



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

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Data submission

➤ Based on data reported by MS

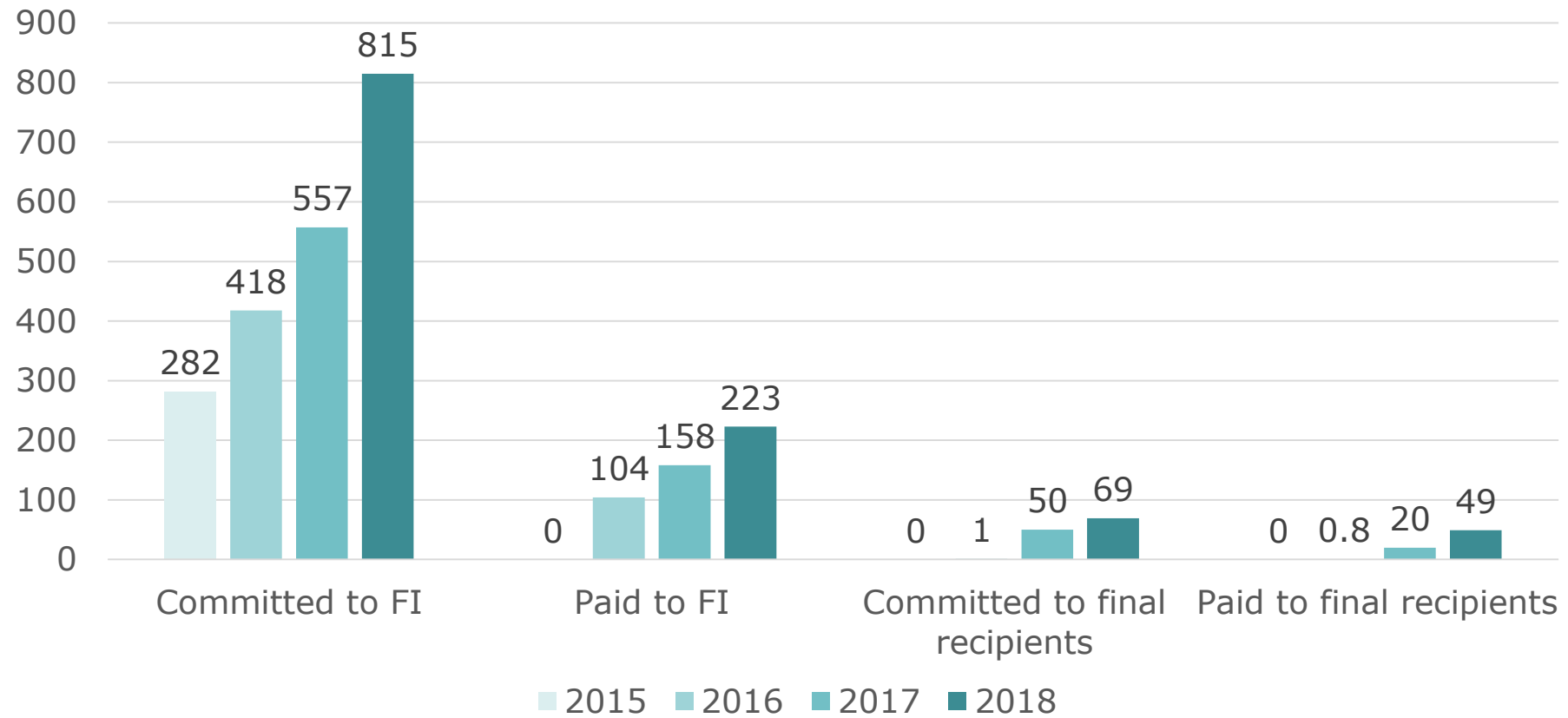
At 31.12.2018	At 31.12.2017	At 31.12.2016
8 Member States	7 Member States	7 Member States
28 OPs	23 OPs	22 OPs
51 FIs*	33 FIs*	23 FIs*

➤ 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

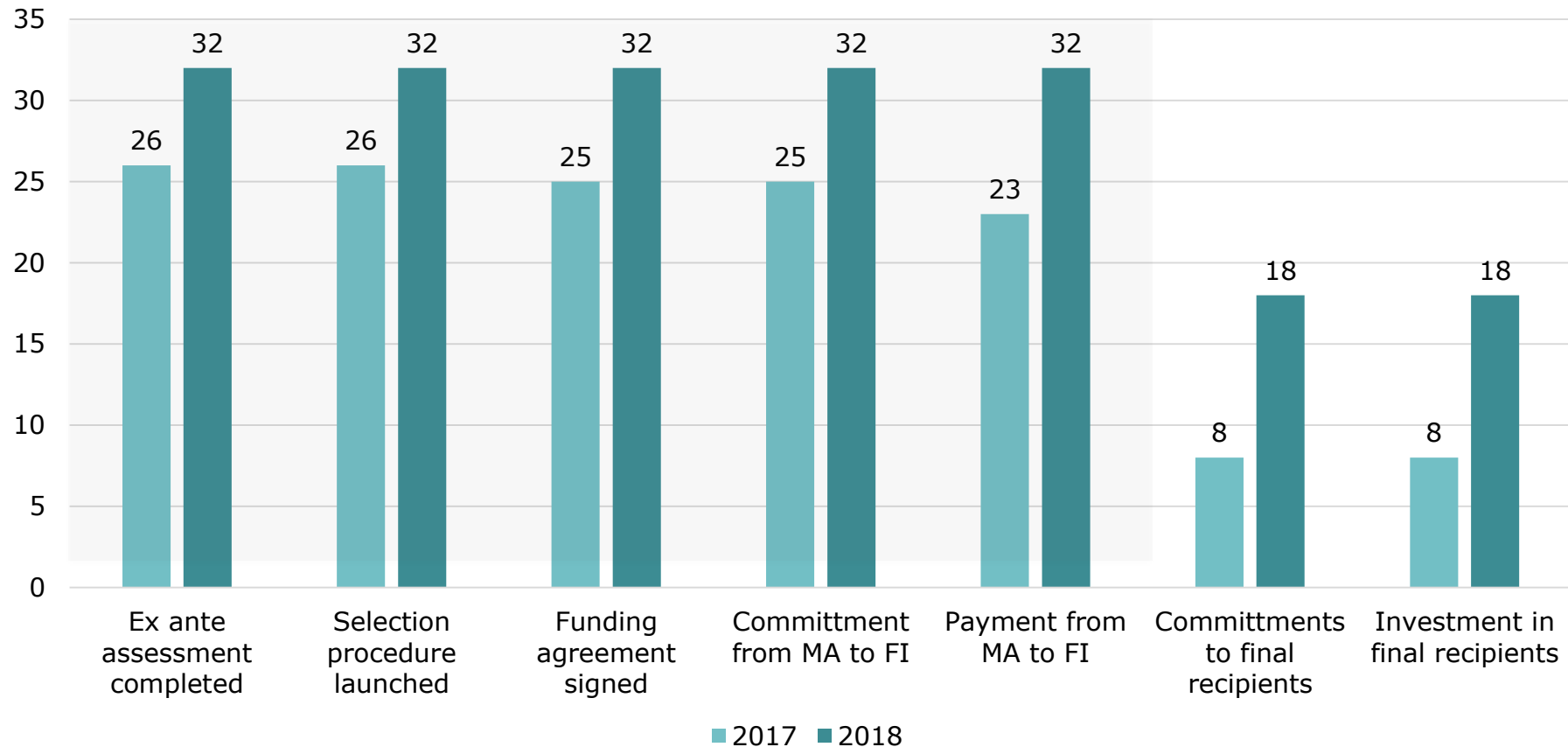


OP amount in EUR millions

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

Progress with set-up and implementation



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

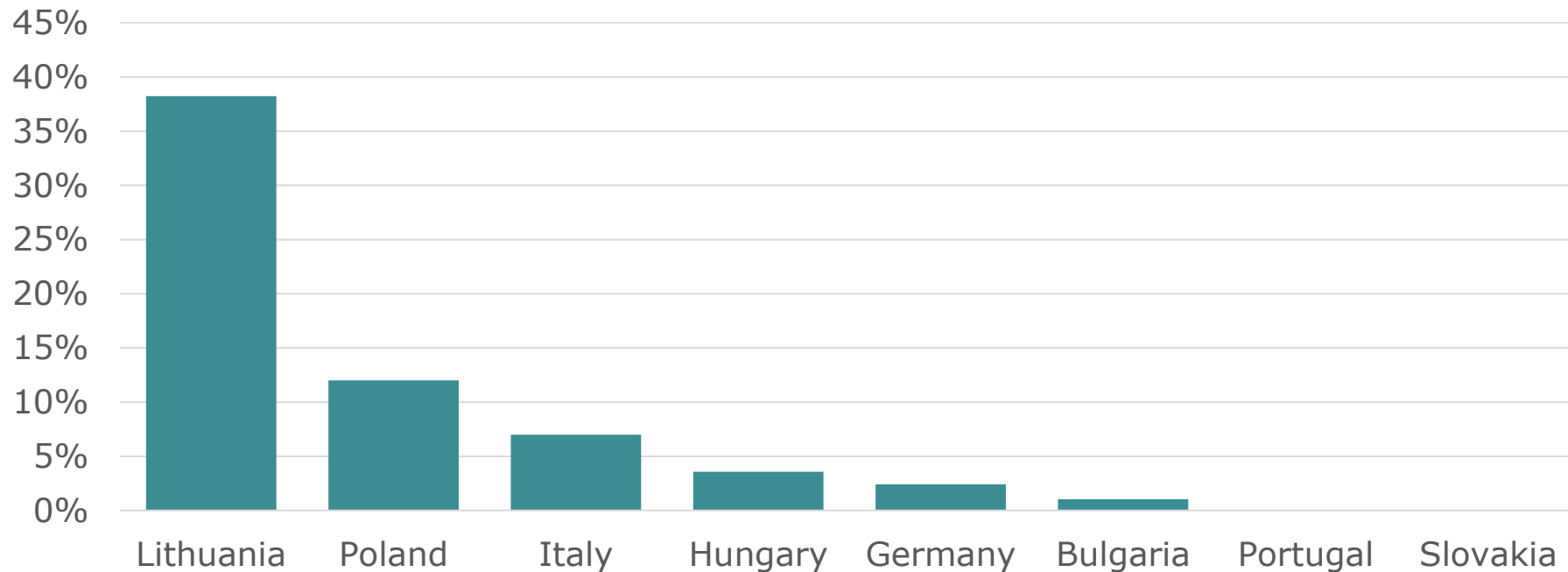
TO	Number of FIs	ESIF/ESF committed to FIs	As % of total
08	23	421	74%
09	7	64	11%
10	2	88	15%
Total	32*	573	100%

- 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

Product	SMEs	<i>of which micro</i>	Individuals	Total
Loans	1 535	1 389	773	2 308
Guarantees	-	-	-	-
Equity	-	-	-	-
Total	1 535	1 389	773	2 308
	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

