

**Italian politics**

## Italy overhauls plans for €200bn in EU Covid recovery funds

Projects such as solar-powered facility for stray animals and racetrack raise concerns about wasteful spending



Giorgia Meloni with Raffaele Fitto, the cabinet minister entrusted with overseeing the Covid recovery funds programme © Massimo Di Vita/Mondadori Portfolio/Getty Images

**Amy Kazmin and Giuliana Ricozzi** in Rome YESTERDAY

Italy is overhauling how it will spend €200bn of the EU's Covid-19 recovery funds as it tries to avoid squandering cash on wasteful projects, or even worse, failing to spend the money in time.

“It is fundamental to correctly use this money,” a senior Italian official told the Financial Times. “This is an important opportunity for Europe and our country.”

After winning the largest share of the EU's funds to re-energise economies after Covid, Italy has struggled to find worthy projects that it can execute by the June 2026 [deadline](#).

The official said Rome planned to present a revised plan to the EU by the end of June, after already axing €148.5mn of bids for [stadium projects](#) in Florence and Venice, following objections from Brussels.

Italy's current plan includes €25bn of investment for railway lines, €15bn for new health clinics and other medical infrastructure, €4.3bn to replace leaky water pipes and develop water storage capacity, and billions more to build nurseries, modernise schools and rejuvenate decaying urban areas.

But much of the money is also being directed to Italian municipalities — some of which have idiosyncratic ideas of how to spend in the name of urban renewal and social inclusion.

Members of Meloni's government have privately bemoaned the quality of the proposed municipal projects, many of which may now be reconsidered.

In Foligno, a small town in central Italy with 55,000 residents, mayor Stefano Zuccarini plans to use €1mn to build a new solar-powered health facility for stray dogs and cats.

"We will ensure health and a much higher quality of life for animals," said Zuccarini, whose 2019 election campaign platform included pledges on animal welfare and protection. "We want to treat our animals well — making sure they have a decent life and proper care."

The Sicilian town of Marsala wants to spend €800,000 to finish a horse racetrack that was started 30 years ago and never completed. Macerata in central Italy, which lies just 315 metres above sea level, considered building an artificial ski slope but abandoned the idea after a local outcry. Cavriglia in Tuscany has allocated €4mn to renovate the local golf course.

Tiny villages, some with just a few hundred residents, are also scheduled to get funding for local initiatives. The southern town of Panettieri plans to use €125,000 for a new Christmas nativity scene, while the northern mountain village of Exilles — with a population of 242 — is set to receive €200,000 to renovate a grappa museum.

Italy's share of grants and loans from the recovery fund is supposed to be used to strengthen its infrastructure, reduce social inequality and raise the country's long-term growth trajectory to make its debt more sustainable.

But potential waste is not Rome's only concern. Raffaele Fitto, the cabinet minister entrusted with overseeing the programme, has warned Italy will struggle to use all its allocated funds by the June 2026 deadline without major changes. As an example, he noted Italy would probably miss its June 30 target to complete the tendering for €4bn worth of new childcare facilities.

Italy's Court of Auditors, which is independently tracking execution of the plan, also warned last week that the country is lagging on other key targets for June 30, including the rollout of electric vehicle charging stations, raising a "real risk" of Italy losing out on some funding.

"It's clear today that the plan needs to be revised," Fitto told Italy's Senate last month. "It's necessary to immediately understand which of these projects can be improved and which won't be achieved."

With its labyrinthine bureaucracy and weak local administrative capacity, Italy has historically struggled to use money from Brussels, spending just 34 per cent of the €126bn in EU cohesion funds available to it from 2014 to 2020.

But Fitto does not want to repeat that performance. "The goal we have is very obvious: spend the money of the whole programme," he told the Senate. "To reach this objective, it's necessary to find and correct the problems today, so that tomorrow . . . we can quickly carry out spending and reforms."

While opposition parties have criticised Meloni's government, some analysts have said the plan was flawed from the start.

"It was not well designed," said Luciano Monti, a professor at Luiss University who has studied the plan. "They had this idea to build and build things. They put too much money in hard infrastructure. Nobody would be able to spend all this money in the short period just for physical works."

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