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Sub-Sovereign

CREDIT OPINION

27 February 2026

Update

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RATINGS

**Valle d'Aosta, Autonomous Region of**

| | |
|---|---|
| Domicile | Italy |
| Long Term Rating | Baa1 |
| Type | LT Issuer Rating - Fgn Curr |
| Outlook | Stable |

*Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.*


Contacts

Emanuela Colzani +33.1.5330.3392
*AVP – Analyst*
emanuela.colzani@moodys.com

Martina Mancini +44.20.7772.1027
*Ratings Associate*
martina.mancini@moodys.com

Massimo Visconti, MBA +39.02.9148.1124
*Associate Managing Director*
massimo.visconti@moodys.com




# Autonomous Region of Valle d'Aosta (Italy)

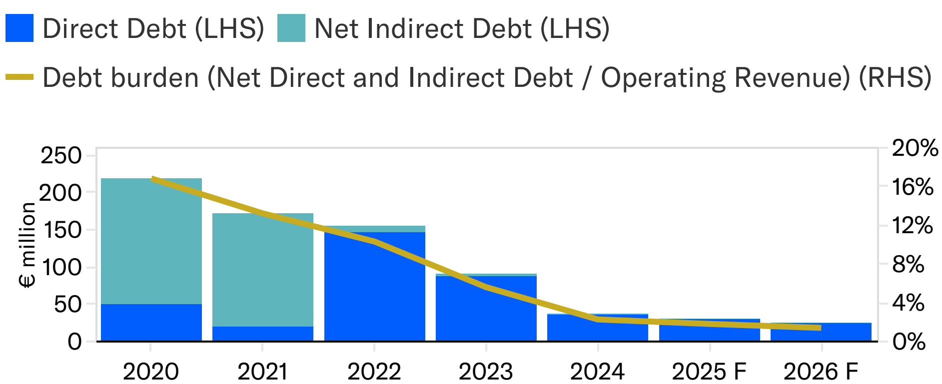
## Update to credit analysis

## Summary


The credit profile of the Autonomous Region of Valle d'Aosta (Valle d'Aosta, Baa1 stable), reflects its special status, which grants it broader legislative, administrative, and financial powers compared to ordinary-status regions. This autonomy, together with a solid economic base and very strong governance, underpins the region's healthy financial performance and results in a credit profile that is stronger than that of the Italian sovereign. Valle d'Aosta consistently achieves high operating margins, leading to large surpluses and liquidity reserves. These resources support its investment capacity, while the region's debt burden remains low and is steadily decreasing. The rating also takes into account Valle d'Aosta's sensitivity to economic cycles, which is mitigated by its affluent economy that consistently outperforms national trends. Valle d'Aosta is rated above the sovereign (Government of Italy, Baa2 stable) because of its strong idiosyncratic profile, which is supported by its autonomous status.


Exhibit 1

**Very low debt burden, supported by solid self-financing capacity**




[1] The forecasts (F) are our opinion and do not represent the views of the issuer.
*Source: Issuer and Moody's Ratings*

## Credit strengths

» Long-established autonomous status, providing broader administrative and financial autonomy

» Strong budgetary performance and liquidity position

» Low debt and high investment capacity underpinned by large surpluses

## Credit challenges

» Budgetary sensitivity to economic cycles, mitigated by a wealthy economy

## Rating outlook

The stable outlook reflects the issuer's capacity to maintain strong operating performance, large liquidity reserves and low debt levels over the next two to three years. Its enhanced administrative and financial autonomy compared to ordinary status regions, affluent economy and very strong governance will continue to support these results.

## Factors that could lead to an upgrade

An upgrade of the sovereign rating would exert upward pressure on Valle d'Aosta's ratings, provided that the region preserves a strong financial performance.

## Factors that could lead to a downgrade

Downward pressure on the rating could come from one or a combination of the following: (i) a downgrade of the sovereign rating; (ii) any change, although unlikely, in the issuer's autonomous status that reduces its financial autonomy and flexibility; (iii) a material and sustained deterioration of its financial performance combined with a marked increase in debt levels.

## Key indicators

Exhibit 2

**Valle d'Aosta**

**Year ending 31 December**

| Valle d'Aosta, Autonomous Region of | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 F | 2026 F |
|---|---|---|---|---|---|---|---|
| Operating margin (Primary Operating Balance as % of Operating Revenue) | 19.1% | 11.1% | 24.3% | 26.5% | 24.1% | 21.5% | 23.1% |
| Debt burden (Net Direct and Indirect Debt as % of Operating Revenue) | 16.7% | 13.1% | 10.2% | 5.5% | 2.2% | 1.7% | 1.3% |
| Liquidity ratio (Cash and Cash Equivalents as % of Operating Revenue) | 45.3% | 44.9% | 42.7% | 49.4% | 56.0% | 64.3% | 52.4% |
| Interest burden (Interest Payments as % of Operating Revenue | 1.4% | 1.4% | 0.4% | 0.2% | 0.1% | 0.1% | 0.0% |
| Capital expenses (Capex) as % of Total Expenses | 16.1% | 13.5% | 16.0% | 17.9% | 19.2% | 18.4% | 21.7% |
| Cash Financing Result (Surplus or Deficit) as % of Total Revenues | 11.9% | 28.4% | 4.2% | 12.9% | 10.4% | 8.6% | 4.5% |

F: forecast

*Source: Issuer and Moody's Ratings*

## Detailed credit considerations

The credit profile of Valle d'Aosta's, as expressed in its Baa1 rating, reflects its Baseline Credit Assessment (BCA) of baa1 and a moderate likelihood of extraordinary support from the Government of Italy in the event Valle d'Aosta faces acute liquidity stress.

## Profile

Valle d'Aosta is in the northwest of Italy, in the Alps bordering France (Aa3 negative), Switzerland (Aaa stable) and the region of Piedmont (Baa2 stable). It is the smallest and least populated region in the country, with about 122,500 residents[1] The region has a special autonomous status, granted after World War II because of its unique French-speaking linguistic and cultural identity. Valle d'Aosta manages both regional and provincial functions. Economically, it accounts for 0.3% of Italy's total GDP and it stands out with a GDP per capita that is about 128% of the national average, ranking fourth among Italian regional governments[2].

### Baseline Credit Assessment

**Long-established autonomous status, providing broader administrative and financial autonomy**

Under Article 116 of the Italian Constitution, Valle d'Aosta benefits from a special autonomous status, which provides it with broader legislative, administrative, and financial powers compared to ordinary-status regions. This autonomy is guaranteed by constitutional law and governed by the region's charter. Any changes to this status require a special amendment process, which ensures institutional stability, and predictability, and prevents unilateral changes. Bilateral agreements with the central government define adjustments to its financial contributions to national public finances, responsibilities, and devolved state taxes. Despite its greater autonomy, the region is not insulated from the central government's policies and decisions which can influence its financial performance and operating environment.

The region's special status results in a more diversified and flexible expenditure profile, as it assumes broader responsibilities than ordinary-status regions. Healthcare (about 20% of total expenditures[3]), education, environment, transport and mobility, and local government relations make up the largest portions of its budget. Healthcare is funded entirely by the region's own resources, without reliance on sovereign support.

Valle d'Aosta generates 95% of its operating revenue from own sources, with state transfers making up only a small share. Its revenue structure ties the region's finances closely to local economic conditions and keeps reliance on sovereign support low. Under its autonomous regime, Valle d'Aosta retains state taxes generated within its territory—including value-added tax, personal and corporate income taxes, and fuel excise taxes—which together make up about 70% of its operating revenue. However, these taxes are both collected and regulated by the central government, leaving the region reliant on the timely transfer of funds from national authorities and unable to modify the tax framework on its own. Valle d'Aosta can introduce or adjust regional and provincial taxes.

**Strong budgetary performance and liquidity position**

Valle d'Aosta demonstrates very strong operating performance, underpinned by its autonomous status, affluent economy and very strong governance. Its primary operating balance of 24% of operating revenue in 2024 is consistent with historical results. The outcome of the September 2025 regional elections resulted in minor changes to the governing majority, with continuity expected in both spending priorities and financial management. Operating margins will remain around 20% of operating revenue through 2025–2026. Operating revenue growth will mitigate pressures from rising expenditure, mainly driven by contract renewals for school staff and public-sector employees. Corporate taxes will primarily drive revenue growth. Central government measures may cause some volatility in personal income tax receipts, while value-added tax (VAT) revenue will likely stabilize or slightly decline as national policies that supported consumption and inflation-driven growth came to an end. The region's substantial margins act as a reliable buffer against modest healthcare imbalances resulting from spending pressures, thereby supporting the financial stability of the healthcare sector.

The phase-out of National Recovery and Resilience Plan (NRRP) will raise operating costs for Valle d'Aosta after 2026, as the region will finance the operation of new infrastructures and may continue to maintain services currently supported by NRRP resources. However, its very strong operating balance should offset these additional expenses. The region also retains financial flexibility, with the capacity to increase regional and provincial taxes by up to €50 million, equivalent to 3% of operating revenue.

Valle d'Aosta's very strong operating margins have bolstered its cumulative surplus[4], which reached €479 million in 2024 and is likely to increase further in 2025. Combined with efficient budget management and accounting rules that restrict the use of unreserved funds, this surplus contributes to the region's substantial liquidity. Cash holdings rose to €0.9 billion in 2024, up from €0.8 billion a year earlier, with 0.3% ring-fenced. The liquidity ratio increased to 56% of operating revenue, remaining well above the scorecard threshold of 25%. This ample liquidity eliminates the need for additional borrowing and provides a comfortable buffer in case of need. If necessary, the region could also request short-term lending from its treasurer, up to 10% of its revenue under Title I, equivalent to around 8% of operating revenue. Regional liquidity is held in a state-managed treasury account, and the region is not permitted to invest its liquidity reserves.

**Low debt levels and high investment capacity underpinned by large surpluses**

Valle d'Aosta's debt burden remains very low. In 2025, net direct and indirect debt (NDID) amounted to €29.4 million, corresponding to about 2% of operating revenue. The region's direct debt consists of long-term loans with Istituto per il Credito Sportivo S.p.A. and Banco BPM S.p.A., as well as a single bond maturing in 2026. The debt structure is straightforward, with all obligations amortizing at fixed rates and no exposure to derivatives. As of December 2025, the average interest rate stood at 2.75%, with an average maturity of 10 years. Debt service requirements are minimal, accounting for around 0.4% of operating revenue and covered over 150 times by available cash.

We anticipate that Valle d'Aosta's debt will continue to decrease in line with its scheduled amortization, with no additional borrowing planned over the next two years. This expectation is supported by the region's very strong operating performance and substantial liquidity, which together negate the need for new debt issuance.

The region has consistently maintained a high level of investment in recent years, outperforming historical averages. Between 2022 and 2024, capital expenditures averaged €200 million annually. This investment trajectory is likely to continue beyond the phaseout of NRRP funds, supported by the region's large unreserved surpluses[5], which provide ample capacity to support capital spending.

In recent years, Valle d'Aosta's investment strategy has prioritized innovation, digitalisation, energy transition, territorial safety, and strengthening cultural and tourism assets. These focus areas will continue to be important, along with ongoing support for small and medium-sized businesses, sustainable mobility, and climate resilience. Most of the funding comes from regional sources supported by strong financial surpluses, as well as European Union programmes for 2021–27 (ERDF, FSE+ and EAFRD amounting to €265 million[6]), Development and Cohesion Fund for 2021–27 (FSC, €37 million), NRRP (€415 million), and the Complementary National Plan (€27 million).

**Budgetary sensitivity to economic cycles, mitigated by a wealthy economy**

Valle d'Aosta's autonomous status implies that it relies more on fiscal revenue generated within its own territory than ordinary status regions, creating a closer link between the region's financial performance and its local economy. Most tax revenues are tied to economic activity—approximately 28% of operating revenue[7] is derived from personal income tax, 26% from value-added tax, and about 4% each from corporate income and fuel excise taxes. While this structure makes Valle d'Aosta more susceptible to economic fluctuations, the impact is softened by the region's wealthy economy, which has consistently outperformed national trends, even during downturns. Furthermore, Valle d'Aosta's very strong financial position allows it to actively support the local economy, helping to mitigate the effects of adverse economic cycles.

In 2024, Valle d'Aosta's real GDP per capita was 1.3 times higher than the national average[8], underscoring the region's relative affluence. The regional economy is well-diversified, with some concentration in stable sectors. Service-related activities account for 80% of the region's gross value added (GVA)[9], with tourism—supported by winter sports and rising summer visitors—playing a key role. Financial, real estate and business services are also important. The secondary sector makes up 19% of GVA[10], led by the steel industry accounting for nearly half of its output and hydroelectric production. Agriculture and dairy have cultural importance but limited economic impact. The economy relies on small and medium-sized businesses, along with few major employers like Compagnia Valdostana delle Acque S.p.A (Baa2 stable), Heineken Italia S.p.A., and Cogne Acciai Speciali S.p.A.

Valle d'Aosta's GDP grew in volume by 1.1% in 2023 and in 2024[11], outpacing the national average. The labor market is one of the strongest in Italy, with an employment rate of 72.1% and a record-low unemployment rate of 3.9%[12]. Nonetheless, like many Italian regions, Valle d'Aosta faces demographic challenges—including a declining and aging population—that may impact the labor market, public services, and the region's long-term performance. Looking forward, Valle d'Aosta is expected to maintain moderate yet stable growth, supported by investments from regional, European, and NRRP funding sources.

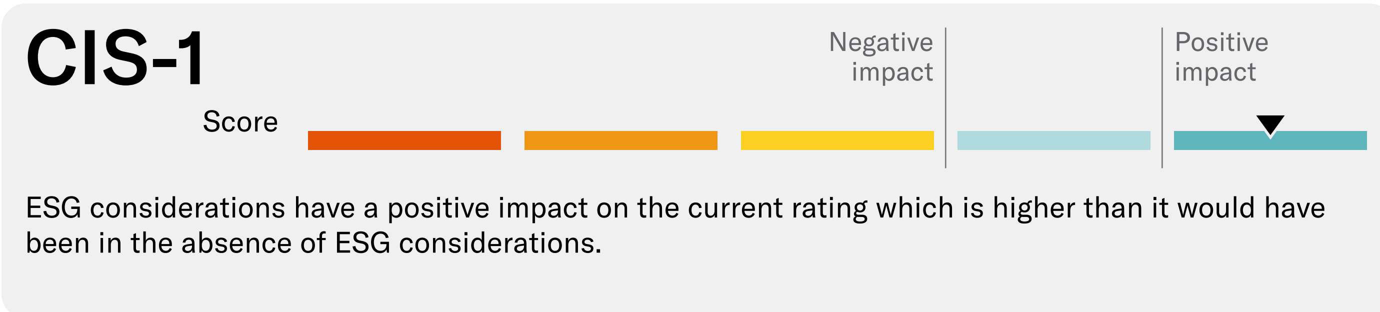
## Extraordinary support considerations

Valle d'Aosta has a moderate likelihood of receiving extraordinary support from the central government, reflecting the region's long-established special autonomous status.

## ESG considerations

### Valle d'Aosta, Autonomous Region of's ESG credit impact score is CIS-1

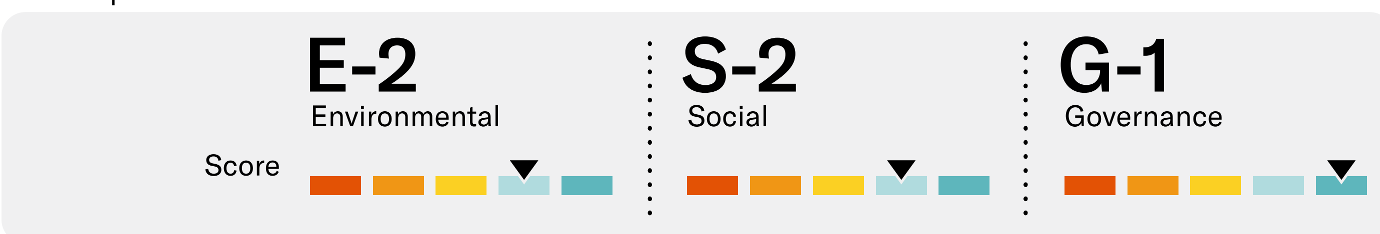
Exhibit 3
**ESG credit impact score**




*Source: Moody's Ratings*

Valle d'Aosta's ESG considerations have a positive impact on its current rating (**CIS-1**), reflecting a very strong governance profile.

Exhibit 4
**ESG issuer profile scores**




*Source: Moody's Ratings*

### Environmental

Valle d'Aosta's exposure to environmental risks is not material in differentiating credit quality (**E-2**), however, its natural capital represents a credit-positive sub-factor. The autonomous region benefits from natural areas including national parks and alpine ecosystems that enhance territorial attractiveness and support tourism revenue. The regional emphasis on environmental protection policies and sustainable development initiatives supports long-term economic attractiveness and fiscal stability, contributing to the neutral environmental credit impact.

### Social

Valle d'Aosta's exposure to social risks is not material in differentiating credit quality (**S-2**). The region benefits from an affluent economy, with relatively high GDP per capita and low unemployment, good health and safety standards, and adequate access to basic services and housing. However, Valle d'Aosta faces demographic challenges, including a declining and ageing population, which may weigh on the labour market, increase demand for healthcare and social services, and create moderate fiscal pressure on regional resources over the long term.

### Governance

Valle d'Aosta's **G-1** score reflects highly transparent and very strong management and governance practices. The region's policies are credible and effective, supported by a solid track record of very strong financial results and high data transparency. Valle d'Aosta also benefits from a strong institutional framework and a long established autonomous status, which provides broader administrative and financial autonomy than most national peers and supports its strong financial performance.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

## Rating methodology and scorecard factors

The assigned BCA of baa1 is in line with the BCA scorecard-indicated outcome.

For details about our rating methodology, please refer to Regional and Local Governments methodology, published on 28 May 2024.

Exhibit 5

**Valle d'Aosta, Autonomous Region of**

**Regional & Local Governments**

| Baseline Credit Assessment – Scorecard | Score | Value | Sub-factor Weighting | Sub-factor Score | Factor Weighting | Total |
|---|---|---|---|---|---|---|
| **Factor 1: Economy** | | | | | **25%** | **0.89** |
| Regional Income (Regional GDP per capita in terms of purchasing power parity (PPP) terms, in international dollars) | 0.95 | 78658.29 | 15% | 0.14 | | |
| Economic Growth | 9.00 | baa | 5% | 0.45 | | |
| Economic Diversfication | 6.00 | a | 5% | 0.30 | | |
| **Factor 2: Institutional Framework and Governance** | | | | | **30%** | **0.90** |
| Institutional Framework | 3.00 | aa | 15% | 0.45 | | |
| Governance | 3.00 | aa | 15% | 0.45 | | |
| **Factor 3: Financial Performance** | | | | | **20%** | **0.66** |
| Operating Margin (Primary Operating Balance / Operating Revenue) | 1.87 | 24.13% | 10% | 0.19 | | |
| Liquidity Ratio (Cash and Cash Equivalents / Operating Revenue) | 0.50 | 55.98% | 5% | 0.03 | | |
| Ease of Access to Funding | 9.00 | baa | 5% | 0.45 | | |
| **Factor 4: Leverage** | | | | | **25%** | **0.16** |
| Debt Burden (Net Direct and Indirect Debt / Operating Revenue) | 0.61 | 2.18% | 15% | 0.09 | | |
| Interest Burden (Interest Payments/ Operating Revenue) | 0.71 | 0.10% | 10% | 0.07 | | |
| **Preliminary BCA Scorecard-Indicated Outcome (SIO)** | | | | | | **(2.62) aa2** |
| **Idiosyncratic Notching** | | | | | | **0.0** |
| **Preliminary BCA SIO After Idiosyncratic Notching** | | | | | | **(2.62) aa2** |
| **Sovereign Rating Threshold** | | | | | | **Baa2** |
| **Operating Environment Notching** | | | | | | **0.0** |
| **BCA Scorecard-Indicated Outcome** | | | | | | **(8.00) baa1** |
| **Assigned BCA** | | | | | | **baa1** |

*Source: Moody's Ratings, Fiscal 2024*

## Ratings

Exhibit 6

| Category | Moody's Rating |
|---|---|
| **VALLE D'AOSTA, AUTONOMOUS REGION OF** | |
| Outlook | Stable |
| Baseline Credit Assessment | baa1 |
| Issuer Rating | Baa1 |
| Senior Unsecured -Dom Curr | Baa1 |
| ST Issuer Rating | P-2 |

*Source: Moody's Ratings*

## Endnotes

1 Istat, regional population (January 1, 2025).

2 Istat, GDP (2024)

3 2024 Regional Financial Statement, Spesa per Missioni

4 Risultato di Amministrazione al 31/12

5 Risultato di Amministrazione, parte disponibile

6 ERDF – European Regional Development Fund, FSE+ – European Social Fund Plus, EAFRD – European Agricultural Fund for Rural Development

7 2024 Regional Financial Statement

8 ISTAT, GDP (2025)

9 ISTAT, GVA (2024) as of December 2025

10 ISTAT, GVA (2024) as of December 2025

11 ISTAT, Report “Conti economici territoriali”, December 2025

12 ISTAT, employment and unemployment rate (2024)

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