



# Seminar

## Financial Instruments for delivery of the ESF

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Warsaw

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# FEIs in Cohesion Policy

## Design & Implementation Challenges

- Delays in delivering funds to final recipients: FEIs represent a new approach to Cohesion Policy support, requiring new skills, partnerships and capacities
- Limited availability of reporting & monitoring data
- Over allocation of resources to financial instruments
- Shortcomings in the financial or market gap assessment: rationale for FEIs setting out?
- Potential for achieving better leverage effects
- Legal and administrative framework not detailed enough from the outset (COCOF Guidance, audit methodology)

# FIs (2014-2020): Introduction

## Background:

- Increased importance of FIs in implementing EU budget resources
- European Investment Plan

## Legislative framework 2014-2020

- Provide a clear set of rules, based on existing experience, guidance
- Facilitate wider and more flexible use (e.g. capture synergies with grants, wider thematic scope, more implementation options)
- Ensure better targeting, budgeting and monitoring of FIs
- Achieve compatibility with financial instruments at EU level

# FIs (2014-2020): Key Novelties I

## Wider scope

➤ CPR (Reg.1303/2013) covers **all five ESI Funds**: ESF, ERDF, Cohesion Fund, EAFRD and EMFF

➤ Expansion to **all thematic objectives & priorities** foreseen by ESI Funds OPs

## More implementation options for managing authorities

➤ Contribution to national, regional, *transnational or cross-border* FIs under shared management

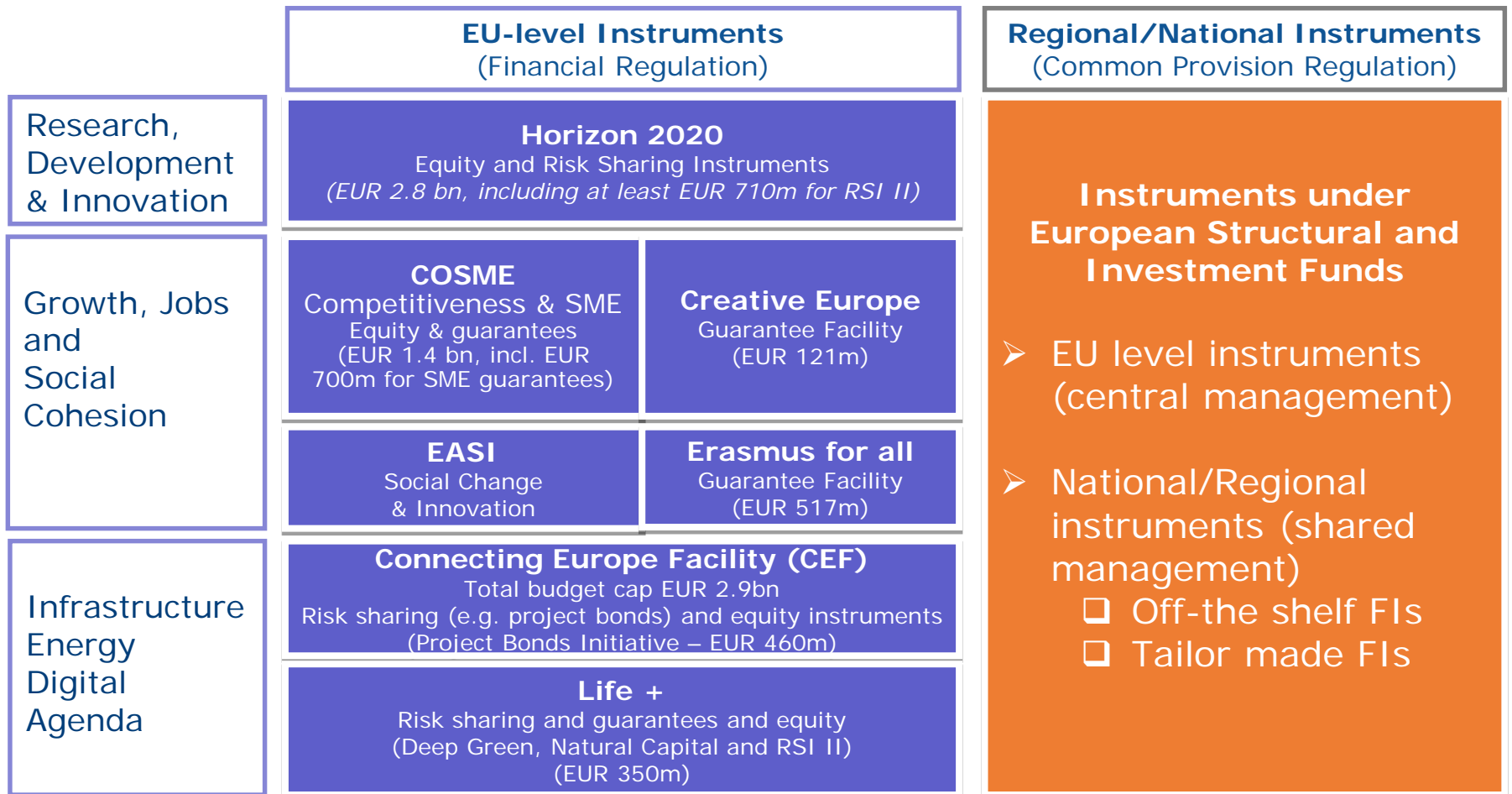
➤ Tailor-made instruments (already existing or newly created)

➤ Standardised "off-the-shelf" instruments for quick roll-out

➤ Contribution to EU level ring-fenced FIs under direct management



# FIs (2014-2020): MFF Overview





# FIs (2014-2020): Key Novelties II

- **Ex-ante assessment to be carried out** before launch of FIs operations under the ESI Funds
- **Better combination of FIs & other forms of support:**
  - In Financial Instruments: Grant component may cover financing (e.g. state aid compliant subsidy element) or technical assistance for the benefit of the final recipient
  - At the level of final recipients: Combination is now possible also with assistance from other programmes supported by the EU budget
- **MAs may undertake implementation tasks directly** for FIs consisting solely of loans and guarantees
- **Incentives regarding EU co-financing rates:**
  - *EU-level instruments:* Up to 100% of the paid support may come from ERDF, ESF and CF; separate priority axis to be foreseen
  - *Instruments implemented at national/regional level:* ERDF, ESF, CF co-financing rate to increase by 10% if an entire priority axis is implemented through financial instruments

# FIs (2014-2020): Key Novelties III

## ➤ **Phased contributions to FIs**

- MAs shall pay programme contributions in at least 4 tranches
- Subsequent payments from MAs to FIs to be made on the basis of FIs investment rate in relation to programme contributions received

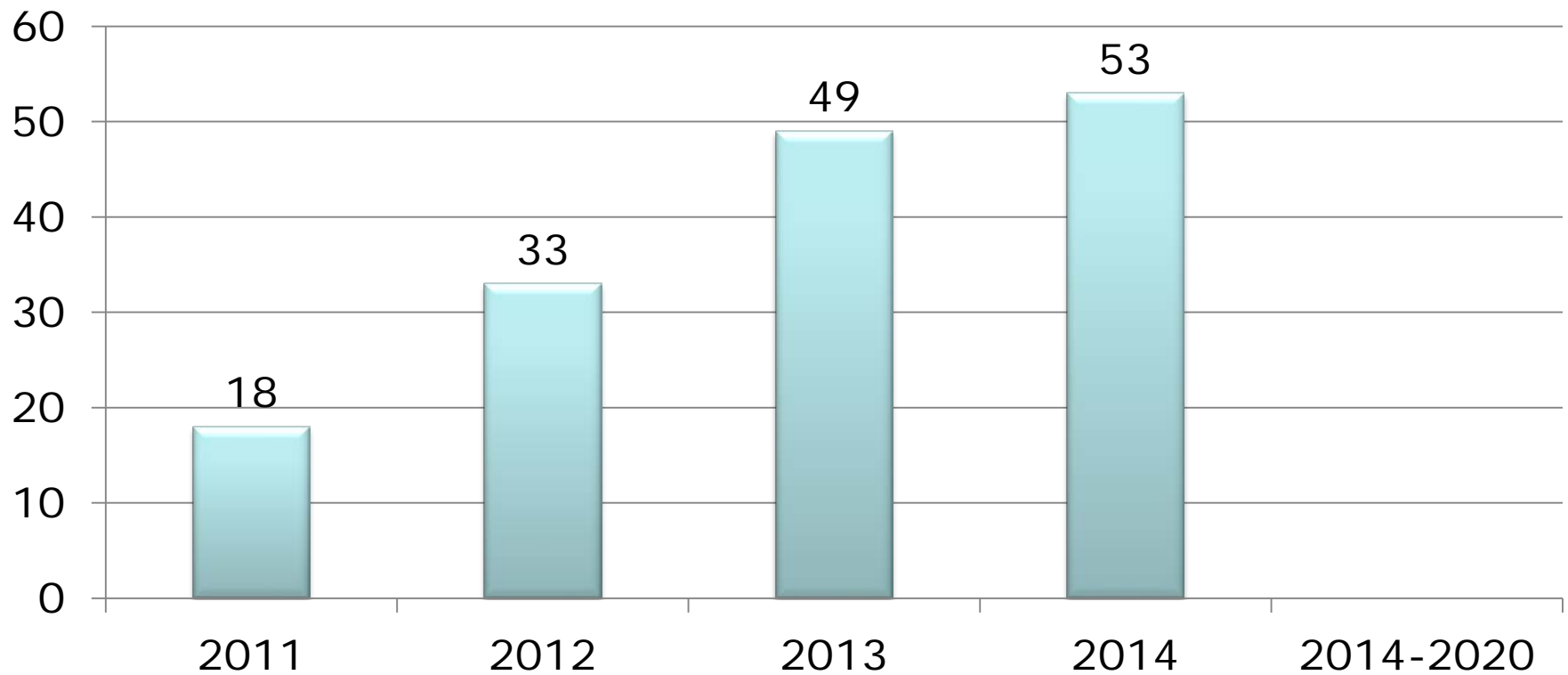
## ➤ **More detailed rules concerning**

- eligible expenditure at closure,
- the (re)use of interest/other gains and ESIF resources returned during the programming period,
- the use of interest/other gains and ESIF resources returned after closure (legacy)

## ➤ **Annual reporting by MAs**

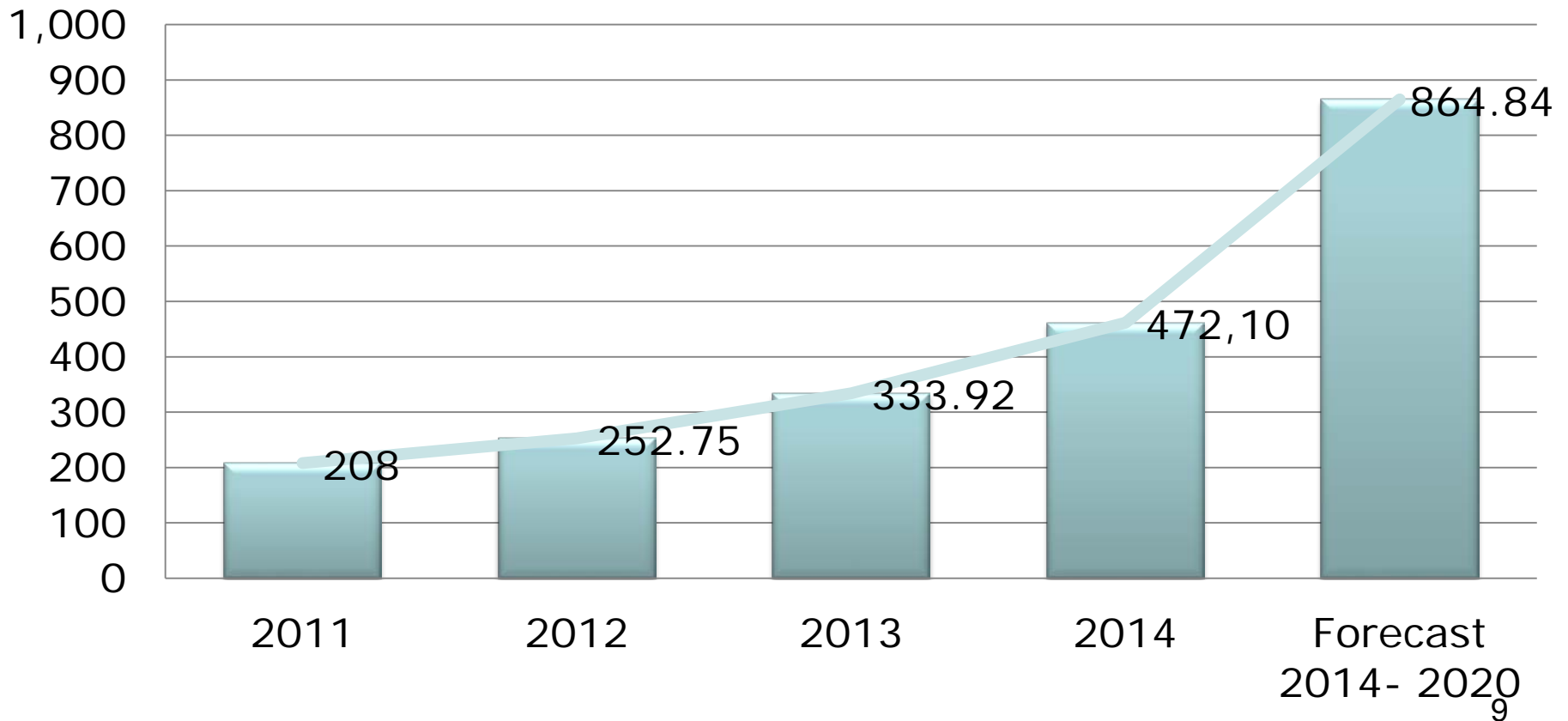
- MAs to report to COM on FIs operations annually (annex to the annual implementation report); reporting items should be aligned with requirements of the Financial Regulation
- COM to publish annual summary report on the basis of data received

## N° of ESF FEIs by 2014

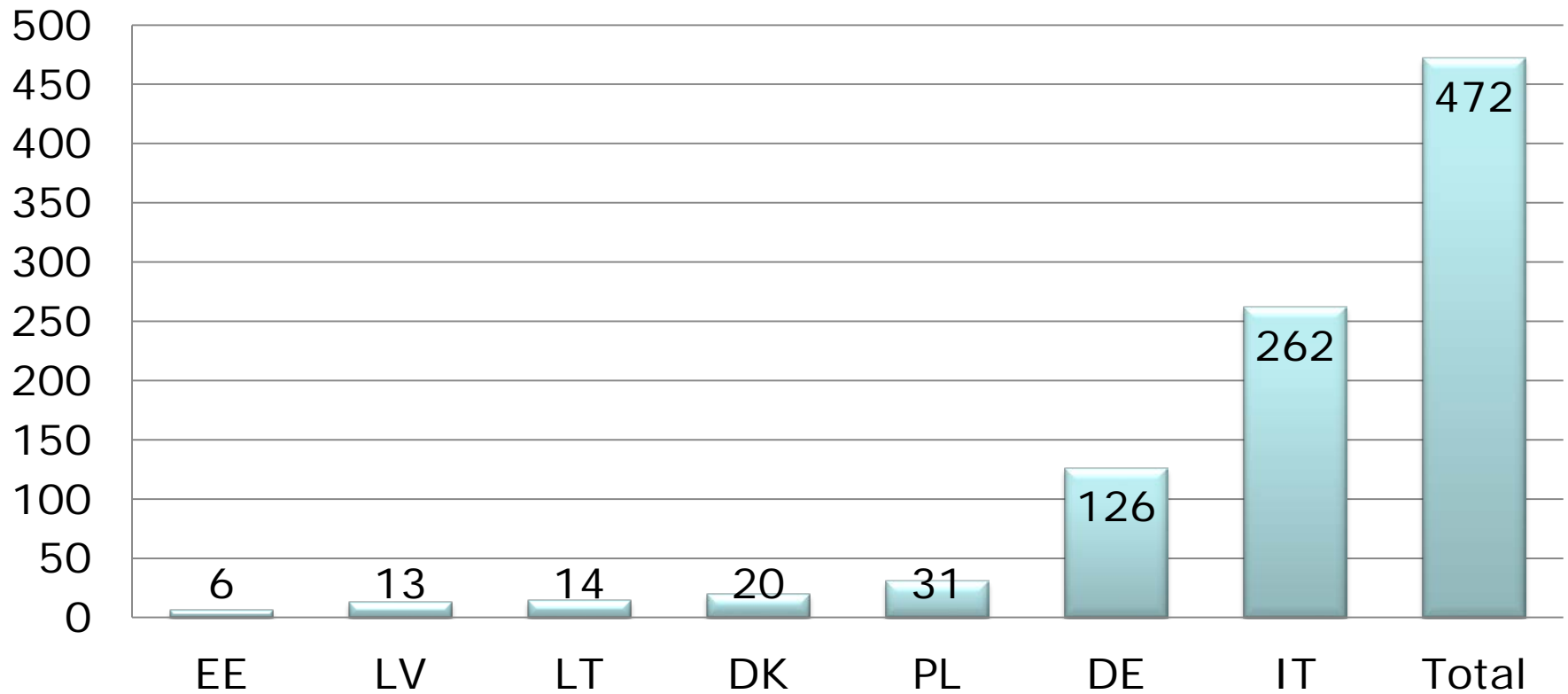




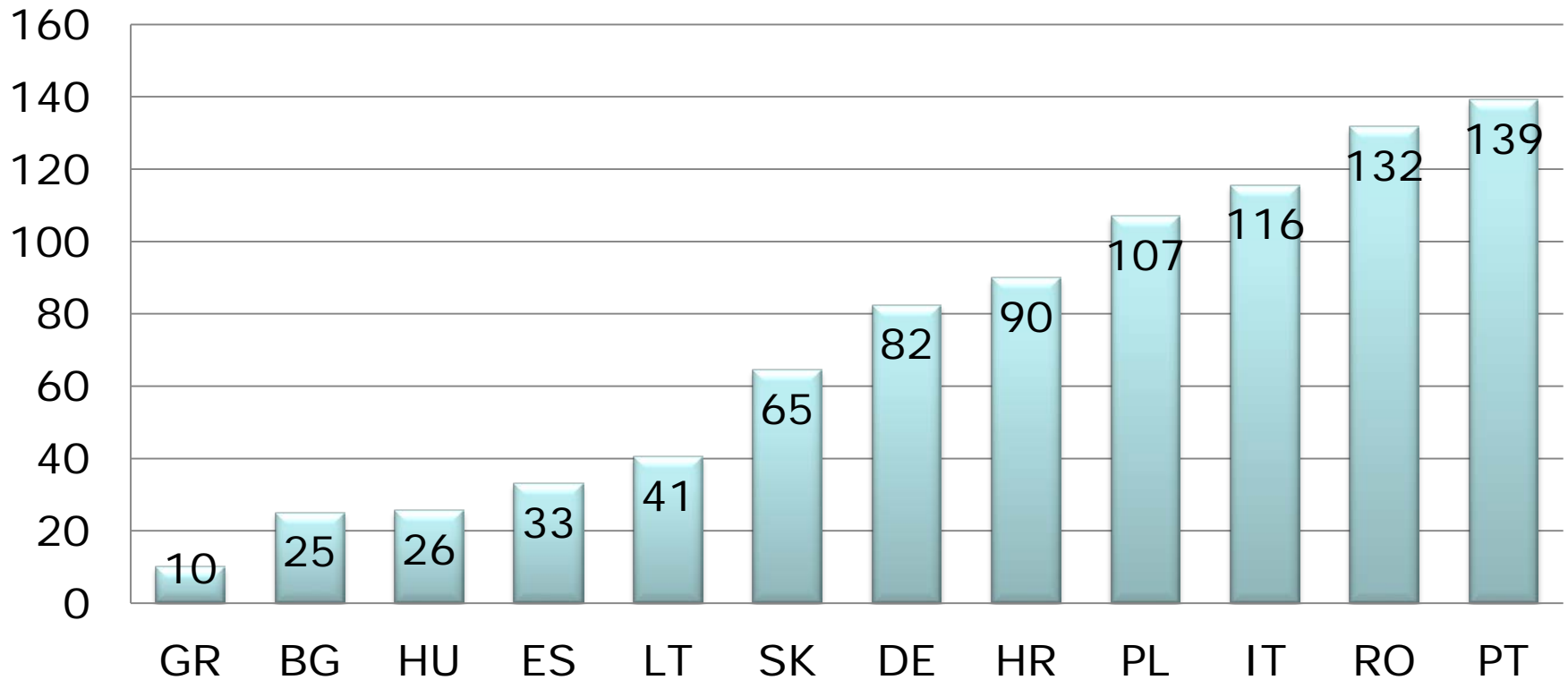
## Cumulative ESF OPs amounts paid to FEIs by 2014 (€ m)



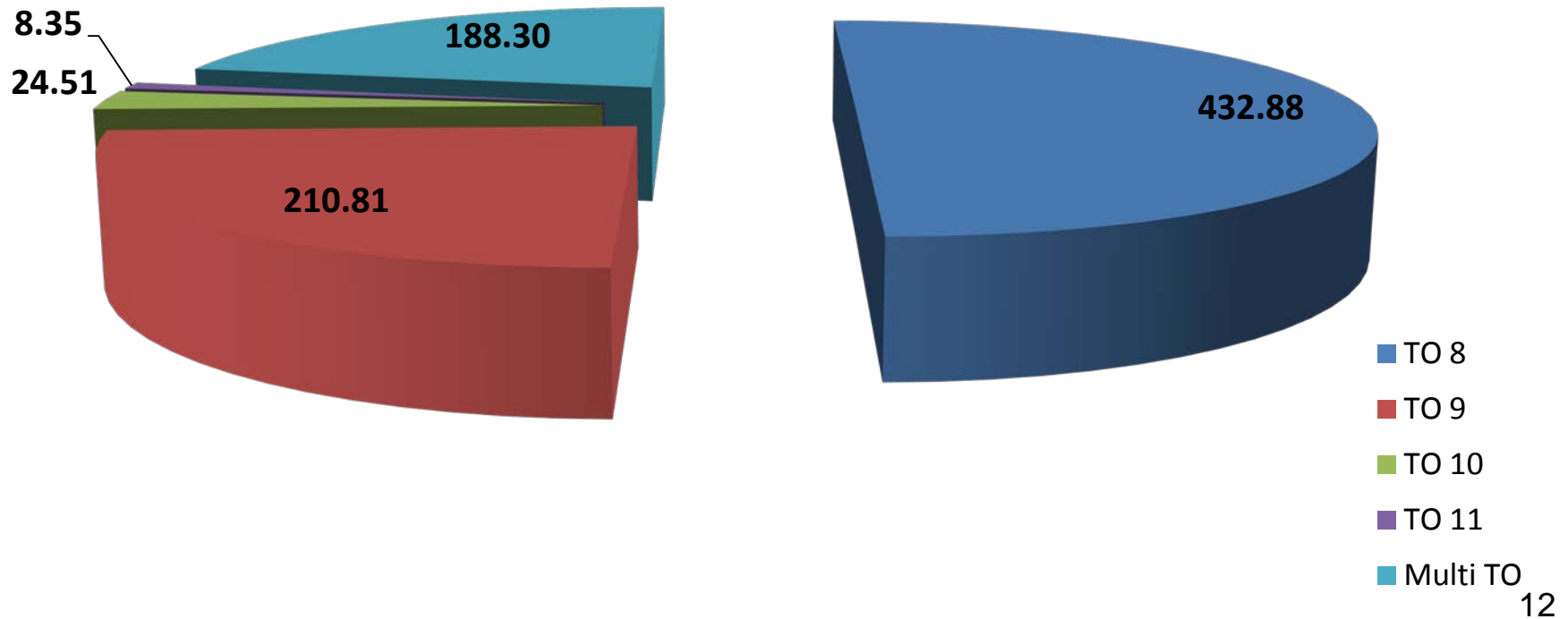
## ESF amounts paid to FEIs by country in 2014 (€ m)



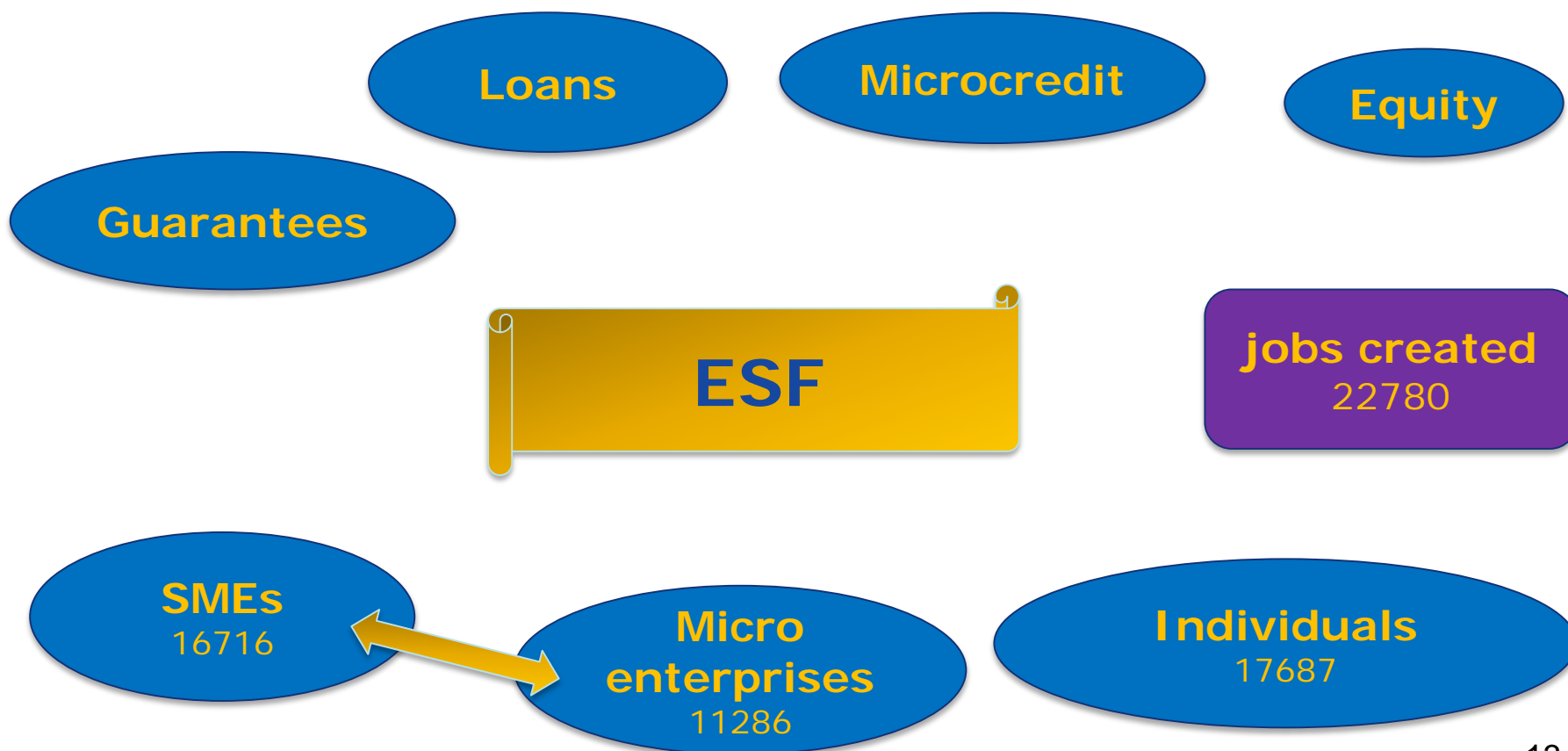
## 2014-20 Planned ESF OPs allocations to FIs by Member State (€ m)



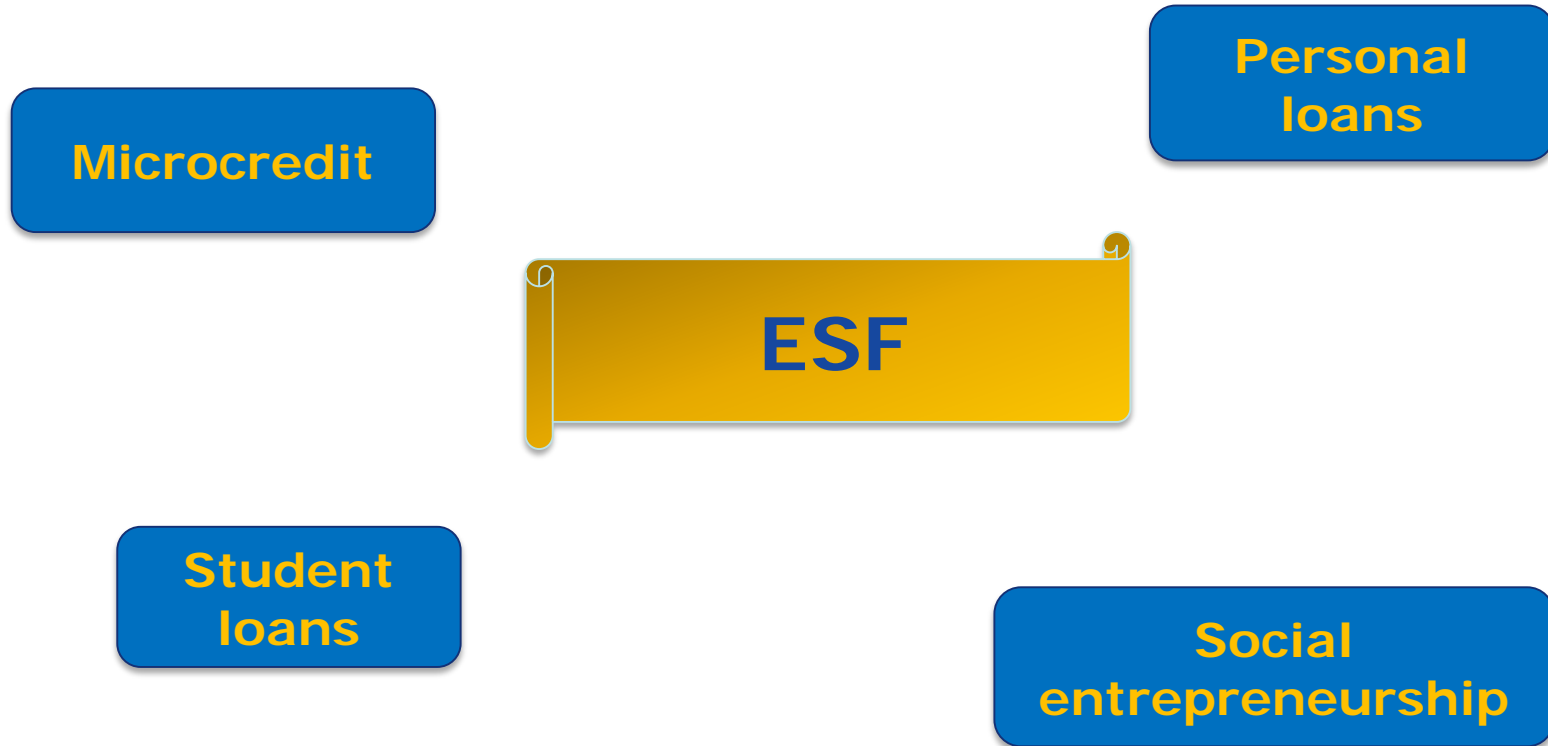
## 2014-2020 Breakdown of planned ESF Ops allocations to FIs by thematic objective



## Use ESF FEIs 2007-2013



# Potential use ESF FIs 2014-2020



# Questions & Answers

**Thank you for your attention!**