



COHESION POLICY

Investments in 2021-2027

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Cohesion policy 2021-2027

Modernised objectives

- Smart
- Low carbon/green
- Connected
- Social
- Close to citizens

Coordinated & flexible

- Link with European semester
- Easy reprogramming
- Mid-term review

Simpler

- Quicker implementation
- Less administration & control
- Reliance on national system

Cohesion policy budget for Italy (Commission proposal)

- **2021-2027 total** **EUR 43.2 billion**
- European Regional Development Fund (ERDF) **EUR 27.4 billion**
- European Social Fund Plus (ESF+) **EUR 15 billion**
- European Territorial Cooperation **EUR 0.8 billion**

Thematic concentration in Italy (Commission proposal)

- **2021-2027 ERDF allocation** **EUR 27.4 billion**
 - Smarter Europe (min 45%) **EUR 12,3 billion**
 - Greener, low carbon Europe (min 30%) **EUR 8,2 billion**
 - Urban development (min 6%) **EUR 1,6 billion**

Financial instruments in cohesion policy 2021-27

Encourage uptake of financial instruments (FIs) through simplification:

- **New:** possibility to combine grants and FIs in a single operation under a single set of (FI) rules
- Only light ex-ante assessment
- Simple rules on eligibility, payments, management fees and reporting
- Direct award to National Promotional Banks possible

New: Voluntary contribution of up to 5% of each Fund to InvestEU

Rules of InvestEU will apply to this contribution, but cohesion objectives will be pursued.

Financial instruments in cohesion policy 2021-27

- **Encourage uptake of financial instruments for revenue-generating and cost-saving activities**
- **Financial instruments are generally more efficient and effective than grants**
- **In less developed regions: strive for a balance between grants and financial instruments (potential need to use grants)**
- **Wider use of financial instruments in more developed regions**
- **Cohesion programmes have to justify the form of support (grants vs. financial instruments) and describe the planned use of financial instruments**

Financial instruments in Italy in 2014-2020

- Total amount allocated to FIs: EUR 4.6 billion, evenly split between national and regional programmes.
- Financial Instruments dominated by loan (2.8 billion, 61%) and guarantee instruments (1.3 billion, 28%)
- Half of FI allocation foreseen for SME development (51%); research and Innovation (29%), low-carbon economy (9%).
- Set up of FIs main difficulty: only 48% of resources are allocated to FIs with a signed funding agreement. Once FIs start operating, absorption of funds is fast.
- Leverage: for loan instruments ranging from 1.3 to 3.8; for guarantee instruments ranging from 4 to 10.

Contribution from cohesion policy to InvestEU

- Increased volume of supported finance available thanks to use of budgetary guarantee
- Lower provisioning under InvestEU than for financial instruments under shared management
- Higher economies of scale and lower administrative burden
- Implementation under a single set of rules

Combination with EU level instruments at the level of FI (e.g. SME Initiative, ESIF/EFSI combinations) will not be possible

Next steps

- **1 April 2019 (Rome): Start of informal dialogue on future investment priorities between Italian authorities and Commission based on 2019 country report**
- **June 2019: Roadmap expected to be submitted to Commission**
- **Autumn 2019: Resume negotiations on 2021-27 legal framework between co-legislators (Council, European Parliament)**
- **Autumn 2019: Reach an agreement on 2021-27 Multiannual Financial Framework in autumn (European Council)**
- **End 2020: Adopt 2021-27 cohesion programmes**



Thank you for your attention