



Financial Instruments in the National Operational Programme Research and Innovation (NOP R&I)

Anna Maria Fontana, Manager in charge of Financial Instruments, Agenzia per la Coesione Territoriale, Italy



 #ficompass



Maximising the contribution of ESI Funds



Following the lessons learned from previous programming periods, the 2014-2020 regulations introduces some fundamental reforms:

- A more focused **strategic** approach
- Stronger orientation towards results, and improved links between **EU priorities** and regional needs
- Integration of program implementation within the European Semester process (Country specific and recommendations, National Reform Plan) to ensure the needed **flexibility and adaptability** to the evolution of the general economic context.



Source: Communication from the COMMISSION "Investing in jobs and growth - maximising the contribution of European Structural and Investment Funds - Brussels, 14.12.2015 COM(2015) 639 final

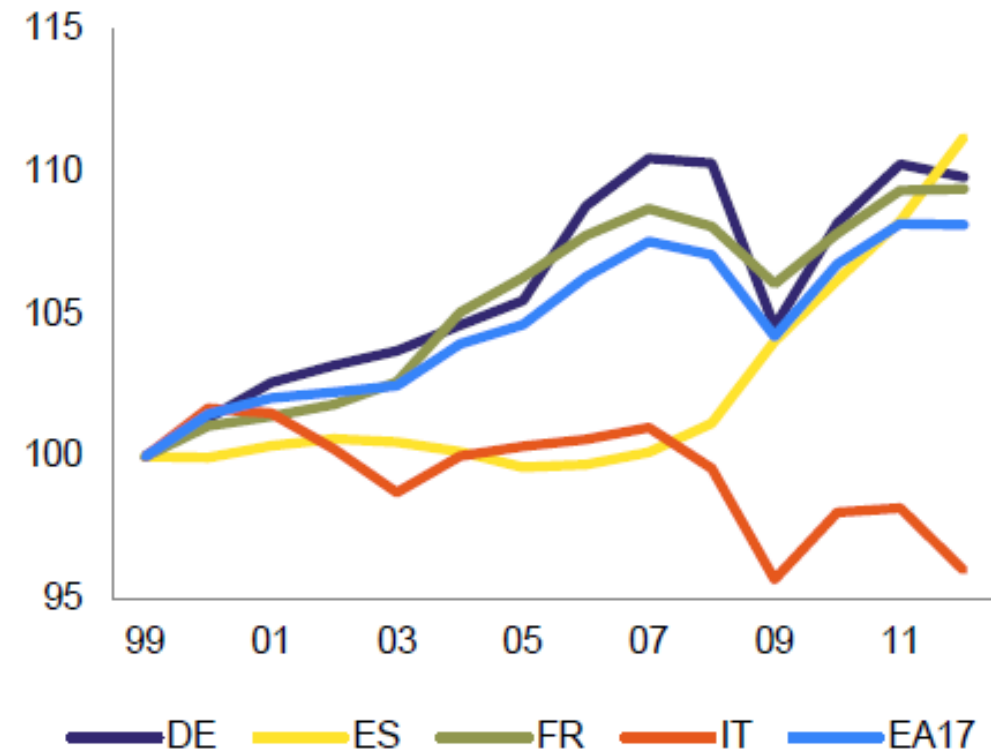


The NOP R&I, some context

- Italy's Gross Domestic Product (GDP) returned to levels of the beginning of the century, partly due to modest results in terms of productivity
- Low GDP growth in the 2001-2013 period can be mainly explained by low Total Factor Productivity (TFP)



Graph 3.13: Evolution of labour productivity (1999 = 100)



Source: Commission services

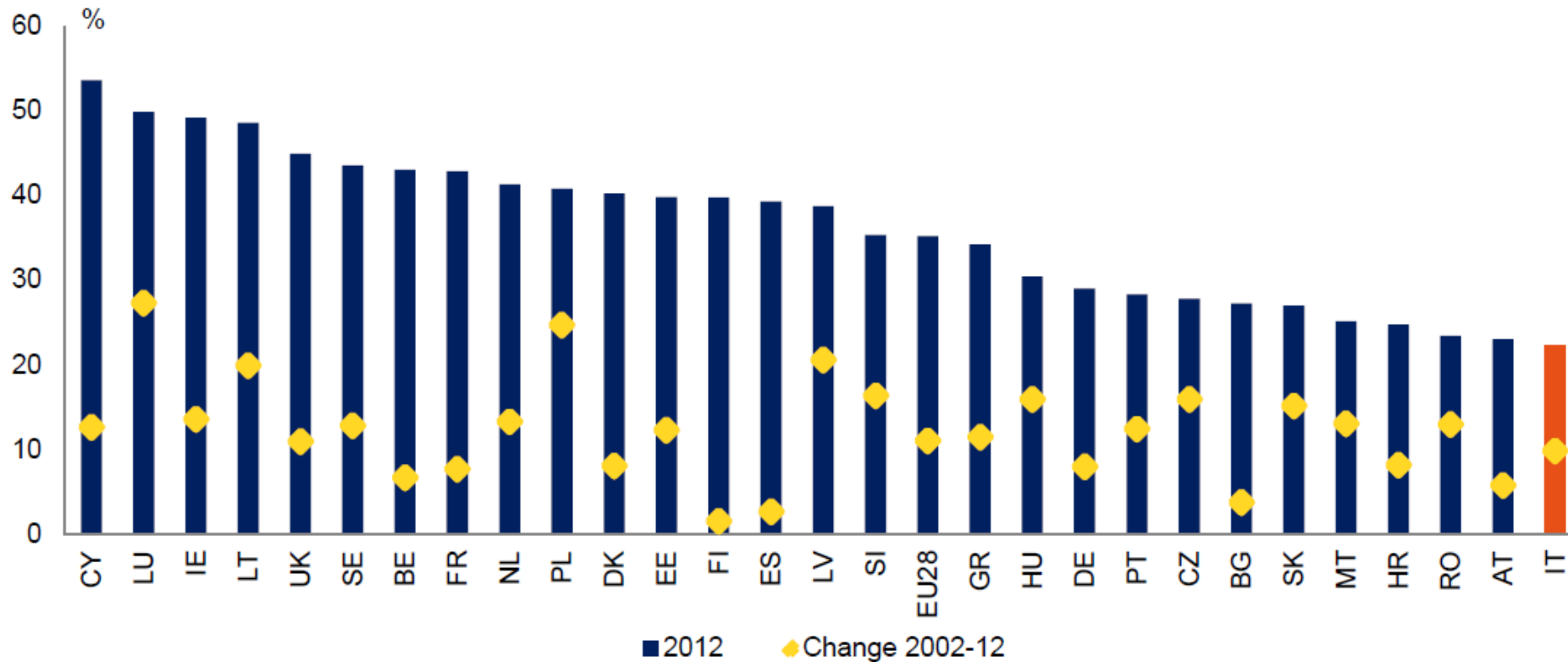
Context: key issues



- Total Factor Productivity (TFP) is a measure of economic efficiency in the use of labor and capital
- A decreasing TFP can be due to two major issues:
 1. Available human capital does not match production needs
 2. Low quality investments, not able to support economic growth



In Italy, highly qualified human capital is scarce



Source: Commission services

% of the population under 35 with tertiary education level



#ficompass



Difficulties in moving from tertiary education to work

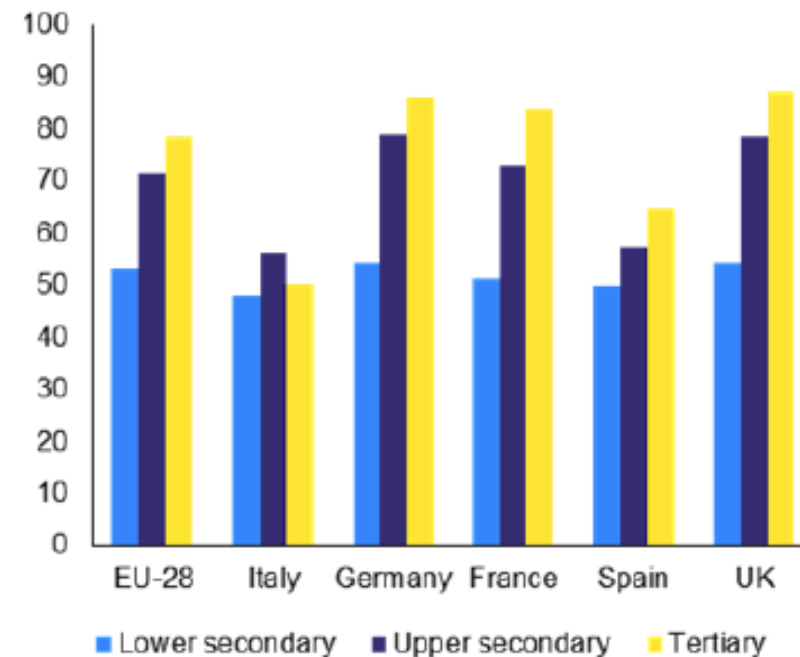
- Despite their relative “scarcity”, Italian graduates find it more difficult to enter the labour market than their fellows with a lower level of education (as opposite to other European countries)
- In 2013, around 20% of enterprises reported difficulties to fill their staffing needs with human resources having tertiary education
- Besides a shortage of candidates, enterprises reported a lack of adequate skills and experience of human resources with tertiary education



 #ficompass



Graph 2: Employment rate of people aged 25-29 by highest education attainment, 2013



Source: Eurostat



NOP R&I and improvement actions (1/2)



The NOP R&I aims to **support investments** in **highly qualified human capital** in the areas of National Smart Specialisation Strategy

Axis 1 (TO 9) allocated EUR 282.8 million to:

1. Support PhDs and research grants with an industrial focus;
2. Attract senior researchers towards research centres and universities located in Italian southern regions, to contribute to local development, encouraging the return of Italian researchers living abroad;
3. (New) Support residents in less developed and transition regions or non-residents (max 25%) undertaking tertiary education (e.g. bachelor, master, specialisation courses).



NOP R&I and improvement actions (2/2)



MIUR already developed some experience with financial instruments having implemented the MIUR-EIB Fund of Funds for R&I in the South of Italy:

- Financial instrument supporting **research and development** in eight regions of the South of Italy;
- **EUR 270 million** from the NOP R&I have been contributed;
- Investment strategy focuses on **research, technological development and innovation projects**, and on the promotion of the **Key Enabling Technologies**;
- Financial products: debt, equity and mezzanine financing;
- Final recipients: SMEs, large corporates, research centres, universities, etc.



