

Editorial

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NRRP as an engine for managerial innovation in public institutions. Reforms and the decisive role of human resources.

The Recovery and Resilience Facility (RRF) - established by EU Regulation 2021/241, is intended to make European countries more sustainable, resilient, and prepared to tackle the challenges and opportunities defined within the scope of the RRF itself. It is the main component of the Next Generation EU (NGEU) program. This program allocated 750 billion euro

as agreed upon by the European Union. It is worth noting that grants account for approximately fifty percent of the overall amount, in order to mitigate the economic and social impact of the Covid-19 pandemic.

It can therefore be said, and we should not forget it when reasoning about its scope,

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that RRF was devised during a truly unique time when, consequently, an extraordinary response was warranted.

This facility enables the European Commission to raise funds to support member states in implementing reforms and investments in line with EU priorities. The countries involved must address the challenges identified by specific ad hoc recommendations defined within the framework of the European Semester of economic and social policy coordination. To this end, the facility makes 672.5 billion euros (312.5 billion in grants, the remaining 360 billion as low-interest loans) available to finance reform and investment projects to be implemented by December 2026.

The member states, to benefit from this facility, must submit a National Recovery and Resilience Plan (NRRP) to the European Commission, setting out a program of reforms and investments eligible for funding.

Implementation of the facility is coordinated by the Recovery and Resilience Task Force, established within the Secretariat-General of the European Commission, which works in cooperation with the Commission's Directorate-General for Economic and Financial Affairs.

In addition, Member States shall report on the status of implementation of their respective Plans twice a year as part of the European Semester for the coordination of the Union's economic and social

policies, while the European Commission reports periodically to the European Parliament and the Council on the status of implementation.

The facility has entered the implementation phase, in line with the reform and investment timetable set by the member states. Progress in implementing the plans can be tracked in real time on the Recovery and Resilience Scoreboard platform established by the Commission in December 2021¹.

The measures envisaged by the National Recovery and Resilience Plan (NRRP), requiring the commitment of the network of public institutions, at different levels of government, has determined the need to establish an institutional infrastructure mainly dedicated to the governance of the NRRP.

In Italy, this infrastructure revolves around a complex institutional architecture with the design of three macro areas of governance and responsibility: policy, monitoring and reporting, auditing.

The Presidency of the Council of Ministers has a policy responsibility and established the following bodies: steering committee, standing forum for economic, social and territorial partnership, technical secretariat and, finally, a unit for the rationalization and improvement of the effectiveness of regulation.

The steering committee has policy, promotion, and general coordination powers

1. Recovery and Resilience Scoreboard (europa.eu)

on the implementation of NRRP interventions. The President of the Council of Ministers chairs it. Ministers and Undersecretaries of State to the Presidency of the Council of Ministers attend the relevant meetings, depending on the issues addressed. The Presidents of Regions and Autonomous Provinces of Trento and Bolzano attend the meetings on issues having a regional or local scope. The President of the Conference of Regions and Autonomous Provinces is involved on issues covering more than one Region or Autonomous Province. The Steering Committee submits regular reports to the Parliament and Single Conference and periodically updates the Council of Ministers.

The standing forum for the economic, social, and territorial partnership performs advisory functions on matters related to the implementation of the NRRP. Where necessary, it can report to the steering committee on any issue deemed relevant to the implementation of the NRRP, in the event obstacles exist as well as to facilitate the effective and speedy implementation of interventions. The forum is composed of representatives of the social partners, government, regions, autonomous provinces, local authorities, *Roma Capitale*, the university and research system, businesses and social categories, active citizenship organizations and the whole civil society.

An additional institutional actor is the technical secretariat which supports the activities of the steering committee. It will operate until the completion of the NRRP and,

in any case, no later than December 31, 2026. It acts in liaison with the Department for Administrative Coordination, the Department for Economic Policy Planning and Coordination, and the Government Program Office².

Finally, the unit for streamlining and improving the effectiveness of regulation is part of this “policy responsibility”. This is a mission structure established as part of the Department of Legal and Legislative Affairs of the Presidency of the Council with the aim of overcoming any legal, regulatory, and bureaucratic obstacles to the implementation of the reforms and investments envisaged by the NRRP in accordance with its goals.

As for monitoring and reporting, the central service for the NRRP, a general-level executive office, has been established. It is responsible for operational coordination, monitoring, reporting and control of the NRRP. It is institutionally based at the Ministry of Economy and Finance-Department of the State General Accounting Office.

It is the national “point of contact” with the European Commission for the implementation of the NRRP and is responsible for the management of the Next Generation EU - Italy revolving fund and related financial flows, as well as the management of the monitoring system on the process of implementation of the NRRP reforms and investments, ensuring the necessary support to the central administrations in charge of NRRP interventions.

2. <https://www.governo.it/it/approfondimento/segreteria-tecnica-il-pnrr/18144>

As to institutional integration, the office liaises with the mission unit established at the Department of General Accounting. It coordinates and supports the department's structures involved in the implementation process of the Next Generation EU program.

Finally, the third area of responsibility -auditing- is also based at the Ministry of Economy and Finance - Department of the State General Accounting. This structure has an office with NRRP audit functions and is functionally independent on the structures involved in the implementation of the NRRP.

The institutional framework includes one more entity, the Court of Auditors, which exercises its management control by conducting evaluations regarding the acquisition and use of financial resources from NRRP funds. At least twice a year, the Court reports to the Parliament on the status of NRRP implementation.

The institutional framework of the NRRP governance system outlined above, features active relationships with other bodies. First, the Regulatory Impact Analysis (AIR) unit of the Department of Legal and Legislative Affairs, which operates within the Presidency of the Council of Ministers. It is in charge of preparing the AIR of measures. Importantly, AIR has several specific tasks: intercepting any obstacles to the implementation of the NRRP arising from regulatory provisions and any related implementing measures, proposing remedies, coordinating any innovative options to overcome critical issues

arising from the existing legislation and implementing measures, including under regulatory experimentation initiatives.

To better understand the governance structure designed in Italy for the NRRP, it is worth noting the formal separation between the task of streamlining and improving regulation and administrative simplification. In fact, there exists a two-way relationship between the Office for Simplification, within the Department of Civil Service, and the Unit for Simplification and Regulatory Quality, already operating within the Department for Legal and Legislative Affairs of the Presidency. In addition, these two entities collaborate with the new Regulatory Simplification Unit to jointly evaluate any simplification regulatory interventions.

In the light of the above, it can be stated that the governance structure has a system of "safeguarding" or rather enhancing existing tools (institutional units and processes) that complements a new, ad hoc, institutional design underlying the NRRP, selected by Italy to get a "centralized" two-tier structure. On the one hand, the role of the Prime Minister's Office, and its ramifications acting upon policies; on the other hand, the role of the Ministry of Finance as the entity entrusted with managerial control and the definition of institutional relationship systems - the central service for the NRRP, with functions of operational coordination, monitoring, reporting and control - as well as, and no less important, the evaluation of realignment mechanisms with respect to the criteria defined and agreed with the EU.

However, the centralized governance structure is “belied” upon a closer analysis if one pays attention to the composition of the steering committee³. This latter may request the participation of other institutional actors, when necessary. In fact, one can define the structure of the steering committee as a body that interacts with other institutional structures depending on the type of policy it defines. It is a hybrid form of multilevel and multistakeholder governance with various levels of consultations depending on the actor, or actors, involved. Traditional hierarchical lines are not determined, and decision-making processes are defined through a “strategy maker” approach of the Presidency of the Council “capturing” other institutional actors with the aim of creating mechanisms of institutional interdependence between the main actor- the PCM -and other public institutions.

A similar reflection applies to the standing forum for the economic, social, and territorial partnership, which, however,

has advisory functions and whose composition is open to the broader conformation of society as a whole⁴, as is appropriate given the wide spectrum of interventions envisaged by the NRRP. This design requires specific rules of engagement that consider the skills and knowledge of the actors involved, so different in terms of goals and interests.

Finally, an institutional role is played by the technical structure. Due to its role, internal connecting areas and activities⁵, it can be considered the operational unit in charge of enforcing the choices defined by the steering committee and shared, when necessary, within the standing forum.

The governance model for the NRRP management will certainly be analyzed in-depth. However, given its complexity, the current design is susceptible to some changes given the scope of the underlying interventions; it can be stated that the choice made was that of an internal network at a central government level, with

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3. It is recalled that it is chaired by the President of the Council, and its meetings are attended by the Presidents of Regions and Autonomous Provinces of Trento and Bolzano, as well as the President of the Conference of Regions and Autonomous Provinces, in addition to the Ministers and State Undersecretaries, depending on the issues addressed.
 4. It is recalled that the forum is composed of representatives of the social partners, the government, regions, autonomous provinces, local authorities, *Roma Capitale*, the university and research system, business and social categories, active citizenship organizations and the whole civil society.
 5. First, the Technical Secretariat is responsible for: supporting the Steering Committee and the Standing Forum in the exercise of their respective functions; preparing periodic information reports to the Steering Committee on the basis of the analysis and outcomes of the monitoring of the implementation of the NRRP communicated by the Ministry of Economy and Finance - Department of State General Accounting; identifying and reporting to the President of the Council of Ministers any actions for overcoming the critical issues reported by the Ministers responsible for the subject; acquiring from the Central Service for the NRRP information and data on the implementation of the NRRP at the level of each project, including those relating to compliance with the planned timetable and any critical issues detected in the implementation phase of interventions.

explicit -and dutiful- institutional links with the EU. What links the network nodes are the explicit intermediating interests. There remains, however, a short hierarchical line of command, although coordination among the sections the network becomes paramount because of the delegations defined and described above.

In the face of a major project -the NRRP- that originated at a time of profound economic, health, social, but also political crisis, a trajectory of change was built in the light of the situation in the country and the current regulatory perimeter on which it grafts a model of accelerating change: a system based on a model of pre-existing institutional and new adhocratic relationships.

This is the first major challenge of the NRRP: to understand whether it will be able to be an engine and accelerator of institutional innovation by enabling the fertilization of a culture of institutional flexibility.

A specific aspect of the NRRP triggering our interpretive reflections is that the instrument's priority lines of action are accompanied by a strategy of reforms to enhance equity, efficiency, and competitiveness of the country.

The reforms are considered, for all intents and purposes, an integral part of the Plan

because they are defined as fundamental to the implementation of interventions. Three types of reforms are provided⁶ covering different, albeit integrated, functions, timeframes, and objectives, and are intended to accompany the implementation of the NRRP. Such reforms are horizontal, enabling and sector based.

The complex reform of public institutions envisaged by the NRRP, is one of the so-called horizontal reforms in which the critical variable of success is a generational turnover in the administrations as a fundamental driver of change. In addition, delegation and simplification, process reengineering, digitization, and the development of new skills add up as key themes.

The goals of social cohesion and the creation of good jobs are fundamental pillars in every reform and public investment covered by the NRRP. Their realization will also depend on the active participation of public employees, at various organizational levels empowered within the PA, including through the system of labour relations, as indicated in the Pact for Public Employment Innovation and Social Cohesion.

A further element describing the governance of the NRRP in Italy is the so-called Mission Units.

6. Three types of reforms are envisaged: horizontal reforms, enabling reforms and sector-based reforms. Horizontal reforms are envisaged in all Missions of the Plan, improving the equity, efficiency, competitiveness, and economic climate of the country. Enabling reforms are actions to guarantee the implementation of the Plan and improve competitiveness. Sector-based reforms accompany the investments of the individual Missions. They are regulatory innovations to introduce more efficient regulatory and procedural frameworks in their respective fields. See The reforms of the Nrrp - Italia Domani

In fact, the implementation of planned interventions is determined by central government, regions, autonomous provinces of Trento and Bolzano, and local authorities, based on specific competencies, through their own structures or through external implementing entities identified in the NRRP or selected in the manner provided for by the current national and European regulations.

As for the central level administrations (the government) -owners of NRRP interventions - they provide for the coordination of any related management activities, as well as their monitoring, reporting and control and, thanks to their organizational autonomy, they identify, among the existing ones, the reference structure at executive level or establish a specific mission unit of executive level until the completion of the NRRP.

The mission unit is structured, as a rule⁷, with three management offices, of non-general level, and is the point of contact with the Central Service for the NRRP to implement the provisions of Regulation (EU) 2021/241 and, in, for the submission of payment requests to the European Commission under the same regulation.

The facility also:

- provides for the transmission of financial, physical and procedural data on investments and reforms, as well as the progress of the implementation of the

related intermediate and final goals, to the Central Service for the NRRP through specific functionalities of the information system referred to in Article 1, paragraph 1043 of Law No. 178 of December 30, 2020;

- checks that criteria are adopted for the selection of actions consistent with the rules and objectives of the NRRP and issues guidelines to ensure a correct implementation and reporting procedures, the regularity of expenditure and the achievement of intermediate and final objectives and any other formality required by applicable European and national regulations;
- carries out support activities in the definition, implementation, monitoring and evaluation of programs and projects co-financed or financed by national, European and international funds, as well as support activities for the implementation of public policies for development, including in relation to the programming and implementation needs of the NRRP;
- supervises the regularity of procedures and expenditure and takes any steps required to prevent, correct and sanction irregularities and any undue use of resources;
- takes the necessary steps to prevent fraud, conflicts of interest and avoid the risk of double public financing of

7. Some ministries adopt different institutional setup mechanisms, see the model adopted by the Ministry of Education. In addition to the three standard offices, this Ministry temporarily appointed, until 12/31/2026, two offices that used to deal with community funds.

interventions, including through the memoranda of understanding that may be concluded with the *Guardia di Finanza*⁸;

- is responsible for initiating procedures for recovery and repayment of resources unduly used, or subject to fraud or double public financing.

With the establishment of the mission units, the overall structure features specific spaces of autonomy, at the level of individual ministries; however, such autonomy is institutionally and managerially mediated by the network reporting to the Presidency of the Council and the Ministry of Economy.

Scholars should be the first to explore new paradigms that can coherently design the reform strengthening and change capacity effort as well as the definition of organizational-managerial tools, at central level and in local and peripheral institutions, along the four axes of the reform and investment program of the National Plan for Recovery and Resilience (NRRP): access, to streamline and make selection procedures more effective and targeted and encourage a generational turnover; good administration, to simplify rules and procedures; skills, to align organizational knowledge and skills with the new needs of the labour world and of a modern administration; and digitization, as a cross-cutting tool to better implement such reforms.

The intrinsic relationship between the

definition of the necessary institutional arrangements, the ability to design reforms, and the instrumentation to develop programming are the categories on which to converge reflections on the impact that the NRRP can have on paradigmatic innovation in public and change management and, in this context, on the role of the human capital.

There is no doubt that there is a need to focus on pathways enhancing the human capital as a key strategic driver of change to build a path of innovation. This should be seen as a long-term investment.

Once again, time governance framework is a critical variable of success and the NRRP can be seen as a tool leading to change. Professionalism, skills, and leadership consistent with the challenges are prerequisites to design scenarios adaptable to circumstances that may require a realistic “offensive” or “defensive” approach consistent with the needs of territories, social communities, and local public institutions.

People, public managers, capable of reinventing themselves and interpreting important new challenges are the hubs to create the necessary “democratic accountability” in the network of governance systems at different institutional levels and in different areas of public policy that find their home in the institutional matrix of the NRRP.

The complexity of the agenda before us, the result of a political design strongly motivated

8. The Guardia di Finanza is one of the Italian military police forces, with general competence in economic and financial matters. It is directly dependent on the Minister of Economy and Finance.

to get out of the crisis triggered and accelerated by the Covid-19 pandemic, demands a collaborative culture among institutional actors. The focus of reflection should be the relationship, paradigmatic in public management, between collaboration⁹, even at micro-organizational level, and the effects of the governance model that can result at a general system level: it is from human capital that we must start again to change, and the NRRP is a great opportunity.

As anticipated, the first thematic focus is on reforms and human resources. Right from the first contribution, dedicated to “*Piao* (Integrated Activity and Organization Plan) as an integrated planning tool for the creation of Public Value,” a number of innovations proper to the reform process (qualified as “horizontal”) of our PA activated by the Next Generation EU with the Recovery and Resilience Facility emerge. The Authors (Deidda Gagliardo & Saporito) qualify the redevelopment of planning and monitoring tools as a “necessary reform, preparatory to everything else and the backbone of the investment in the administrative capacity of the Entities. This is aimed not only at reducing the numerosity of the documents provided, but also and above all at qualifying their use, within a framework of integrated and systemic planning.” The Integrated Activity

and Organization Plan (*Piao*) can be part of this scenario. The paper identifies its essential features and orientation towards the creation of Public Value (in terms of equitable welfare and sustainable development), as well as the conditions of integration with performance and anti-corruption and with organization and human resources policies. We would like to anticipate the “close tie” of the *Piao* tool with the NRRP, in terms of Public Value. That is, the ability to measure and monitor the impact of commitments made with Brussels, which represents an innovation for our administrative system “all centered on the control of the legitimacy of spending and accounting balances,” can “travel today on the *Piao* infrastructure.” It is, moreover, interesting to note, in line with the Journal’s approach, that this effort starts from an analysis of the scientific literature and the relevant legislation to adopt “an action research methodology.”

The second article in the Special Focus, titled “Capacity training. Training and Administrative Capacity of PAs in the National Recovery and Resilience Plan,” highlights the central role, within the NRRP, of enhancing the human capital of public administrations and skills development, “taking care of who is there” and not just recruiting new highly professionalized profiles. By linking “staff training and administrative capacity development, investments in institutions capable of

9. As to collaborative governance, see Triantafyllou, Peter, and Magnus Paulsen Hansen. “Introduction to the PMR special issue on accountability and legitimacy under collaborative governance.” *Public Management Review* 24, no. 5 (May 4, 2022): 655-63. <https://doi.org/10.1080/14719037.2021.2000744>. Claire Dupuy & Samuel Defacqz (2022) Citizens and the legitimacy outcomes of collaborative governance an administrative burden perspective, *Public Management Review*, 24:5, 752-772, DOI: 10.1080/14719037.2021.2000254. loro

administering and organizations capable of learning,” it offers a useful “frame of reference and meaning (...) a strategic framework for designing and implementing the human capital upskilling and reskilling investments envisaged by the NRRP.” Reading this article, it will be possible to appreciate the “paradigm shift” introduced by the NRRP in the field of personnel training and reskilling. Moreover, it will be possible to observe a connection between these two papers. The Author (Angeletti) of the second paper characterizes *Piao* as “a fundamental occasion to enhance the programming related to the training of employees, giving it a completely renewed guise, based on the strengthening of the logical and operational link with the personnel management tools and more generally with the performance plan.” No less relevant, among the various profiles examined (the object, actors and beneficiaries of training - starting with the National School of Administration and the experience of the “Trainers’ Club,” already considered in the previous issue), is “time,” a recurring variable in RIPM’s reflections, to be managed to “avoid confusion between what is urgent and what is important.” Within this framework, administrative capacity building is considered (keeping in mind an additional variable, evaluation) as the “ultimate indicator of the impact of training.”

These first two contributions, emphasizing from different angles the value of the Recovery Plan that imposes the need to design, evaluate and implement within defined timeframes, highlight the issue of “governance” that is at the center of the third and final paper of the Special Focus, “The Italian NRRP: governance, management,

spending capacity and PA reform.” After all, the Next Generation EU program has “generated a new model of European governance, with new funding instruments, new conditionality rules and with the definition of targets for the delivery of resources.” This model has to be implemented. The Authors (D’Arrigo & David) not only illustrate the mechanism of operation, implementation, management, and monitoring of the NRRP chosen by the Italian government; they recall the main formulas “promoted at the level of public debate without ever reaching a real formulation in official acts.” They refer to the recovery and resilience plans of France, Germany, Spain, Portugal and Greece to note the peculiarity of Italy’s “broad governance.” At the same time, dwelling on our historical weakness in terms of Italy’s ability to spend European resources, and reiterating the need for a public administration reform, they configure the NRRP as a “collective challenge (...) a national mission to be achieved,” on a par with euro membership, which also represented a desired “change of phase.” They believe that this “widespread examination”, namely the NRRP, can be an opportunity to rediscover the “value of administering” and the affirmation of a new vision of public management.

In the Dialogues section of the Journal, the essay “A comparative study of Covid-19: a purposeful agent, a myopic political leader,” the first by non-Italian scholars to signify RIPM’s international vocation, traverses the emergency brought about by the Covid-19 pandemic, which has given new concreteness to the theme of strengthening, developing and enhancing the human capital of public administrations. It

is the natural follow up of the pandemic crisis management by the authorities of Norway and the United Kingdom, with the Special Focus of 2020 Volume 3, No. 2, “Emergency management, between exceptionalism and continuity: risk management models and tools.” Indeed, “This research is intended to advance public management thinking on how to manage crises, such as the pandemic (...) Specifically, this study identifies two dimensions of social agency; the one exercised by purposeful agents (responsive, agile actors) within government and the alternative of a myopic agency which does not capture the crisis unfolding in the population and the public debate in its response of myopic behavior. The tensions underlying myopic agency may escalate conflict and undermine public accountability.” Referring back to the study’s reading, and then to the in-depth study of the two cases, one of the conclusions it reaches, namely “the smaller country outperformed its larger neighbor,” opens up the question of “whether smaller countries are naturally more resilient in addressing crises because of faster lines of communication and shared understanding over strategies.” Also noteworthy is the tribute the Authors (Ahlgren, Laspley & Nyland) paid to the “courage” and “professionalism” of healthcare workers in Bergamo and Milan.

Taking the last two years of the health emergency as the context of reference, the article that closes the volume aims at helping reflect on how the Covid-19 pandemic has impacted public organizations. It does so by focusing on remote work, a topic already addressed in previous issues of RIPM, from an original point of view, the philosophical one. One of the main arguments, also

supported by evidence from a number of surveys, is that emergent remote work has “contributed (...) to reversing the paradigm of genesis of the worker’s motivational propellant, shifting the centre of gravity from the corporate organization to the individual”; “introduced a new category of massive experimentation with wide autonomy of implementation. In essence, a synchronized mega test-bed never seen in public administration.” This would not only “lead to more and better data for monitoring,” but would “help change the very perception of innovation precisely because it was mass-tested.” To give momentum to this innovation, the author’s (Iossa) proposal, which warns against positions that see remote work as a “banner of efficiency and productivity” or as an “icon of a new welfare,” can be condensed into “that archetypal laboratory figure that is the craftsman’s forge of a man free to experiment, before the norm catches up with its necessity.” It is then argued that the search for such a balance between freedom and necessity can be achieved through the methodology of design-thinking.

The contributions in this volume express different points of view and a wide range of insights that blend theoretical and technical approaches. They all confirm that public administration is again at the core of the debate and need to be modernized. In this respect, the implementation of the NRRP is the most important challenge in Europe. The Journal will keep offering, according to its mission, a research framework of innovative study, attentive to the proposition of a plurality of interpretation approaches, analysis and models, with contributions from authors of different scientific disciplines.