; decline in current and prospective wealth; etc.;
- human capital - unemployment and underemployment reduce the knowledge embodied in people; lockdowns have a negative impact on training activities for young people, adults and workers; etc.;
- social capital - reduced interactions; operational difficulties for the third sector; etc.;
- natural capital, if health protection measures for people are not accompanied by adequate countermeasures to prevent improper disposal of personal protective equipment (masks, gloves, etc.), indiscriminate use of disposable plastic and widespread use of private means of transport.

Therefore, the objective of public policies is to minimise the negative effects of the shock and to encourage the “transformative re-

silience” of the socio-economic system as much as possible. In order to achieve this result, policies must seek to “rebuild” - and possibly to increase - all forms of capital impacted by the shock.

The climate crisis and energy

On the basis of the data available until 2019, it is clear that the hottest decade ever recorded in Italy has ended, with an anomaly in the average surface temperature in 2019 of +1.56 °C compared to the 1961-1990 climatological reference value. Between 2008 and 2019 the number of extreme events (1,600) increased tenfold. Italy continues to emit around 420 MtCO₂eq of greenhouse gases (GHG) per year, and for several years the energy efficiency of the economic system has not increased, fluctuating around 93 tep/M€ (tonnes of oil equivalent per million euros). In the last six years, electricity from renewable sources has been growing less in Italy than in the rest of Europe (up 3%), even though such electricity is supplied at lower prices (on average, less than 5 eurocents per kilowatt hour). While electricity production from coal has decreased to 20 billion kilowatt-hours (TWh), resulting in a decrease in the electricity carbon footprint to 289 grams of CO₂ per kilowatt-hour, while transport emissions, even though fewer diesel cars sold, have risen to 119 grams of CO₂ per kilometre.

While the state of the energy transition process in our country as borne out by these data is totally unsatisfactory, in March and April 2020 emissions fell by more than 20 MtCO₂ compared to the previous year (down 35%), a value close to the one that needs to be achieved over the next decade if we are to meet the objectives of the Paris Agreement. This figure makes us realise the extent of the change that Italy should bring about in the coming years in order to move forward in the energy transition process agreed at international level, given that no one can envisage cutting emissions by simply halting economic and social life.

After the record decline registered during the period of the lockdown, May saw a steep uptick in electricity consumption (up 10% compared to the previous month, but still down 10% compared to a year earlier), with total electricity consumption of 22.7 TWh, 94.4% of which was met by domestic production. The good news is

that in May 51% of domestic electricity demand was covered by renewable energy sources (RES), the highest monthly figure ever, marking an increase of 10 percentage points compared with the previous year. In the same month, electricity produced from renewable sources grew 12% on an annual basis, photovoltaic production (2.9 TWh) by 25%, and wind power production (1.8 TWh) by 6.3%.

These data clearly illustrate why the Recovery and Resilience Plan must be geared towards a sharp increase in investment in Italy’s energy and industrial transition, a process that could have beneficial effects on employment, productivity and quality of life over the next three decades. Moreover, if the European Green Deal is to be the driving force behind Italy’s recovery and transformation, robust coordination of the actions planned in the various EU Member States is needed.

Bearing this in mind, the first measure to be taken is to set more ambitious targets for cutting emissions by 2030, and approve the reduction of at least 55% in greenhouse gas emissions compared to 1990 levels proposed by the European Commission in September as soon as possible. In view of this approval, the Government should urgently adopt three strategic initiatives:

- **rewrite the now obsolete National Integrated Energy and Climate Plan (PNIEC)**, adapting it to the measures and commitments set out in the Green Deal Roadmap 2050, which entails definition of a detailed planned pathway, sector by sector;
- **align the Italian Climate Law with the European regulations proposed in March** (which provide for decarbonisation by 2050 that is legal binding for all Member States), and must include implementing and financial instruments that measure up to the objectives;
- **rapidly approve a Climate Change Adaptation Plan**, strengthened by the European Green Deal guidelines. In the wake of the recent disasters in Genoa, Venice, Palermo and many other places, the relationship between these issues and health protection is now clear to everyone. What they have in common are organisational factors, aims and also origins, which are often linked to the violation of natural assets and ecosystems and the habitats of living organisms.

In order to achieve the new European objectives, **it is vital to substantially increase investment in energy transition**, energy efficiency and saving, RES development and self-production, electrification of passenger and freight transport, green hydrogen technologies and carbon capture and sequestration. Similarly, **the orientation towards a circular economy model, which is also a cornerstone of the European Green Deal, requires investment in industrial processes products**, in order to prolong their duration, and improve their repairability and reusability, so as make them more easily recyclable and increase the use of secondary raw materials. In other words, the industrial system must opt for green production solutions that can guarantee new jobs and the recovery of marketplace competitiveness.

The expected rebound in GDP over the two-year period 2021-22 will lead to similar trends in all energy variables unless pre-emptive action is taken, **giving priority in the National Recovery and Resilience Plan (NRRP) to relaunching RES and electrification, increasing electricity production from renewable sources, boosting self-production, electrification of transport, and construction of a smart electricity grid equipped with intelligence and storage capacity**, which is the main systemic digital innovation the country urgently needs.

To stay on the path set out in the Paris Agreement, **the total phase-out of coal by 2025 should be confirmed**, including a reduction in the use of natural gas for energy, heating and transport in favour of the use of biomethane and green hydrogen. Exercising due caution, Italy should join the European and international bio-energy with carbon capture and storage projects. Scientific research on direct air capture (DAC), which entails the direct capture of CO₂ from the air, and on the serious risks of climate geo-engineering, should be promoted.

Together with RES, the other major challenge is **energy efficiency**, which is not just about saving energy, but above all technological innovation and land management. Energy efficiency should become a guiding criterion for the actions of all players operating at local level, especially in cities, by investing in urban regeneration projects that, in addition to traditional restoration of buildings and brownfield sites, also include climate mitigation and adaptation measures and en-

hancement of green infrastructure (see below the Investment Package proposed by ASviS and Urban@it regarding this matter). In particular, real estate assets should be modernised using investment and incentives for buildings and zero-emission consumption.

Remote working is generating widespread effects in terms of systemic savings, energy saving, reduction of people's mobility, social connectivity and technological innovation. **Regarding transport, the focus should be on soft mobility**, which has been made popular by the pandemic, green hydrogen, fuel cells for heavy goods transport and public and domestic battery charging facilities, supported by a programme to build high power charging points. **Promotion of passenger and freight rail transport should be stepped up, and the use of electric vehicles for "last-mile" freight logistics made obligatory**, while tailor-made incentive measures should also be introduced to facilitate replacement of currently operating vehicle fleets. Regarding extra-urban transport, the focus should shift from expanding the road network to maintaining the infrastructure capital that has already been built.

Last but not least, **the agri-food strategy should be redefined taking climate into account** in accordance with the European Farm to Fork proposal to ensure sustainable production and food supply security, in order to promote sustainable food consumption and reduce losses and waste.

The European Commission has calculated that €470 billion needs to be earmarked for the Green Deal, broken down as follows: €30 billion for RES, €190 billion for energy efficiency, €120 billion for sustainable mobility, €77 billion for other climate and environmental measures, and €53 billion for the circular economy and resource management. Therefore, it is mistaken to view the NRRPs as a kind of ATM, from which each country can withdraw money to spend it as it wishes, without taking into account the strategies and priorities set out at European level. It is no coincidence that climate action - as stated in the text of the Conclusions of the European Council meeting of 21 July - should be mainstreamed into policies and programmes financed under the Multiannual Financial Framework (MFF) and Next Generation EU, with an amount of 37% of total spending. **For Italy, this**

BUSINESS ASSOCIATIONS' COMMITMENT TO A "JUST TRANSITION"

Within the ASviS working group that brings together the business associations that are signatories of the "Milan Pact" (see box on page 127), a document has been drawn up on the theme of the ecological transition of the production system, which illustrates the principles and proposals the Government and economic and social forces should draw inspiration from in order to manage this complex but vital process. In particular, we believe that:

1. As part of an industrial policy strategy focused on ecological transition, the Government should prepare a stable regulatory, financial and fiscal framework that will provide certainty to businesses in all production sectors and support them in the transition with adequate resources.
2. Medium- to long-term planning is also needed for individual production sectors, in which the impact of the choices made on companies and workers is accurately assessed in advance, and the means and instruments to mitigate their negative effects and to safeguard the production sectors are defined.
3. Businesses and workers should be appropriately involved and represented in all national and local fora where relevant energy transition decisions are taken.
4. As far as possible, the transition should be based on a simplified, inclusive and participatory approach, involving citizens, communities, civil society associations and in general all stakeholders, especially those who may be impacted by the negative effects of these measures, in the selection and assessment of implementing measures and possible compensatory measures.
5. The transition should be guided and directed via simple and stable incentivising measures and instruments, avoiding unnecessarily punitive administrative and economic interventions, which could aggravate the situation of companies and workers. The incentivising instruments should also ensure technological neutrality and efficiency for the benefit of citizens and businesses.
6. It is essential to develop a national strategy based on research and innovation in order to support the capacity of Italian companies, in collaboration with the public and private research system, to develop innovative technological and organisational solutions, and to play a key role in European actions aimed at supporting technological independence and strengthening the industrial capacity to be leaders in the field of energy transition and the circular economy.
7. Due attention should be paid to ensuring that the transition goes hand in hand with and without disconnects between the production and financial sectors, in order to effectively channel funding flows to benefit the transition, guaranteeing consistency with European and global guidelines on sustainable finance and with the development of the capital market in Italy.
8. Special attention should be paid to micro, small and medium enterprises (MSME), including cooperatives and social enterprises, which are vital for the achievement of decarbonisation objectives, but all too often characterised by a lack of equity capital, underinsurance, managerial shortcomings and difficulty in accessing various sources of funding. The creation of an enabling ecosystem that facilitates innovation and investment is appropriate for these types of enterprises, built via: connection with the world of finance and encouragement of finance for sustainable development, in order to direct financial flows towards transition; large-scale simplification of bureaucratic and administrative procedures; collaboration with universities and research centres aimed at widespread technology transfer; full use of RES, which in the new 2021-2027 planning period prioritises investment in training, research and development; an active commitment to make access to financing and structural funds quick and easy; and the creation, including with the above-mentioned structural funds, of ad hoc financial instruments, such as revolving funds and guarantee funds specifically aimed at MSMEs.

9. Environmentally harmful subsidies will have to be reduced via clear multiannual planning, which is consistent with the EU Green New Deal pathways regarding environmental, energy and fiscal policy, in order to avoid imbalances between Member States. Such planning should be proportionate and appropriately communicated, and also enable companies to gradually and progressively adapt to the new reality, including with regard to the technologies that are actually available, and provide adequate support for the restructuring of production.
10. Sufficiently funded programmes should be set up to strengthen active labour market policies in order to improve workers' employability and skills in a continuous training process that will facilitate their redeployment to the most innovative sectors, which will benefit the transition processes.
11. In order to prevent the increase of poverty and inequality, to minimise negative social impacts and to facilitate the transition to new jobs, specific, wide-ranging social protection must be ensured for as long as is necessary. We are convinced that the opportunities offered by the transition can only be fully grasped by making the labour market fairer, through intervention with balanced income support instruments aimed at implementing efficient and effective active policies.

In view of the above, we call on political decision-makers to put the issue of the transition to sustainability at the heart of the political agenda, with conviction and determination, and to make it a fundamental part of the Italian Recovery and Resilience Plan as a key element for the country's development and growth, which is all the more necessary in this delicate post-Covid recovery phase.

is equivalent to €77.3 billion, to be received on condition that the objectives pursued are in line with climate neutrality by 2050 and the new climate milestones for 2030. In order for these conditions to be met, as set out in the Commission's guidelines, the NRRP should adopt the recently agreed European Sustainable Investment Taxonomy, clearly stating that only projects that have positive effects on and do not harm the climate and the environment, can be financed.

The constantly postponed eco-tax reform is now inevitable. Thoughtful reflection should lead Italy to set excise duties on fuel - on a like-for-like revenue basis - according to the carbon content of fuel, and to progressively adopt a general carbon tax and the carbon border tax of the European Green Deal, balancing out the unit price for carbon emissions across ETS sectors under European control and other sectors (especially the civilian and transport sectors). **A path to reduce and convert environmentally harmful subsidies (EHS) for sustainable development purposes**, starting with civil aviation fuel, road transport, agriculture and fishing, **should be defined with targets and deadlines.** To facilitate this process, instead of merely providing financial compensation to the sectors concerned, systemic alternatives and alternative

means of transport and production should be offered, based on RES, especially green hydrogen.

It is also hoped that Italy will play a new leading role in multilateral relations, in which climate, energy and health are the keynote. We are referring to the G7 and the G20 chaired by Italy in 2021, but above all to COP26. In order to raise its international credibility, in spite of the enormous financial difficulties entailed, Italy - a High Ambition Coalition partner - must not fail to honour its commitments to finance the Green Climate Fund, which this year should aim for the target of \$100 billion per year.

Regarding these issues, special attention should be paid to the agricultural sector, and in general to the food system, which is one of the main sectors responsible for greenhouse gas emissions and also the subject of the recent European Commission Farm to Fork Communication aimed at achieving a fair, healthy and environmentally-friendly food system. In this regard, it is vital to incentivise and support innovation in the models, methods, structures and strategies of the food system, in order to conserve land and water resources, and to reduce drought, pests and other climate threats. Actions to be planned and implemented as soon as possible include precision agriculture, digi-

talisation, modification of agronomic management, selection of new crop varieties, crop diversification and rotation, prevention of livestock farming diseases caused by climate change, and increased energy efficiency and use of renewable energy for the air-conditioning of crop growing facilities in protected environments (greenhouses). According to the Italian National Agency for New Technologies, Energy and Sustainable Development (ENEA), this could lead to potential energy savings of up to 25% on irrigation, 70% on ventilation in industrial environments, and 20% on food production and processing, with recovery of the investment in from five and seven years. Finally, the risk management system could be improved, focusing on the design of multi-risk insurance schemes that reward those who implement measures to reduce the negative effects of climate change.

Poverty and inequality

Covid-19 has struck an already fragile country, which is marked by stark inequalities, widespread pockets of poverty and social deprivation, and has a welfare system that is not designed to deal with a crisis of this magnitude. The crisis is particularly affecting those already in difficulty, the most vulnerable people and households, many of whom have no social safety net, and having negative repercussions on social cohesion and confidence in institutions. Emphasising the need to “start building tomorrow’s welfare today”, in March ASviS and the Inequality and Diversity Forum proposed two measures to promptly tackle the decline in people’s and households’ incomes: Emergency Income (REM) and Emergency Support for the Self-Employed (SEA). These benefits, which were simple to implement, communicate and receive, eliminated preferential treatment, protected the most vulnerable people regardless of the nature of their employment, and rapidly reached needy people not receiving other welfare benefits.

The Government introduced the REM, which, while not meeting some of the proposed requirements, is helping a substantial part of the vulnerable population. However, it did not adopt the SEA proposal, preferring to continue providing vouchers decoupled from any systemic vision for interventions. However, in order to

design a well-structured plan to rethink the Italian welfare system so that “no one is left behind”, together with better coordination of existing measures, it is necessary **to strengthen the overall actions of public institutions so as to have an impact on actual equal access to basic services, starting with education and healthcare**, where the influence of family and local conditions on the ability to access quality services is still very strong. The wide gaps in access to educational opportunities have a significant influence on the various aspects of people’s lives from a very early age, and the decline in investment in education and training heightens inequalities. High early school leaving rates and the large number of boys, and above all girls, outside education, training and employment (so-called NEETs) condemn young people to social exclusion and represent a loss of development and growth opportunities for the whole country.

Substantial investment in schools and education should be at the heart of the next NRRP, within a well-organised framework that promotes actions based on an alliance - area by area - between municipalities, autonomous schools, active and third sector civic duty, cultural institutions and the world of production (see box on page 168). Investment in knowledge and education is a prerequisite for reducing inequalities and offers the concrete possibility of promoting a fairer society that pays attention to people and places. In this regard, in order to increase Italian society’s social capital and transformative resilience in the face of future shocks, it is also necessary **to strengthen forms of support to third sector organisations** for their subsidiary actions to assist local public services, taking into account previously achieved results.

Intergenerational mobility of economic conditions is a vital element for the development and equality of a society. Italy is still one of the countries that has a high degree of intergenerational persistence of income and wealth conditions, in which people’s economic outcomes strongly depend on the characteristics of their families and the situation they start out from. This consideration must be borne in mind when **establishing an overall tax reform, which should rebalance the tax burden among the various social classes and strengthen the ac-**

tual progressive nature of the tax system as a whole - as defined in Article 53 of the Constitution - taking into account the redistributive effects of the current system of exemptions, family allowances, deductions and special regimes, and considering the desirability of a progressive rebalancing of the taxation of income and assets.

The relationship between work and enterprise plays a decisive role in determining the distribution of wealth, pay gaps and living conditions. In this period of great economic and social change, state action should aim to recover a long-term perspective, including **via policies that encourage greater engagement of workers and local communities in strategic business decisions**. This can be done, for example, by promoting trials of Labour and Citizenship Councils modelled on the experiences already present in some European countries, and by **strengthening public support for workers looking to take over their company during a crisis**, deal with the generational turnover of a family business or relaunch a business that has fallen into the hands of organised crime.

Nowadays, it is vital to **direct technological change towards environmental justice and social justice objectives, partly by leveraging the public company system and the third mission of universities**. Italian public companies operate in sectors of considerable strategic interest: energy, transport, manufacturing of complex engineering systems with high-tech content, and distribution. These companies - especially the ones directly controlled by the Ministry of Economy and Finance or indirectly by Cassa Depositi e Prestiti (CDP) - are equipped with important technical and innovative skills to relaunch the competitiveness of our economic system and contribute to greater social justice and environmental sustainability, but it is essential that their activities be directed through the definition of long-term strategic tasks by the state¹. Their formulation should involve the know-how of these companies, thus enhancing the technical expertise of the state officials who have controlling functions. This is an essential step for implementation of the NRRP.

Designing a more inclusive, resilient and sustainable society requires **robust national strategic guidelines and “place-oriented”**

policies. The NRRP should not splurge on subsidies, or provide isolated “shovel-ready projects”. Instead, strong national guidelines are needed for the improvement of basic services, and the ecological transition and digitalisation of the country, with implementation carried out via integrated development strategies that are also aimed at achieving clear and measurable objectives to reduce personal and territorial inequalities, regarding income, wealth, working conditions, and access to quality essential services. Strategies which, area by area, lead to municipalities building robust participatory pathways with citizens, workers and businesses.

This approach is essential so that, especially in the marginalised areas of the country - in suburban as well as in inner areas - new life and business projects can be developed, which hundreds of thousands of people have been creating in recent months in reaction to the severity of the crisis and to answer the new questions it has raised. This step change in public action can be nurtured by a **decisive renewal of the public administration, thereby transforming the huge generational turnover taking place into a country-level strategy, and giving priority to technical and organisational skills when recruiting personnel, and helping them to fit smoothly into important administrative roles so as to improve the way they function**.

The possibility of achieving new gender equality goals has been severely tested by the health emergency, which has, however, revealed the extent to which women readily respond to sudden changes they are exposed to, showing a great spirit of initiative and contributing significantly to the “transformative resilience” of the socio-economic system. It is no coincidence that among the three courses of action set out in the “Colao Plan”, gender equality is indicated as a key driver of development in the post-pandemic recovery phase. Therefore, we propose the development of a **National Gender Equality Plan (PNPG)**, in line with the Gender Strategy set out by President Von der Leyen, aimed at intervening in four priority areas: combating all forms of gender-based violence; the possibility of accessing sexual and reproductive health services and maternity services; access to and full participation in the world of work with equal pay; and support for women’s

representation and leadership in civil society as well as in the world of production.

During the lockdown, calls to the national anti-violence and anti-stalking phone number 1522 increased by 73% compared to the same period in 2019, which should lead us to reflect on the situation of women in our country, despite all the progress made over time. **Therefore, awareness-raising campaigns regarding this issue should be stepped up**, which, in addition to providing information on how to formulate requests for help, can help women to feel less alone in this cultural battle.

These campaigns should also promote the right to sexual and reproductive health, which, in order to be exercised, needs a health system with a nationwide presence.

The counselling centres, which should also be made accessible to girls and women with disabilities, should be re-assessed and staff training should be improved in order to ensure an intercultural and gender-based approach. Finally, free sexual and reproductive health services (including contraception services), and implementation of the Maternal and Child Health Objective Project introduced by the National Health Plan for the three-year period 1998-2000, should be ensured everywhere.

The lockdown and the resulting crisis of the economic system have seen an overwhelming emergence of gender inequalities relating to the world of work, ranging from actual participation in it, to the lack of corporate and social welfare policies adapted to the needs of women. The obligation to resort to remote working as a widespread means for everyday working has triggered debate on the need to regulate its use (working hours - objectives - access to technologies - adequate digital skills) through collective bargaining. In this context, the issue of sharing housework has played a major role in the public debate. A pressing need **to improve corporate policies and strategies aimed at offering all women, as well as men, the possibility of investing in their skills without being held back by unavoidable family obligations**, has emerged. In this regard, it is proposed to address three important issues to reduce gender inequalities:

- **continuing education**, especially relating to scientific and digital matters, by encouraging girls to opt to study STEM subjects and pro-

moting “digital gymnasiums”, paying special attention to people with disabilities who are most at risk of being excluded from technological innovation;

- **dissemination of innovative ways for women to engage in remote working**, particularly those who perform household chores, in association with company welfare policies that favour a rebalancing of household responsibilities (compulsory paternity leave, kindergarten vouchers, etc.);
- **support for female leadership**, not only in terms of access to the most senior management levels and extension of the scope of application of gender quotas (Law 160/2019), but also by monitoring the application of employment contracts and transparency regarding pay policies, in order to progressively eliminate the gender pay gap. In this respect, it should be borne in mind that the asymmetrical distribution of power between men and women is also related to the spread of sexual harassment and blackmail in the workplace.

In order to address these issues in a systematic way, **it is proposed to introduce a Gender Policy**, which would provide behavioural guidelines to ensure fair treatment of women at work in all stages of their careers. **The introduction of a Gender Impact Assessment** is also recommended. This would imply the adoption of a Gender Budget - a reinterpretation of the DEF and the budgets of public and private bodies in terms of gender equality - as a methodology for ex ante and ex post analysis of any regulatory intervention and strategic guidelines.

These tools and methodologies increase the culture and awareness of the impact of decisions on inequalities, and of the latter on the country's socio-economic conditions. This enables better definition of objectives and implementation methods for the interventions to ensure greater effectiveness; standardisation of data collection broken down by gender in relation to populations and phenomena that have not yet been adequately investigated; and measurement of the impact of gender inequalities on businesses' growth and productivity and on the country's economy.

The circular economy, innovation and employment

The production system has been radically upset by the crisis in recent months. At the same time, consumers are disoriented and confused, as is shown in demographic surveys. One of the possible consequences of the crisis is a setback in the shift in behaviour towards sustainability. The collapse in the price of fossil fuels reduces the advantage of the transition to renewable energy sources and the economic emergency could overshadow the commitment to responsible production, just when these issues were beginning to grip consumers' attention. The liquidity crisis that many businesses are experiencing favours cutting back on investments, including those aimed at making production more sustainable.

Against this backdrop, in addition to measures to assist and protect the most vulnerable social groups, urgent initiatives to encourage and promote innovation, simplify administrative procedures and speed up public investment are extremely important. While it is important to safeguard the operations of the small and medium enterprises that are so vital for our production system, and to defend them against possible onslaughts from organised crime, **financial support for SMEs should focus on their transition to more innovative production models oriented towards the circular economy and sustainable management of all resources, including human resources.**

It is no coincidence that, as well as channelling the resources made available to Member States under Next Generation EU in this direction, European policies apply the same logic to ordinary resources, including the structural funds. Consequently, **national incentives for innovation should be strongly linked to the ecological transition, development of the circular economy and actions that have a positive social impact.** Therefore, we hope that the 50% tax credit for research and development will be restored next year (estimated cost of around €1 billion), which the 2020 Budget Law has cut by 92%.

More generally, it is necessary to rethink the balance between market choices and the role of the state to safeguard common goods, to define clear rules for the supply of necessary goods and ser-

vices (vaccines, hospital beds, manufacture of personal protective equipment, and stockpiles for health emergencies, just to mention those that have come to the fore with the pandemic) and orient markets and free enterprise towards the benefit of everyone. In order to encourage the reorientation of business practices towards sustainability, **non-financial reporting should be urgently expanded**, making it immediately mandatory for all companies with more than 500 employees, for companies active in the distribution and utility sectors, and for state owned enterprises, whilst providing for a gradual extension to medium companies (with 250 employees) and companies active in sectors with a high environmental impact, thereby encouraging integrated reporting.

Responsible production

First of all, Italy must commit to rapid implementation of the European Green Deal, the Next Generation EU programme, the Just Transition Fund and the measures provided for by InvestEU in order to support the ecological transition in small and medium enterprises. At the same time, Italy should express its opinion on the new European Union own funds, and support the introduction of the European Plastic Tax, to be coordinated with the relevant Italian legislation, the implementation of which has been suspended for the time being. **At the national level, the energy transition should be accelerated, and environmentally harmful subsidies reduced by transforming them into support for the ecological conversion of the sectors concerned and the entire production system.** Finally, tax harmonisation and fairness should be promoted among the countries of the Union, by **combating tax havens as well as tax avoidance and tax evasion by businesses and citizens.**

Accelerating the transition to a circular economy is only possible through innovation in companies' production models, which opens up new employment opportunities. To this end, we propose to:

- promote the market for secondary raw materials and materials from renewable sources, waste reduction, encouraging the use of materials with an increasing percentage of recycled content, and the creation of trading platforms;

FINANCE FOR SUSTAINABLE DEVELOPMENT

The coming months represent an opportunity to rebuild the industrial policy of Italy and of the European Union. Consequently, it is essential to ensure that “post-Covid-19 finance” is “finance for sustainable development”. In order to ensure that the economic recovery phase is based on investment plans aimed at supporting the real economy and economic sectors that contribute to the transition towards socio-economic models in line with the Goals of the 2030 Agenda, as suggested by the report Financing for Sustainable Development 2020 by the Inter-Agency Task Force Financing for Development, Italian political and financial institutions should undertake the following actions:

- promote long-term investments for the ecological transition using the instruments being adopted at European level and sovereign green bonds, to be extended to the financing of projects in line with the Sustainable Development Goals (SDG Bond);
 - introduce loans with a public guarantee for social projects (especially social and healthcare ones), partly via activation of public-private partnerships, giving priority to the sectors particularly affected by the crisis (tourism, art, culture and agriculture)
 - increase investment in social infrastructure, in line with the priorities set out in the Boosting Investment in Social Infrastructure in Europe report;
 - simplify procedures to enable rapid and reactive activation of public investments, strengthening the processes relating to checking fundamentals, the traceability of financing decisions and the monitoring of corruption risks;
 - expand the offering of financial instruments aimed at non-profit organisations, social enterprises, third sector entities and for-profit organisations with a social vocation, as well as sustainable financial products dedicated to retail clients that offer advantageous conditions for subscribers and are able to support households in dealing with the crisis;
 - support the development and dissemination of sustainable finance products and services that are also dedicated to retail clients via appropriate incentives, including tax incentives;
 - support research and production of reliable data by financial companies, enabling them to analyse the needs and creditworthiness of companies, including in terms of sustainable development opportunities, and mainstream ESG considerations and consistency with the SDGs;
 - strengthen and extend financial education, especially through campaigns aimed at citizens and inclusion in the teaching plans of educational institutions, as well as training plans aimed at SMEs and employees and consultants from the world of banking, insurance and finance;
 - activate a task force in each region for integrated post-Covid-19 investment programmes;
 - promote the creation of financial vehicles managed by the regions, via their own regional financial institutions, and metropolitan areas, with contributions from public funds (national and ordinary regional funds, or those deriving from ERDF, ESF+ 2021-2027 FSC, EIB and InvestEU guarantees) and private funds (foundations, investment funds, donors), aimed at supporting investment in the social and solidarity-based economy, using instruments diversified in accordance with the requirements of individual projects (social impact bonds, blended finance, microcredit for businesses and households, etc.).
- encourage the design and eco-design of products that can be disassembled and recycled, and have low environmental impact;
 - promote waste water recovery and the efficient use of water by reducing leaks and adapting irrigation infrastructure;
 - provide tax incentives for adopting the EMAS and EU Ecolabel environmental certifications.

To achieve these objectives, national and local authorities can **facilitate the establishment of territorial and/or supply chain partnerships to implement industrial symbiosis practices aimed at optimising resources, promoting local development and creating employment**. Therefore, equipped production areas should be promoted, eco-industrial districts organised, and business networks encouraged.

To promote the reuse and reduction of waste, real industrial management of the integrated waste cycle should be implemented, in order to achieve the ambitious targets the EU has set, in accordance with the waste hierarchy, and to eliminate the use of landfill sites. Therefore, **a nationwide investment plan should be urgently launched to build and/or strengthen facilities for waste recovery and recycling, waste treatment and waste selection.** Moreover, leafleting for promotional purposes should be banned, and the opening of businesses to repair broken or damaged goods should be encouraged. Regulations should be introduced to counter the practice of built-in obsolescence, encourage the distribution of bulk products and discourage double packaging material, by obliging businesses to always notify the weight of the packaging compared to the weight of the product sold.

In order to promote, spread and consolidate a circular economy culture, businesses should be encouraged to measure and communicate the socio-environmental impact of their products, and also develop new skills to train and retrain workers for sustainable production. To this end, we propose the activation in the regions and metropolitan areas of pathways oriented towards recovery that combine two interconnected transitions: the green and the digital. Via the quadruple helix model (universities and research centres, central and local government, the private sector and associations, citizens groups collaborating with other players in the innovation process), local socio-economic ecosystems should be developed, with a view to encouraging a qualitative leap forward by SMEs in terms of both productivity and sustainability.

For the future prospects of the agri-food system, approval of the organic farming law, which is at a standstill at the Senate's Agriculture Committee, **is urgently needed.** Moreover, an agro-ecological approach should be promoted in order to improve the balance of agro-ecosystems, restore soil fertility and biodiversity, improve water quality and reduce greenhouse gas emissions (for example, by adopting certain agronomic practices - such as grassing and green manuring - and reusing crop residues on farms, including for energy production, in line with the principles of the circular economy). The use of green chemicals (bio-products), which can replace synthetic chemical inputs in agriculture, should be stepped up,

thereby favouring the transition from the current model of industrial agriculture to more sustainable models. For the restoration of biodiversity and carbon capture, it is important to support the planting of non-productive trees by farms and municipalities, especially in lowlands, where the agricultural landscape has often been "simplified" to allow the use of large agricultural machinery. Finally, sustainable and local agriculture, which does not have negative effects on the environment and health, should be promoted by initiating an ongoing dialogue between authorities and civil society.

With regard to boosting financial support for responsible producers, **alignment of the behaviour of banks and other financial operators with the Sustainable Development Goals should be encouraged,** by promoting investments that incorporate ESG criteria with the transition to low-carbon economic models, via responsible and sustainable finance instruments. In particular, we recommend:

- encouraging granting loans to the business system (especially to SMEs and the third sector) aimed at sustainability and microcredit development initiatives;
- strengthening the retail banking and insurance offering linked to the virtuous behaviour of beneficiaries;
- enabling CDP to acquire equity interests in SMEs that present plans to transform their operations in the direction of sustainability.

With respect to combating food waste, the Delegated Decision of 3 May 2019 regarding the measurement of food waste, which is mandatory from 2020, should be urgently implemented. The measurement of food surpluses should also be implemented, albeit on an optional basis. It is also necessary to refinance art. 12 of Law 166/16 ("Financing of interventions to reduce food waste"), and assign the roundtable for providing food aid to the poor and combating food waste, provided for by the same legislation and established at the MIPAAF, with the task of drawing up a national position paper on the Farm to Fork strategy. Last but not least, the creation of agri-food chains involving consumers and not-for-profit organisations should be promoted in all institutional, administrative and health authority settings, as recommended at the end of 2019 by the EU Platform on Food Losses and Waste.

As far as protection of the dignity of work is concerned, workers participation in corporate decisions should be promoted, in implementation of Article 46 of the Constitution, which is an important step for promoting an atmosphere of collaboration and responsibility within the company. Work-life balance should also be promoted, including through the correct use of remote working and other forms of flexible working hours. Moreover, business organisations should disseminate human rights due diligence among their members, which could also be adequately recognised in national legislation, and the use of respect for workers' rights certifications (ISO SA 8000, ISO OHSAS 18001, replaced by ISO 45001 on occupational health and safety, the NoCap label, etc.), as well as compliance with the principle of gender equality. EU Directive 2019/633 regarding the prevention and combating of unfair trading practices should also be transposed into national legislation, and the possibility of extending Green Public Procurement (GPP) to the social dimension, which is already mandatory for public bodies under the Procurement Code, should be considered.

Responsible consumption

As part of reform of the tax system, the taxation of consumption should be reviewed, by differentiating it on the basis of the social and environmental impacts of products, and measuring it using standardised indicators at national level. This would also make sustainable products more accessible for less well-off consumers. Action is also needed to guide consumer choices in favour of sustainability, for example, by defining reparability indicators for the main categories of consumer durables, to be highlighted on packaging; making it compulsory to specify on each product and its packaging how it is delivered and recycled; training public administrators in the correct use of Green Public Procurement (GPP) and monitoring its application; and approving the national law on fair trade.

As far as **food consumption** is concerned, decisive action should be taken to reduce food waste, to develop the short food supply chain and to step up relations between producers and consumers, including through the development of forms of community supported agriculture, which presupposes an active role being played by consumers, via forms of participation in the design and financ-

ing of production processes. Likewise, there is a need for interventions aimed at facilitating relations between cities and rural areas, and supporting forms of social and solidarity-based economy, including in the countryside and in inner areas with effective cooperation networks, and also at promoting local sales channels and encouraging the rational development of short supply chains, city and local markets, and food distribution chains on a local scale, which would reduce food waste.

Finally, **responsible consumption awareness campaigns are needed to make citizens understand the market power and pressure they can exert on businesses**. The development of online services aimed at citizens regarding the sustainability of businesses, and the promotion of responsible SMEs, would also help to accelerate the change in consumption patterns and lifestyles, with advantages for producers oriented towards sustainable development, as well as for the competitiveness of Italy's economic system.

Encouraging innovation

The problem of a virtuous transition from research to innovation needs to be addressed. Research is vital for the future of our country. It should be open, shareable and usable by all, and geared towards encouraging (if not producing) process and product innovation and not just "knowledge" (although this is vital, as stated above). However, the research world needs to be better connected with the production world in order to develop solutions that improve efficiency and the quality of people's lives, by introducing transformative actions within production processes and socio-economic activities.

We recommend the promotion and encouragement of the use of innovative systems and platforms to collect and process data in order to take advantage of "smart" recommendations on how to act (decision support systems). Use of the related databases should have a multi-sectoral and multi-level approach in order to ensure access to multiple stakeholders, from policy makers to regional and local institutions, especially research institutions, in both the public and the private sectors. The data would serve to promote the digital and sustainable transformation of various sectors and production processes, such as agri-food, Farming 4.0, integrated logistics, security, electronic healthcare, etc.

Employment

The pandemic has led to a rediscovery of the key importance of employment, its value, but also its critical issues. In particular, there are four areas in which the pandemic has most emphasised the limitations of the Italian labour market, by having greatly varied levels of impact on different workers. The first area relates to remote working. It is obvious that planning and implementing broadband and ultrafast broadband deployment in good time would have made it easier to deal with this forced transition to remote working. Investment has been delayed, making the organisation of work on modern lines more complex. But this delay has built up over the years. Indeed, it has been possible to think about different ways of working for a long time, but cultural resistance and regulatory rigidity have marginalised the use of remote working in the public sector and in companies.

It is now vital to grasp the opportunity created by the pandemic, while respecting the needs of both employees and employers. **We hope that this new way of working will come within the scope of collective and individual bargaining**, possibly supporting it with incentives and tax breaks, also taking into account the role of women and young people in this context. Remote working and other forms of flexible working can provide a valuable opportunity for young people and NEETs in particular, who can thus be placed (albeit in an unstructured way) in situations of collaboration, training, development, creativity, project working and similar channels of employment and services provision. This could then be used for personal and professional development, which otherwise would be inaccessible for them.

The second area regards work that must be carried out with in-person presence. Many of the jobs usually deemed to be menial have become vital at this time of crisis. Just think about supermarket workers, farm labourers, seasonal workers, street cleaners, home helps, local shopkeepers, and logistics and transport workers. The agreements entered into in recent months to ensure workers' health have set an important example of how the social partners can find new points of agreement regarding new issues. While economic and social policies should take more account of these groups of "vulnerable" workers, the need for interventions aimed at encouraging

"transformative resilience" among people and in the production system, which could enable many people to access business models and professions that are currently deemed to be "niche", appears obvious.

The third area relates to the entry and stability of young people in the labour market, regarding which the crisis has exacerbated an already precarious situation. Indeed, Italy holds the dubious record for youth employment and NEETs, with the lowest youth employment rate in Europe (56.3%, compared with an EU average of 76% in the 25-29 age bracket) and the highest NEET rate (29.7%, compared with an EU average of 16.6%), with a much higher rate registered among young women. Moreover, Italy has seen many young people emigrate (320,000 between 2009 and 2018); the figure drops to 235,000 when balanced out to take account of young Italian returnees.

Finally, the fourth area regards precarious workers, and those most at risk of unemployment or underemployment. According to Eurostat data, in Italy the sections of the working population most affected by the crisis have been young people and women, especially working mothers: the latter account for 70% of new parents who resign and give up work to look after their children. **Effective active labour policies need to be implemented to accompany people, workers, young people and adults, through continuous re-skilling and up-skilling.** This is necessary not only to avoid the risk of a large fall in employment at the end of the redundancy freeze, but also to facilitate the transition to new economic and development models.

With this in mind, the extraordinary opportunity offered by the various European Union funds should be seized, especially those relating to the SURE programme (State supported short-time work), which jointly supports the redundancy funds of the countries most affected by Covid-19, the Next Generation EU and the Just Transition Fund, in order to accompany the decarbonisation of the areas most linked to the carbon economy. **The review of the criteria for using the State Rescue Fund should encourage its application to strengthen the healthcare sector**, whilst relaxation of state aid regulations could enable **adoption of an industrial policy with a long-term and farsighted perspective that is able**

to grasp the opportunities of the transition to a circular economy. To this end, public incentives for investment should be rethought, while structural policies should pay special attention to those elements of the world of production that are most vulnerable to systemic shocks, which includes businesses and workers (employees and the self-employed). The incentive system to support industrial policy can no longer be generic, but rather should be selective and effective in its methods and timing. In this respect, fiscal instruments should be preferred to other forms of contribution.

When designing policies to stimulate economic and employment recovery, **the opportunities offered by the care sector, the agri-food sector and the so-called white economy should be taken into account, without neglecting support for innovative start-ups.** In the construction sector, focusing on energy saving doesn't go far enough, and attention should be paid to redefining domestic and common residential spaces to accompany the transition to remote working. In terms of mobility, investment should focus on redefining flows between urban and rural areas.

Going beyond macroeconomic policies, with an appropriate and balanced use of social safety nets, it is possible to facilitate the structural transformation of the innovations that the response to the pandemic has brought to the world of work. Moreover, the failure of job centres should be noted and appropriate facilities set up to implement modern active labour policies that match available skills with the needs of the real economy.

Finally, the crisis is likely to encourage the birth of a new generation of entrepreneurs, perhaps young people and women, as well as former employees who want to launch entrepreneurial projects. Policies oriented in this direction are vital for boosting the employment trend. To this end, it is possible to use tools that have proven their effectiveness in other European and OECD countries.

Human capital, health and education

Health

The health effects of the pandemic have strongly re-emphasised the key importance of health for collective wellbeing, the interconnections between emerging infectious diseases with pandemic potential and their environmental and socio-economic determinants, and the vulnerabilities of the current public health management system, both state-run and private, in the field of pandemic prevention, surveillance, diagnosis and treatment. The vulnerabilities regard current risk factor prevention models for emerging infectious diseases, the ways in which the challenges arising from the pandemic and the social and health consequences of lockdown are dealt with on the ground, the safe management of routine screening services, diagnostics, specialist visits and treatment for non-epidemic illnesses to protect against other acute and chronic cardiovascular, psychiatric, dysmetabolic, neurodegenerative diseases and, last but not least, social and healthcare services for the disabled and vulnerable groups.

The WHO Manifesto of May 2020 ("WHO prescriptions for a healthy and green Covid-19 recovery"), reiterated that saving money on emergency protection, emergency preparedness, health services and social protection networks has led to higher costs due to uncoordinated, emergency and interventions. In order to encourage the prevention of risk and the spread of emerging infectious diseases with pandemic potential, **it is first of all necessary to strengthen the role of health advocacy regarding the interconnections between zoonotic diseases and environmental and land degradation. Secondly, it is necessary to strengthen well-organised structuring at local level of the synergy between environmental and human and veterinary health operators from the One-Health perspective**, in order to promote early detection of emerging pathogens, epidemic outbreaks and infectious zoonotic diseases, in support of national prevention and pandemic containment plans, which should be carefully designed and constantly updated on the basis of newly available information.

With regard to epidemiological data and the operations of the National Health Service, as well as exposing workers to individual risks, the pan-

CHANNELLING HEALTHCARE INVESTMENT TOWARDS SUSTAINABLE DEVELOPMENT

Analyses carried out by ASviS on SDG 3 (Ensure healthy lives and promote wellbeing for all at all ages) have emphasised Italy's high ranking with regard to the majority of this Goal's Targets: high life expectancy; control of most diseases, especially acute ones; and a universal healthcare system. At the same time, a number of critical issues typical of advanced countries have been reported on several occasions, relating to: the economic sustainability of an increasingly expensive healthcare system in the face of growing and ever more exacting demand; increases in the elderly component of the population, chronic diseases and disabilities; gaps and malfunctions in the management of the healthcare system with regard to equal access and quality of care; scarcity of lifestyle improvements registered in recent years; and lack of integration between social and healthcare.

In 2018, ASviS proposed a Decalogue to promote SDG 3 of the 2030 Agenda, while as part of the Health Pact Marathon organised in July 2019 by the Ministry of Health, five specific actions with a focus on sustainability were proposed for implementation in the field of health and healthcare: establishment of a "fairness audit" to monitor levels of fairness; interministerial and intersectoral coordination on the "health in all policies" theme; identification and enhancement of good practices relating to fairness and health in all policies; monitoring of regulatory output, especially the Budget Laws, with respect to the objective of fair and sustainable health; and promotion of types of twinning between regions and local areas in order to spread good practices and positive know-how.

The devastating impact of the pandemic has further highlighted the weaknesses of the Italian health system. Consequently, an investment programme is vital to redirect, strengthen and make the country's social and healthcare system and resources more sustainable and efficient in the face of pandemic risks and other critical issues. Therefore, the ASviS SDG 3 Working Group has drawn up an investment plan (festivalsvilupposostenibile.it/public/asvis/files/Festival_2020/Eventi_nazionali/PositionPaperGdLGoal3_ott2020FINAL.pdf) focusing on the following aspects:

1. residential and emergency healthcare facilities, technologies, devices, IT and data transmission;
2. local healthcare and intermediate facilities between hospitals and local areas: facilities, technologies, instruments;
3. biomedical and public health research;
4. the environment, the climate, pollution and prevention;
5. disadvantaged areas with poor social and healthcare, hospitalisation facilities, resources available to the National Institute for Health, Migration and Poverty (NIHMP);
6. schools and after-school activities: school buildings, educational tools, playrooms and centres for educational and extracurricular activities;
7. workplaces: safety of workers and plants;
8. cities: green spaces, private mobility, public transport, public offices;
9. physical activities outside cities: mountain hiking trails, outdoor gymnasiums, slow tourism;
10. agriculture in local areas; local agriculture, urban allotments, solidarity-based farming co-operatives.

demic has also put health systems, which were already trying to cope with the dual healthcare burden of growing numbers of acute and chronic diseases, under the strain of a triple and quadruple burden, connected with the aggressive nature of the viral epidemic and the vulnerability of people with multiple risk factors. During the

lockdown phase, the widespread suspension of many social and healthcare, screening, diagnosis and treatment services further jeopardised health protection and once again raised the long-standing issue of public health waiting lists. In this context, **urgent efforts should be made to overcome regional differences in the applica-**

tion of the plan for restarting management of the hundreds of thousands of services suspended during the emergency and the resumption of regular services.

With regard to vulnerable groups, the management of residential care homes for the elderly (RCH) in some regions, where outbreaks of the epidemic have occurred, has been woefully inadequate. This has led to an exceptional increase in the mortality of people hospitalised there and the contagion of healthcare staff. Therefore, the relevant authorities should develop effective and reliable strategies that take into account the increase in chronic diseases, as well as epidemics linked to communicable diseases. In this regard, it is necessary to:

- **review recruitment models and human resource management;**
- **accelerate the process of boosting prevention and local medical care** in terms of prevention, out-of-hospital and in-home care, epidemiological monitoring and dealing with vulnerabilities;
- **implement health literacy programmes** that provide people with tools to combat the spread of fake health news and reduce the causal gap between education level and state of health.

Greater attention should also be paid to a similar approach with regard to other important aspects of people's health that may act as risk co-factors, such as reducing pollution; land transformation and the destruction of natural balances; urban, production and transport planning; the incorporation of health and development research in various disciplines; the exploitation of technological and information technology potential for controlling pandemics; and positive relations with the Sustainable Development Goals. **It is necessary to develop an efficient and unanimous global and local institutional response to the risks of pandemics** such as the current one and its socio-economic effects on the wellbeing of the population, including on the basis of the International Health Regulations (IHR) coordinated by the WHO since 2007, which are aimed at ensuring utmost global security by controlling the spread of epidemics and other public health emergencies worldwide.

Together with this, it should be borne in mind that all actors in the system have a responsibility

in terms of pandemic risk drivers and, in the light of the “health in all policies” principle, adopted by the 2030 Agenda, **policy must take into account the impact of economic, environmental and social choices on health and wellbeing outcomes, and this should be done harmoniously and in full coordination between the various levels of government and without the regional dimension of the country's health system hindering this.**

Finally, **funding made available to deal with the health crisis should be planned with sustainable development in mind, and therefore focus on:**

- **strengthening residential and emergency healthcare facilities, in terms of technologies, devices, information technology and data transmission;**
- **local healthcare and intermediary facilities between hospitals and their local areas** (nursing homes, community hospitals, continuity centres, social and healthcare access points, healthcare districts, hospices);
- **strengthening research support infrastructure.** Open access to scientific data and research results via consultation of a central digital repository would lead to swifter and less costly answers to the various medical and scientific questions, which provide an essential key reference point for the various emergency measures, while avoiding unnecessary duplication and waste of human and financial resources. The creation of a digital repository to house quantitative and qualitative research data, deriving from national and international contributions and easily usable by everyone, would significantly improve the preparedness and response to epidemics, the development of diagnostics, and the development of treatments and vaccines;
- **primary prevention of biological risks**, in particular those deriving from zoonotic diseases, which are estimated to regard up to 70% of emerging infectious diseases entailing epidemic risk, via:
 - > **monitoring of the circulation of pathogens in environmental matrices**, especially the strengthening of biosecurity laboratory infrastructure in support of environmental surveillance and early warning systems, which is deemed necessary for the management of epidemic outbreaks, in order to en-

sure prompter detection of low viral circulation situations and to improve the monitoring of possible epidemic hotspots or reappearances of pathogens;

- > **prevention of exposure to pathogens in living and working environments**, by adequately staffing and resourcing a monitoring network for research into RNA viruses in indoor settings;
- **disadvantaged areas with poor social and healthcare**, as well as on hospitalisation facilities;
- **schools and after-school activities** (school buildings, educational tools, playrooms and centres for educational and extracurricular activities);
- **safety of workers and plants**;
- **taking care of cities**, green spaces, private mobility management, public transport and public offices;
- **promotion of physical exercise** (mountain hiking trails, outdoor gymnasiums);
- **agriculture in local areas** (local agriculture, urban allotments, solidarity-based farming cooperatives).

Education

In light of the exceptional situation produced by the health crisis and regulatory developments, priority should be given to the following aspects:

- **economic and strategic organisational and educational measures aimed at reducing the upsurge in inequalities**, with entire groups of young people increasingly on the sidelines of educational pathways, and an even more crucial role to be played by families - in both positive and negative terms - given the presence of distance learning. From this perspective, in addition to the measures that seek to resolve existing inequalities, those that address the root causes of such inequalities deserve a mention. The “five steps” of the EducAzioni initiative, created by nine civil society networks, including ASviS, emphasise the importance of public investment in early childhood as an effective means for dealing with social and local inequalities present at birth (see box on page 168);
- **provision of up-to-date preliminary training and timely recruitment of teaching staff to**

ensure the quality of training, which are two fundamental aspects closely connected to the education system. The risks inherent in speeding up emergency procedures are avoidable. It is one thing to have staff on hand to supervise and safely manage the first few months of the school year, but it is another to train and select teachers with the right skills to teach and remain on the staff for the next three or four decades;

- **the need to reopen schools (and universities) safely is an opportunity for a more general rethink of learning spaces**, with investment in school (and university) construction that should be in line with 21st century educational objectives, and in greater harmony with sustainability requirements;
- **the emergency has also led to the rediscovery of the role of schools' autonomy, to which all strategic decisions have been essentially referred**: ranging from the shift to distance learning to the organisation of spaces for the reopening. This “rediscovery” of autonomy has revealed the importance of the quality of “local educational agreements”, as an opportunity to enhance public schools and their collaboration with their local areas, and to encourage the participation of pupils and families, including in the care and inclusion of vulnerable people. However, measures to encourage this “bottom-up” dynamic are timely, first and foremost a greater freedom for each autonomous school to select and recruit the skills that are most closely in line with its educational offering;
- finally, the fear that the pandemic and its economic consequences may further reduce the already modest Italian rates of participation in higher education is well-founded. In addition to boosting the mechanisms already envisaged to support the right to study - a welcome intervention that to a large extent has already been implemented - a more general reflection should be initiated on a more appropriate distribution education spending between the public and private sectors (the latter at families' expense), bearing in mind that in the last 15 years Italy has been among the OECD countries that have seen the sharpest falls in public spending and a consequent increase in private spending.

#EDUCAZIONI: FIVE STEPS TO COMBAT EDUCATIONAL POVERTY AND PROMOTE THE RIGHTS OF CHILDREN AND ADOLESCENTS

Nine active citizenship, third sector and trade union networks and alliances have decided to work together to put forward proposals, analyses and policy platforms to protect the rights of children and adolescents during the emergency. This was done by starting with concrete engagement in the field, in awareness of the strategic importance of responding here and now to immediate needs while laying the foundations for long-term changes.

Despite differences, the proposals of the various associations were synthesised into five points that were presented to the Government during the States General, and also in view of preparation of the Recovery and Resilience Plan:

1. *Start from the first 1,000 days.* Many studies show that investing in the early years of children's lives is the best insurance policy against the risks of inequality that occur during life. In Italy such educational investment is scarce, and in some southern regions almost non-existent. Therefore, it is necessary to restart with the education of 0 to 6-year-olds in order to reduce educational gaps and support parenting and families, especially in the most vulnerable areas of the country.
2. *Open up schools and build an educational community.* In the wake of the emergency, the new school year can mark the beginning of changes in spaces, hours and schooling methods. Local authorities, educational institutions and third sector actors should promote local educational agreements, with better coordination between curricular and extracurricular educational offerings, and schools kept open all day long. Schools should therefore open up to their local community, by offering recreational, cultural and social opportunities to everyone.
3. *No one is left behind.* The risks of a severe loss of skills and knowledge and a sharp increase in early school leaving are well known; such risks are not evenly distributed. Efforts must be stepped up to reach out to the children most in difficulty, thereby reaffirming an Italian tradition of inclusion.
4. *Investing in education to invest in the future.* Already 20 years ago Italy invested little in education, and has since seen a further decline in the share of GDP dedicated to its young people, and therefore to its future. The relaxation of budgetary constraints in response to the health crisis should provide an opportunity to redirect a substantial share of public spending in that most promising direction.
5. *A national strategic plan for childhood and adolescence.* Fragmented and unconnected interventions should be brought together under the umbrella of a single national strategy that puts the rights and prerogatives of the younger generation at the heart of policy and politics.

The Covid-19 emergency has also broadened the scope of certain issues relating to the achievement of SDG 2, in particular “ensuring access to food”, which has significant implications for nutrition education. The increase in poverty and reduced disposable income will also affect people's food choices, especially those experiencing financial difficulties, who will tend to choose cheaper foods that can still make them feel full, sometimes to the detriment of nutritional quality, with a lack of access to nutritious food and an increase in the consumption of highly processed products. In addition to the immediate measures that can support people's

income, a key role is played by third sector organisations engaged in recovering and distributing food to the needy. Moreover, in order to tackle food poverty, in addition to distribution initiatives, it could be useful to reduce prices via commercial innovation strategies and information and food education actions aimed at getting people to buy food items with a better price-quality ratio.

As nutrition is deemed to be one of the main tools for a long and healthy life, **awareness campaigns and nutrition education should be stepped up**, and labelling systems activated that enable consumers to choose healthy and sustain-

able food. This approach will also be supported by the European Commission, which intends to propose standardised nutrition labelling. While on the one hand this approach can produce positive outcomes, on the other hand it risks negatively affecting many Italian products, as the Government has already pointed during the European negotiations.

Natural capital and the quality of the environment

While the concept of One Health documents the strong link between the health of human beings and animals, more recently the broader concept of Planetary Health has been invented, which maintains that there is only one planetary health regarding nature (from which humanity derives and depends upon) and our societies. It is no coincidence that leading virologists and microbiologists have long predicted the possibility of a pandemic resulting from a zoonotic disease, with the global spread of a virus that could have devastating effects on the whole of humanity.

This is mainly due to the destruction of environments and contamination of ecosystems, especially tropical ecosystems, the use of meat from rare animals in large markets in various countries, intensive animal husbandry methods and an increasingly unsustainable food system. The critical state the environment has reached should encourage the whole world to implement the transformative changes that all the authoritative scientific reports published in recent years have strongly and clearly been calling for. As the IPBES Global Assessment Report on Biodiversity and Ecosystem Services of May 2019 points out, human intervention in recent decades has been unprecedented in the history of humanity, changing and transforming 75% of the landmass, significantly impacting 66% of the world's oceans and seas, and threatening the extinction of a million living species.

Many studies have been conducted that aptly combine virological, bacteriological, epidemiological and ecological expertise to better understand the origin, distribution, spread and ecology of pathogenic viruses. They show that devastating human pressure on the world's ecosystems, and the biodiversity that populates them, brings about changes in the evolution and ecology of viruses.

The pervasiveness of human presence on our planet, and the resulting devastation of many natural environments and the globalisation of contacts, thus comprise an important basis for the global spread of viruses, which unfortunately is precisely what is happening with the SARS-CoV-2 virus.

Given the likelihood that pandemics such as the one we are fighting will continue to occur in the future, **it is vital to draw up effective global and national prevention plans as soon as possible**, which cover all sustainability issues and the construction of socio-economic systems that are resilient to such shocks. To achieve this, we need to change an economic system that is on a clear collision course with natural systems as, by causing huge environmental disasters, it produces very serious effects on the health, wellbeing and development of the whole of humanity, as well as on the health of the entire biosphere.

While in the first point of its Manifesto regarding recovery from Covid-19 the World Health Organisation very clearly sets out a commitment to protect and preserve the source of human health, namely nature, it is first and foremost hoped that Italy, via the Next Generation EU programme, will finalise a National Plan to restart the economy and employment, but also to protect environmental assets and bring about the above change, as also recommended by the new EU Biodiversity Strategy for 2030.

The NRRP should provide for the launch of decisive and concrete policies that will underpin the sustainability of our future, by adopting a genuine wellbeing economy, as has been recommended for years by many leading economists and ecologists, which prioritises “care for the planet” and people, social justice and respect for human rights. Specifically, **the Plan should implement the guidelines set out in the European Green Deal and the new biodiversity and food system strategies** (Farm to Fork), thereby benefiting synergies with the new EU plan for the circular economy, which aims to “accelerate the transition to a regenerative growth model that gives back to the planet more than it takes”.

The urgent need to **apply the bottle to bottle approach, as part of the circular economy, to reduce the production of new plastic to contain liquids**, in implementation of the objectives of EU Directive 2019/904, should also be borne in mind. To achieve these objectives, specifically with re-

spect to r-PET and plastic bottles, cities need to activate selective collection of PET and recycling chains, in order to improve the circularity rate and influence citizens' behaviour at home, at work and at leisure².

A sustainability-oriented NRRP, which is also able to make up for our delays in achieving the objectives of EU directives (for example, the ones relating to marine strategy, water, wastewater treatment and air pollution), should respect certain principles:

- **all spending under the Plan, and better still all public spending and policies that direct private investment, should be based on the principle of “do no harm”** as set out in the Green Deal and highlighted in the Conclusions of the European Council meeting of 17-21 July 2020. This means that simplifying procedures cannot entail a reduction monitoring. On the contrary, if well planned, monitoring activities can improve their efficiency, and help to protect and restore the many services provided to the community by healthy ecosystems;
- **all the interventions should also be considered in relation to the land consumption they might cause.** Each intervention should be based on a “zero balance” in terms of land consumption, including for major infrastructure works. Priority should be given to:
 - > ensuring the safety, upgrading and adaptation of existing infrastructure;
 - > recovery and restoration of valuable building heritage, and urban and architectural regeneration of degraded and suburban areas;
 - > restart of reclamation activities at national and regional sites;
 - > interventions to restore and re-wild ecosystems, with a view to increasing the resilience and safety of our land, partly in order to boost protection from hydrogeological risk and from the effects that may derive from ongoing climate change;
- **the key importance of protecting and restoring biodiversity.** The National Biodiversity Strategy, approved in 2010 in line with international guidelines, identifies three strategic objectives relating to the value of ecosystem services, the role of biodiversity in climate change, and above all

the area of adaptation and the economic dimension of biodiversity. A new National Biodiversity Strategy should be developed that follows both European and international guidelines and identifies maintenance of the state of health of Italy's natural systems as an absolute national priority. The reports of the Natural Capital Committee (provided for by Law 221/2015) document the situation in Italy and present the operational proposals to improve the state of health of our national capital, fully in line with the Targets of Goals 14 and 15 targets, and with the objective of protecting water-related ecosystems as set out in Target.6.6 of the 2030 Agenda. The lack of appropriate actions means that soil loss and degradation, habitat fragmentation, loss of land to construction, overfishing and the depletion of marine, coastal and dune ecosystems and other habitats that are valuable for everyone's future will continue in our country.

The NRRP should provide for the financing of a national plan for the restoration of natural systems, given that this new decade has just been dedicated to ecosystem restoration by the United Nations. In particular, we suggest allocation of at least 10% of the European funds to Italy for this purpose. In this respect, it should be noted that all the measures for terrestrial, marine and water biodiversity are among the climate actions for which the European Council has already set a minimum share of 30% of the Next Generation EU fund and the entire MFF, as well as 40% for the CAP. In addition, it has been stipulated that all EU spending should be in line with the objectives of the Paris Agreement and the above European Green Deal principle of “do no harm”.

The Plan should be geared towards the protection and promotion of our natural capital (as is already the case for our cultural, archaeological and artistic heritage), through implementation of measures aimed at reducing habitat fragmentation, protecting biodiversity, combating degradation and unsustainable consumption of land, and, above all, restoring ecosystem services and encouraging adaptation to climate change. This should apply to both terrestrial and marine ecosystems. The complete recovery of original nature should be promoted mainly in the most natural areas, by encouraging defragmentation

actions with the creation of ecological corridors, in terms of the needs of the various animal and plant species, as an integral part of the land use planning of a wide local area.

We recommend that the NRRP should adopt the objective of recovering at least 30% of degraded ecosystems by 2030, as proposed by the European Parliament in its Resolution of 16 January 2020, through integrated green infrastructure and nature-based solutions, which, among other things, would play a vital role in mitigating and adapting to the effects of climate change, including in urban areas, with robust interventions to promote an increase in the presence of public and private green spaces.

A package of fiscal measures should be urgently approved to support investment in the protection and enhancement of biodiversity, with a view to encouraging green investment and employment related to nature conservation. In a country like Italy, which has some of the richest biodiversity in Europe, granting credit to companies that wish to implement measures aimed at protecting biodiversity would also have beneficial effects on growth and employment, thus enabling growth of one of Italy's most competitive assets in the global arena.

As far as the seas are concerned, 100% of Italian Marine Protected Areas (MPA) and Sites of Community Interest (SCI) should be effectively managed in order to eliminate "paper parks" and comply with the international agreements Italy has signed, thereby achieving a good ecological state for the seas and making up for delays with respect to the EU Marine Strategy. The sustainable co-management of fisheries should be encouraged, promoting and supporting small-scale fishing experiences, based on the engagement of fishers, trade associations, institutions, research bodies and environmental associations, as recommended by the regional action plan of the General Fisheries Commission for the Mediterranean, of which Italy is a signatory. Legal recognition should be given to this instrument, which prioritises reduction of the so-called "fishing effort", thus limiting the impact on marine biological resources, and supporting the small-scale fishing sector via the promotion of fishing tourism, training and the direct sale of local fish products to consumers, which creates the conditions for increasing fishers' income, including by raising consumer awareness of sustainable fishing

methods. **At EU level, Italy should support reform of the CAP to include ambitious environmental objectives**, so that, in line with the Farm to Fork strategy, it has a neutral or positive environmental impact. The relevant National Strategic Plan should contain objectives that aim to achieve a real ecological transition of our agriculture, including:

- 10% of the area of farms occupied by green infrastructure for nature conservation purposes;
- reduction of the use of pesticides and elimination of chemical herbicides. A national action plan for the sustainable use of plant protection products should be developed, which clearly sets out the objective of a 50% reduction in the use of synthetic chemicals, with at least 40% of certified UAAs allocated to organic farming by 2030. To this end, the replacement of chemical herbicide control should be encouraged, starting with a review of integrated production regulations, and agronomic practices that increase organic substances in the soil, reduce the use of synthetic fertilisers and optimise water use. A tax incentive package for the ecological transition of agriculture would also be useful. This would bring Italy closer into line with the allocation of a minimum of 40% of CAP spending to climate action, as decided at EU level. This requires investment in agronomic practices and the use of agricultural areas for the regeneration and resilience of biodiversity, and for the protection and recovery of degraded areas and ecosystem services.

The right to water should be guaranteed via approval of the law that implements the outcome of the 2011 referendum. Through adequate public governance, the NRRP should at last provide for execution of the necessary works to restore efficient water distribution systems that guarantee potability and minimise the long-standing problem of network leaks, thereby reducing competition between different water uses (civil, industrial, agricultural).

Investment in wastewater collection networks is also urgently needed, in order to achieve compliance for all purification systems and zero pollution, in line with European Directive 91/271/EEC on wastewater treatment, regarding which various infringement procedures are pending against Italy. This action would respond to one of the European Semester's recommen-

dations, given that “infrastructure water and waste management deficits, especially in the southern regions, generate an environmental and health impact that entails substantial costs and loss of revenue for the Italian economy”.

Cities, infrastructure and social capital

A radical energy upgrade of building stock, the replacement of heating systems that run on fossil fuels and the installation of renewable energy production plants are among the driving forces needed to achieve the EU objective of carbon neutrality by 2050 or even earlier, as many cities in the world (Copenhagen, Helsinki, Paris, London), under the umbrella of the Carbon Neutral Cities Alliance (CNCA), intend to do. The 110% tax credits provided for by Law 77 of 2020, converting the “Restart” (Rilancio) Decree into law, is a measure aimed at kick-starting recovery of the construction industry during the Covid-19 crisis, but it cannot be maintained for long due to its high cost and its interpretative and procedural complexities.

As buildings are responsible for 36% of CO₂ emissions in the European Union, a national urban development strategy for the energy renovation of public and private housing stock is needed, based on innovative criteria and incentive schemes in line with the circular economy. Consequently, as explained in the box on page 173, it is proposed to make 65% of the tax break structural, with a discount or tax credit as is the case for the above 110% tax relief scheme, with a minimum reduction in energy demand of at least 50% or achievement of energy efficiency class B in order to help households save money. In energy efficiency initiatives, all necessary technical measures should be implemented to ensure good indoor air quality (thus preventing thermal insulation without adequate ventilation systems from leading to a build-up of pollutants inside the home). It has been calculated that until 2030 the burden for the state (the difference between lower income from deductions and higher income from the increase in the volume of related economic activities) would amount to €30 billion, to be financed under the NRRP. The measures taken in urban areas should reflect the highest level of ambition proposed by the European Commission in September 2020, which recommends a 60% reduction in construction sector emissions by 2030 compared to 2015.

The earthquake tax relief should also be made structural, with up to 80% of the costs incurred to be deductible, and to be accompanied by a three-stage national plan: a) an accurate survey by the state of the risk level of housing in seismic zone 1, which is the most dangerous; b) use of the earthquake tax relief for seismic zone 1 interventions; and c) gradual extension of diagnostic and improvement interventions to seismic zones 2 and 3. For the first two phases, the burden, which can also be financed under the NRRP, amounts to €27 billion.

The “Special Programme for Peripheral Areas” (Law 208 of 2015), amounting to €2.1 billion (currently being implemented), and the “Urban Renewal Programme”, totalling €854 million from 2020 to 2033 (Law 160 of 2019), should be coordinated, and all the resources dedicated to this issue should be pooled. According to the proposals of the “Final Report of the Committee of Inquiry on Peripheral Areas” of the Chamber of Deputies of the previous legislature (14 December 2017), the programme should have a stable and continuous financing mechanism amounting to €1 billion per year for 10 years. In this context, the calls for tenders system should be replaced with one based on the preliminary identification of the 150-200 most socially vulnerable areas in the country, within and beyond urban areas, on which the programmes to be implemented should be focused via a planning agreement resulting from negotiations with the local authorities concerned. The cost of €10 billion over 10 years can be financed under the NRRP.

In addition to building stock, transport in urban areas is also a vital sector for the reduction of CO₂ emissions (the third one is industry). A thorough analysis of the Italian State Railways Planning Agreement, the Infrastructure Annex to the Economic and Financial Document (DEF) 2018, the available Sustainable Urban Mobility Plans (SUMP) and the National Sustainable Mobility Plan to renew the bus fleet reveals the following financial requirements:

- rapid mass transport infrastructure: €33 billion;
- renewal and improvement of the public transport fleet: €10.3 billion;
- electric mobility: €9.2 billion;
- facilities for cycling, walking, safety and inter-modal transport: €7.6 billion;
- incentives for the purchase of bicycles and micromobility vehicles: €1.6 billion.

PROMOTING AN “INVESTMENT PACKAGE FOR THE SUSTAINABLE DEVELOPMENT OF CITIES AND LOCAL AREAS”

On 28 May 2029, at an event organised by ASviS called “Towards a transformative recovery in the spirit of resilience and sustainability”, an investment package proposal was presented, which was delivered to the Government on 20 June during the States General meeting. The proposal is based on the idea that in order to shift the dominant economic model towards sustainable development, a substantial public and private flow of investment is needed over a ten-year period to stimulate domestic demand and create new job opportunities. Indeed, from this perspective, towns and cities and local areas are the focus of the turning point.

The cost of the package (€201.7 billion over 10 years) is compatible with the amount of funds available via Next Generation EU, and, if fully implemented, would increase public spending on investment (which fell by more than €30 billion per year between 2008 and 2017) by €20 billion per year. The proposal, which is fully aligned with the EU priorities set out in July, regards:

- **the green transition** to zero net CO₂ emissions by 2050 as envisaged in the European Green Deal. The energy upgrade of building stock (€30 billion) could be followed by making the Ecobonus structural at a rate of at least 65%, via a discount included in the service provider's invoice or a tax credit, with a minimum reduction in energy requirements of at least 50% or the achievement of energy class B, whilst ensuring good indoor air quality, in order to achieve the efficiency targets and help households to save money. This should be accompanied by making housing stock safe, starting with seismic zone 1 (€27 billion), the prevention of hydrogeological instability (€15 billion), the reduction of water leaks (€2.3 billion) and the improvement of urban wastewater treatment (€1 billion). Investment in sustainable mobility in towns and cities (€61.7 billion) completes the picture;
- **the digital transformation**, to spread connectivity, digital skills and vouchers for tablets and computers, in line with the objectives of the European Gigabit Society by 2025 (€18.6 billion). In addition, schooling issues should be addressed, with building upgrades obligatorily linked to educational innovation (€17.2 billion), and universities, with a plan for new facilities (€1.9 billion);
- **healthcare**, including strengthening the network of local facilities with nursing homes, community hospitals, social and healthcare single access points, district operations centres and hospices (€17 billion);
- **combating poverty**, starting with interventions in suburban areas (€10 billion).

As highlighted during and after the lockdown, the form of urbanisation and land development is vital for achieving the Goals of the UN 2030 Agenda at global level, and for curbing the destruction of natural habitats, which is one of the main causes of the spread of viruses. In Italy too, it is a question of countering urban sprawl, which is unsustainable in terms of land consumption and the demand for private car use it creates, as well as making cities compact, liveable and resilient, and reversing the trend towards the abandonment of inner areas and old villages.

In total, this amounts to €61.7 billion over 10 years, which can also be financed under the NRRP.

In this area, **investment should be made in the avoid-shift-improve strategy for sustainable mobility, in the use of new technology platforms in urban settings in accordance with the mobility-as-a-service paradigm for shared and on-demand mobility, and in active mobility.**

Also in view of the continuous increase in land consumption (see ISPRA Report 2020), and given the crucial role of land protection for the conservation of natural habitats whose destruction is the primary cause of the Covid-19 pandemic, **it is vital to speed up approval of the law under discussion in the Senate to combat land consumption.** If obstacles are encountered, the Government should approve a Law Decree con-

LOCAL FOOD POLICIES: THE ROLE OF CITIES

Our cities can directly or indirectly influence many areas related to food. In recent years, partly driven by requests from universities, civil society and the production sector, many authorities have launched a series of policies aimed at making urban and metropolitan food systems more sustainable. Planning urban food systems, and being aware of the dynamics regarding production, handling, consumption patterns, the disposal and redistribution of surpluses and many other things, facilitates the solution of environmental, social and economic problems, and at the same time provides opportunities for restructuring, standardisation and regulatory reorganisation of food supply chains.

These considerations should lead towns and cities to strengthen local food policies (called food policy, food strategy or urban food planning), namely a coordinated set of tools, actions, measures and incentives that guide food systems (production, processing, distribution, consumption, post-consumption) towards a balanced relationship between economic development, strengthening of ecosystems and social demands. In particular, it is important to encourage local governments at various levels (municipalities, metropolitan areas, groups of municipalities, etc.) to adopt specific local food policies. As recommended in the position paper “Food, cities, sustainability” prepared by the ASviS Working Group dedicated to SDG 2 (Zero hunger)³, such policies should aim:

- to protect the most vulnerable groups and reduce inequalities;
- to design and create a system of sustainable school and public canteens;
- to develop a food culture based on the concept of a varied and healthy diet;
- to promote product and process innovation;
- to strengthen the positive connections between the environment and food, including via multipurpose urban and peri-urban agriculture;
- to make urban food systems more resilient;
- to design solidarity-based supply chains;
- to strengthen, democratise and localise food system planning;
- to map local food systems.

In order to review the functioning of the mass catering system, taking into account social wellbeing responsibilities, intervention would primarily be required in the drawing up of tender specifications and monitoring systems. Green Public Procurement (GPP) for mass catering, whether public (schools, hospitals, barracks, etc.) or private, can be a very effective tool for improving the diets of a large proportion of the population, raising younger people’s awareness of the connection between food, health and sustainability, triggering the transition of local agri-food economies towards sustainability, and encouraging the localisation of agricultural activities - in a broad sense - that are good for the environment and society.

By changing tender specifications and monitoring systems, which even go beyond the Minimum Environmental Criteria (MEC), the GPP can promote the supply of healthy, quality food, which is rich in nutrients and respects ecosystems. A series of good practices that go in this direction are implemented across Italy but, in order to strengthen the impact of this policy, direct incentives, the creation of a forum for sharing good practices, and technical assistance to support local authorities and private companies with the drafting of calls for tender, are also needed.

In cities, agriculture could also be used as a tool for the regeneration of rundown urban areas.

The creation of vertical farms and the application of innovative production systems, such as off-ground cultivation and buildings that serve as greenhouses and as technological solutions for saving energy, water, soil, CO₂ emissions and food waste in cities, all have major potential.

taining the basic text to be proposed by the Select Committee of the 13th and 9th Senate Committee appointed on 3 March 2020, recommending the following key actions: indication of the European objective of zero net land consumption by 2050; definitions to be in line with those commonly accepted at international level; continuous standardised monitoring provided by the National Environmental Protection System (SNPA); limitation of derogations as much as possible; inclusion of a deadline for spending plans not carried out by municipal authorities; and consistency with the objectives of mitigation of and adaptation to climate change, and the protection and restoration of biodiversity by 2030. As far as culture and tourism are concerned, the priorities for recovery-oriented policies include: a) safeguarding and strengthening cultural infrastructure; b) encouraging the sustainability of tourism and cities; c) building a public digital knowledge space, with accessible content, and organisation of knowledge in order to have a more robust, prepared society, which is ready to grasp opportunities and absorb shocks; d) linking together culture and care; e) improving skills; f) and carefully using EU funds. The health crisis calls for thorough reallocation of resources not yet pledged, and for greater concentration of the EU Structural Funds for 2021-2027 and related operational programmes within the scope of the planning cycle. It provides an opportunity to reset the priorities already identified in the European Agenda for Culture adopted in 2018.

With regard to air quality, it is very positive that Law 141 of 2019 which converts the Climate Decree, together with the Green New Deal of the Budget Law for 2020, has clearly identified the objective of improving air quality in the context of measures to combat climate change.

The envisaged National Strategic Programme should be incorporated without overlapping either with the PNIEC, which was finally approved in January 2020 but needs to be revised with regard to the new European objectives, **or the long-term low greenhouse gas emission development strategy (2050)**, currently being drawn up by the Ministry of the Environment (it should have been presented by 31 December 2019 according to the COP21 held in Paris in 2015 and subsequent EU regulations). The financing of forestation initiatives in metropolitan areas pro-

vided for in the 2020 Budget Law is only a first step in the right direction, and should be followed by extension of the regulations with adequate funding to include all other towns and cities.

With regard to infrastructure, which will certainly benefit greatly from NRRP funding, it should be borne in mind that widespread digitalisation would enable each structure to be monitored on a daily basis and decisions to be made on the maintenance actions required on the basis of priorities deriving from modern IoT-SHM (Internet of Things/structural health monitoring) technologies. Thanks to the wide availability of data collection, storage and analysis technologies, it would be possible to carry out predictive maintenance (“on-condition”) as well as “planned” maintenance (more costly and less effective), using advances in machine learning techniques.

The synergistic combination of Enterprise 4.0 and artificial intelligence (AI) programs gives rise to the “digital twin” concept, an innovative approach to comparing collected real data with analysis, simulation and calculation systems, which enables analysis and virtually assessment of real performance. Therefore, a “twin” model could be created for each new works project, whose behaviour would be simulated on the basis of real data collected in similar situations. **A first step in this direction would be the mapping of infrastructure via the National Digital Archive of Public Works (AINOP)**, which identifies its age, structural parameters, maintenance history, state of health, etc. In other words, it would entail creating an “infrastructure registry”, organised by potential risk categories and related maintenance priorities.

Regarding rail infrastructure, the European Rail Traffic Management System (ERTMS) should be implemented to accelerate the process of technological innovation for the national railway infrastructure and to encourage the digital transformation of Italy. **Moreover, initiatives should be urgently provided for new projects and the modernisation of infrastructure in southern Italy**, where there are still single-track connections between cities, and/or infrastructure that is so obsolete and degraded that it hinders efficient transport, which leads to a preference for road transport, and its ensuing negative environmental impacts.

A “high capacity” project is needed to make rail freight transport more efficient, an area where Italy lags behind the EU average. This means developing rail transport capacity to serve production needs and transferring freight volumes from road to rail, which would significantly reduce harmful emissions. With regard to intermodal transport, which is an essential prerequisite for efficient and effective sustainable logistics, the funds available (€59 million for the two-year period 2020-2021) are inadequate to achieve a marked improvement in the situation.

Similarly, actions to improve the people transportation system should be strengthened, partly to prevent people from shunning mobility due to fear of being infected. Therefore, in addition to supporting businesses in the sector, support should be provided to ensure the sanitisation of means of transport and stations, and to guarantee the safety and security of both service users and transport workers. The vehicle scrapping voucher for polluting vehicles should be renewed, as should the voucher for the purchase of local and regional public transport season tickets, including its extension to all municipalities and not only to those affected by EU air quality infringement procedures. **These actions should also be linked to the National Strategic Sustainable Mobility Plan** (Prime Ministerial Decree of 17 April 2019), which provides for €3.7 billion over 15 years, and the Urban Cycling Network Fund.

With regard to water infrastructure, and especially irrigation infrastructure, it is necessary to **finance an investment plan aimed at improving water resource management**, partly to solve the problem of leaks across drinking water networks, which on average still waste more than 37% of their water. Digitalisation of water networks and water services can provide valuable monitoring and support assistance for targeted maintenance actions. Information campaigns aimed at institutions and stakeholders should be launched, in order to foster knowledge and awareness of the role of land reclamation activities for soil protection and land protection, irrigation for the economic development of local areas, and safeguarding the quality of agri-food products. The dissemination of best practices and virtuous solutions and interventions should also be stepped up, in order to promote sustainable and efficient use of water among all stakeholders.

As mentioned in other sections of this Report, tax deductions for energy efficiency measures should be renewed and increased, including via the mechanism based on discounting the cost of major renovations from the amount billed by the supplier, as per the national guidelines for the energy certification of buildings (Ministerial Decree of 26 June 2015), for common areas of apartment buildings. It would be desirable to have a lower threshold amount for works than the €200,000 provided for in the 2020 Budget Law, in order to provide a greater energy efficiency incentive. It should also be ensured that tax relief for the refurbishment of building facades does not end up being merged with the Ecobonus.

The crisis has affected various forms of capital, including social capital. During the first phase of the pandemic Italian society responded in a very positive way, with engagement by civil society, institutions and individuals that gave yet further proof of the wealth of social capital our country enjoys. However, as the months went by, less positive signs emerged, which in some cases were worrying, and called for attention and targeted interventions.

While the 2030 Agenda is based on the principle of intergenerational justice, effective, strong and transparent institutions are vital for the achievement of a fairer and more inclusive society. Consequently, **it is first of all necessary to combat forms of hatred and violence, by investing in prevention, raising awareness of respect and tolerance, the culture of legality and the regeneration of a civic spirit among the younger generations.** The guidelines issued by the MIUR via Ministerial Decree 35 of 22 June 2020 (issued in compliance with Article 3 of Law 92 of 20 August 2019, a Law on the Teaching of Civic Education) require schools to provide, in addition to whole class teaching:

- specific workshops that, by implementing communication and non-violent conflict management strategies, enable pupils to experience the suffering caused by hate speech, as well as the advantage of peaceful coexistence with their respective differences;
- educational training initiatives focused on citizenship and digital literacy modules, aimed at managing online hate speech in a non-violent way and thus preventing discrimination, bullying and cyber-bullying.

These are positive steps, but we cannot wait for the time when the new generations take on important roles in society to achieve a better situation. Therefore, **we propose that all the main political parties and organisations should adopt and subscribe to a code of conduct** that will regulate the use of social media and online communication in accordance with criteria of tolerance, fairness and respect for individuals.

As far as the judicial system is concerned, recently reported cases have also seen the involvement of people who have taken on important roles in its management. This once again highlights **the need for a really incisive reform of the judicial system, in both functional and managerial terms**. Despite recent legislative interventions, much still needs to be done, especially regarding the issue of the length of proceedings, with the aim of improving the efficiency of the civil, criminal and tax justice system. To this end, we propose that online civil procedures should be more consolidated and widespread, as well as large-scale use of digital transformation tools and resources via appropriate investment. In addition to guaranteeing the principles of rights, fairness and access, this would allow us to strengthen our organisational structures for the prevention of corruption (compliance) and financial crime, which would reduce the risks encountered by the production system and have beneficial effects on the reputation of Italy's economic system.

With regard to trafficking and exploitation, which represent a new and profitable business for criminal organisations, it should be noted that - in addition to what has been reported with respect to the provisions of art. 103 of the *Rilancio* Decree - Law 199/2016 (Provisions relating to combating undeclared work, labour exploitation in agriculture and wage increases in the agricultural sector), whilst recognising the indirect and systemic nature of coercion to exploitation, is characterised by a primarily repressive framework, especially in the applications that have been carried out so far. **Therefore, this framework should be supplemented in two directions: crime prevention, and effective protection of current and potential victims.**

In terms of prevention, this means putting measures in place to mitigate the vulnerability of

certain individuals in the labour market. In the case of foreigners, the legislation on entry and residency should be reviewed in order to allow legal entry for employment reasons and to decouple residency permits from employment contracts when long-lasting and stable presence in Italy, stable family or emotional ties, or a previous employment record can be proven. Regarding the protection of victims, the social inclusion programmes provided for in Article 18 of the Consolidated Act on Immigration should be extended to those who have been exploited with threats or violence, and also strengthened in terms of psychological and legal protection, training, initiation of regular employment and independent housing. This extension is already provided for by the above Law 199/2016, but it is not actually applied. If we accept that exploitation is a structural problem, **it is necessary to operate on the level of the various production chains to make them sustainable, transparent and "clean"**. For example, regarding agriculture we propose the:

- **extension in terms of timeframe and duration of the regularisation** measures provided for in art. 103 of the *Rilancio* Decree, going beyond the deadline of 15 July for submission of the application and therefore the mere criterion of "seasonality";
- **introduction of "narrative labelling" for products**, in order to provide consumers with comprehensive information on price formation and working conditions, as well as ethical certification of supply chains;
- **creation of roundtables for dialogue between the various supply chain players**, with the aim of setting sustainable prices for small and medium producers, who are often overwhelmed by large-scale retailers.

With reference to the provisions designed to provide support for businesses and professionals in the *Rilancio* Decree, and above all to future interventions, **mechanisms and instruments should be introduced regarding the traceability of financial flows, such as the dedicated current bank account and one-time codes**. This would help to ensure more correct use of public funds in line with the objectives of fairness and legality, as well as to promptly sanction parties who have benefited from non-repayable grants used for improper and potentially criminal purposes.

In view of the new EU programming for 2021-2027 (especially PO 5 - “For a Europe closer to citizens”), **the possibility of using funds provided for by the cohesion policies for the valorisation of assets confiscated from mafias should be confirmed**, as already stated in the National Strategy approved in 2019. It would also be important to strengthen cooperation between the National Agency for the Administration and Destination of Assets Seized and Confiscated from Organised Crime and the MIUR regarding **educational use for teaching and workshop purposes of the spaces and buildings confiscated from criminal organisations**.

Finally, with reference to Targets 16.6, 16.7 and 16.10 of the 2030 Agenda, which are aimed at maintaining fundamental liberal and democratic principles in institutional and political governance, it should be emphasised that the epidemic has led to a political and regulatory response focused on the actual state of need and urgency. On the basis of this assessment, in order to ensure containment of the risks of infection and a more steadfast exercise of the executive prerogatives of the state, a number of restrictions on personal social freedoms, and the suspension of certain access and transparency instruments, were decreed. As already pointed out in the 2019 ASviS Report and in the Analysis of Policies During an Emergency Document, and as also noted by some observers and leading commentators, it should be borne in mind that preserving fundamental freedoms in keeping with observance of the principles of representative democracy and our institutional balance, in accordance with duration, proportionality and reasonableness criteria, is a guarantee of the fiduciary agreement between citizens and the Government, namely social cohesion.

International cooperation

In the field of international development cooperation, the Italian response to the global Covid-19 crisis is currently based on re-orienting interventions planned or in progress in 2020 towards initiatives aimed at strengthening health-care facilities, ensuring access to food and sanitation, and supporting research, development and fair distribution of vaccines and medicines in partner countries. However, this is not enough and, in some cases, may be detrimental to sustainable development. For example, the

€13 million allocated by the Ministry of Foreign Affairs and International Cooperation to the Covid-19 Fund, although necessary to allow the continuation and the necessary re-orientation of current initiatives promoted by civil society organisations, will result in reduced availability for the upcoming calls for tender aimed at these organisations for future projects to support the most vulnerable communities.

Consequently, **it is essential to reverse the downward trend in ODA that has been seen in the last two years**. If Italy is to reach the target of 0.7% of GNI by 2030, an additional €1 billion must be allocated per year over the next nine years. This is a crucial objective, which could be facilitated, at least over the next three years, by Next Generation EU funds. This would at least partially free up resources from the national budget to be directed towards ODA. Moreover, the funds allocated to the development of a Covid-19 vaccine must be separated from ODA funds, because the vaccine is a global objective, which regards all countries, including Italy, and not just developing countries.

As the various legislative decrees issued by the Italian Government for the Covid-19 emergency have provided for significant interventions for domestic needs and for the internationalisation of companies, development cooperation should also be strengthened with new funding. In the agenda of its first call for a meeting, the inter-institutional operational unit for the coordination of Italy’s contribution to prevention and the global response to Covid-19, established at the Ministry of Foreign Affairs and International Cooperation, expressed its willingness to deploy “Italian ingenuity against the pandemic”, but this should be accompanied by a substantial commitment of human and financial resources. Although the response to the pandemic should be global, and therefore be achieved via multilateral initiatives in which the Italian Government plays leading roles, Italy’s bilateral cooperation with partner countries, in which the whole Italian cooperation system is highly involved, including the private sector, NGOs, the diaspora and civil society, cannot be undermined.

Rather than being a place for sporadic consultation, the inter-institutional operational unit should be a forum for the preparation of Italy’s upcoming international meetings, especially the Italian presidency of the G20, and for

strengthening dialogue with civil society and private bodies, and improving the coherence of sustainable development policies. **The Italian presidency of the G20 in 2021 should commit to extending the debt moratorium for the poorest nations and then getting the debt cancelled and converted**, on condition that the national funds thus freed up are channelled toward investment in implementation of the 2030 Agenda (see box on page 180). In this regard, it should be noted that international civil society is advocating for the creation of a multilateral debt restructuring and cancellation framework at the UN.

In addition, it should be ensured that all partnerships with third countries are designed to pursue the SDGs, as well as to improve coherence between development cooperation policy, international trade and investment policy, and finance. Trade policy, via EU treaties with third countries - such as the recent one with Vietnam and the regional one with Mercosur - should be governed by sustainable development principles, including respect for social and environmental criteria. The Italian Government and the Italian Parliament should initiate reflection on this issue. The transfer of responsibility for international trade to the Ministry of Foreign Affairs and International Cooperation would enable more effective monitoring of the consistency of sustainable development policies between the two pillars of Italy's overseas presence - namely exports and cooperation - and appropriate communication and the participation of Italian civil society and partner countries in these processes, as frequently recommended by the OECD's Development Assistance Committee.

In order to improve agricultural performance in developing countries, it is necessary to strengthen the capacity to implement bilateral and international agreements relating to the transfer of expertise acquired by Italian NGOs with regard to these issues. Moreover, the transparency of ODA flows relating to nutrition should be improved. The nutrition marker introduced at OECD level on a voluntary basis as of 2020 is a positive development, as it will enable more effective assessment and reporting of the funding contribution of nutrition-specific and nutrition-sensitive programmes.

The policy relating to investment overseas, and more generally to economic internationalisa-

tion, should also be implemented with respect for human rights and nature, as provided for in the 2030 Agenda, and set out in the OECD guidelines for multinational companies. Therefore, our institutions, such as Cassa Depositi e Prestiti, should align themselves with international standards and thus become standard bearers of sustainable finance. Implementation of an effective cooperation policy, based on solid partnerships and aimed at achieving the SDGs, requires institutional structures to be strengthened for this purpose, both at the MAECI and the Italian Agency for Development Cooperation, thereby addressing the issues that emerged in the implementation of Law 125/2014.

THE ITALIAN G20 PRESIDENCY: A UNIQUE OPPORTUNITY TO PROMOTE DEBT CONVERSION FOR THE POOREST COUNTRIES AND ENCOURAGE PARTICIPATORY AND SUSTAINABLE DEVELOPMENT

As well as affecting already vulnerable countries, the pandemic is hitting emerging economies, slowing down and sometimes risking a reversal of the efforts made and the successes achieved in recent years. Covid-19 has been added to the many causes of already difficult situations arising from climate change, ecological and environmental degradation, and conflicts, and many states are no longer able to provide essential services and exercise forms of control over their territories and populations. This has led to rising social tensions, which are likely to result in the collapse of several states.

In this context, a proposal is emerging for joint, farsighted action by the G20 countries for the remission, or conversion, of the debt of the poorest countries most affected by the pandemic. This initiative, which would follow the suspension of debt servicing already decided upon by the G7 and the G20 for the least developed countries, would also be extended to include debt owed to multi-lateral financial institutions and private creditors. In order to make up for, at least in part, the contraction in remittances from overseas and to favour the neediest communities and sections of the population, in urban and rural areas, the G20 could define common criteria for the remission and conversion of the debt of countries in extreme difficulty in order to enable implementation of “transformative resilience” and human and sustainable development projects in key sectors, which also relate to precise 2030 Agenda Targets. At the same time, orienting ODA towards sustainable development investment could benefit from blending instruments that involve the public and private sectors, to be concentrated in developing countries with rising populations, especially in Africa.

Italy’s presidency of the G20 provides an important opportunity to address this issue. Italy was the first country to pass a law (Law 209/2000) to cancel bilateral debt in implementation of the heavily indebted poor countries programme promoted by the IMF and the World Bank. This is aimed at helping the world’s poorest countries to bring their public debt down to a sustainable level, provided that their governments show they are achieving certain levels of efficiency in the fight against poverty.

The Italian presidency of the G20 could be the first one to make debt cancellation and conversion a tool for mobilising sustainable finance to deal with the repercussions of the pandemic on the most vulnerable economies, and to achieve the SDGs. Investment should be defined with the involvement of national civil societies, which could play a crucial role in overseeing the validity and effectiveness of the actions, as well as in identifying the real needs of the communities targeted by the projects, in order to reduce the risks linked to management of resources solely by local bureaucratic and administrative bodies, which often seem unable to achieve the results investors expect.

NOTES

- ¹ See <https://www.forumdisuguaglianzediversita.org/wp-content/uploads/2020/07/rapporto-imprese-pubbliche.x61577.pdf>
- ² Italians are the largest consumers of bottled mineral water in the world: 188 litres per head per year, 259 registered brands of bottled water available on the Italian market, and 15 billion bottles in circulation every year in homes, restaurants and communities.
- ³ https://asvis.it/public/asvis2/files/Eventi_Festival/PositionPaperGdL_Goal_2FINAL.pdf

5.

Appendix: Goals and Targets





Goal 1: NO POVERTY

End poverty in all its forms everywhere

Targets

- 1.1 By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day
- 1.2 By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions
- 1.3 Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable
- 1.4 By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance
- 1.5 By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters
- 1.a Ensure significant mobilization of resources from a variety of sources, including through enhanced development cooperation, in order to provide adequate and predictable means for developing countries, in particular least developed countries, to implement programmes and policies to end poverty in all its dimensions
- 1.b Create sound policy frameworks at the national, regional and international levels, based on pro-poor and gender-sensitive development strategies, to support accelerated investment in poverty eradication actions



Goal 2: ZERO HUNGER

End hunger, achieve food security and improved nutrition and promote sustainable agriculture

Targets

- 2.1 By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round
- 2.2 By 2030, end all forms of malnutrition, including achieving, by 2025, the internationally agreed targets on stunting and wasting in children under 5 years of age, and address the nutritional needs of adolescent girls, pregnant and lactating women and older persons
- 2.3 By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment
- 2.4 By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality
- 2.5 By 2020, maintain the genetic diversity of seeds, cultivated plants and farmed and domesticated animals and their related wild species, including through soundly managed and diversified seed and plant banks at the national, regional and international levels, and promote access to and fair and equitable sharing of benefits arising from the utilization of genetic resources and associated traditional knowledge, as internationally agreed

- 2.a** Increase investment, including through enhanced international cooperation, in rural infrastructure, agricultural research and extension services, technology development and plant and livestock gene banks in order to enhance agricultural productive capacity in developing countries, in particular least developed countries
- 2.b** Correct and prevent trade restrictions and distortions in world agricultural markets, including through the parallel elimination of all forms of agricultural export subsidies and all export measures with equivalent effect, in accordance with the mandate of the Doha Development Round
- 2.c** Adopt measures to ensure the proper functioning of food commodity markets and their derivatives and facilitate timely access to market information, including on food reserves, in order to help limit extreme food price volatility

Goal 3: GOOD HEALTH AND WELLBEING

Ensure healthy lives and promote wellbeing for all at all ages

Targets

- 3.1** By 2030, reduce the global maternal mortality ratio to less than 70 per 100,000 live births
- 3.2** By 2030, end preventable deaths of newborns and children under 5 years of age, with all countries aiming to reduce neonatal mortality to at least as low as 12 per 1,000 live births and under-5 mortality to at least as low as 25 per 1,000 live births
- 3.3** By 2030, end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water-borne diseases and other communicable diseases
- 3.4** By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being
- 3.5** Strengthen the prevention and treatment of substance abuse, including narcotic drug abuse and harmful use of alcohol
- 3.6** By 2020, halve the number of global deaths and injuries from road traffic accidents
- 3.7** By 2030, ensure universal access to sexual and reproductive health-care services, including for family planning, information and education, and the integration of reproductive health into national strategies and programmes
- 3.8** Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all
- 3.9** By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination
- 3.a** Strengthen the implementation of the World Health Organization Framework Convention on Tobacco Control in all countries, as appropriate
- 3.b** Support the research and development of vaccines and medicines for the communicable and non-communicable diseases that primarily affect developing countries, provide access to affordable essential medicines and vaccines, in accordance with the Doha Declaration on the TRIPS Agreement and Public Health, which affirms the right of developing countries to use to the full the provisions in the Agreement on Trade-Related Aspects of Intellectual Property Rights regarding flexibilities to protect public health, and, in particular, provide access to medicines for all
- 3.c** Substantially increase health financing and the recruitment, development, training and retention of the health workforce in developing countries, especially in least developed countries and small island developing States
- 3.d** Strengthen the capacity of all countries, in particular developing countries, for early warning, risk reduction and management of national and global health risks





Goal 4: QUALITY EDUCATION

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Targets

- 4.1 By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes
- 4.2 By 2030, ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education
- 4.3 By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university
- 4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship
- 4.5 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations
- 4.6 By 2030, ensure that all youth and a substantial proportion of adults, both men and women, achieve literacy and numeracy
- 4.7 By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development
- 4.a Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all
- 4.b By 2020, substantially expand globally the number of scholarships available to developing countries, in particular least developed countries, small island developing States and African countries, for enrolment in higher education, including vocational training and information and communications technology, technical, engineering and scientific programmes, in developed countries and other developing countries
- 4.c By 2030, substantially increase the supply of qualified teachers, including through international cooperation for teacher training in developing countries, especially least developed countries and small island developing States

Goal 5: GENDER EQUALITY

Achieve gender equality and empower all women and girls

Targets

- 5.1 End all forms of discrimination against all women and girls everywhere
- 5.2 Eliminate all forms of violence against all women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation
- 5.3 Eliminate all harmful practices, such as child, early and forced marriage and female genital mutilation
- 5.4 Recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family as nationally appropriate
- 5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life



- 5.6** Ensure universal access to sexual and reproductive health and reproductive rights as agreed in accordance with the Programme of Action of the International Conference on Population and Development and the Beijing Platform for Action and the outcome documents of their review conferences
- 5.a** Undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance and natural resources, in accordance with national laws
- 5.b** Enhance the use of enabling technology, in particular information and communications technology, to promote the empowerment of women
- 5.c** Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels

Goal 6: CLEAN WATER AND SANITATION

Ensure availability and sustainable management of water and sanitation for all

Targets

- 6.1** By 2030, achieve universal and equitable access to safe and affordable drinking water for all
- 6.2** By 2030, achieve access to adequate and equitable sanitation and hygiene for all and end open defecation, paying special attention to the needs of women and girls and those in vulnerable situations
- 6.3** By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally
- 6.4** By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity
- 6.5** By 2030, implement integrated water resources management at all levels, including through transboundary cooperation as appropriate
- 6.6** By 2020, protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes
- 6.a** By 2030, expand international cooperation and capacity-building support to developing countries in water- and sanitation-related activities and programmes, including water harvesting, desalination, water efficiency, wastewater treatment, recycling and reuse technologies
- 6.b** Support and strengthen the participation of local communities in improving water and sanitation management





Goal 7: AFFORDABLE AND CLEAN ENERGY

Ensure access to affordable, reliable, sustainable and modern energy for all

Targets

- 7.1 By 2030, ensure universal access to affordable, reliable and modern energy services
 - 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix
 - 7.3 By 2030, double the global rate of improvement in energy efficiency
- 7.a By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology
 - 7.b By 2030, expand infrastructure and upgrade technology for supplying modern and sustainable energy services for all in developing countries, in particular least developed countries, small island developing States and landlocked developing countries, in accordance with their respective programmes of support



Goal 8: DECENT WORK AND ECONOMIC GROWTH

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Targets

- 8.1 Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries
- 8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors
- 8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services
- 8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year Framework of Programmes on Sustainable Consumption and Production, with developed countries taking the lead
- 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value
- 8.6 By 2020, substantially reduce the proportion of youth not in employment, education or training
- 8.7 Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms
- 8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment
- 8.9 By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products

- 8.10** Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all
- 8.a** Increase Aid for Trade support for developing countries, in particular least developed countries, including through the Enhanced Integrated Framework for Trade-related Technical Assistance to Least Developed Countries

- 8.b** By 2020, develop and operationalize a global strategy for youth employment and implement the Global Jobs Pact of the International Labour Organization

Goal 9: INDUSTRY, INNOVATION AND INFRASTRUCTURE

Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

Targets

- 9.1** Develop quality, reliable, sustainable and resilient infrastructure, including regional and trans-border infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all
- 9.2** Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries
- 9.3** Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets
- 9.4** By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities

- 9.5** Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending
- 9.a** Facilitate sustainable and resilient infrastructure development in developing countries through enhanced financial, technological and technical support to African countries, least developed countries, landlocked developing countries and small island developing States
- 9.b** Support domestic technology development, research and innovation in developing countries, including by ensuring a conducive policy environment for, inter alia, industrial diversification and value addition to commodities
- 9.c** Significantly increase access to information and communications technology and strive to provide universal and affordable access to the Internet in least developed countries by 2020





Goal 10: REDUCED INEQUALITIES

Reduce inequality within and among countries

Targets

- 10.1** By 2030, progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average
- 10.2** By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status
- 10.3** Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard
- 10.4** Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality
- 10.5** Improve the regulation and monitoring of global financial markets and institutions and strengthen the implementation of such regulations
- 10.6** Ensure enhanced representation and voice for developing countries in decision-making in global international economic and financial institutions in order to deliver more effective, credible, accountable and legitimate institutions
- 10.7** Facilitate orderly, safe, regular and responsible migration and mobility of people, including through the implementation of planned and well-managed migration policies
- 10.a** Implement the principle of special and differential treatment for developing countries, in particular least developed countries, in accordance with World Trade Organization agreements
- 10.b** Encourage official development assistance and financial flows, including foreign direct investment, to States where the need is greatest, in particular least developed countries, African countries, small island developing States and landlocked developing countries, in accordance with their national plans and programmes
- 10.c** By 2030, reduce to less than 3 per cent the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than 5 per cent

Goal 11: SUSTAINABLE CITIES AND COMMUNITIES

Make cities and human settlements inclusive, safe, resilient and sustainable

Targets

- 11.1** By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums
- 11.2** By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons
- 11.3** By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries
- 11.4** Strengthen efforts to protect and safeguard the world's cultural and natural heritage
- 11.5** By 2030, significantly reduce the number of deaths and the number of people affected and substantially decrease the direct economic losses relative to global gross domestic product caused by disasters, including water-related disasters, with a focus on protecting the poor and people in vulnerable situations
- 11.6** By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management



- 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
- 11.a Support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning
- 11.b By 2020, substantially increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation

and adaptation to climate change, resilience to disasters, and develop and implement, in line with the Sendai Framework for Disaster Risk Reduction 2015-2030, holistic disaster risk management at all levels

- 11.c Support least developed countries, including through financial and technical assistance, in building sustainable and resilient buildings utilizing local materials

Goal 12: RESPONSIBLE CONSUMPTION AND PRODUCTION

Ensure sustainable consumption and production patterns

Targets

- 12.1 Implement the 10-year Framework of Programmes on Sustainable Consumption and Production Patterns, all countries taking action, with developed countries taking the lead, taking into account the development and capabilities of developing countries
- 12.2 By 2030, achieve the sustainable management and efficient use of natural resources
- 12.3 By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses
- 12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment
- 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse
- 12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle

- 12.7 Promote public procurement practices that are sustainable, in accordance with national policies and priorities

- 12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature

- 12.a Support developing countries to strengthen their scientific and technological capacity to move towards more sustainable patterns of consumption and production

- 12.b Develop and implement tools to monitor sustainable development impacts for sustainable tourism that creates jobs and promotes local culture and products

- 12.c Rationalize inefficient fossil-fuel subsidies that encourage wasteful consumption by removing market distortions, in accordance with national circumstances, including by restructuring taxation and phasing out those harmful subsidies, where they exist, to reflect their environmental impacts, taking fully into account the specific needs and conditions of developing countries and minimizing the possible adverse impacts on their development in a manner that protects the poor and the affected communities





Goal 13: CLIMATE ACTION

Take urgent action to combat climate change and its impacts

Targets

- 13.1** Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries
- 13.2** Integrate climate change measures into national policies, strategies and planning
- 13.3** Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning
- 13.a** Implement the commitment undertaken by developed-country parties to the United Nations Framework Convention on Climate Change* to a goal of mobilizing jointly \$100 billion annually by 2020 from all sources to address the

needs of developing countries in the context of meaningful mitigation actions and transparency on implementation and fully operationalize the Green Climate Fund through its capitalization as soon as possible

- 13.b** Promote mechanisms for raising capacity for effective climate change-related planning and management in least developed countries and small island developing States, including focusing on women, youth and local and marginalized communities

* Acknowledging that the United Nations Framework Convention on Climate Change is the primary international, intergovernmental forum for negotiating the global response to climate change

Goal 14: LIFE BELOW WATER

Conserve and sustainably use the oceans, seas and marine resources for sustainable development

Targets

- 14.1** By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution
- 14.2** By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans
- 14.3** Minimize and address the impacts of ocean acidification, including through enhanced scientific cooperation at all levels
- 14.4** By 2020, effectively regulate harvesting and end overfishing, illegal, unreported and unregulated fishing and destructive fishing practices and implement science-based management plans, in order to restore fish stocks

in the shortest time feasible, at least to levels that can produce maximum sustainable yield as determined by their biological characteristics

- 14.5** By 2020, conserve at least 10 per cent of coastal and marine areas, consistent with national and international law and based on the best available scientific information
- 14.6** By 2020, prohibit certain forms of fisheries subsidies which contribute to overcapacity and overfishing, eliminate subsidies that contribute to illegal, unreported and unregulated fishing and refrain from introducing new such subsidies, recognizing that appropriate and effective special and differential treatment for developing and least developed countries should be an integral part of the World Trade Organization fisheries subsidies negotiation
- 14.7** By 2030, increase the economic benefits to small island developing States and least developed countries from the sustainable use of marine resources, including through sustainable management of fisheries, aquaculture and tourism



14.a Increase scientific knowledge, develop research capacity and transfer marine technology, taking into account the Intergovernmental Oceanographic Commission Criteria and Guidelines on the Transfer of Marine Technology, in order to improve ocean health and to enhance the contribution of marine biodiversity to the development of developing countries, in particular small island developing States and least developed countries

14.b Provide access for small-scale artisanal fishers to marine resources and markets

14.c Enhance the conservation and sustainable use of oceans and their resources by implementing international law as reflected in the United Nations Convention on the Law of the Sea, which provides the legal framework for the conservation and sustainable use of oceans and their resources, as recalled in paragraph 158 of “The future we want”

Goal 15: LIFE ON LAND

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

Targets

15.1 By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements

15.2 By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally

15.3 By 2030, combat desertification, restore degraded land and soil, including land affected by desertification, drought and floods, and strive to achieve a land degradation-neutral world

15.4 By 2030, ensure the conservation of mountain ecosystems, including their biodiversity, in order to enhance their capacity to provide benefits that are essential for sustainable development

15.5 Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species

15.6 Promote fair and equitable sharing of the benefits arising from the utilization of genetic resources and promote appropriate access to such resources, as internationally agreed

15.7 Take urgent action to end poaching and trafficking of protected species of flora and fauna and address both demand and supply of illegal wildlife products

15.8 By 2020, introduce measures to prevent the introduction and significantly reduce the impact of invasive alien species on land and water ecosystems and control or eradicate the priority species

15.9 By 2020, integrate ecosystem and biodiversity values into national and local planning, development processes, poverty reduction strategies and accounts

15.a Mobilize and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems

15.b Mobilize significant resources from all sources and at all levels to finance sustainable forest management and provide adequate incentives to developing countries to advance such management, including for conservation and reforestation

15.c Enhance global support for efforts to combat poaching and trafficking of protected species, including by increasing the capacity of local communities to pursue sustainable livelihood opportunities





Goal 16: PEACE, JUSTICE AND STRONG INSTITUTIONS

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

Targets

- 16.1** Significantly reduce all forms of violence and related death rates everywhere
- 16.2** End abuse, exploitation, trafficking and all forms of violence against and torture of children
- 16.3** Promote the rule of law at the national and international levels and ensure equal access to justice for all
- 16.4** By 2030, significantly reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets and combat all forms of organized crime
- 16.5** Substantially reduce corruption and bribery in all their forms

- 16.6** Develop effective, accountable and transparent institutions at all levels
- 16.7** Ensure responsive, inclusive, participatory and representative decision-making at all levels
- 16.8** Broaden and strengthen the participation of developing countries in the institutions of global governance
- 16.9** By 2030, provide legal identity for all, including birth registration
- 16.10** Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements
- 16.a** Strengthen relevant national institutions, including through international cooperation, for building capacity at all levels, in particular in developing countries, to prevent violence and combat terrorism and crime
- 16.b** Promote and enforce non-discriminatory laws and policies for sustainable development



Goal 17: PARTNERSHIP FOR THE GOALS

Strengthen the means of implementation and revitalize the global partnership for sustainable development

Targets

Finance

- 17.1** Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection
- 17.2** Developed countries to implement fully their official development assistance commitments, including the commitment by many developed countries to achieve the target of 0.7 per cent of ODA/GNI to devel-

oping countries and 0.15 to 0.20 per cent of ODA/GNI to least developed countries; ODA providers are encouraged to consider setting a target to provide at least 0.20 per cent of ODA/GNI to least developed countries

- 17.3** Mobilize additional financial resources for developing countries from multiple sources
- 17.4** Assist developing countries in attaining long-term debt sustainability through coordinated policies aimed at fostering debt financing, debt relief and debt restructuring, as appropriate, and address the external debt of highly indebted poor countries to reduce debt distress
- 17.5** Adopt and implement investment promotion regimes for least developed countries

Technology

- 17.6** Enhance North-South, South-South and triangular regional and international cooperation on and access to science, technology and innovation and enhance knowledge-sharing on mutually agreed terms, including through improved coordination among existing mechanisms, in particular at the United Nations level, and through a global technology facilitation mechanism
- 17.7** Promote the development, transfer, dissemination and diffusion of environmentally sound technologies to developing countries on favourable terms, including on concessional and preferential terms, as mutually agree
- 17.8** Fully operationalize the technology bank and science, technology and innovation capacity-building mechanism for least developed countries by 2017 and enhance the use of enabling technology, in particular information and communications technology

Capacity-building

- 17.9** Enhance international support for implementing effective and targeted capacity-building in developing countries to support national plans to implement all the Sustainable Development Goals, including through North-South, South-South and triangular cooperation

Trade

- 17.10** Promote a universal, rules-based, open, non-discriminatory and equitable multilateral trading system under the World Trade Organization, including through the conclusion of negotiations under its Doha Development Agenda
- 17.11** Significantly increase the exports of developing countries, in particular with a view to doubling the least developed countries' share of global exports by 2020
- 17.12** Realize timely implementation of duty-free and quota-free market access on a lasting basis for all least developed countries, consistent with World Trade Organization decisions, including by ensuring that preferential rules of origin applicable to imports from least developed countries are transparent and simple, and contribute to facilitating market access

Systemic issues**Policy and institutional coherence**

- 17.13** Enhance global macroeconomic stability, including through policy coordination and policy coherence
- 17.14** Enhance policy coherence for sustainable development
- 17.15** Respect each country's policy space and leadership to establish and implement policies for poverty eradication and sustainable development

Multi-stakeholder partnerships

- 17.16** Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals in all countries, in particular developing countries
- 17.17** Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships

Data, monitoring and accountability

- 17.18** By 2020, enhance capacity-building support to developing countries, including for least developed countries and small island developing States, to increase significantly the availability of high-quality, timely and reliable data disaggregated by income, gender, age, race, ethnicity, migratory status, disability, geographic location and other characteristics relevant in national contexts
- 17.19** By 2030, build on existing initiatives to develop measurements of progress on sustainable development that complement gross domestic product, and support statistical capacity-building in developing countries

Members of ASviS (at 30 September 2020)

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The Report prepared by the Italian Alliance for Sustainable Development (ASviS), now in its fifth edition, assesses the progress our country, its regions and the European Union have made in achieving the 17 Sustainable Development Goals in the UN's 2030 Agenda, adopted by the governments of 193 countries on 25 September 2015. The Report also sets out the areas where action is needed to ensure the economic, social and environmental sustainability of our growth model. The Report for 2020, drafted by experts from the Alliance's over 270 member organisations, offers a wide-ranging view of the situation in Italy vis-à-vis the various aspects of sustainable development. It offers concrete proposals for policies capable of improving people's wellbeing, reducing inequalities and increasing the quality of the environment in which we live.

ASviS was established on 3 February 2016, on the initiative of the Unipolis Foundation and Rome's Tor Vergata University. The Alliance is committed to spreading a culture of sustainability at all levels and aims to raise awareness in Italian society and among economic stakeholders and government institutions of the importance of the 2030 Agenda for Sustainable Development. ASviS is the largest network of civil society organisations ever created in Italy and has rapidly become a point of reference for government and an authoritative source of information on sustainable development issues, made available via the Alliance's website at www.asvis.it and on social media. The 2020 Sustainable Development Festival, held this year between 22 September and 8 October, included over 800 events organised throughout Italy and online.

