ESF financial instruments: state of play and novelties under ESF+

Andrea Da Pozzo, Policy Officer, DG Employment, Social Affairs and Inclusion, European Commission
Data submission

➢ Based on data reported by MS

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>8 Member States</td>
<td>7 Member States</td>
<td>7 Member States</td>
</tr>
<tr>
<td>28 OPs</td>
<td>23 OPs</td>
<td>22 OPs</td>
</tr>
<tr>
<td>51 FIs*</td>
<td>33 FIs*</td>
<td>23 FIs*</td>
</tr>
</tbody>
</table>

➢ 82% of the OPs with planned allocations to FIs

➢ PT reported for the first time in 2014-2020

* Already operational or in the set up phase
Overall progress

OP amount in EUR millions

Committed to FI | Paid to FI | Committed to final recipients | Paid to final recipients
---|---|---|---
282 | 0 | 0 | 0
418 | 104 | 1 | 0.8
557 | 158 | 50 | 20
815 | 223 | 69 | 49

2015 | 2016 | 2017 | 2018
Type of ESF FIs

➢ 51 FIs in the process of set-up or already operational:
  ➢ 18 funds of funds
  ➢ 19 specific funds under funds of funds
  ➢ 14 specific funds without funds of funds

➢ All MS except DE use funds of funds
➢ IT, PL and PT also use specific funds without funds of funds
Commitments and payments to FIs

- **EUR 815 million of OP resources committed to FIs** or ~63% of planned:
  - MAX: IT commitments EUR ~290 million
  - MIN: HU commitments EUR ~4 million

- 2 Member States committed ESF and YEI (BG, IT)

- Commitment increase compared to 2017 ~46% (+EUR 258 million)

- **EUR 223 million of OP resources paid to FIs** or 27% of OP commitments
# ESF commitments by TO

<table>
<thead>
<tr>
<th>TO</th>
<th>Number of FIs</th>
<th>ESIF/ESF committed to FIs</th>
<th>As % of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>08</td>
<td>23</td>
<td>421</td>
<td>74%</td>
</tr>
<tr>
<td>09</td>
<td>7</td>
<td>64</td>
<td>11%</td>
</tr>
<tr>
<td>10</td>
<td>2</td>
<td>88</td>
<td>15%</td>
</tr>
<tr>
<td>Total</td>
<td>32*</td>
<td>573</td>
<td>100%</td>
</tr>
</tbody>
</table>

- Commitments under TO09 in BG, HU, IT and PL
- Commitments under TO10 in IT and PT

* 19 specific funds are not double counted
Commitments and payments to final recipients

- EUR 69 million committed and EUR 49 million disbursed in final recipients
Type of products

➢ Financial products are mainly loans and micro-loans

➢ IT and PL reported other support combined with FIs*, in the form of technical support or interest rate subsidies

➢ IT reported a loan + guarantee + equity scheme

*in the sense of Article 37(7) CPR
## Final recipients and leverage

<table>
<thead>
<tr>
<th>Product</th>
<th>SMEs</th>
<th>of which micro</th>
<th>Individuals</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans</td>
<td>1 535</td>
<td>1 389</td>
<td>773</td>
<td>2 308</td>
</tr>
<tr>
<td>Guarantees</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Equity</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>1 535</td>
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</tr>
</tbody>
</table>

67% 60% 33%

➢ Typically modest leverage in line with expectations
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 cohesion policy 2021-27

Encourage uptake of FIs through simplification:

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

**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
Next steps

➢ **Autumn 2019** - Resume negotiations on 2021-2027 legal framework between co-legislators (Council, European Parliament)

➢ **Autumn 2019** - Reach an agreement on 2021-2027 Multiannual Financial Framework in autumn (European Council)

➢ **End 2020** - Adopt 2021-2027 cohesion programmes