



EIB contribution to the reflection on cohesion policy post-2027

High-Level Group on the future of cohesion policy

14 December 2023

Framing issues and questions

- Cohesion Policy as **long-term policy** to achieve convergence, reduce disparities and enhance Europe's competitiveness → what works based on our EIBG experience and how to address continuing and emerging challenges
- **Shocks and crises** and their **asymmetric impact** can affect Cohesion Policy's goals → how to:
 - **respond rapidly** without compromising long-term goals
 - enhance **societal, economic, territorial resilience** and build back better
- **Limited local capacity** to prepare and implement investment and to select, access and utilise large **number of funds** with complex **procedures**
- How to facilitate **access to** and increase impact of **advisory support**
- How to **leverage and increase impact** of public funds

EIBG modalities to support Cohesion Policy in the EU



LENDING

Loans: EIB financing in cohesion regions, including co-financing of EU funded projects

Diverse offering also includes Guarantees, Equity participation



BLENDING

Combining EU grants with EIB loans and financial instruments

Amplifying impact of EU and MS budget resources



ADVISING

Advisory capacity building and project preparation, accelerates investment

Financial & technical support, strong focus on Cohesion regions

EIB Cohesion Orientation 2021-2027



European Investment Bank
Cohesion Orientation
2021-2027



20% of EU-27 lending for less developed regions, to increase to **23% by 2025**



40% of EU-27 lending for cohesion regions (transition & less developed), to reach **45% by 2025**



Cohesion KPI also in the EIF COP (2022 38%, 2023 40%)



Increase the share of **climate action and environmental lending** across cohesion regions



Finance directly the deployment of proven **technologies by mid-caps** in less developed regions



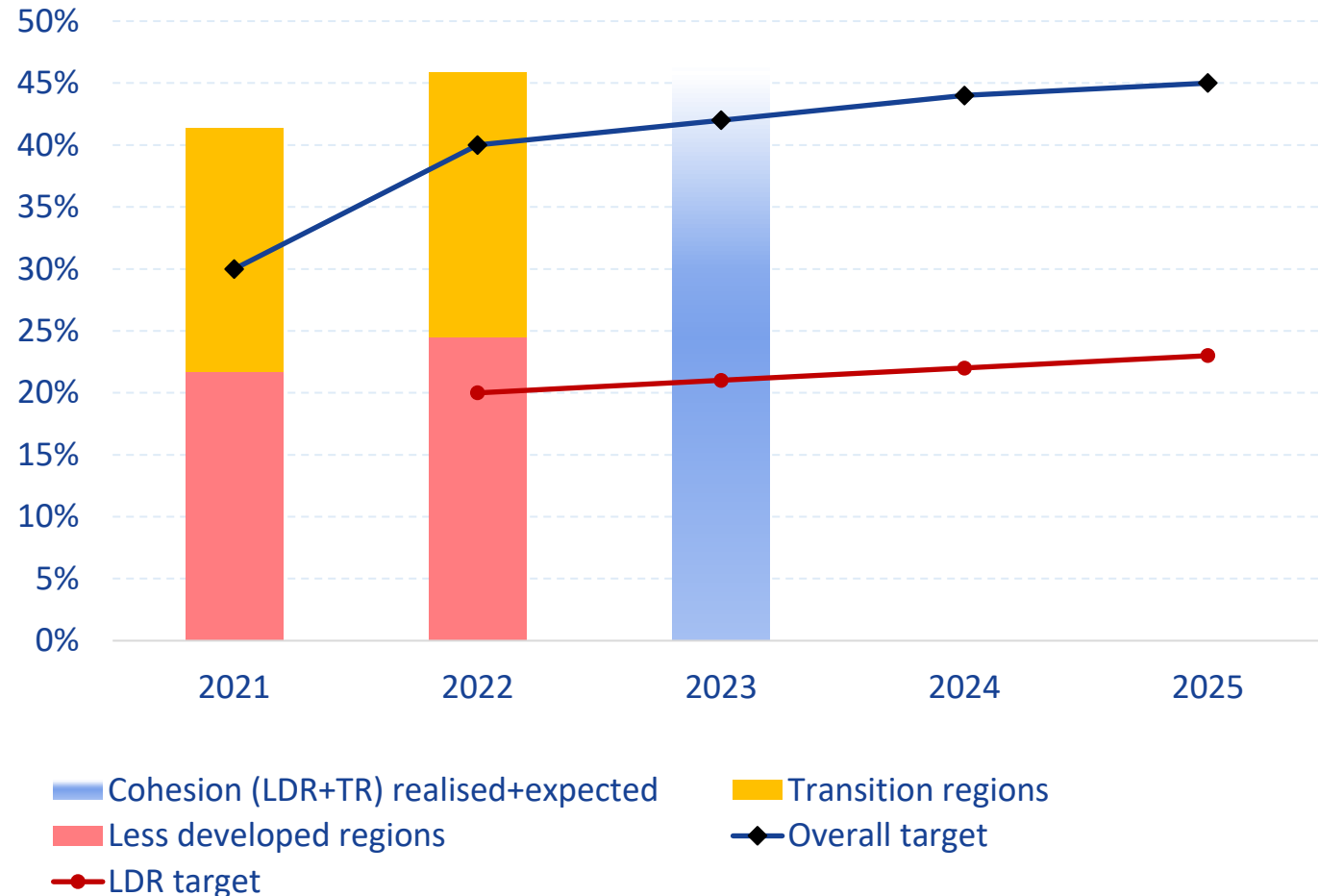
Facilitate access to finance through **direct lending to mid-caps** in cohesion regions



Targeted **advisory support** to cohesion regions

Trends in EIB Cohesion lending

EIB Cohesion lending in % of EU lending (vs. targets)



- Powerful instrument in support of Cohesion regions
 - **€124 bn financed in 2014-20**
 - **€44.7 bn lent in 2021-22**
- **Complements and reinforces EU Cohesion instruments**
- **Ensures a level playing field across Member States, regions and counterparts**

Financial instruments – a powerful tool to mobilise private sector investment in support of Cohesion objectives

- Financial instruments useful in **leveraging more public and private investment - particularly in support of climate, innovation and competitiveness objectives**
- They are **sustainable, promote longer term commitment, and proved flexible to respond to crisis**



30 september 2023



467

number of contracts

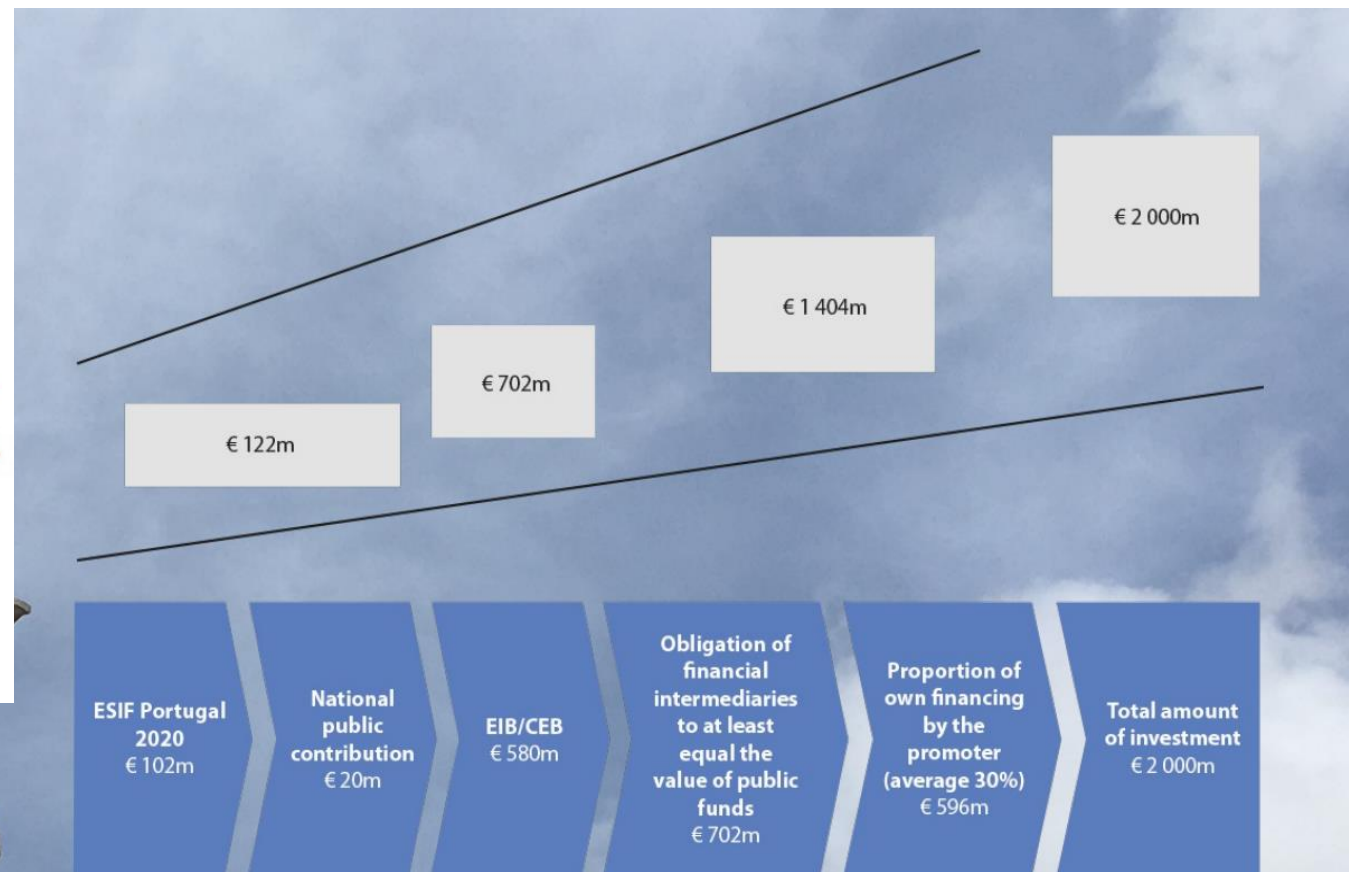
1.511 M€

contracted investment

BINDING OPINION OF THE MUNICIPALITY

Focal point confirms that the project fits into the strategy defined for the territory

Over 300 municipalities involved



Advisory support is key to achieve Cohesion Policy goals

- EIB provides a diverse offering of advisory services for **capacity building, project identification, preparation and implementation** in line with Cohesion policy priorities
- **Majority of advisory assignments** under various EU mandates are **in Cohesion regions**
- **Both EU level and Member State-specific support** provided, including for “new” instruments like the **Just Transition Mechanism and/or for enlargement** (e.g. [JASPERS tripled advisory to Western Balkans](#) and supporting Ukraine, Moldova)
- Promoting **more use of financial instruments**, incl. combinations with (EU) grants and developing model instruments



Recommendations for the future of cohesion policy (1)



In-built flexibility to support resilience and crisis response, e.g. flexibly reallocate up to % of Cohesion policy funds based on clear triggers



Support and incentivise strategic financial planning by Member States and regions to choose & use funding mechanisms



One co-financing rate not optimal for all needs → avoid over-granting for viable investment and leverage public funds



Allow for more flexible combinations with other EU funds to increase scale and alignment of focus

Recommendations for the future of cohesion policy (2)



Mobilise private finance to boost support for regional development

Increase **use of financial instruments** under cohesion policy →
need incentives and/or minimum % allocation

Fewer and larger financial instruments – for scale, efficiency
and leverage potential

Enhance integration of advisory and funding support

We are committed to working closely with
all stakeholders to strengthen cohesion!

THANK YOU!



European
Investment Bank