



General Framework

Workshop on Financial Instruments for the Low-carbon Economy

**Interreg Europe Policy Learning Platform
Brussels, 20 June 2019**

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Introduction

- Main forms of assistance: grants and financial instruments (loans, guarantees, equity)
- Financial instruments are a **delivery mode – not an objective**
- **Not all projects (investments) can be supported with FI.** The activity must be generating income/revenue/cost savings in order to ensure repayment of investment

Brief history of Financial Instruments in Cohesion Policy

- ERDF support through FIs exists since 1994 - the last three programming periods
- In 1994-1999 and 2000-2006, use of FIs was moderate (few Member States, limited resources)
- In 2007-2013 **major expansion** but limited scope: SME support, urban development, energy efficiency
- In 2014-2020, FIs can be used in any area, financial volume is expected to double

Key advantages of ESIF FIs

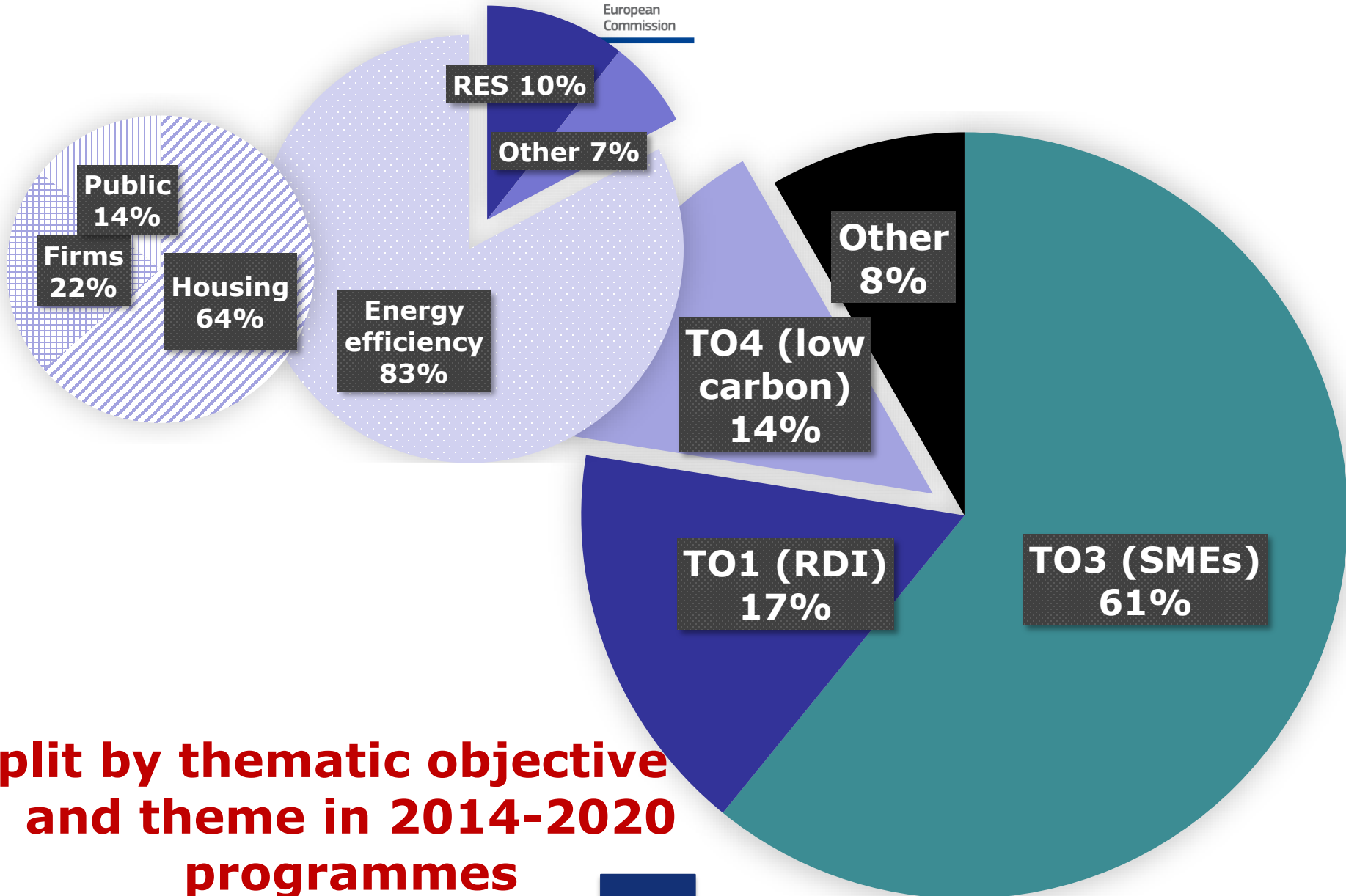
- FIs work as a **revolving** scheme - increased budgetary efficiency & financial sustainability
- FIs bring **leverage** (financial and expertise)
- Provides **advance financing** to set up instruments and to final recipients at beginning of project implementation
- Offer high degree of **flexibility** - tailor-made support & delivery structures

Period 2014-2020

- Total allocation to FIs: EUR 25 billion
 - EUR 18 billion without national co-financing
- 24 MSs (but none in Interreg so far)

- Slow take up (also for grants)

- Selection rate: 77%
- Amounts paid to FIs: 33%



**Split by thematic objective
and theme in 2014-2020
programmes**

Financial instruments after 2020

- Streamlined
 - Less prescriptive ex ante assessment
 - Strategic part integrated into programming
 - Can be started earlier (as in: now!)
- Facilitating combination of grants and loans
 - Also use for only partially self-financing investments, or
 - more ambitious projects, e.g. deep retrofitting for energy efficiency
- Simpler rules for payments and management costs and fees
- Option to use single rules under InvestEU



European
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Thank you!

Q&A