



EUROPEAN COMMISSION

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Summary of the Partnership Agreement for Italy, 2014-2020

Overall information

The PA covers four funds: the European Regional Development Fund (ERDF), the European Social Fund (ESF), the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF).

The PA focusses on the following priorities:

- Developing an innovation friendly business environment by increasing private investment in R&D and innovation, promoting the development of an e-economy, incentivising start-ups as well as growing and competitiveness of small businesses.
- Putting in place performant infrastructures for economic growth and employment and efficient management of natural resources.
- Increasing labour market participation, promoting social inclusion and improving the quality of human capital in particular by increasing access to employment of the most vulnerable groups in society (young, women, older workers, migrants and people at risk of social exclusion and poverty), improving the quality of education and training and modernising and strengthening labour market institutions.
- Supporting the quality, effectiveness and efficiency of the public administration by means of reducing administrative burdens for businesses, promoting e-government services, ensuring efficiency of the judicial system.
- Strengthening the capacity of bodies involved in the management of ESIF programmes, in particular in the less developed areas.

These priorities are the cornerstone of Italy's medium and long-term development strategy. The ESIF funds will mobilize additional public national and private funding for growth and job creation and will reduce regional disparities. Investments will focus on enhancing innovation activity and competitiveness of enterprises in order to increase their added value, stimulate growth, job creation and improve the performance of the research and innovation system, including the quality of higher education, cooperation with the business sector and increased private investment. Another key feature of Italy's development goals is its shift to a low carbon economy, which means improving energy efficiency in buildings and enterprises and an increasing share of renewable energy sources in the overall energy structure. Finally, a specific integrated development strategy has been foreseen for cities and inner areas.

Investing in human capital and helping people enter the labour market will be a top priority in Italy with a focus on issues highlighted in the country specific recommendations. A strong emphasis is placed on combating youth unemployment. The funds will finance initiatives to improve education and training systems and ensure young people get the right skills that make them more competitive. The funds will continue to finance projects that help disadvantaged groups to get more support and to

have the same opportunities as others to integrate into society, with a minimum allocation of 20% of ESF resources devoted to social inclusion. The ESF and ERDF will also support Italy's efforts to improve the quality of its public administration through structural reforms and building in the necessary institutional capacities.

Investments in these areas will be instrumental in helping Italy to respond to the Europe 2020 priorities and country specific recommendations for Italian policy reforms under the European Semester in education, employment, social inclusion and public administration.

A substantial share of ESIF in the less developed areas of Italy will be devoted to upgrading infrastructures. In the transport sector, the rail and maritime sectors must play a key role in ensuring a real shift to sustainable mobility. In the waste and water sectors, significant investments are still needed to make sure EU environmental requirements are fulfilled. An important effort will be made also for upgrading the Italian cultural heritage, in order to enhance its local endogenous development potential.

Particular attention is given to improving the administrative capacity of bodies involved in the management of ESIF funds. To this end the PA foresees that each such body, in parallel with the preparation of its programme, will prepare a plan for administrative reinforcement. Thereby conditions should be put in place to ensure that the ambitious targets of this PA will actually be delivered.

As regards Italy's rural areas, the EAFRD will contribute to increasing the competitiveness of the agricultural and agro-industry sector, the sustainable use of natural resources, biodiversity and climate action, , as well as to the balanced territorial development of rural communities and economies. To achieve these objectives, investments will be targeted to projects with the highest impact in terms of added value, cost reduction and innovation for agricultural and agro-industrial holdings. The cross-cutting priority for environment and climate change action will be translated in a focus on renewable energy production, water management and biodiversity conservation. With respect to support for the development of rural areas, particularly important will be investments in Next Generation Networks for a broad-band enabled economy.

For Italy the greatest challenge for the EMFF but also the most promising opportunity, is to boost the country's Blue Growth potential taking advantage of its long tradition and experience in the marine and maritime sectors. The Fund will focus in development measures to the achievement of objectives under TO 3, 4, 6 and 8 aiming at increasing the competitiveness of Italian fisheries and aquaculture sectors, preserving and protecting the marine environment and promoting the efficient use of its natural resources, promoting sustainable employment in fisheries /aquaculture dependent coastal areas and labour mobility, supporting the transition towards low carbon economy through investments increasing energy efficiency in the fisheries (fishing vessels), aquaculture and fisheries processing sectors accordingly.

Italy has chosen to finance investment under all 11 thematic objectives defined in the Regulations. Details on thematic objectives are presented in Table 1.

Chosen expected results

The Partnership Agreement, which is the strategic framework for ESI Funds, sets out clear political commitments to implement the goals of Europe 2020, the EU's growth strategy. The main expected results for ESI Funds interventions in Italy are therefore in line with the EU 2020 targets set for Italy:

- R&I expenditure in relation to GDP is to increase from 1.26% (2010) to 1.53% (2020) leveraging private R&I spending.

- Contribution to the attainment of the target of the Digital Agenda for Europe of 100% coverage of 30mbps internet and creation of conditions for achievement of the target (50% coverage) of use of 100mbps internet.
- In relation to energy objectives, ESI Funds will provide a significant contribution to reducing energy consumption in buildings and enterprises and facilitate achieving the target of 20% reduction in primary energy consumption by 2020.
- The Funds will contribute to an increased employment rate (at least 67-69 %), reduced poverty and exclusion (by 2.2 million inhabitants) and improved adaptation of education to the labour market needs by 2020.

The commitments made in the Italian National Reform Programme as well as the Council Recommendations for Italy (CSRs) were reflected in the PA. With this approach, interventions co-financed from European Structural and Investment Funds (ESIF) will reinforce the efforts of Italy aimed to carry out the necessary reforms and the fulfilment of the Recommendations.

Budget

In 2014-2020 Italy is allocated around €2.2 billion for Cohesion Policy (ERDF, ESF) including €567 million for the Youth Employment Initiative (coupled by an equivalent ESF co-financing) and €1.1 billion for territorial cooperation. Additional €10.4 billion will be devoted to development of the agricultural sector and rural areas from the European Agricultural Fund for Rural Development (EAFRD). The allocation for European Maritime and Fisheries Fund (EMFF) amounts to some €37.3 million. Details on the allocation are given in a table below.

Concentration of funds on limited number of priorities is one of the main principles of the reformed cohesion policy. For Italy, thematic concentration, meaning the level of ERDF expenditure aimed at research and innovation (TO1), ICT (TO2), competitiveness of enterprises (TO3) and low carbon economy (TO4) in relation to total allocation account for 57.7%. The level of ERDF expenditure aimed at low carbon economy (TO 4) in relation to total allocation account for 15.2%. Thematic concentration is kept above the minimum requirements for every category of regions.

The share of ESF in the allocation of the structural Funds (ESF and ERDF) amounts to 33.6% or €10.46 billion and is above the required minimum share of 26.5 %.

Significant attention is given to the territorial dimension in particular in the area of urban development and interventions in inner areas. At least 5% of the ERDF allocation will be invested in sustainable urban development actions implemented in Italy through dedicated priority axis or Integrated Territorial Investments. At least 5% of total EAFRD contribution to the rural development programme will be reserved for Leader / CLLD.

Programme architecture

Cohesion policy will be delivered by a combination of national and regional mono-fund and multi-fund operational programmes (OPs):

- 11 national programmes co-financed by ERDF and/or ESF: OP “Research and innovation”, OP “Active policies for employment”, OP “Inclusion”, OP “Education”, OP Businesses & Competitiveness, OP “Networks & mobility”, OP “YEI”, OP “Metropolitan cities”, OP “Culture”, OP “Legality” and OP “Governance”;

- regional programmes for the 21 regions and autonomous provinces, mostly separate for the two funds ERDF and ESF, with the exception of the regions Calabria, Molise and Puglia which will each have a multi-fund programme, giving a total of 39 regional programmes.

Moreover there will be 23 rural development programmes, co-financed by EAFRD, of which 21 at regional level and 2 at national level, and 1 Maritime and Fisheries programme co-financed by EMFF.

Table 1: Allocation: breakdown by thematic objective and fund (except territorial cooperation) – million euro.

Thematic objective	ERDF	ESF	EAFRD	EMFF	Total
1. Strengthening research, technological development and innovation	3,352.7	0	441.9		3,794.7
2. Enhancing access to, and use and quality of, ICT	1,845.5	0	257.9		2,103.4
3. Enhancing the competitiveness of SMEs, of the agricultural sector (for the EAFRD) and of the fishery and aquaculture sector (for the EMFF)	3,575.3	0	4,103.9	218.7	7,897.9
4. Supporting the shift towards a low-carbon economy in all sectors	3,138.6	0	797.7	12.7	3,948.9
5. Promoting climate change adaptation, risk prevention and management	811.9	0	1,546.7		2,358.6
6. Preserving and protecting the environment and promoting resource efficiency	2,341.6	0	1,894.6	215.5	4,451.7
7. Promoting sustainable transport and removing bottlenecks in key network infrastructures	2,473.5	0	0		2,473.5
8. Promoting sustainable and quality employment and supporting labour mobility	0	4,086.5	224.1	58.1	4,368.7
9. Promoting social inclusion, combating poverty and any discrimination	1,032.9	2,268.9	789.2		4,091.0
10. Investing in education, training and vocational training for skills and lifelong learning	959.6	3,156.4	79.4		4,195.3
11. Enhancing institutional capacity of public authorities and stakeholders and efficient public administration	410.2	593.8	0		1,004.0
Technical assistance	709.6	361.6	294.4	32.2	1,397.9
Total	20,651.5	10,467.2	10,429.7	537.3	42,085.7

The allocation to Youth Employment Initiative accounts for €567 million.