



ESIF financial instruments: setting the scene

Axel Badrichani, Deputy Head of Unit,
Financial Instruments and relations with International Financial
Institutions Unit, DG REGIO, European Commission



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FINANCIAL INSTRUMENTS

Definitions and acronyms



FIs	Financial instruments
ESIF	European Structural Investment Funds (ERDF & CF, ESF, EAFRD, EMFF)
MA	Managing authority
Beneficiary	Body that implements the financial instrument or the fund of funds
Final recipient (FR)	A legal or natural person receiving financial support from a financial instrument
Financial intermediary (F.Int)	A specialised financial organisation able to deploy financial resources to target groups of FRs

Source: European Commission (2015). *Guidance for Member States on Financial Instruments – Glossary*



The role of FIs in Cohesion Policy



- Financial instruments represent a resource-efficient way to deploy Cohesion Policy resources in pursuit of the Europe 2020 Strategy objectives.
- Financial instruments are a Cohesion Policy delivery mechanism to be used for revenue-generating or cost-saving projects and not an end in themselves.
- The Commission encouraged Member States to double the use of financial instruments with regard to 2007-2013.
- The Investment Plan for Europe launched in 2014 and its achievements so far have paved the ground for an even stronger focus on financial instruments across the Commission proposals for the period 2021-2027.



Why use financial instruments



A **more efficient** use of (scarce) public sector resources, especially for revenue generating or cost saving projects

Greater **leverage potential**

Brings **financial discipline** into the project/initiative: transparency/identification/selection process

Can be **combined** with technical support and/or grants to overcome market barriers

Reutilisation of resources: **revolving nature** of the instruments



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ESIF Highlights – as of end 2017

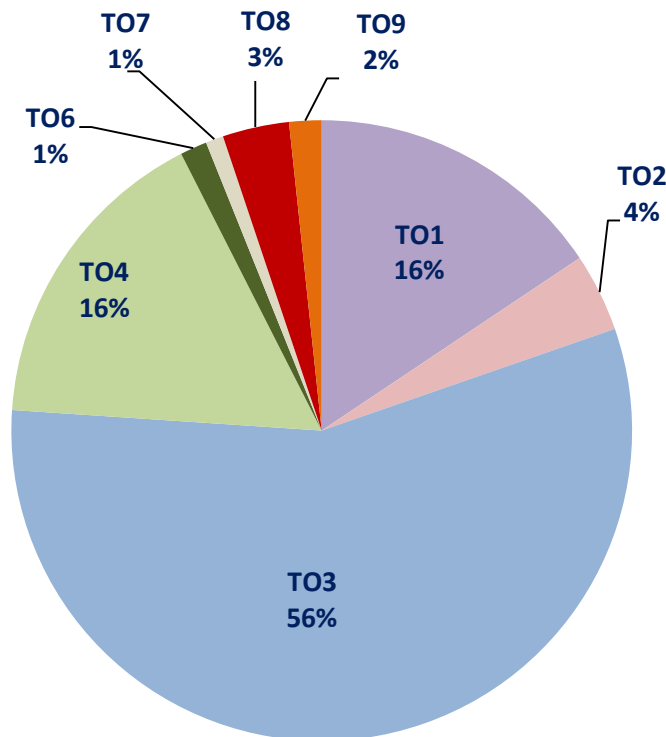


- 24 Member States report using financial instruments (FIs)
- all 4 ESI Funds, 8 thematic objectives
- commitments to FI have increased by 42% compared to the end of 2016
- commitments to FI are well above amounts at closure of 2007-2013

[€ billion]	2014-2020		2007-2013
	<i>end of 2017</i>	<i>end of 2016</i>	<i>at closure</i>
Total amounts	18.8	13.3	16.6
<i>out of which ESIF</i>	14.2	10.3	11.5



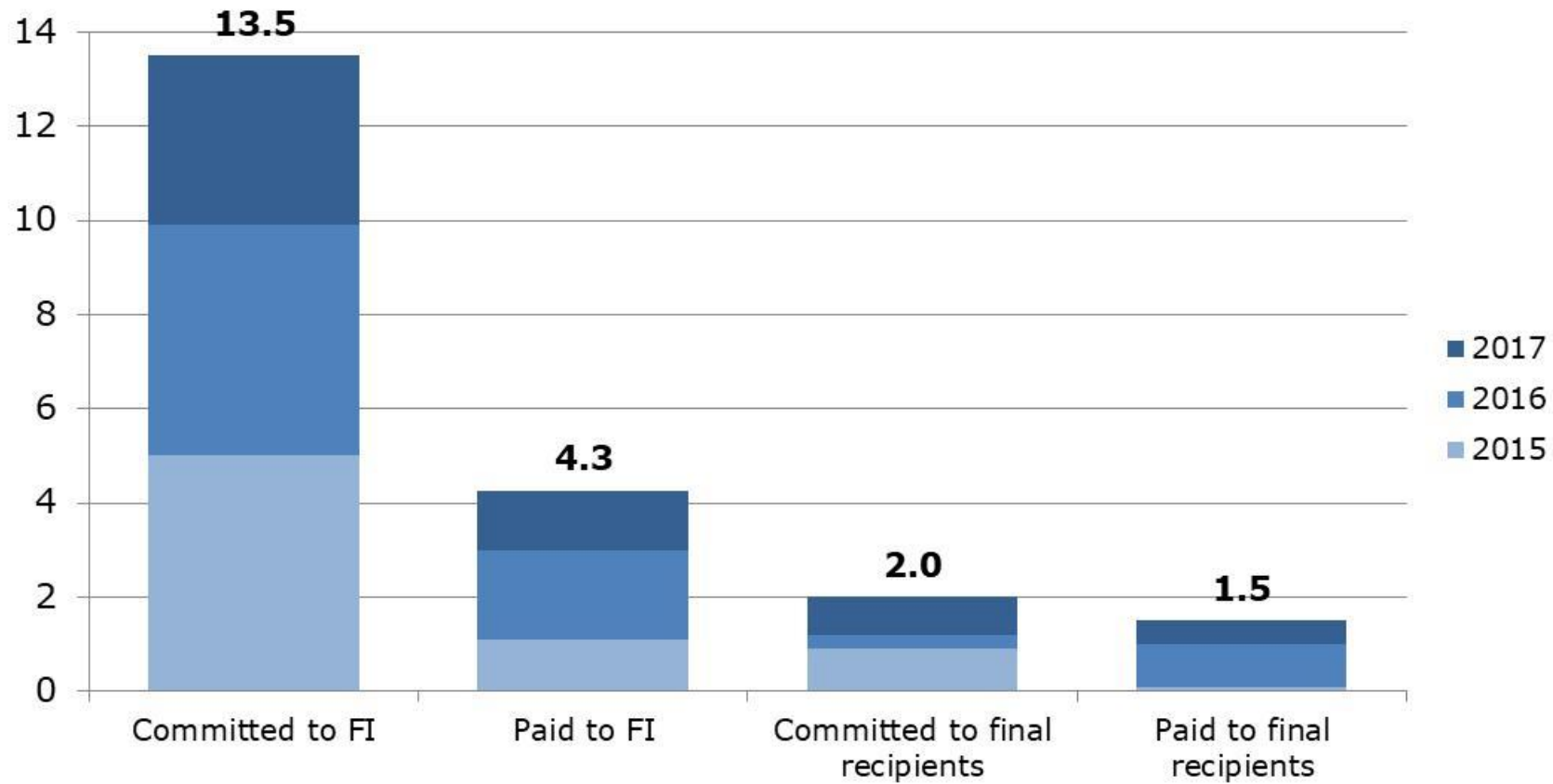
Breakdown by thematic objectives (ESIF)



TO4 - supporting the shift towards a low-carbon economy in all sectors

Area of support	Share
Renewables	4%
Energy efficiency	81%
.. in existing housing	44%
... in public infrastructure	13%
... in SMEs	24%
... in large enterprises	0%
Other support to SMEs under TO4	11%
Other support	4%

Progress in setting up (ERDF+CF)



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