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EUROPEAN SOCIAL CHARTER

Ad hoc report on the cost-of-living crisis

submitted by

THE GOVERNMENT OF ITALY

Report registered by the Secretariat

on 29 December 2023

CYCLE 2024

Questions

1) Please provide information as to whether and how the statutory minimum wage is regularly adjusted/indexed to the cost of living. Please indicate when this last happened, specifically whether it has been adjusted /indexed since the end of 2021.

2) Please provide information on any supplementary measures taken to preserve the purchasing power of the minimum wage since the end of 2021.

The Italian system does not currently provide for a statutory minimum wage, but according to the most recent official estimates available, national collective agreements cover well over 90% [1]. This figure is particularly significant if we consider that for the purpose of determining a fair minimum wage, in application of the principle established in article 36 of the Italian Constitution, the judge must preliminarily refer to the remuneration established in the national collective agreement for the category.

Protection of an adequate level of remuneration is, as is widely known, specifically guaranteed by the Italian Constitution, and specifically by article 36, the first paragraph of which establishes that "*Workers have the right to a remuneration commensurate to the quantity and quality of their work and in any case such as to ensure them and their families a free and dignified existence.*"

In implementation of this constitutional principle, the national collective labour agreements – agreements between an employer (or group of employers) and one or more workers' organisations – regulate working conditions and also establish remuneration levels, determining the amounts to be paid in accordance with the economic sector, the qualification of the worker (blue-collar, white-collar, middle management and executive) and the contractual level corresponding to the tasks carried out.

In some cases, these agreements may include specific measures designed to adjust minimum wages to inflation.

It appears useful to point out here that if a collective agreement fails to comply with the constitutional principle, it is referred to a Judge to ascertain the breach of article 36 of the Constitution, in order to safeguard the freedom and dignity of the worker.

3) For States Parties with no statutory minimum wage, please describe any measures taken to preserve the purchasing power of the lowest wages since the end of 2021.

The fiscal and economic policy adopted in Italy starting from the end of 2021 and the beginning of 2022, has been characterised by a series of specific actions aimed mainly at tackling the energy crisis and its impact on the general index of inflation.

The out-of-the-ordinary rise in energy and food prices has gradually also extended to consumer goods, transferring part of those increased costs on to consumers, and consequently resulting in a constant increase in the inflation rate and a loss of purchasing power for families.

So while the fiscal measures adopted initially mainly consisted of direct actions aimed at containing electricity, natural gas and fuel costs, the extension of price rises also to other goods led to the need to introduce other temporary measures during 2022 to safeguard the purchasing power of families and support the liquidity of businesses".

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[1] 94.3%, according to data processed by dal CNEL;
97%, according to Eurofound - European Company Survey;
99%, according to the International Labour Organization;
100%, according to the OECD and the European Commission.

Specifically, with the 2022 Budget Law (Law no. 234 of 30 December 2021) and the subsequent implementation decrees, the Government implemented important new fiscal and employment measures aimed at supporting the economy on the way out of the pandemic and strengthening growth rates in the medium term, reducing the tax burden for families and businesses impacted by the effects of the pandemic and the Russia-Ukraine war.
Attempts have thus been made to ease the situation, intervening first of all with the allocation of financial resources aimed at containing the increases in electricity and gas bills, along with a series of taxation measures to support the businesses, families and workers most severely impacted by the economic crisis, to combat poverty and to support the manufacturing system in order to maintain competitiveness and aid economic recovery.

Reported below are the main measures implemented in 2022:

Measures to contain electricity and gas bills.

Action was taken on a number of fronts, by:

- eliminating the general system charges[2] applied to residential electricity users and non-residential low-voltage electricity users, for other uses, and a reduction in charges for the remaining non-residential electricity users (e.g. *commercial, professional and craft businesses)*, without the application of interest;
- reducing system charges for all users of natural gas;
- introducing an instalment plan over a number of months for residential users with unpaid bills;
- boosting the social bonus for residential electricity and gas users in economically disadvantaged conditions or with serious health conditions introduced with the so-called *Relaunch Decree* – Law Decree no. 34 of 19 May 2020, converted, with amendments, by Law no. 77 of 17 July 2020, containing urgent measures to support healthcare, employment and the economy, as well as social policies connected with the COVID-19 epidemiological emergency.
  This type of social bonus offers all residential users in economically disadvantaged conditions the possibility to obtain an automatic discount off their bills. To activate the procedure for the automatic award of the bonus to those entitled to it, it is sufficient to submit the Single Substitute Declaration (DSU) each year and obtain ISEE (Equivalent Economic Status Indicator) certification that the applicant is within the range for access to the bonus, or that they are the recipient of a Citizenship Income/Pension.
- increasing and extending fuel vouchers (for private workers) and the public transport bonus.

Law Decree no. 21 of 21 March 2022 (the so-called *Ukraine Crisis Decree*) containing "Urgent measures to combat the economic and humanitarian effects of the Ukraine crisis", converted by Law no. 51 of 20 May 2022, gave private companies, for 2022, the possibility to offer a gratuity to their employees in the form of petrol vouchers or an equivalent, up to a maximum non-taxable amount of €200.

[2] System charges are charges to cover costs relating to activities of general interest for the electrical system or the gas system, and are calculated on utility bills in addition to other cost items. They are applied to all users, and are calculated separately for electricity and gas.
As regards the electricity sector, the interventions funded through the general system charges include actions to guarantee the safety of nuclear energy, incentives to encourage the use of renewable sources, subsidies for high energy consumption businesses and the funding of research projects.
In addition, system charges ensure that the State has the necessary funds to provide financial support for the energy costs of the poorest population groups. In the gas sector, the charges contribute to the development of energy efficiency projects, the recovery of default charges in last-resort services and to cover gas bonuses.

Tax credits for companies to offset the higher costs sustained for the purchase of electricity and gas (the so-called energy bonus for businesses).

Most of the resources have been allocated to businesses and commercial establishments (bars and restaurants) that consume a high amount of electrical energy and natural gas, but large sums have also been provided to other businesses, including businesses in the *road transport*, *agriculture* and *fishing* sectors.

Exemption from social security contributions.

In the period from 1 January to 31 December 2022, with the exclusion of domestic work, an 0.8% exemption was provided for the quota of social security contributions for *invalidity, old age and survivors* paid by employees on low-medium income.

Excluded from this measure were domestic employment contracts, for which the rate applied is already lower than the standard rate.

The increase in this contribution exemption to 2%, from July 2022 (until December 2022), was subsequently established in the *Aid Decree Bis*[3] (which followed on from the preceding *Aid Decree*[4]). This raised the preceding exemption of 0.8% by a further 1.2%, for the same recipients.

The aim of this measure was to support families' purchasing power.

Access to credit and liquidity for enterprises.

An additional allocation was made to extend, to 30 June 2022, the cover of the Guarantee Fund for SMEs (Small and Medium Enterprises) to provide liquidity support for enterprises impacted by the COVID epidemiological emergency.

Also extended to 30 June 2022 was the SACE[5] guarantee to provide liquidity support for enterprises placed in difficulty by the measures to contain the epidemic (the so-called "*Italy Guarantee*").

Support for tourism, the performing arts and the automobile sector.

A specific Fund of €150 million was set up for 2022 to support the economic activity of the *tourism, performing arts* and *automobile* sectors, which were severely impacted by the COVID-19 epidemiological emergency, and in order to rationalise the actions aimed at promoting tourism and the appeal of Italy, a further two funds were set up, with a total allocation of €530 million for the period 2022-2025.

Various subsidies.

Introduction of a series of "one-off" payments for employees, pensioners, self-employed workers and freelance professionals, and recipients of unemployment benefit and citizenship income.

Reduction of excise duties on fuel.

Extension until 31 December 2022 of the tax reduction on the excise duties applied to petrol and diesel, and confirmation of the reduction of 30.5 Eurocents per litre.

Corporate welfare and fringe benefits.

Increase in the tax exemption limit for *corporate bonuses* from €258.23 to €600; a corporate welfare measure designed to increase workers' wages, also by refunds on utility bills.

Specifically, article 12 of the Aid Decree *bis* mentioned above established that the value of the goods and/or services provided to employees, and the sums paid or refunded to the same by employers for payment of domestic *water, electricity* and *natural gas* bills would not be included in the

[3] Law Decree no. 115 of 9 August 2022, - converted into Law no. 142 of 21 September 2022 - *Urgent measures regarding energy*, *water emergency*, *social and industrial policy*.

[4] Law Decree no. 50 of 17 May 2022 - converted with amendments into Law no. 91 of 15 July 2022 - *Urgent measures regarding national energy policies*, *business productivity and investment attraction, as well as social policy and the Ukraine crisis*.

[5] SACE is the Italian insurance and finance group directly controlled by the Ministry of Economy and Finance, specialised in providing support to enterprises and the national economic fabric, through a wide range of tools and solutions to support competitiveness in Italy and worldwide.

calculation of taxable income for the purposes of IRPEF (Personal Income Tax), up to a total tax-free limit of €600.

Under 36 first home bonus.

To help young people under 36 to live independently, Law Decree no. 73 of 25 May 2021, (the so-called "*Support Decree bis*"[6]) introduced new indirect taxation measures to support first-time home buyers.

These measures apply to deeds signed in the period from 26 May 2021 to 31 December 2023. The 2022 Budget Law extended by six months the original term of 30 June 2022 established by the aforementioned *Support Decree bis*, and the 2023 Budget Law subsequently extended the measure for a further year (until 31 December 2023).

Single allowance and leave.

Another important measure implemented by the Government to support families is the so-called *Single Universal Allowance* (AUU).

This measure, designed to provide financial support to families, was introduced on 1 March 2022 by Legislative Decree no. 23 of 29 December 2021 (as amended)[7] for each dependent child up to the age of 21 (subject to specific conditions) and without limit of age for children with disabilities.

The amount recipients are entitled to varies depending on the financial situation of the family, as calculated by the ISEE valid upon application, taking account of the age and number of children and any disabilities they may have.

The Allowance is defined as "*single*", because it seeks to both simplify and strengthen intervention aimed at supporting parenthood and the birth rate, and "*universal*", because a minimum amount is guaranteed for all families with dependent children, even without an ISEE (Equivalent Economic Status Indicator), or with an ISEE superior to the maximum threshold established (€43,240).

The amount payable is calculated based on the financial situation of the family, which is verified by taking account of the ISEE valid at the time: the lower the ISEE, the higher the allowance.

It is available to employees (in the public and private sector), self-employed workers, pensioners, and the unemployed and jobless who are either Italian or EU citizens and family members thereof who hold a permit of stay or permanent permit of stay.

Also entitled to the allowance are non-EU citizens with a long-term residency permit or a single work permit granted for working activity for a period of more than six months or a residency permit for research with authorisation to remain in Italy for a period of more than six months.

The Single Allowance does not comprise or limit the amounts payable for the *nursery bonus,* which is an income support benefit of a maximum of €1000 for payment of fees for public or authorised private nurseries and for the payment of forms of childcare at home for children aged under three with severe chronic conditions.

It is compatible with any other monetary measures for dependent children that may be provided by the Regions, the Autonomous Provinces of Trento and Bolzano and by local bodies.

It is also compatible with Citizenship Income (more details below).

An increase was established for the single universal child allowance for the year 2023, consisting of a 50% increase in the allowance during the child's first year of life, and a further 50% for families with three or more children. There have also been changes regarding children with disabilities.

There has also been a review of the regulations regarding parental leave, with the introduction of the payment of an extra month calculated at 80% instead of 30% for both mothers and fathers entitled.

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[6] Urgent measures related to the COVID-19 emergency, for enterprises, employment, young people, health and territorial services.

[7] Introduction of the single universal allowance for dependent children, in implementation of the authorisation granted to the Government pursuant to Law no. 46 of 4 April 2021.

In line with the recommendations of the European Commission, starting from the end of 2022, Italian political economic and fiscal policy has been geared towards the gradual elimination of the emergency measures relieving the pressure on public finance.
Support has continued to be guaranteed for workers, families and enterprises, especially to those in particularly vulnerable conditions, and those measures that create price distortions and are in contradiction with energy efficiency and saving objectives have been brought to an end in advance.

Set out below are the measures and actions implemented by the Government in the first quarter of 2023, as a result of the *2023 Budget Law* - Law no. 107 of 29 December 2022 – with a view to helping businesses and families to combat the rise in energy prices and inflation, with the aim of gradually reducing VAT to zero, especially on consumer staples.

The exemption for social security contributions paid by workers for *invalidity, old age and survivors* – already provided for in 2022, as indicated above – extended by the aforementioned Law no. 197/2022.
This exemption has been extended until the end of 2023 and recently strengthened by a further 4% reduction by Law Decree no. 48 of 4 May 2023, (*employment decree*) - *Urgent measures for social inclusion and access to the world of employment*;
Extension of the measures to contain electricity and gas bill costs for families, enterprises and public bodies.
Extension of the social bonuses for electricity and gas users, together with an extension of the beneficiaries (domestic customers who are economically disadvantaged or suffering from severe health conditions), by raising the maximum ISEE threshold for entitlement to the benefit.
Confirmation of the possibility for default customers to pay amounts owed in instalments without having their energy supply cut off.
Extension and strengthening of tax credit.
Tax credits bolstered for SMEs that consume high amounts of gas and high and low amounts of energy, with a further increase in the percentage of coverage of the tax credits until the end of June 2023.
Confirmation of the fuel bonus for agricultural enterprises and for the fishing sector.
Contribution exemptions for public and private employees with low-medium income (up to € 35,000) for the whole of 2023 (so-called *Tax wedge reduction*), resulting in wage increases based on the following percentages:
3% for income below €25,000;
2% for income up to €35,000.
Extension of the petrol bonus

Fiscal truce and scrapping of tax demands.
The so-called *"tregua fiscale"*, or *fiscal truce*, consists of discounts on the sums owed to the tax authorities, and in particular cases the scrapping of tax demands for amounts below €1000, owed between 2000 and 2015. The deadline for requesting the amnesty, initially established as 31 January, was postponed to 31 March 2023.
Extension for the whole of 2023, as mentioned earlier, of the support for first-time home buyers *under 36*.

Law Decree no. 34 of 30 March 2023, converted into Law no. 56 of 26 May 2023 – *"Urgent measures to support families and enterprises for the purchase of electrical energy and natural gas and regarding health and tax obligations"* – also extended to the <u>second quarter of 2023</u> the measures

adopted to contain the effects of the price increases in the electricity and natural gas sectors.
Lastly, Law Decree no. 79 of 28 June 2023 – *Urgent provisions to support families and enterprises for the purchase of electrical energy and natural gas, and regarding legislative deadlines"* – further reinforced the phasing out process, with the extension to the third quarter of 2023 of a number of support measures, including:

- increase in the social bonuses in the bills;
- elimination of the general system charges on gas bills;
- reduction to 5% of the VAT rate for the supply of methane gas for combustion for civil and industrial uses, also extended to the supply of thermal energy and district heating services (district heating bonus).

VAT reduction and shopping card.
In addition to the reduction to 5% of the VAT rate on baby products, a further €500 million has been allocated for the *"Dedicata a Te* 2023" shopping card, also known as the Social Card.
This prepaid card is loaded with a one-off sum of €382.50 allocated by Municipalities to families in financial difficulty, for the purchase of consumer staples.
Beneficiaries must have an ISEE of no more than €15,000, which takes account of the number of people that make up the family and the ages of any children included.
A new "*food income*" has also been introduced, consisting of the distribution of packages containing unsold food to those in conditions of absolute poverty.
Corporate welfare and fringe benefits.
Law Decree no. 48/2023 ("*Employment Decree*[8]) also introduced a number of tax benefits for employees with dependent children. Specifically, article 40 raised, for 2023, the tax-free limit for the provision of goods and services on the part of employers to €3000 (compared to the standard €258.23, increased to €600 for 2022).
This Decree also included among the bonuses that are not included in the calculation of employee income the sums paid or refunded to workers for the payment of domestic electricity, water and gas utilities (as was the case for 2022).
For further details, please see the response to question 4.

Finally, with regard to current fiscal and economic policy, it is worth mentioning another measure adopted recently: the so-called "*anti-inflation pact*" signed by the current Government and by 30 business associations on 28 September 2023.
This agreement provides for the sale of a series of basic food products and fast-moving consumer goods at locked or discounted prices.
The agreement provides, from 1 October to 31 December 2023, for the application of discounts established by those adhering to the scheme to a wide range of products, which could help families save between €100 and €150.
The discount applies to a number of fast-moving consumer goods, such as *pasta, meat, tomato passata, sugar, milk, eggs, rice, salt, flour, cereals, soap, and consumer medicines*.
The products discounted under the anti-inflation pact are marked with a dedicated "*anti-inflation tricolour sticker"*.
These goods can be purchased at reduced prices from companies who have signed the agreement.
These include hundreds of small retailers, as well as a number of supermarket and discount chains, which apply the discounts, available in more than 25,000 stores.

[8] Law Decree no. 48 of 4 May 2023 - *Urgent measure for social inclusion and access to the world of employment* - converted, with amendments, into Law no. 85 of 3 July, 2023.

In addition to the support of the large supermarket chains, an essential role in the anti-inflation pact is also played by the manufacturers who have joined the scheme to reduce prices.

For 2024, Parliament is currently studying the 2024 Budget Law presented by the Government, which contains the economic and fiscal policy actions aimed at the continuation for the coming year of the measures to support the purchasing power of those families most severely impacted by the rise in inflation.

4) Please provide information as whether the cost of living crisis has led to the extension of in-work benefits.

In 2022, employment was the object of a significant review and across-the-board fiscal reform aimed at reducing fiscal pressure on workers and pensioners. The review of Personal Income Tax (IRPEF) involved the reorganisation of the rates and the pertinent taxation brackets, as well as the restructuring of the regulations governing tax deductions for income from salaried employment and similar, self-employment and pensions.
Specifically, changes were made to tax allowances for the main types of taxpayers, increasing both the amounts and the number of taxpayers eligible. Earners of up to €15,000 continue to receive the income supplement (the so-called IRPEF bonus of €100), while those in the €15,000 - €28,000 bracket receive the supplement based on the amount of their tax allowances. From this threshold upwards, the supplementary allowances are incorporated into the tax deduction, and gradually reduced, reaching zero at an income of €50,000.
The so-called "Employment Decree" (Law Decree no. 48/2023) also introduced a number of new concessions for employees with dependent children: for the 2023 tax period and only for employees with dependent children, article 40 increased to €3000 the fringe benefit exemption limit set in art. 51, para. 3, third sentence, of the TUIR, the Consolidated Law on Income Tax **(the so-called €3000 bonus)**.
As an exemption to the aforementioned art. 51, para. 3, and for the 2023 tax period only, art. 40 referred to above set a new maximum limit for exclusion from salaried income, and, like art. 12 of Law Decree no. 115/2022 (*Aid Decree-bis*), also included "the sums paid or refunded by employers for payment of domestic *water, electricity* and *natural gas* bills" among the fringe benefits granted to workers.
This concession, applicable for the 2023 tax year only, applies to fringe benefits provided to employees with children, including children born out of wedlock and legally recognised, adoptive or foster children, in the situation established in art. 12, para. 2 of the aforementioned TUIR.
It is granted in full to both parents in receipt of a salaried and/or similar income, even with one child only, provided said child is a dependent of both parents. It is also granted to taxpayers who are not entitled to the tax allowance for dependent children established in art. 12 of the TUIR, because the single universal allowance is paid for said children.
Art. 40, para. 3 establishes that the application of the concession is conditional upon a prior declaration made by the employee to their employer that they are entitled to the benefit, indicating the tax code of the dependent child or children.
Art. 40 of the Employment Decree, for the 2023 tax year only, offers a further, different and independent concession from the fuel bonus. Therefore, to take advantage of the tax exemption, the goods and services provided by the employer to each employee in the 2023 tax period can reach a value of €200 for one or more petrol vouchers and a value of €3000 for the rest of the goods and

services, including any additional petrol vouchers, and for the sums paid for *domestic integrated water service, electricity* and *natural gas* bills.

5) Please provide information on changes to social security and social assistance systems since the end of 2021. This should include information on benefits and assistance levels and the allocation of benefits.

Illustrated below are the main measures and intervention plans adopted during the last three years by the Italian Government to improve the efficacy and efficiency of the social security system, including both social assistance and social welfare.

MEASURES TO COMBAT POVERTY

RDC – Citizenship Income.
Law Decree no. 4 of 28 January 2019 -*"Urgent provisions on citizenship income and pensions"*, converted into Law no. 26 of 28 March 2019 - in Section 1 (articles 1- 13), introduced, from the month of April 2019, Citizenship Income (RDC) "*as a fundamental measure of active labour policy to guarantee the right to work, to combat poverty, inequality and social exclusion, as well as to foster the right to information, education, training and culture, through policies aimed at providing for the financial support and social inclusion of subjects at risk of marginalisation in society and in the world of employment".*
With a broader entitlement than its predecessor, REI (Inclusion Income), the RDC ensures greater financial support, effectively guaranteeing the right to social and/or employment assistance, depending on needs, based on a personalised assessment and plan; it is no coincidence that these are formally defined also as essential levels of financial and economic benefits. The number of potential beneficiaries of this measure has therefore become much larger, with a substantial increase in the entitlement of single-person families and the extension of the measure to families composed of elderly persons only, who may also be beneficiaries of other support measures, such as the Social Allowance and the relevant increases, which are supplemented by the Citizenship Pension (PDC, the name given to the RDC when the family entitled is composed only of individuals aged 67 or over, or individuals living with one or more severely disabled or non-self-sufficient individuals).
Citizenship Income is composed of two parts:

- a contribution paid monthly through an electronic payment card (RDC card), which varies according to the number of people that make up the family and the financial resources they possess; an additional sum is paid for families living in rented accommodation or paying a mortgage on the home they live in;
- the Pact for Work, prepared by the Job Centres, or the Pact for Social Inclusion, prepared by the social services of the Municipality, which operate (together or individually) in a network along with the employment and healthcare services and schools, as well as with private subjects engaged in actions to combat poverty, with particular reference to non-profit entities. The Pact for Social Inclusion regards the whole family, and establishes specific commitments that are identified based on an assessment of problems and needs.

The requisites for access to the RDC set out in art. 2 of Law Decree no. 4/2019 are as follows:

- with reference to the requisites of citizenship, residence and permits of stay, recipients must be Italian or EU citizens, or a family member thereof, and hold a regular or permanent residence permit; third-country nationals must be in possession of an EU residence permit for long-term residents, and must have been resident in Italy for 10 years, the last two of which continuously.

- The main income and capital requirements are as follows:
    - an ISEE of less than €9,360;
    - property assets not exceeding €30,000, excluding the primary residence.

Payment of the monetary benefit is conditional upon a declaration from legally adult members of the family that they are immediately available for work and willing to follow a personalised job seeking support and social inclusion plan.
The regulations governing Citizenship Income also establish specific sanctions for wilfully providing untrue information during the Citizenship Income application process.

Inclusion Allowance.

The above-mentioned Employment Decree (Law Decree no. 48/2023*)* introduced the *Inclusion Allowance* (AdI), a financial support and social and professional inclusion measure that will come into force on 1 January 2024 and will replace the Citizenship Income.
The aim of this measure is to combat poverty, fragility and social exclusion, and is aimed at families in which people with disabilities, minors or people over 60 are present.
The Inclusion Allowance is an economic benefit that will be paid out on application by a member of the family.
To receive the benefit, applicants must register with the Information Service for Labour and Social Inclusion (SIISL) platform and sign a digital activation agreement. Activation takes place through the platform and involves the automatic sending of the family's data to the social services of the municipality of residence, which will analyse the data and take charge of the members of the family with complex needs, so that any support required can be activated.
The process takes the form of one or more projects aimed at identifying the needs of the family as a whole and of the individual members. Members of the family aged between 18 and 59 and able to work will be sent to job centres to sign a personalised service agreement that may involve following the training courses provided for by the National Worker Employability Guarantee Programme (GOL).
Applicants must comply with all of the following requisites:
- residence in Italy;
- EU citizens or citizens of third countries with an EU residence permit for long-term residents or holders of international protection status;
- declared ISEE of less than €9,360;
- IMU property tax value not exceeding €30,000, excluding the primary residence.

As for Citizenship Income, this Allowance also establishes sanctions for wilfully providing untrue information during the benefit application process.

The new Inclusion Allowance is accompanied by the introduction of a new "*Support for Training and Employment"* (SFL) programme – in force from 1 September 2023 – aimed at aiding requalification and further training for workers at risk of social marginalisation and exclusion from the workforce.
This programme is aimed at individuals aged between 18 and 59, with a family ISEE not exceeding €6000 per year, who do not have the requisites to apply for the Inclusion Allowance.
The SFL programme involves the participation in training, career counselling and job seeking support, with a fixed monthly contribution of €350 for a maximum of 12 months.
Finally, reference should also be made to the *Single Universal Allowance* (AUU) for families, included in the information provided in response to question 3.

National Programme for Social Services Interventions and Services 2021 – 2023.

In July 2021, the social protection and social inclusion network overseen by the Ministry of Labour and Social Policies discussed and approved the National Programme for Social Services Interventions and Services, containing the National Social Plan 2021-2023 and the Plan to Combat Poverty 2021-2023. Specifically, the National Social Plan identifies the priorities linked to the National Social Policy Fund (FNPS) and its planning, making a distinction between broader systematic actions and intervention aimed at minors.
The overall resources for the FNPS amount to €390,925,678.00 per year for 2021, 2022 and 2023.
The minimum proportion of this Fund to be used for reinforcing intervention and services in the childhood and adolescence area has been increased to 50%, starting from 2020.
Similarly, the Programme for social services interventions and services to combat poverty is the programming tool of the Poverty Fund, and identifies the main actions for combating poverty to be implemented in the country.
One of the aims of the Poverty Fund is to boost the services identified as Essential Levels of Social Benefits pursuant to article 7 of Legislative Decree no. 147 of 15 September 2017- *Provisions for a national measure to combat poverty* – for the creation of social inclusion projects within the framework of the measure to combat poverty. The Poverty Fund was originally established pursuant to art. 1, para. 386 of Law no. 208 of 28 December 2015 (2016 Budget).
Also worth mentioning within the framework of the Programme for social services interventions and services to combat poverty is the measure aimed at preventing poverty and social exclusion among the so-called "*care leavers*", i.e. those young people who, once they have reached the age of majority, live outside their family of origin in accordance with a court order that placed them in residential communities or foster care while they were minors.
The aim of this project is to allow those young people to complete their growth process towards independence, guaranteeing continuity of assistance until they reach the age of 21. Article 1, para. 335 of Law no. 178 of 30 December 2020 – Estimated State budget for the 2021 financial year and multiannual budget for the 2021-2023 three-year period – established a supplement of €5 million for the Poverty Fund for each of the years 2021, 2022 and 2023 to be used for the "*care leavers*" project.
The aforementioned Plans have set in motion a process aimed at implementing a variety of LEPS (essential social service levels) to be guaranteed throughout Italy, with priority given to the following:

- emergency social care;
- supervision of social services personnel ;
- social services for assisted discharge;
- prevention of family estrangement;
- fictitious residence services for the homeless;
- "Dopo di noi" (After Us) projects for the disabled and projects to aid independent living

With this in mind, and in order to strengthen the municipal social services system, payment of a financial contribution has been established for Local Social Authorities (ATS), based on the number of social workers employed in proportion to the resident population.
This contribution is specifically aimed at strengthening both the system of municipal social services, managed individually or in groups, and the services aimed at recipients of Citizenship Income, as established in the aforementioned article 7, para. 1 of Legislative Decree no. 147/2017.

National Action Plan for the implementation of the Child Guarantee.

Among the priorities of the aforementioned National Programme for Social Services Interventions and Services is the implementation of the Recommendation of the European Council of 14 June 2021, which established a European Child Guarantee.

In implementation of the Recommendation, the National Action Plan for the implementation of the Child Guarantee (PANGI) was drafted, and submitted to the European Commission in the month of March 2022.

This programming document extends to 2030.

The priorities highlighted in the plan are the following:

- Early childhood care and upbringing, education and school activities, at least one healthy meal per day at school.
- Right to health and healthy nutrition.
- Prevention and combating of poverty and social disadvantage, right to housing.
- Governance and system infrastructure.

The PANGI is aimed at all the targets identified in the European Recommendation (minors in poverty or at risk of social exclusion), and provides for specific actions or intervention aimed at:

a) minors displaced by the war in Ukraine;
b) homeless minors or minors in situations of severe housing hardship;
c) minors with disabilities;
d) minors with mental health problems;
e) minors from a migrant background or belonging to ethnic minorities, in particular Roma;
f) minors in alternative care facilities, in particular institutional care;
g) minors in unstable family situations.

In addition, thanks to the connection with national policies, the PANGI works to reinforce intervention to help pre-adolescents and adolescents (especially considering the problems identified during the Covid-19 emergency), and adopted minors, who have often faced situations such as institutionalisation and neglect that have impacted their mental and social well-being.

It is important to point out that the beneficiaries of these interventions have also been engaged through active participation in the institutional processes linked to the Child Guarantee.

To this end, a Youth Advisory Board was set up in December 2021, composed of 23 young people aged between 14 and 21, from all over Italy, including young Italian people and young people with a migration background, second-generation young people, Roma, Sinti and Caminanti, care leavers, young people with disabilities, volunteers engaged in different ways in their communities.

National Recovery and Resilience Plan (PNRR).

Mission 5 "Inclusion and Cohesion" of the PNRR – approved with the ECOFIN Decision of 13 July 2021, notified to Italy on 14 July 2021 – includes Component 2 – "Social infrastructures, families, communities and the third sector" envisages three types of investments, 1.1, 1.2, 1.3 as indicated below.

1.1 Supporting vulnerable people and preventing institutionalisation.

The general aim of the project is to prevent the institutionalisation of minors and the elderly, by guaranteeing the presence of alternative structures and services of an adequate level, as well as social services able to effectively take charge of people in conditions of need.

The project is organised into four lines of activity, aimed at achieving the objectives of preventing vulnerable family situations:

1. Support for parenthood and prevention of vulnerable situations impacting families and

children (€84.6 million);
2. Helping the elderly to live independently (€307.5 million);
3. Strengthening of home care social services to guarantee supported early discharge and prevent hospitalisation (€66 million);
4. Strengthening social services and preventing burnout among social workers (€42 million).

1.2 Models of independence for people with disabilities

The aim of the project proposal is to strengthen the system of interventions designed to safeguard and foster the social inclusion of people with disabilities, supporting the principles of self-determination and freedom of choice, in keeping with the Charter of Fundamental Rights of the European Union, the UN Convention on the Rights of Persons with Disabilities, ratified by Italy in 2009, and with the European Pillar of Social Rights of the European Union.
The investment project is aimed at allowing people with disabilities to live an independent life, starting from the home and the workplace, also by exploiting the potential of new IT technologies both at home and in the workplace.
Specifically, the project comprises the following three lines of activity:
- Definition and activation of the personalised project;
- Home. Adaptation of living spaces, home automation[9] and remote assistance;
- Work. Development of digital competences for the people with disabilities involved in the project, and remote working.

1.3 Temporary housing and shelters

The project proposal aims to strengthen the protection system and the inclusion actions designed to help not only subjects in conditions of extreme marginalisation, but also individuals or families who are unable to access housing.
The project is organised into two main lines of action:
- *housing first,* consisting of temporary housing assistance that can last up to 24 months, generally in small groups of apartments for individuals or small groups, or families in extreme difficulty who cannot immediately access public housing;
- *shelters,* consisting of local service and inclusion centres that offer both limited overnight shelter and broad-ranging services, such as social and healthcare services, food, mail distribution for individuals registered as resident at the fictitious addresses of the municipality, cultural mediation, counselling, career counselling, legal consultancy, distribution of goods for reuse, and time bank services.

SOCIAL POLICIES AND ACTION TO PROVIDE ASSISTANCE AND CARE FOR THE ELDERLY, PEOPLE WHO ARE NOT SELF-SUFFICIENT AND PEOPLE WITH DISABILITIES.

With reference to measures specifically aimed at offering interventions and assistance services for the elderly, people who are not self-sufficient and people with disabilities:

Article 1, paras. 159-169 of the 2022 Budget Law (Law no. 234 of 30 December 2021) specified that the LEPS (essential social service levels) for people who are not self-sufficient refer to *interventions, activities and integrated services aimed at guaranteeing quality of life, equal opportunities, non-discrimination, prevention and the elimination or reduction of conditions of disadvantage and*

[9] System of IT technologies to support domestic activities.

vulnerability. It also established that the programming, coordination, provision and management of the interventions designed to achieve these objectives should be entrusted to the Local Social Authorities (ATS).
The services are provided by the ATS in the following areas:
- fostering the well-being of elderly people and helping families to provide care during their third age and to sustain the inevitable costs related to that assistance, especially for people that are not self-sufficient;
- social care at home and social care integrated with health services;
- respite social care services for non-self-sufficient elderly people and their families;
- social services support for non-self-sufficient elderly people and their families;
- innovative measures for active ageing and social inclusion;
- fostering independence and preventing fragile situations;
- review of home care;
- introduction of graduated universal services for the elderly;
- provision for palliative care.

The aforementioned National Recovery and Resilience Plan (PNRR) contains a number of measures to help people who are not self-sufficient and people with disabilities.
These measures, which are closely interconnected, envisage extraordinary investment <u>aimed at strengthening social infrastructures and local community and home social services</u>, with a view to preventing institutionalisation and maintaining a measure of independence as far as possible, also by reinforcing healthcare assistance, especially in the local dimension.
The interventions envisaged regard the most fragile people, in their individual, family and social dimension. The purpose is to prevent social exclusion by intervening on the main individual and collective risk factors, in keeping with the aim of helping people to regain as much independence as possible.
Specifically, the plan envisages a series of investments with the following objectives:

- <u>support for vulnerable individuals and prevention of the institutionalisation of non-self-sufficient elderly people:</u> €500,100,000.00;
- <u>fostering the independence of non-self-sufficient elderly people</u>: Total resources € 307,5 million for 125 projects activated /ATS; resources allocated per project €2,460,000 for three years, with 12,500 beneficiaries;
- <u>independence pathways for people with disabilities</u>: an investment of €500.5 million envisaged, with the involvement of 500 ATS and the creation of 700 projects. The activation of the pathways is designed to gradually reach an essential social service level (LEPS) that will allow all people with disabilities to participate in a project for an independent life if they need to. The main aim of the measure is to aid pathways to independence for people with disabilities, preventing institutionalisation and speeding up the process to reduce it, using community and home social and health care services, providing housing solutions, technological equipment for home care and digital training for employment, and the development of competences through support to obtain employment and/or return to employment;
- <u>strengthening of social services for home care:</u> the aim of the project is to provide specific training to build professional teams able to boost the spread of social services throughout the country, helping to reverse the process of institutionalisation and aid the return home after discharge from hospital, thanks to integrated home care services and

structures. These services must meet the levels established in the National Programme for Social Services Interventions and Services 2021-2023.

The Non-Self-Sufficiency Fund (FNA) guarantees services for non-self-sufficient people, in implementation of the essential assistance service levels in Italy, and within the framework of the integrated health and social services offer, facilitates the possibility to remain in their own home, avoiding institutionalisation.
The Decree of the President of the Council of Ministers of 3 October 2022, on the adoption of the National Non-Self-Sufficiency Plan for the three-year period 2022-2024, introduced important new elements regarding disability and non-self-sufficiency, with a particular focus on the elderly.
The total resources allocated in the three-year period 2022-2024 amount to €822 million in 2022, €865.3 million in 2023, and €913.6 million in 2024.

Law no. 112 of 22 June 2016 established the Fund for people with severe disabilities without family support, commonly known as "*Dopo di Noi*".
The Fund finances interventions by progressively taking charge of people with disabilities while their parents are still alive, and with the involvement of the interested parties and in keeping with the wishes of the people with severe disabilities themselves, and, where possible, of their parents or those responsible for safeguarding their interests.
The beneficiaries of this public assistance fund are "*people with severe disabilities not caused by the natural ageing process or conditions related to senility, and without family support, because both parents are deceased or absent or are no longer able to provide adequate parental support, or in cases where parental support can no longer be provided".*

Social security measures.

With regard to policies aimed at the adoption of measures to strengthen **social security protection** for workers, and especially those entrusted with tasks posing a particular health and safety risk, the following should be noted:
Article 474, para. 1 of Law no. 160 of 27 December 2019 (2020 Budget Law), set up a technical Commission charged with the specific task of studying how strenuous occupations are in relation to age and the subjective conditions of workers, also deriving from environmental or direct exposure to pathogens, and to acquire information and scientific methodologies to support the assessment of state policies on social security and assistance.
As a result of the conclusions reached by this Commission, annex 3 to Law no. 234/2021 (2022 Budget Law) contained a reorganisation and extension of the list of so-called *strenuous working activities* which can be considered for access to the advance pension payments that make up the so-called *"Social APE"* benefit, an experimental measure currently extended until 31 December 2023.
This measure, which requires the strenuous working activities to have been carried out for six years out of the last seven, or for at least seven years out of the last ten prior to retirement, allows employees to retire at 63 years of age and with 36 years of social security contributions, earlier than the requisites established for retirement and early retirement.
The aforementioned 2022 Budget Law also reduced to 32 the number of years of contributions required for the following professional categories: construction workers, ceramics workers and operators of machinery for the moulding of ceramic and terracotta products.
With reference to exit flexibility, the measures introduced experimentally, for 2022, in art. 1, para.

87 *et seq*. of Law no. 234/2021 allowed workers enrolled in the general mandatory social insurance scheme and exclusive and equivalent forms of the same, managed by the Italian National Institute for Social Security (INPS), and in the separate pension scheme as referred to in art. 2, para. 26 of Law no. 335/1995, to access early retirement at the age of 64 and with 38 years of contributions (the so-called "*Quota 102*") and for 2023, in accordance with article 1, paras. 283 and 284 of Law no. 197/2022 (2023 Budget Law), allowed the same categories access to flexible early retirement at the age of 62 with a minimum of 41 years of contributions (the so-called "*Quota 103").*

With regard to the review and reorganisation of social safety nets and benefits for *entertainment industry workers*, specific attention has been paid to the introduction for those workers of a "*discontinuity allowance"*, a structural, permanent support measure, set out in art. 2, para. 6 of Law no. 106 of 15 July 2022 – *Delegated Law and other provisions on entertainment.*
To this end, the Decree of 25 July 2023 of the Minister of Labour and Social Policies, in agreement with the Minister of Culture, specifically identified the categories of "*discontinuous*" workers".
These workers are identified within the framework of the categories of subjects belonging to the group referred to in art. 2, para. 1, letter b) of Legislative Decree no. 182/1997, as defined by the Ministerial Decree of 15 March 2005.
In addition, the regulatory process implemented with Legislative Decree no. 36 of 28 February 2021, for the reorganisation and reform of the provisions regarding *professional and amateur sporting bodies* and *sports work* was aimed at bridging the gap in social security, social insurance and benefits between workers in the professional and amateur sectors.

Lastly, a further useful benefit that should be mentioned in this area is the *Social Allowance*, paid following a successful application to individuals in financial difficulty and with income below the statutory limits established annually.
The Social Allowance replaced the social pension from 1 January 1996. The benefit is available to Italian and EU citizens and to non-EU nationals with long-term residency or married to an EU citizen, over the age of 67 and compliant with specific income requisites.
The annual income limit for eligibility for the benefit is €6542.51 for unmarried applicants and €13,085.02 for married applicants.

6) Please provide information as to whether social security benefits and assistance are indexed to the cost of living, as well as information in particular on how income-replacing benefits such as pensions are indexed. Please indicate when benefits and assistance were last adjusted/indexed.

With regard to the measures aimed at protecting the purchasing power of pensions, reference should be made to the regulations regarding the revaluation of pension amounts in line with inflation (the so-called *automatic adjustment*), i.e. to the rise in the cost of living as determined annually by the Italian National Institute of Statistics (ISTAT) and applied, by law, with the adoption, by 20 November of each year, of a decree from the Minister of Economy and Finance, in agreement with the Minister of Labour and Social Policies, pursuant to art. 24, para. 5 of Law no. 41/1986.
The increments for the automatic adjustments of pensions are therefore based on changes to the cost of living index, and are applied from 1 January of the year following the year of reference. In this sense, the aforementioned Ministerial Decree sets the following values:
- the **effective** value of the percentage change for the adjustment increase for the year preceding the year of reference;

- the **provisional** value of the percentage change for the adjustment increase for the current year (which is applied from 1 January of the following year).

The regulatory framework referred to above also comprises the Ministerial Decree of 10 November 2022, which set the effective value of the percentage change for the automatic adjustment increase for 2021 at **1.9%** (compared to the provisional value of 1.7% set the previous year) and the provisional value for 2022 at **7.3%**.

Once the rate of annual inflation has been defined according to the amount of the pension received, different adjustment percentages are applied based on the different brackets calculated in relation to the INPS minimum pension regime.

It should be considered that, over time, the revaluation methods have been modified by lawmakers, also with a view to containing public spending.

<u>For the two-year period 2023-2024</u>, art. 1, para. 309 of Law no. 197/2022 (2023 Budget Law) restored the mechanism established in article 34, para. 1 of Law no. 448/1998, i.e. a <u>revaluation of the total amount of the pension regime</u> (rather than a progressive revaluation per bracket, pursuant to Law no. 388/2000).

Therefore, the automatic revaluation of pensions is established as indicated below.

a) for pensions of a total equal to or less than four times the INPS minimum pension, in the measure of 100 % (resulting in a 7.3% increase in the pensions);

b) for pensions of a total equal to more than four times the INPS minimum pension, and with reference to the total amount of said pensions:

- in the measure of 85% for pensions of a total equal to or less than five times the INPS minimum pension (resulting in an increase of 6.205%);
- in the measure of 53% for pensions of a total of more than five times the INPS minimum pension and equal to or less than six times the INPS minimum pension (resulting in an increase of 3.869%);
- in the measure of 47% for pensions of a total of more than six times the INPS minimum pension and equal to or less than eight times the INPS minimum pension (resulting in an increase of 3.431%);
- in the measure of 37% for pensions of a total of more than eight times the INPS minimum pension and equal to or less than ten times the INPS minimum pension (resulting in an increase of 2.701%);
- in the measure of 32% for pensions of a total of more than ten times the INPS minimum pension (resulting in an increase of 2.336%).

<u>In order to combat the negative effects of inflation for the year 2022 and thus to support pensioners' purchasing power,</u> art. 21 of Law Decree no. 115/2022, converted, with amendments, into Law no. 142/2022, as an exceptional measure, brought forward these adjustment operations compared to the usual timescale, establishing, from the monthly payment of November 2022 (instead of January 2023), the application of the 0.2% increase in social security payments (resulting from the difference between the provisional ISTAT index of 1.7% and the effective figure of 1.9% for the year 2021); pending the application of the percentage variation for the calculation of the adjustment of pensions for the year 2022 (starting from 1 January 2023), it also brought forward the 2% revaluation for pensions not exceeding €2692 gross per month to be paid out in the months of October, November and December 2022.

Also with a view to combating the negative effects of the inflationary pressure recorded and expected for the years 2022 and 2023, art. 1, para. 310 of Law no. 197/2022 also awarded pensioners receiving pensions equal to or lower than the INPS minimum pension an additional increase of 1.5% for the year 2023, raised to 6.4 % for pensioners aged 75 or above, and an increase of 2.7% for the year 2024.

Lastly, art. 1 of Law Decree no. 145 of 18 October 2023 – *Urgent economic and fiscal measures for local authorities to protect jobs and for non-deferrable requirements* – <u>a further measure to combat the negative effects of inflation for the year 2023</u> involved bringing forward to 1 December 2023 the operations for calculating the adjustment of pensions for the year 2022, equal to 0.8% (resulting from the difference between the provisional ISTAT index of 7.3%, applied from 1 January 2023, and the effective figure of 8.1%).

7) Please provide information as to whether any special measures have been adopted since late 2021 to ensure persons can meet their energy and food costs, such as price subsidies for energy, fuel, and basic food items.

Please refer to the specific information provided with reference to the measures adopted to tackle rising energy and food costs in response to question 3 of this questionnaire.

8) Please provide up-to-date information on at-risk-of-poverty rates for the population as a whole, as well as for children, families identified as being at risk of poverty, persons with disabilities and older persons. Please show the trend over the last 5 years, as well as forecasts for upcoming years.

Shown below are tables drawn up by ISTAT (the Italian National Institute of Statistics), regarding the risk of poverty in relation both to the population as a whole and to families, minors, the elderly and people with disabilities.
At present, it is not possible to make forecasts regarding how poverty risk may evolve in the upcoming years.

Individuals at risk of poverty – Values per 100 individuals with the same characteristics – Years 2018-2022

	Anno				
	2018	2019	2020	2021	2022
Total for Italy	20.3	20.1	20.0	20.1	20.1
Individuals aged under 18	26.2	24.5	25.1	26.0	25.4
Individuals aged 65 and over	15.3	16.2	16.8	15.6	17.8

Families at risk of poverty - Values per 100 families with the same characteristics – Years 2018-2022

	Anno				
	2018	2019	2020	2021	2022
Total for Italy	20.1	20.3	20.3	20.4	20.5

Individuals aged 16 and over at risk of poverty - Values per 100 individuals with the same characteristics – Years 2018-2022

	Anno				
	2018	2019	2020	2021	2022
Total for Italy	19.3	19.5	19.3	19.2	19.3
Individuals with disabilities	20.0	21.1	20.5	19.2	20.1

9) Please provide information on what measures are being taken to ensure a coordinated approach to combat poverty as required by Article 30 of the Charter, and to diminish reliance on last-resort relief, such as food banks and soup kitchens.

With reference to the information requested in this question, reference should be made to the ample information provided in response to question 5 (on the reform measures and actions implemented on the social security and social care systems), where preliminary reference is made to the **National Programme for Social Services Interventions and Services 2021-2023** and the related **National Plan to Combat Poverty** (2021- 2023), adopted by the Ministry of Labour and Social Policies, both of which seek to take a coordinated approach to the interventions envisaged in the two, including those aimed at combating poverty with a synergistic, multi-disciplinary approach that engages all the players involved and is based on actions targeted to tackle factors affecting the poorest families.
The measures Italy has put in place to combat poverty necessarily start with the creation of a protection network accessible to all those living in poverty, guaranteeing adequate financial resources sufficient to significantly increase the income of the family unit, together with job seeking support services and interventions to provide support to vulnerable parents.
For further details on these measures, please refer to the pertinent aspects of the reply provided to question 5 of this questionnaire.
More specifically regarding food support and material deprivation, in addition to the information provided in response to question 3, it is worth mentioning the funding envisaged for this purpose in the Fund for European Aid to the Most Deprived, as well as the funding provided for in the new planning of the National Plan for Inclusion and the Fight Against Poverty 2021-2027 (hereinafter referred to as PN), approved by the European Commission on 1 December 2022 with a budget of more than €4 billion, jointly funded by Italy and by the EU bodies ESF and ERDF (European Social Fund and European Regional Development Fund).
The general aim of the strategy enacted with the National Plan for Inclusion and the Fight Against Poverty is to foster social inclusion and combat poverty, as fundamental values of our lifestyle.
The PN seeks to adopt an integrated approach to respond to the needs of the target population at all stages of life, addressing the root causes of social exclusion and poverty, and in keeping with the objectives set out in the European Pillar of Social Rights Action Plan, embracing the principles of a *decent living; promoting health and guaranteeing care and adapting social protection to the new world.*

The PN strategy is developed in line with four main Priorities:
1) Support for social inclusion and the fight against poverty: to actively combat poverty and foster the social inclusion of the most disadvantaged categories.
2) Child Guarantee: to guarantee access to a decent life and basic services for minors at the risk of poverty or social exclusion.
3) Combating material deprivation: to actively help people, families and individuals in conditions of absolute poverty and severe material deprivation.
4) Infrastructural interventions for social and economic inclusion: to strengthen social infrastructures, with the aim of facilitating the social inclusion of all the recipients of the Plan.

The main objectives of **Priority 1** are:
- the active inclusion of disadvantaged individuals, with interventions aimed at creating and fostering the conditions for the social and labour inclusion of people in social and financial difficulty and with special needs.

These are primarily assistance and systematic actions carried out in accordance with the strategy adopted by the PN.
- the active inclusion of third-country nationals, including migrants, comprising interventions to foster social and labour inclusion and develop skills; to prevent and combat undeclared work and the "*caporalato"* phenomenon; to support cooperation among players involved in migrant integration policies.
- the active inclusion of marginalised communities, such as Roma, Sinti and Caminanti and the LGBTQIA+ community, including the social care of young people, women and vulnerable individuals; professional training and support for accessing salaried employment and self-employment.
- access to services, including actions to foster the independence of non-self-sufficient individuals, in particular the elderly and people with disabilities; strengthening of the multi-dimensional assessment activities offered by social services and municipal councils.
- the social integration of poor and homeless people, including actions to reinforce the hospitality system for extremely marginalised people and family groups, providing care and assistance through broad-ranging housing actions and service centres for homeless people.

The main objectives of **Priority 2** are:
- access to services for young people under 18, including interventions to foster access to and participation in school education and training for fragile young people, in order to aid their inclusion in society and in the labour market;
- in continuity with the 2014-2020 planning, actions to combat the social exclusion of minors and their families in vulnerable situations, and interventions aimed at adolescents at risk of poverty or social exclusion, to be carried out in schools and local youth centres (*Get-Up* project);
- experimental initiatives, such as the creation of neighbourhood youth centres and meeting places.

The interventions contemplated in **Priority 3** are mainly aimed at combating food poverty and providing support to individuals and families in conditions of absolute poverty and severe material deprivation, and in particular those in severe mental and social distress, as well as families with children, with priority given to large families or families that include people with disabilities or housing difficulties.
This Priority includes the implementation of interventions to combat food poverty, through the distribution of food aid; tackling material deprivation, also by distributing consumer staples (*clothing, personal hygiene products, sleeping bags, emergency kits)* and other goods, such as *home equipment, clothing and instruments for training activities;* school support; job seeking support; primary healthcare support.
Also envisaged are measures to assist with and boost capacity building on the part of central and local bodies, as well as operators involved in the processes of governance linked to combating material deprivation, with a view to strengthening the skills of the operators and the partner organisations, to guarantee efficiency, optimise flows and ensure equal access to the goods and services envisaged.

Priority 4 includes:
- interventions to foster the independence of non-self-sufficient individuals, in particular the elderly;
- processes for the adaptation of living spaces, aimed at boosting the independence of people with disabilities;
- property redevelopment to increase housing availability (*housing first*), with innovative equipment that allows recipients to obtain and maintain a self-reliant, independent lifestyle;

- the establishment and reinforcement of service centres to combat poverty at local level (shelters);
- interventions for renovating, modernising and reconverting accommodation for people requiring on-going care following discharge from hospital.

10) Please provide information on steps taken to consult with, and ensure the participation of the persons most affected by the cost of living crisis and/or organisations representing their interests in the process of designing of measures in response to the crisis.

The Municipalities are the local bodies closest to citizens, administering the local area with a view to guaranteeing the well-being and growth of their community, tackling emergencies with the adoption of policies and interventions aimed at guaranteeing social cohesion in the area. To this end, they play a crucial role in the activation and management of collaborations involving the various subjects that make up the local community (schools, third sector bodies, local health authorities, job centres), for the carrying out of integrated actions, mobilising all the resources available so they can be used effectively for the benefit of all citizens, paying particular attention to the most fragile.
The Municipalities are fully aware that the participation of citizens (and representative organisations) – with their needs, skills, abilities and resources – can improve community life, so they seek to engage them in activities of general interest and for the care of shared resources.
It is therefore common practice for the Municipalities to guarantee inclusive participation and on-going dialogue with local citizens and their organisations when it comes to determining measures and actions to be taken for the benefit of the community, and this was also evident in response to the social and economic crisis resulting from the pandemic and the war in Ukraine.
The Municipalities have implemented many ways for local citizens and the organisations that represent them to be consulted and to take part in processes; these range from public meetings and assemblies to surveys and questionnaires, as well as the set-up of consultation systems and the use of more structured forms of horizontal subsidiarity and participatory governance, through shared planning tools, such as, in particular, joint programming and joint planning, as regulated in the Third Sector Code.
It is important to emphasise that in the last few years, each time the objective pursued regards activities of general interest, joint planning and joint programming are gradually becoming the standard way for Municipalities and third sector organisations to interact, and they are increasingly necessary for the construction of truly incisive public policies for the regeneration of an urban fabric made up of both physical objects and social relationships.
They are clearly tools that seek to boost participation and collaboration between the public sector and the third sector in the definition and implementation of public policies, making the most of the skills, resources and knowledge of third sector organisations, enabling a more effective approach to tackling social challenges and promoting community well-being, by creating a more inclusive and participatory form of governance that allows communities to become directly involved.