



## **WP1: Synthesis report**

*Ex post evaluation of Cohesion Policy programmes  
2007-2013, focusing on the European Regional  
Development Fund (ERDF) and the Cohesion Fund (CF)*

# **Task 3 Country Report Italy**

**September 2016**



*The information and views set out in this report are those of the author(s) and do not necessarily reflect the official opinion of the Commission. The Commission does not guarantee the accuracy of the data included in this study. Neither the Commission nor any person acting on the Commission's behalf may be held responsible for the use which may be made of the information contained therein.*

**EUROPEAN COMMISSION**

Directorate-General for Regional and Urban Policy  
Directorate B – Policy  
Unit B.2 Evaluation and European Semester

Contact: Violeta PICULESCU

E-mail: Violeta.PICULESCU@ec.europa.eu

European Commission  
B-1049 Brussels

**WP1: Synthesis report  
(contract number 2014CE16BAT016)**

*Ex post evaluation of Cohesion Policy programmes  
2007-2013, focusing on the European Regional  
Development Fund (ERDF) and the Cohesion Fund (CF)*

**Task 3 Country Report  
Italy**

September 2016

***Europe Direct is a service to help you find answers  
to your questions about the European Union.***

**Freephone number (\*):**

**00 800 6 7 8 9 10 11**

(\* ) The information given is free, as are most calls (though some operators, phone boxes or hotels may charge you).

#### **LEGAL NOTICE**

This document has been prepared for the European Commission however it reflects the views only of the authors, and the Commission cannot be held responsible for any use which may be made of the information contained therein.

More information on the European Union is available on the Internet (<http://www.europa.eu>).

Luxembourg: Publications Office of the European Union, 2016

ISBN [number]

doi:[number]

© European Union, 2016

Reproduction is authorised provided the source is acknowledged.



## CONTENTS

<b>LIST OF ABBREVIATIONS</b> .....	<b>5</b>
<b>LIST OF PROGRAMMES AND LINK TO BENEFICIARIES OF ERDF AND COHESION FUND SUPPORT</b> .....	<b>6</b>
<b>PRELIMINARY NOTE</b> .....	<b>9</b>
<b>EXECUTIVE SUMMARY</b> .....	<b>10</b>
<b>1. THE POLICY CONTEXT AND BACKGROUND</b> .....	<b>11</b>
<b>1.1. Macroeconomic situation</b> .....	<b>11</b>
<b>1.2. Regional Disparities</b> .....	<b>11</b>
<b>2. MAIN FEATURES OF COHESION POLICY IMPLEMENTATION</b> .....	<b>12</b>
<b>2.1. Nature and scale of Cohesion Policy in the country</b> .....	<b>12</b>
<b>2.2. Division of funding between policy areas and changes over the period</b> .....	<b>13</b>
<b>2.3. Policy implementation</b> .....	<b>14</b>
<b>2.4. Delivery system (WP12)</b> .....	<b>15</b>
<b>3. THE OUTCOME OF COHESION POLICY PROGRAMMES – MAIN FINDINGS FROM THE EX POST EVALUATION</b> .....	<b>16</b>
<b>3.1. Enterprise support and innovation (WP2, WP3 and WP4)</b> .....	<b>17</b>
<b>3.2. Transport (WP5)</b> .....	<b>19</b>
<b>3.3. Environmental infrastructure (WP6)</b> .....	<b>19</b>
<b>3.4. Energy efficiency in public and residential buildings (WP8)</b> .....	<b>20</b>
<b>3.5. Culture and Tourism (WP9)</b> .....	<b>21</b>
<b>3.6. Urban development and social infrastructures (WP10)</b> .....	<b>22</b>
<b>3.7. ETC (WP11)</b> .....	<b>22</b>
<b>3.8. Impact on GDP (WP14)</b> .....	<b>22</b>
<b>3.9. Overview of achievements</b> .....	<b>22</b>

## List of abbreviations

AIR	Annual Implementation Report
EEN	Expert Evaluation Network
ESF	European Social Fund
ETC	European Territorial Cooperation
ERDF	European Regional Development Fund
EU	European Union
GDP	Gross Domestic Product
GDFCF	Gross Domestic Fixed Capital Formation
GVA	Gross Value Added
MA	Managing Authority
NSRF	National Strategic Reference Framework
NUTS	Nomenclature of Territorial Units for Statistics
OP	Operational Programme
PAC	Cohesion Action Plan
R&D	Research and Development
RTD	Research and Technological Development
SME	Small and Medium Enterprise



## List of programmes and link to beneficiaries of ERDF and Cohesion Fund support

CCI	Name of OPs	Link beneficiaries	N° Projects
2007IT161PO001	OP Attrattori culturali, naturali e turismo	<a href="http://www.poinattrattori.it/">http://www.poinattrattori.it/</a>	1 262
2007IT161PO002	OP "Energie rinnovabili e risparmio energetico" 2007-2013	<a href="http://www.poienergia.gov.it/index.php/i-nostri-progetti/elenco-beneficiari">http://www.poienergia.gov.it/index.php/i-nostri-progetti/elenco-beneficiari</a>	565
2007IT161PO003	OP Governance e AT FESR	<a href="http://www.dps.tesoro.it/qsn/pon_governance/qsn_pongovernance_elencobeneficiari.asp">http://www.dps.tesoro.it/qsn/pon_governance/qsn_pongovernance_elencobeneficiari.asp</a>	74
2007IT161PO004	OP Istruzione FESR - Ambienti per l'apprendimento	<a href="http://hubmiur.pubblica.istruzione.it/web/istruzione/pon/programmazione_2007_2013/RAE">http://hubmiur.pubblica.istruzione.it/web/istruzione/pon/programmazione_2007_2013/RAE</a>	19 791
2007IT161PO005	OP Reti e mobilita'	<a href="http://www.mit.gov.it/mit/site.php?p=cm&amp;o=vd&amp;id=1014">http://www.mit.gov.it/mit/site.php?p=cm&amp;o=vd&amp;id=1014</a>	49
2007IT161PO006	OP Ricerca e competitivita' - Riprogrammazione - 03 giugno 2013	<a href="http://www.ponrec.it/open-data/beneficiari/">http://www.ponrec.it/open-data/beneficiari/</a>	3 596
2007IT161PO007	OP "Sicurezza per lo Sviluppo - Obiettivo Convergenza" 2007-2013	<a href="http://www.sicurezzasud.it/programma/ria_sunto">http://www.sicurezzasud.it/programma/ria_sunto</a>	628
2007IT161PO008	OP Calabria FESR 2007 - 2013	<a href="http://www.regione.calabria.it/calabriaeuropa/beneficiari/9-programmazione-2007-2013-principale/186-porcalabriefesr/195-elenco-beneficiari-por-calabria-fesr-2007-2013/1847-elenco-beneficiari-intro">http://www.regione.calabria.it/calabriaeuropa/beneficiari/9-programmazione-2007-2013-principale/186-porcalabriefesr/195-elenco-beneficiari-por-calabria-fesr-2007-2013/1847-elenco-beneficiari-intro</a>	7 569
2007IT161PO009	OP Campania FESR	<a href="http://porfesr.regione.campania.it/it/beneficiari/elenco-beneficiari">http://porfesr.regione.campania.it/it/beneficiari/elenco-beneficiari</a>	1 745
2007IT161PO010	OP Puglia 2007-2013	<a href="http://fesr.regione.puglia.it/portal/pls/port al/FESR.DYN_SOTTOSEZIONE.show?p_arg_names=id sottosezione&amp;p_arg_values=15">http://fesr.regione.puglia.it/portal/pls/port al/FESR.DYN_SOTTOSEZIONE.show?p_arg_names=id sottosezione&amp;p_arg_values=15</a>	10 515
2007IT161PO011	OP Sicilia FESR	<a href="http://www.euroinfosicilia.it/beneficiari/elenco-dei-beneficiari/">http://www.euroinfosicilia.it/beneficiari/elenco-dei-beneficiari/</a>	6 447
2007IT161PO012	OP Basilicata FESR	<a href="http://www.pofesr.basilicata.it/beneficiari-del-pofesr/elenco-dei-beneficiari">http://www.pofesr.basilicata.it/beneficiari-del-pofesr/elenco-dei-beneficiari</a>	1 807
2007IT162PO001	OP Abruzzo FESR	<a href="http://www.regione.abruzzo.it/xEuropa/index.asp?modello=beneficiariPor&amp;servizio=xlist&amp;stileDiv=monoLeft&amp;template=porFesrIn tIndex&amp;b=progfesr10">http://www.regione.abruzzo.it/xEuropa/index.asp?modello=beneficiariPor&amp;servizio=xlist&amp;stileDiv=monoLeft&amp;template=porFesrIn tIndex&amp;b=progfesr10</a>	735
2007IT162PO002	OP Emilia Romagna FESR	<a href="http://www.regione.emilia-romagna.it/fesr/porfesr/progetti/beneficiari">http://www.regione.emilia-romagna.it/fesr/porfesr/progetti/beneficiari</a>	3 216
2007IT162PO003	OP Friuli Venezia Giulia FESR	<a href="http://www.regione.fvg.it/rafv/cms/RAFG/fondi-europei-fvg-internazionale/por-fesr/FOGLIA41/">http://www.regione.fvg.it/rafv/cms/RAFG/fondi-europei-fvg-internazionale/por-fesr/FOGLIA41/</a>	1 346
2007IT162PO004	OP Lazio FESR 2007-2013	<a href="http://porfesr.lazio.it/PORFESR/galleria_all egati/elenco_beneficiari.pdf">http://porfesr.lazio.it/PORFESR/galleria_all egati/elenco_beneficiari.pdf</a>	7 413
2007IT162PO005	OP Liguria FESR	<a href="http://www.regione.liguria.it/argomenti/affari-e-fondi-europei/por-fesr-2007-2013/elenco-beneficiari.html">http://www.regione.liguria.it/argomenti/affari-e-fondi-europei/por-fesr-2007-2013/elenco-beneficiari.html</a>	2 116
2007IT162PO006	OP Lombardia	<a href="http://www.regione.lombardia.it/cs/Satellite?c=Redazionale_P&amp;childpagename=ProgrammazioneComunitaria%2FDetail&amp;cid=1213310586212&amp;packedargs=menu-to-render%3D1213305986641&amp;pagename=PR OCOMWrapper">http://www.regione.lombardia.it/cs/Satellite?c=Redazionale_P&amp;childpagename=ProgrammazioneComunitaria%2FDetail&amp;cid=1213310586212&amp;packedargs=menu-to-render%3D1213305986641&amp;pagename=PR OCOMWrapper</a>	1 558
2007IT162PO007	OP Marche FESR	<a href="http://www.europa.marche.it/Portals/0/Documenti/News/elenco_beneficiari_POR_FESR_MARCHE_agg_marzo_2014.pdf">http://www.europa.marche.it/Portals/0/Documenti/News/elenco_beneficiari_POR_FESR_MARCHE_agg_marzo_2014.pdf</a>	1 356
2007IT162PO008	OP Molise FESR	<a href="http://www.moliseineuropa.eu/?q=node/41">http://www.moliseineuropa.eu/?q=node/41</a>	518
2007IT162PO009	OP Provincia Autonoma di Bolzano - Alto Adige	<a href="http://www.provincia.bz.it/europa/it/finanziamenti-ue/informations--und-werbemassnahmen.asp">http://www.provincia.bz.it/europa/it/finanziamenti-ue/informations--und-werbemassnahmen.asp</a>	118
2007IT162PO010	OP P.A. Trento FESR	<a href="http://www.europa.provincia.tn.it/programmazione_2007_2013/FESR_Fondo_Europeo_Sviluppo_Regionale/programma_FESR_2007_2013/-BENEFICIARI_PO/">http://www.europa.provincia.tn.it/programmazione_2007_2013/FESR_Fondo_Europeo_Sviluppo_Regionale/programma_FESR_2007_2013/-BENEFICIARI_PO/</a>	962



2007IT162PO011	OP Regione Piemonte FESR	<a href="http://www.regione.piemonte.it/europa/beneficiari_fesr.htm">http://www.regione.piemonte.it/europa/beneficiari_fesr.htm</a>	5 301
2007IT162PO012	OP Toscana FESR	<a href="http://www.regione.toscana.it/por-creo/elenco-beneficiari">http://www.regione.toscana.it/por-creo/elenco-beneficiari</a>	7 156
2007IT162PO013	OP Umbria FESR	<a href="http://www.regione.umbria.it/programmazione-fesr/elenco-beneficiari1">http://www.regione.umbria.it/programmazione-fesr/elenco-beneficiari1</a>	3 777
2007IT162PO014	OP Valle d'Aosta FESR	<a href="http://www.regione.vda.it/europa/por_competitivita_regionale/programma/beneficiari_i.asp">http://www.regione.vda.it/europa/por_competitivita_regionale/programma/beneficiari_i.asp</a>	304
2007IT162PO015	OP Veneto FESR	<a href="http://www.regione.veneto.it/web/programmi-comunitari/informazione-e-pubblicita">http://www.regione.veneto.it/web/programmi-comunitari/informazione-e-pubblicita</a>	3 442
2007IT162PO016	OP Sardegna ST FESR	<a href="http://www.sardegnaprogrammazione.it/index.php?xsl=1227&amp;s=35&amp;v=9&amp;c=7501&amp;es=6603&amp;na=1&amp;n=100">http://www.sardegnaprogrammazione.it/index.php?xsl=1227&amp;s=35&amp;v=9&amp;c=7501&amp;es=6603&amp;na=1&amp;n=100</a>	1 711

Note: The web links above are to websites of the respective Managing Authorities who, under the rules governing the 2007-2013 programmes were required to publish the names of the beneficiaries of the funding allocated. The number of projects supported has been estimated on the basis of the information published on the website at the time when the data were downloaded. In the meantime the data concerned may have been updated. It may also be that the data have been moved to another part of the website, in which case the link may not work. If this is the case, those who wish to locate the data concerned will need to go to main OP website, as indicated by the beginning part of the link and search from there.



Map 1 Italy and NUTS 2 regions, GDP/head (PPS), 2014



Italy: GDP/head (PPS) by NUTS-2 region, 2014

- Index, EU-27 = 100
- < 50
  - 50 - 75
  - 75 - 90
  - 90 - 100
  - 100 - 125
  - >= 125
- ∕ NUTS2 boundaries

Sources: Eurostat, DG REGIO





## **Preliminary note**

*The purpose of the country reports is to provide for each Member State a short guide to the findings of the ex post evaluation of Cohesion policy programmes 2007-2013 undertaken by DG Regional and Urban Policy and an overview of the context in which the programmes were carried out. It is based on information produced by Task 1 and Task 2 of WP1 and on the country specific findings from the various WPs that form the ex post evaluation. These are listed below with an indication in brackets of the case studies carried out in the Member State concerned.*

*WP0 – Data*

*WP1 – Synthesis*

*WP2 – SMEs, innovation and ICT (case study OP Puglia)*

*WP3 – Venture capital, loan funds*

*WP4 – Large enterprises (case study OP Research and Competitiveness)*

*WP5 – Transport (country case study Italy)*

*WP6 – Environment*

*WP8 – Energy efficiency (country Report Italy)*

*WP9 - Culture and tourism (case study OP Puglia and two mini-case studies on Buy Puglia and Puglia Sound and case study Interreg Italy-Austria and two mini-case studies on the Transmuseum and the Ciclovía Alpe Adria Radwek)*

*WP10 – Urban development and social infrastructure*

*WP11<sup>1</sup>– European Territorial Cooperation*

*WP12 – Delivery system (case studies ERDFOP Marche and ETC South-East Europe – ESF OP Calabria and OP Education; Assessment of capacity building financed by technical assistance – the case of Italy)*

*WP13 – Geography of expenditure*

*WP14 – Impact modelling*

---

<sup>1</sup> The findings from WP11 – European Territorial Cooperation are summarised in a separate report as part of Task 3 of WP1.



## Executive summary

Low growth and decline in competitiveness had characterised the Italian economy even before the onset of the international crisis. With the outbreak of the crisis, the Italian weaknesses (structural imbalances in particular) emerged more prominently and the economy was more severely affected than in other EU countries. In 2014, GDP was 9% lower than at the beginning of the programming period and the unemployment rate was 6% higher. In addition, high public debt prevented an expansionary budgetary policy from being adopted. Reductions in both public and private investment have delayed recovery and made it more difficult to achieve and have aggravated social problems.

Convergence regions suffered in particular during the crisis because they could not rely on either export growth or, as in previous economic downturns, on an increase in transfer from central Government, which on the contrary, were reduced.

The ERDF for the 2007-2013 period amounted to EUR 21 billion, the equivalent of around 0.2% of GDP and 4.4% of Government capital expenditure. Funding went predominantly to Convergence regions in the South where funding per head was nearly 14 times larger on average than in Competitiveness regions in the North. A relatively large increase in the EU co-financing rate, introduced in response to public finance difficulties, led to national co-financing being reduced by over 50% and total funding for programmes by over a quarter.

Much of the funding (37% of the total ERDF available) went to Enterprise support, RTD and innovation, particularly in Competitiveness regions. Significant investment was also made in transport infrastructure (20%), particularly in railways, mainly in Convergence regions, as well as in culture (11%) and the environment (10%). However, serious delays in spending the funding limited achievements in most policy areas. In addition, large amounts of funding were shifted between policy areas.

Overall, the measures co-financed over the period led directly to the creation of over 60 000 jobs: almost 14 000 in SMEs in full-time equivalent terms and around 3 600 each, in research and tourism. This was achieved, in part, through the support given to 6 030 RTD projects, 4 472 business start-ups, 51 729 projects to help firms finance investment and another 2 502 projects to assist cooperation between SMEs and research centres.

Support for investment in transport, concentrated in the south of the country, led to the improvement of 1 035 km of railway lines, around 730 km of them on the EU trans-European Transport network (TEN-T). Investment in environmental infrastructure resulted in an additional 825 000 people being connected to new or upgraded wastewater treatment facilities, while support for investment in ICT led to around 2.3 million additional people having access to broadband.

Overall, the additional investment supported is estimated to have increased GDP in Italy in 2015 by 0.3% over what it would be in the absence of the policy. GDP in 2023 will be an estimated 0.5% higher as a result, even allowing for the contribution made by Italy to the financing of the policy.



## 1. The policy context and background

### 1.1. Macroeconomic situation

When the global recession struck in 2008, the Italian economy had already been suffering from low competitiveness and high public debt for some time. This exacerbated the impact of the crisis.

Recovery from the recession was slow. Indeed, after growth of only 1% a year in the two years 2009-2011, GDP declined significantly over the next three years and increased only a little in 2015 when it was 8% lower than in 2007 before the global recession hit (Table 1). As a consequence, employment declined and the employment rate in 2015 was 2 percentage points below the level 8 years earlier. Reflecting this, the unemployment rate doubled between 2007 and 2013 and in 2015 it was still at the historically high level of around 12%.

**Table 1 GDP growth, employment and unemployment, Italy and the EU, 2000-2015**

	2000-07	2007-09	2009-11	2011-13	2013-2014	2014-15
<b>GDP growth</b>	<i>(Annual average % pa)</i>					
Italy	1.2	-3.3	1.1	-2.3	-0.4	0.8
EU average	2.3	-2.0	1.9	-0.1	1.4	1.9
	2000	2007	2009	2011	2013	2015
<b>Employment rate (% 20-64)</b>						
Italy	57.1	62.7	61.6	61.0	59.7	60.5
EU average	66.5	69.8	68.9	68.6	68.4	70.1
<b>Unemployment rate (% lab force)</b>						
Italy	10.8	6.1	7.7	8.4	12.1	11.9
EU average	9.2	7.1	8.9	9.6	10.8	9.3

Source: Eurostat, National accounts and Labour Force Survey

The high level of public debt, which was already around 100% of GDP before the onset of the crisis, constrained the adoption of expansionary measures to stimulate recovery (Table 2). Fiscal consolidation measures to reduce the budget deficit and to limit the rise in public debt were disproportionately concentrated on Government investment, which declined from 3.4% of GDP in 2009 to only 2.3% in 2015. The ERDF increased in importance as a result, especially in the Convergence regions in the south which experienced major reductions in transfers from Central Government as part of the consolidation measures.

**Table 2 Government budget balance, accumulated debt and investment, Italy and the EU, 2000-2015**

	2000	2007	2009	2011	2013	2015
<b>Public sector balance</b>	<i>(% GDP)</i>					
Italy	-1.3	-1.5	-5.3	-3.5	-2.9	-2.6
EU average	0.0	-0.9	-6.7	-4.5	-3.3	-2.4
<b>Public sector debt</b>						
Italy	105.1	99.8	112.5	116.5	129.0	132.7
EU average	60.6	57.9	73.1	81.1	85.5	85.2
<b>General Govt investment</b>						
Italy	2.8	2.9	3.4	2.8	2.4	2.3
EU average	2.9	3.2	3.7	3.3	3.0	2.9

Source: Eurostat Government financial accounts

### 1.2. Regional Disparities

Regional disparities in Italy are characterised by the historical gap between the more developed and populous northern regions and the lagging regions in the south, which have traditionally received both national and EU development support. Over the 10 years or so before the onset of the crisis, however, growth in a few southern regions was higher than average and they moved from being supported under the Convergence Objective (or Objective 1 as it was before 2007) to receiving a lower



level of support as Phasing out (Basilicata), Phasing in (Sardegna) or Competitiveness and Employment regions (Molise and Abruzzo). In the 2007-13 period, four regions were supported under the Convergence Objective, Campania, Puglia, Calabria and Sicilia, with a total population of 16.8 million.

In the 2000-2006 period, GDP per head in PPS in the Competitiveness regions, taken together, declined by 11% relative to the EU average as against a decline of 9% in the Convergence regions and one of slightly less in the Phasing-in and Phasing-out regions (see Country folder for Italy).

After the crisis struck, however, GDP per head declined by more in the Convergence regions than in the Competitiveness ones – by over 10% relative to the EU average between 2007 and 2014 as opposed to just under 9% in the Competitiveness regions and 7% in the Phasing-in and Phasing-out ones. Equally, unemployment increased by 9 percentage points in the Convergence regions between 2007 and 2015, to over 20% of the work force, as opposed to 5 percentage points in the Competitiveness ones where it remained below 10%. The worse performance of the Convergence regions in the south relative to the Competitiveness ones in the north was partly a consequence of a substantial reduction in public expenditure which is a more important determinant of economic activity in the former than the latter.

## **2. Main features of Cohesion Policy implementation**

### **2.1. Nature and scale of Cohesion Policy in the country**

The priorities of the Italian National Strategic Reference Framework (NSRF) for the 2007-13 were, to increase productivity, competitiveness and innovation, as well as to strengthen skills in the work force and to provide better public services. These objectives were to be achieved through: (1) developing knowledge circuits (human resources; research and innovation); (2) improving living standards, security and social inclusion (sustainable use of environmental resources, social inclusion and services for a high quality of life); (3) fostering clusters, services and competition (improving natural and cultural resources; transport networks, business competitiveness and the attractiveness of urban areas); (4) internationalising and modernising the economy (expanding exports, attracting inward investment, strengthening institutional capacity and making market forces more effective).

In the 2007-2013 period, Italy received EUR 21 billion from the ERDF, corresponding to about 0.2% of GDP over the period and to just over 4% of Government capital expenditure (Table 3). The funding going to Convergence regions in the South was much larger than that going to the Competitiveness regions, averaging EUR 147 per head a year over the period, nearly 14 times greater than that going to Competitiveness regions.

The ERDF funded 28 Operation Programmes: 21 Regional OPs and 7 national OPs. Over 80% of funding went to OPs under the Convergence Objective (including the Phasing-out region of Basilicata), while the remainder went to the OPs under the Competitiveness Objective (including the Phasing-in region of Sardegna).



**Table 3 ERDF and national co-financing for the 2007-2013 period in Italy, initial (2007) and last (April 2016)**

	2007				2016			
	EU funding	National public funding	National private funding	Total	EU funding	National public funding	National private funding	Total
EUR million								
Convergence	17 882.9	18 033.3	-	35 916.2	17 844.5	6 835.6	-	24 680.1
Competitiveness	3 144.4	5 032.1	-	8 176.5	3 144.4	4 359.1	-	7 503.6
Total	21 027.3	23 065.4	-	44 092.7	20 988.9	11 194.8	-	32 183.7
<i>Change, 2007-2014</i>								
Convergence					-38.4	-11 197.7	-	-11 236.1
Competitiveness					-	-672.9	-	-672.9
Total					-38.4	-11 870.6	-	-11 909.0
% GDP	0.19	0.20	-	0.39	0.19	0.10	-	0.29
% Govt. capital expend	4.4	4.8	-	9.2	4.4	2.3	-	6.7
Per head (EUR) pa of which:	50.8	55.7	-	106.4	50.7	27.0	-	77.7
Convergence	147.2	148.5	-	295.7	146.9	56.3	-	203.2
Competitiveness	10.7	17.2	-	27.9	10.7	14.9	-	25.6
<b>EU15</b>								
% GDP	0.13	0.09	0.01	0.24	0.13	0.06	0.01	0.21
% Govt. capital expend	3.1	2.0	0.3	5.5	3.1	1.4	0.3	4.8
Per head (EUR) pa of which:	40.7	26.4	4.3	71.4	40.5	18.2	4.3	63.0
Convergence	145.3	74.8	9.6	229.7	145.3	41.6	8.7	195.6
Competitiveness	16.1	15.0	3.1	34.1	15.9	12.6	3.2	31.8

Note: EU funding relates to decided amounts as agreed in 2007 and as at 14 April 2016. The figures for % GDP and % Govt. capital expenditure relate to funding for the period as % of GDP and Govt. capital expenditure aggregated over the years 2007-2013. Govt. capital expend is the sum of General Government gross fixed capital formation and capital transfers. The EU15 figures are the total for the EU15 countries for comparison. Convergence and Competitiveness categories for EU15 include the Phasing-out and Phasing-in regions, respectively. For Italy, the Phasing-out region of Basilicata is included in Convergence category, while the Phasing-in region of Sardegna is included in Competitiveness category.

Source: DG Regional and Urban Policy, Inforegio database and Eurostat, national accounts and Government statistics

## 2.2. Division of funding between policy areas and changes over the period

The division of ERDF financing between broad policy areas differed in the Convergence regions from that in the Competitiveness regions). In particular, in Convergence regions a larger share of funding went to Transport, though funding to enterprise support and innovation was also significant (Table 4). Conversely, a larger share of funding in the Competitiveness regions went to enterprise support and, more especially, to RTD and innovation. Overall, in both categories of region only a minor share went to areas aimed largely at social and sustainability objectives (items 3 and 4 in Table 4).

**Table 4 Division of ERDF financing for the 2007-2013 period in Italy by broad category**

	Convergence		Competitiveness	
	EUR mn	% total	EUR mn	% total
1. Enterprise support, innovation	5 138.5	28.8	1 391.5	44.3
2. Transport, energy, ICT (incl broadband)	6 607.2	37.0	946.5	30.1
3. Environmental	1 890.3	10.6	312.5	9.9
4. Social, culture+territorial dimension	3 569.4	20.0	375.2	11.9
5. Human capital - Labour market	3.8	0.0	14.1	0.4
6. Technical assistance, capacity building	635.4	3.6	104.6	3.3
Total	17 844.5	100.0	3 144.4	100.0

Note: Division of decided amounts off funding as at 14 April 2016. Territorial dimension' includes support for urban and rural regeneration and tourist services and measures to compensate for climate conditions.

Source: DG Regional and Urban Policy, Inforegio database.



Over the programming period, there were relatively large shifts between OPs within policy areas (e.g. over EUR 1 billion within RTD, over EUR 800 million within other transport and over EUR 700 million each within the environment and energy) (Table 5)<sup>2</sup>.

Net shifts between policy areas across the country as a whole were smaller, but still significant. In particular, there was an increase of almost EUR 470 million to culture and social infrastructure and EUR 300 million to rail, while funding going to transport other than road and rail and the territorial dimension (urban development and tourism) was reduced by EUR 320-330 million in each case. There were, however, limited shifts in funding to offset the short-term effects of the crisis.

**Table 5 Division of financial resources in Italy for 2007-2013 period by category, initial (2007) and last (April 2016) and shift between categories**

Category	EUR million					% Total	
	2007	2016	Added	Deducted	Net shift	2007	2016
1.Innovation & RTD	5 546.2	5 388.3	1 001.8	-1 159.8	-157.9	26.4	25.7
2.Entrepreneurship	639.7	735.7	216.5	-120.6	96.0	3.0	3.5
3.Other investment in enterprise	212.8	375.4	178.8	-16.3	162.6	1.0	1.8
4.ICT for citizens & business	1 457.0	1 200.2	196.8	-453.6	-256.8	6.9	5.7
5.Environment	2 381.4	2 271.0	655.2	-765.7	-110.5	11.3	10.8
6.Energy	1 875.0	1 712.2	548.1	-710.8	-162.8	8.9	8.2
7.Broadband	164.0	311.3	204.4	-57.2	147.2	0.8	1.5
8.Road	670.0	835.4	410.5	-245.1	165.4	3.2	4.0
9.Rail	1 884.8	2 185.2	519.2	-218.8	300.4	9.0	10.4
10.Other transport	1 552.6	1 233.6	518.0	-836.9	-319.0	7.4	5.9
11.Human capital	0.9	8.4	7.6	-	7.6	0.0	0.0
12.Labour market	5.5	9.9	5.0	-0.7	4.3	0.0	0.0
13.Culture & social infrastructure	1 872.8	2 341.4	847.1	-378.4	468.7	8.9	11.2
14.Social Inclusion	49.4	52.2	9.9	-7.2	2.7	0.2	0.2
15.Territorial Dimension	1 952.3	1 624.4	184.0	-511.9	-327.9	9.3	7.7
16.Capacity Building	166.9	59.2	16.2	-123.9	-107.7	0.8	0.3
17.Technical Assistance	595.9	645.2	122.4	-73.1	49.3	2.8	3.1
<b>Total</b>	<b>21 027.3</b>	<b>20 988.9</b>	<b>5 641.4</b>	<b>-5 679.8</b>	<b>-38.4</b>	<b>100.0</b>	<b>100.0</b>

Note: 'Added' is the sum of additions made to resources in OPs where there was a net increase in the funding going to the category. 'Deducted' is the sum of deductions made to resources in OPs where there was a net reduction in funding. 'Social inclusion' includes measures to assist disadvantaged groups and migrants. 'Territorial dimension' includes support for urban and rural regeneration and tourist services and measures to compensate for climate conditions.

Source: DG Regional and Urban Policy, Inforegio database, April 2016

### 2.3. Policy implementation

Over the period, the European Commission increased the EU co-financing rate from 48% to 65%, although the EU contribution in absolute terms was reduced marginally because of de-commitments. The increase in the EU co-financing rate was a response to the public finance difficulties in Italy and the problems faced by the national and regional authorities of finding the requisite co-funding to enable programmes to be carried out. Accordingly, the increase in the EU rate meant that the national co-financing rate was reduced and with it the amount of co-funding that needed to be found. In the event, national co-funding was reduced by over 50%, specifically, by EUR 11.8 billion and the overall funding for investment by EUR 11.9 billion (Figure 1).

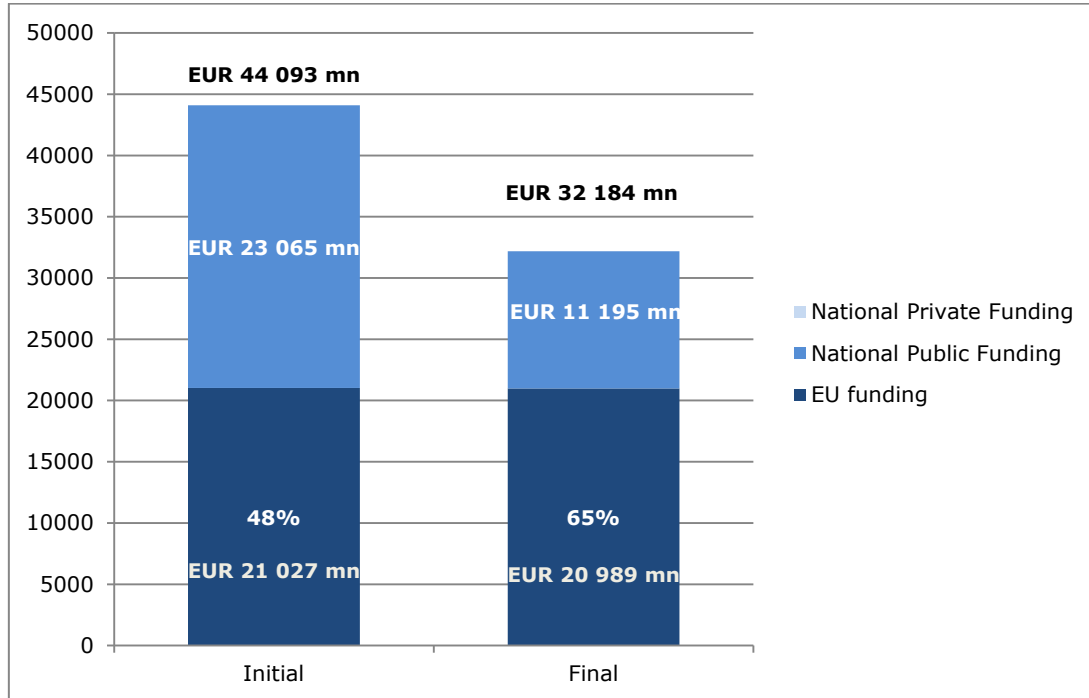
The rate of programme implementation, as reflected in payments from the Commission for expenditure incurred in carrying out projects, was very slow up to the end of 2012. It then speeded up but by the end of March 2016, payments from the ERDF to cover expenditure amounted to only 78% of the funding available (Figure 2). This was well below the figure of 95% which would signify that all the funding

<sup>2</sup> The 17 categories shown in the table are aggregations of the more detailed 87 categories into which expenditure was divided in the period for reporting purposes.



available had been spent by the end of 2015 as is required by the regulations (5% of funding is held back until all expenditure has been checked to ensure compliance with the regulations).

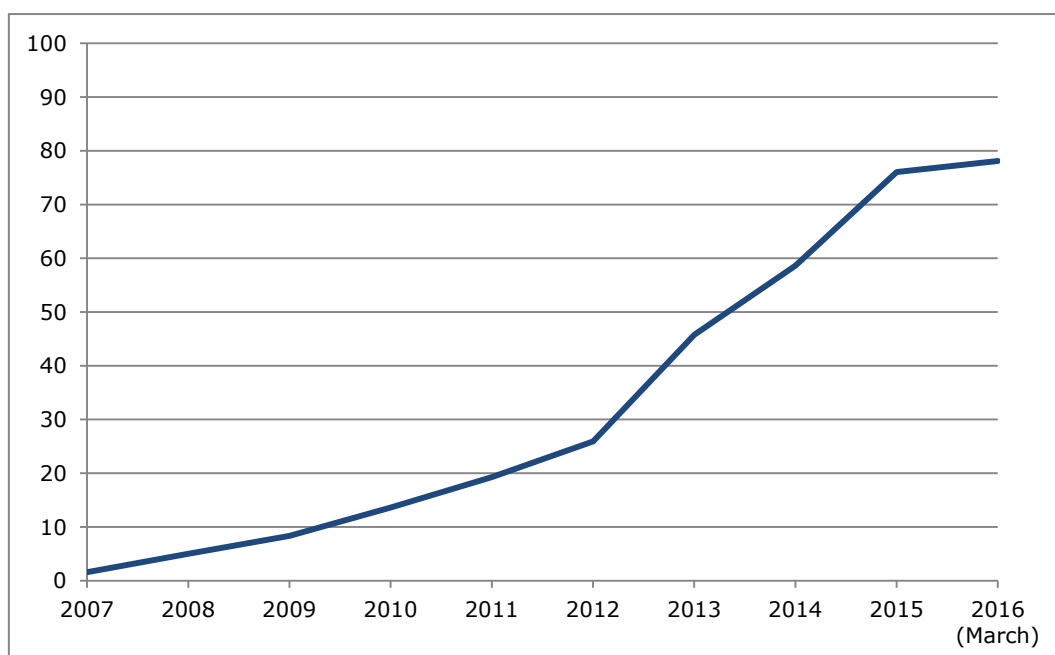
**Figure 1 Total funding going to expenditure on Cohesion policy programmes for the 2007-2013 period, initial planned amount and final amount (EUR mn)**



Source: DG Regional Policy financial data, 14 April 2016

Although there could be delays in making claims for payment, the implication is that all of the funding may not have been spent by the end of 2015, which would further imply de-commitments (i.e. a loss of funding).

**Figure 2 Time profile of payments from the ERDF to Italy for the 2007-2013 period (% of total funding available)**



Source: DG Regional and Urban Policy, Inforegio database, end-March 2016





Delays in expenditure were a result of various factors: the late start of OPs because of a concentration of effort on completing expenditure for the previous programming period, the negative effects of the crisis on the ability of both public authorities and private enterprises to find co-financing, political discontinuity in national and regional governments and extreme fragmentation of programmes. However, inadequate administrative capacity combined with the excessive complexity of procedures was a major factor.

From 2010 on, a number of measures were taken to accelerate expenditure, in addition to the reduction in national co-financing rates, including the establishment of task forces to support MAs and shifts of funding to projects that could be carried out quickly. In 2011, an action plan to increase the rate of programme implementation was launched in agreement with the Commission, which involved some reprogramming of funding. In 2015, a recovery plan to avoid de-commitments in four large OPs (Campania, Calabria, Sicilia and Transport) was agreed by the national authorities and the Commission.

## **2.4. Delivery system (WP12)**

An evaluation of the management and implementation of Cohesion policy over the 2007-2013 period was carried out by WP12<sup>3</sup>. It highlighted the insufficient administrative capacity, in particular, in three Convergence regions (Sicilia, Campania, Calabria) and in the OPs for Transport, Energy and Culture. This stems from the overly complex nature of the regional structure of the system resulting in poor coordination between national and regional authorities and a lack of skills and expertise among personnel to assess the needs of potential funding recipients and to manage procurement, monitoring and finances. High personnel turnover at managerial level resulted in a loss of institutional knowledge and experience. In addition, because of complicated procedures and public procurement regulations, potential and actual funding recipients had difficulty in complying with the regulations.

The Governance and Technical Assistance (GAT) OP, aimed at Convergence regions, addressed these problems by focussing on capacity building activities as regards systems and tools for management. The National Agency for Cohesion Policy also developed an innovative 'Open Cohesion' website, which has been identified as a good example of transparency in the spending of the Structural Funds as it enables public authorities, funding recipients and third parties to access project data in a user-friendly fashion.

Overall, the evaluation carried out under WP12 found that GAT OP activities improved coordination between public authorities<sup>4</sup>. Nevertheless, the overall performance of the EU funds remained weak, interventions were fragmented and not clearly result-oriented and the indicators were poorly defined. Accordingly, the results of the measures carried out under the OP, in terms of increasing administrative capacity are unclear.

## **3. The outcome of Cohesion Policy programmes – main findings from the ex post evaluation**

The main findings summarised here come from the evaluations carried out under the Work Packages (WPs) of the ex-post Evaluation which covered in detail the following policy areas:

---

<sup>3</sup> The WP12 report is published at [http://ec.europa.eu/regional\\_policy/en/policy/evaluations/ec/2007-2013/#1?](http://ec.europa.eu/regional_policy/en/policy/evaluations/ec/2007-2013/#1?)

<sup>4</sup> Two case studies were carried out as part of: Assessment of capacity building financed by technical assistance (Task 5) and Case study reports (Task 3), Delivery System, WP12, see [http://ec.europa.eu/regional\\_policy/en/policy/evaluations/ec/2007-2013/%231?#1](http://ec.europa.eu/regional_policy/en/policy/evaluations/ec/2007-2013/%231?#1).





- Support to SMEs – increasing research and innovation in SMEs and SME development (WP2);
- Financial instruments for enterprises (WP3);
- Support to large enterprises (WP4);
- Transport (WP5);
- Environment (WP6);
- Energy efficiency in public and residential buildings (WP8);
- Culture and tourism (WP9);
- Urban development and social infrastructure (WP10);
- European Territorial Cooperation (WP11);
- Delivery system (WP12);
- Geography of expenditure (WP13);
- The impact of cohesion policy 2007-2013: model simulations with Quest III and Rhomolo (WP14).

All of these WPs are relevant for Italy. The evaluation of ETC (WP11), it should be noted, is the subject of a separate report. The findings of WP12 were outlined above, while the estimates produced by WP13 on the allocation of funding and of expenditure between regions are not considered here<sup>5</sup>.

### **3.1. Enterprise support and innovation (WP2, WP3 and WP4)**

The funding going to this broad policy area amounted to EUR 6.5 billion, or around 31% of the ERDF allocation for Italy. Of this, around 80% were invested in Convergence regions in the South. The larger part of the funding (83 %) went to RTD and innovation projects.

Overall, up to the end of 2014, Cohesion policy supported 6 030 RTD projects, along with 2 502 cooperation projects between enterprises and research centres. The support provided helped to start up 4 472 new businesses and co-finance 51 729 investment projects in SMEs. Over the country as whole, an estimated 13 987 full-time equivalent jobs in SMEs, in gross terms, were created as a direct result of the funding, together with 3 625 research jobs (see Table 6 at the end of this section).

#### **SME support, R&D and innovation (WP2)**

The European Innovation Scoreboard, which ranks EU regions in terms of their performance against a set of indicators of innovation, indicates Italy among the moderately innovative EU countries, well behind regions in Central and Northern Europe<sup>6</sup>. In 2013, total expenditure on R&D in Italy was 1.3% of GDP as against an average of 2.1% in the EU15.

ERDF support was aimed mainly at containing the crisis and at enabling SMEs to preserve pre-crisis levels of investment and employment. The funding provided offset to some extent the reduction in national government support for enterprises and helped SMEs to cope with the credit crunch as well as to carry out investment and innovation activities during the crisis.

Nevertheless, there was some shift of funding from RTD to support of investment more generally, including for working capital, through loan and guarantees, in

---

<sup>5</sup> They are available at: [http://ec.europa.eu/regional\\_policy/en/policy/evaluations/ec/2007-2013/#1](http://ec.europa.eu/regional_policy/en/policy/evaluations/ec/2007-2013/#1).

<sup>6</sup> European Commission, Regional Innovation Scoreboard 2016, [http://ec.europa.eu/growth/industry/innovation/facts-figures/scoreboards\\_it](http://ec.europa.eu/growth/industry/innovation/facts-figures/scoreboards_it).



particular. This shift was most marked in Convergence regions, as the case study on Puglia illustrates (see Box).

#### **OP Puglia case study<sup>7</sup>**

A large share of the EUR 4.5 billion provided by the ERDF to the Puglia OP went to support SMEs. While the initial aim was to support structural change in the region, the crisis increased their need for access to credit. Two different approaches were adopted, one to support innovation and scientific excellence in the more dynamic firms, the other to increase the competitiveness and growth potential of SMEs, especially micro-enterprises and small firms. Over half of the funds went to the latter in the form of direct grants to firms.

As a consequence of the crisis, the scope of the programme and the selection criteria used were broadened to include more sectors and types of enterprise and to help firms remain in business, so diluting the aim of long-term structural change.

Evidence from the case study shows that the OP financed operations amounted to EUR 662.5 million and provided support to some 9 000 SMEs in the region, or 3.5% of the total. The major share of SMEs supported were micro enterprises in low and medium-low tech sectors. Only 12.5% of funding recipients carried out substantial investment in support of process and technological development. These were mainly in high or medium-high tech sectors. In most cases, such investment led to an increase in employment. However, evidence of the effect of the support provided to most SMEs is less conclusive.

#### **Financial Instruments for enterprises (WP3)**

Italy has a long tradition of using FIs for enterprise support. In the 2007-2013 period, it allocated the largest amount to FIs in the EU, EUR 2.6 billion, or about 40% of the overall ERDF support to enterprises. This was partly attributable to the attempt to avoid de-commitments, but the use of FIs is also perceived as effective in supporting enterprises experiencing difficulties in accessing credit. By the end of 2014, virtually all of the funding allocated (98%) had been paid into Holding Funds or Specific ones, although only a minor part of this (22%) had reached final recipients.

Overall, 19 OPs out of 28 made use of FIs during the 2007-13 period. In total, 114 funds were set up, with 14 Holding Funds, which included 16 specific funds, and 84 individual funds. The latter were managed by both public bodies and cooperative consortia working on a quasi-commercial basis (Cofidi) in most cases. Holding funds, on the other hand, were managed by regional in-house companies or private sector fund managers. Most of FIs took the form of loans and guarantees, through a number of equity schemes were set up with the aim of compensating for a lack of capital for business start-ups or of supporting investment considered too risky for private funds.

#### **Large enterprises (WP4)**

Although SMEs were the main target group for enterprises support schemes, part of funding was directed to large enterprises as well. A total of EUR 243 million, around 3% of the ERDF funding going to enterprises support went to large enterprises. In total, the funding co-financed 416 projects in 270 large enterprises, on average, each enterprise receiving EUR 0.9 million. Some 70% of the large firms supported were engaged in manufacturing, half of them in medium-high to high tech industries and 24% in advanced services. 73% of the firms supported were Italian companies and while 27% foreign multinationals.

According to the MAs surveyed as part of the evaluation carried out under WP4, support to large enterprises was considered important in mitigating the impact of the crisis, in particular by encouraging them to maintain employment. Evidence from the case study undertaken suggested that the funding provided was not the main cause of

<sup>7</sup> The full case study report can be consulted here:

[http://ec.europa.eu/regional\\_policy/sources/docgener/evaluation/pdf/expost2013/wp2\\_case\\_study\\_it.pdf](http://ec.europa.eu/regional_policy/sources/docgener/evaluation/pdf/expost2013/wp2_case_study_it.pdf).



the decision to invest, but it had the effect of speeding up investment projects already planned (see Box on the Research and Competitiveness OP).

#### **OP for Research and Competitiveness<sup>8</sup>**

The national OP for Research and Competitiveness (EUR 3.1 billion) accounted for 87% of total Italian support for large enterprises. The OP was aimed at developing the RTD and innovation potential of Convergence regions in order to create a basis for long-lasting and sustainable economic development.

EUR 157 million of the ERDF was provided for 150 projects in 82 large enterprises (i.e. an average of EUR 1.9 million per large enterprise). Just under 21% of the enterprises concerned employed over 1 000 people.

The case study found that most projects would have gone ahead without ERDF support. However, in the case of innovation support, the availability of EU funds was found to be a precondition for carrying out the project. The general assessment was that the investment concerned resulted in increased production and had beneficial effects on local suppliers.

### **3.2. Transport (WP5)**

A total of EUR 67.6 billion was invested in transport in Italy over the 2007-2013 period. The ERDF going to transport amounted to around 7% of this (EUR 4.5 billion). At the end of 2014, only around half of this had been spent. Over 90% of the funding went to Convergence regions and, unlike in most Member States, mainly to railways (50% of the total) rather than roads (18%).

Up to the end of 2014, the ERDF had co-financed the construction of 94 km of new roads and the upgrading of 188 km of existing roads, while it had supported the construction of 29 km of new railway lines and the improvement of 1 035 km of existing lines, 733 km of them on the TEN-T. Railway lines were turned into high-speed ones and rail connections with ports and airports were improved. In addition, road links with ports were upgraded (e.g. in Naples and Salerno).

The evaluation found that low administrative capacity at both central and local levels adversely affected the implementation of transport projects.

#### **Country case study<sup>9</sup>**

The main objective of transport policy in Italy in the 2007-2013 period was to improve the accessibility, sustainability and efficiency of the transport network as well as to improve links between the different modes. The main focus was on Southern regions, where the network was under-developed.

The ERDF co-financed the national Network and Mobility OP (EUR 1.3 billion) and 15 regional OPs (EUR 2.9 billion). It supported the development of the railway network for freight, the extension of intermodal sea-rail transport for goods and a shift to more sustainable modes of transport. It also contributed to the development of high speed railways and rail connections with ports and airports as well as to a shift towards low-carbon transports in cities.

The implementation of transport policy over the period was hampered by frequent changes in legislation which increased uncertainty and the complexity of procedures. This affected maritime and air transport projects in particular.

### **3.3. Environmental infrastructure (WP6)**

Over EUR 2.3 billion, 11% of the ERDF available, went to support of investment in the environment over the period, predominantly in Convergence regions. Around 42% of this went to waste management, water supply and wastewater treatment, mainly to

<sup>8</sup> The full case study report can be consulted here: [http://ec.europa.eu/regional\\_policy/sources/docgener/evaluation/pdf/expost2013/wp4\\_case\\_study.pdf](http://ec.europa.eu/regional_policy/sources/docgener/evaluation/pdf/expost2013/wp4_case_study.pdf).

<sup>9</sup> The full case study report can be consulted here: [http://ec.europa.eu/regional\\_policy/sources/docgener/evaluation/pdf/expost2013/wp5\\_task5\\_en.pdf](http://ec.europa.eu/regional_policy/sources/docgener/evaluation/pdf/expost2013/wp5_task5_en.pdf).



the latter two. The ERDF very much represented a minor source of finance in all three areas.

Over the period, various problems in managing the funding arose as a result of the limited capacity of a number of regional and local governments, a lack of ability to prepare effective plans and strong political interference.

#### **Campania regional OP<sup>10</sup>**

The Convergence region of Campania set aside a total of EUR 322.5 million, or 7% of its ERDF allocation, to waste management, drinking water supply and wastewater treatment. A relatively small share of this, EUR 37.5 million, went to waste management, specifically to the construction of recycling and composting plants, waste recovery facilities and separated collection systems. By the end of 2014, only 46% of the total allocated had been spent. Despite this, separated waste collection rose from 11% to 40% of the total and municipal waste sent to landfill was reduced from 230 kg a head to 80 kg. However, there remains a need to increase separated waste collection and recycling further as well as to reduce landfill leachate and to tackle illegal activities in waste disposal.

Unlike in the case of waste management, the ERDF was one of the main sources of financing for investment in water supply and wastewater treatment in Campania. Some EUR 285 million (EUR 49 per head) were allocated to this in order to improve municipal supply networks and to extend and modernize the sewerage networks and treatment plants and to develop the use of treated wastewater in agriculture. However, by the end of 2014, less than 24% of the allocated amount had been spent. Despite the delays in expenditure, the OP contributed to improvements in drinking water supply and wastewater treatment. Lack of administrative capacity was identified as a major problem in this regard. Most of the major projects have consequently been phased into the 2014-2020 programmes to be completed in the coming years.

### **3.4. Energy efficiency in public and residential buildings (WP8)**

Around EUR 1.1 billion went to investment in energy efficiency, co-generation and energy management over the period, just over 5% of the total ERDF available, over twice the EU average. Support for improving the energy efficiency of public and residential buildings formed a major part of this. By the end of 2014, expenditure, however, amounted to only 60% of the sum allocated because of delays in implementation and problems of public co-financing.

Loans and other forms of FIs were used extensively rather than non-repayable grants. These leveraged more private investment and were more effective in addressing market failures.

#### **Energy efficiency in public and residential buildings in Italy - case study<sup>11</sup>**

A range of FI schemes were used to support energy efficiency investment in buildings in Italy. Energy demand per square metre is relatively high and there is therefore a great deal of potential for energy saving.

The financial allocation to energy efficiency in public and residential buildings varied across OPs, ranging from EUR 50 million to EUR 475 million in Convergence regions and from EUR 19 million to EUR 30 million in Competitiveness regions. In general, large shares of funding went to projects for co-generation or district heating. There were considerable differences between the national and regional OPs as regards the types of project funded. While Convergence OPs focused interventions on public or residential buildings in remote areas, complemented by the national Renewables and Energy Efficiency OP, Competitiveness OPs, such as the one for Veneto, focussed on social housing.

The case study emphasised the need for additional accompanying measures. Many municipal and regional administrations suffered from a lack of competent personnel, most of whom had limited knowledge of funding management and reporting. In addition, changes in government in

<sup>10</sup> An analysis of six selected OPs, which included the Campania regional OP, was carried out under the evaluation of WP6 to further assess the contribution of Cohesion Policy to environmental improvement, see [http://ec.europa.eu/regional\\_policy/sources/docgener/evaluation/pdf/expost2013/wp6\\_final\\_en.pdf](http://ec.europa.eu/regional_policy/sources/docgener/evaluation/pdf/expost2013/wp6_final_en.pdf).

<sup>11</sup> The full case study report can be consulted here as separate annex to final report: [http://ec.europa.eu/regional\\_policy/en/policy/evaluations/ec/2007-2013/#1](http://ec.europa.eu/regional_policy/en/policy/evaluations/ec/2007-2013/#1).



several regions (mainly Southern ones) resulted in substantial delays in project selection and approval, as well as in the provision of funding and the collection of data on results.

### 3.5. Culture and Tourism (WP9)

EUR 1 456 million were allocated to culture and tourism, 7% of the total ERDF available, larger than the EU average share of just over 5%. Slightly more funding went to culture (EUR 817 million) than tourism (EUR 639 million). In addition, EUR 100 million went to individual projects in hotels and restaurants. The majority of the support for culture was aimed at the protection and preservation of the cultural heritage (74%), while support for tourism was mainly directed at improving tourist services (74%). Funding mostly took the form of grants, although FIs were also used to a minor extent.

According to the MAs surveyed, the focus of the interventions in culture was both on enhancing social cohesion (e.g. in Emilia Romagna and Piedmont) and diversifying the structure of the economy (as in Campania and OP Sardegna). For tourism, the aims seemed to be more diversified, Piemonte focusing on economic diversification alone, Sardegna on environmental sustainability, while Emilia Romagna and Campania pursued combined strategies with a mix of innovation with economic diversification, and environmental sustainability.

Evidence from the case study carried out suggests that successful interventions are not only embedded into a well-established strategy, but are also based on a mix of diversified policy interventions (see the Box on Puglia)<sup>12</sup>.

#### **Puglia OP case study**<sup>13</sup>

EUR 451 million, almost 11% % of the total ERDF available, was devoted to support of tourism and culture in Puglia. The main aims were to improve infrastructure and strengthen the tourist sector; to preserve and manage the cultural heritage; and to develop cultural activities in small projects with local areas encouraged to develop their own cultural activities.

The case study indicates that the OP seems to have contributed to growth in tourism in the region, the share of foreign arrivals rising from 14.5% in 2008 to 18% in 2012, a larger increase than in the rest of the country. In addition, the programme helped to diversify tourist destinations and to spread tourist activities more evenly across the region.

The evaluation found that the success of interventions depended on the existence of a well-developed strategy, a mix of different types of intervention (strengthening infrastructure combined with undertaking promotional activities and holding cultural events). Financial sustainability, however, remained a concern since there was high dependence on public resources, especially for cultural activities, which were in scarce supply.

#### **Mini case studies: Puglia Sounds**<sup>14</sup>

The Puglia Sounds programme (EUR 6.8 million) was aimed at transforming the endogenous resources of the region (the rich musical culture) into a growing economic sector. The main objectives were to expand the music industry in the region, to increase the visibility of its musical heritage and to create stronger links between music production and distribution as well as between music operators and public bodies.

Although there is a lack of concrete monitoring data, the results of the project seem positive. Between 2010 and 2015 the number and the quality of events financed increased dramatically.

#### **Mini case studies: Buy Puglia Project**<sup>15</sup>

<sup>12</sup> A further case study on the Interreg Italy-Austria OP and two mini-case studies on the Transmuseum and Ciclovía Alpe Adria Radweg projects were carried out as part of WP9. These are referred to in the ETC report.

<sup>13</sup> The full case study report can be consulted here: [http://ec.europa.eu/regional\\_policy/sources/docgener/evaluation/pdf/expost2013/wp9\\_case\\_study\\_puglia\\_en.pdf](http://ec.europa.eu/regional_policy/sources/docgener/evaluation/pdf/expost2013/wp9_case_study_puglia_en.pdf).

<sup>14</sup> The full Mini case study report can be consulted here: [http://ec.europa.eu/regional\\_policy/sources/docgener/evaluation/pdf/expost2013/wp9\\_mini\\_case\\_puglia\\_sounds\\_en.pdf](http://ec.europa.eu/regional_policy/sources/docgener/evaluation/pdf/expost2013/wp9_mini_case_puglia_sounds_en.pdf).



The 'Buy Puglia – Meeting & Travel Experience', (EUR 1.4 million) was designed to enable international buyers to learn about the different leisure opportunities available in Puglia. The measures promoted were aimed at expanding tourism in the region by targeting tour operators with special attention paid to those from outside of Italy.

Projects were tightly linked to the characteristics of the region. In practice, tourism in Puglia was based on SMEs, which made it difficult for operators to represent themselves effectively in international markets. The difficulty is compounded by a lack of willingness among local operators to collaborate and build networks that would help create a greater international presence. According to local firms, the project improved networking with those foreigner buyers considered vital for increasing inflows of tourists into the region.

### **3.6. Urban development and social infrastructures (WP10)**

EUR 2.7 million of the ERDF went to projects of urban development and social infrastructure, mainly in Convergence regions. Ten of the 28 Italian OPs<sup>16</sup> allocated more than EUR 22 million to these areas and they were, therefore among the programmes reviewed by the WP10 evaluation.

EUR 1.1 billion went to support of integrated urban development projects. The Convergence OP Campania stands out with an allocation of nearly EUR 700 million, the largest share allocated by a single OP at EU level to this broad area. Support for investment in social infrastructure amounted to EUR 1.5 billion and mainly went to education and healthcare. The Sicilia Convergence OP was the largest investor in housing infrastructure at EU level, allocating EUR 281 million to this.

### **3.7. ETC (WP11)**

Italy was involved in 7 Interreg programmes financed under the Cross-border Cooperation strand of the ETC Objective. These were, respectively, with France, Austria, Greece, Switzerland, Malta and Slovenia. The ETC-funded programmes are the subject of a separate report.

### **3.8. Impact on GDP (WP14)**

The investment supported by Cohesion and rural development policies in Italy is estimated to have increased GDP in 2015 by around 0.3% above the level it would have been in the absence of the funding concerned<sup>17</sup>. In 2023, 8 years later, GDP is estimated to be around 0.5% higher than it would be without the additional investment, even taking account of the contribution of the country to the financing of the policy.

### **3.9. Overview of achievements**

Up to the end of 2014, the investment undertaken with support from the ERDF in the 2007-13 period in Italy is reported by MAs to have resulted in the direct creation of 60 349 gross jobs, of which 3 607 were in the tourist industry.

In addition to the achievements reported above under the different WPs, ERDF support contributed to increasing the population covered by broadband access by 2.3 million

<sup>15</sup> The full Mini case study report can be consulted here:

[http://ec.europa.eu/regional\\_policy/sources/docgener/evaluation/pdf/expost2013/wp9\\_mini\\_case\\_buy\\_puglia\\_en.pdf](http://ec.europa.eu/regional_policy/sources/docgener/evaluation/pdf/expost2013/wp9_mini_case_buy_puglia_en.pdf).

<sup>16</sup> Regional OPs: Calabria; Campania; Puglia; Sicilia (Convergence regions); Sardegna (Phasing-in); Lazio; Liguria; Toscana (Competitiveness región). National OPs: Learning Environments; and Security for Development.

<sup>17</sup> Estimates by the Quest model, a new-Keynesian dynamic general equilibrium model of the kind widely used in economic policy research, developed by DG Economic and Financial Affairs to assess the effects of policies. See The impact of Cohesion Policy 2007-2013: model simulations with Quest III, WP14a, final report, [http://ec.europa.eu/regional\\_policy/sources/docgener/evaluation/pdf/expost2013/wp14a\\_final\\_report\\_en.pdf](http://ec.europa.eu/regional_policy/sources/docgener/evaluation/pdf/expost2013/wp14a_final_report_en.pdf).





and to rehabilitating 70 square km of polluted areas. In addition, support for investment in renewable energy added 403 Megawatts to the overall capacity to produce electricity from renewables, equivalent to around 0.02% of total capacity in 2006.

It should be emphasised that since not all MAs reported all the core indicators, and in some cases, only a minority, the figures tend to understate achievements, perhaps substantially. In addition, the data reported relate to the situation at the end of 2014, one year before the official end of the period in terms of the expenditure which could be financed. Because of this they also understate achievements over the programming period.

**Table 6 Overview of achievements of Cohesion policy programmes in Italy for 2007-2013 period, as at end-2014**

Core Indicator Code	Core and common indicators official name	Value up to end of 2014
0	Aggregated Jobs	60 349
1	Jobs created	60 110
4	Number of RTD projects	6 030
5	Number of cooperation project enterprises-research institutions	2 502
6	Research jobs created	3 625
7	Number of direct investment aid projects to SME	51 729
8	Number of start-ups supported	4 472
9	Jobs created in SME (gross, full time equivalent)	13 987
12	Number of additional population covered by broadband access	2 322 198
14	km of new roads	94
16	km of reconstructed roads	188
17	km of new railways	29
18	km of TEN railways	733
19	km of reconstructed railways	1 035
24	Additional capacity of renewable energy production (MV)	403
26	Additional population served by waste water projects	825 000
29	Area rehabilitated (km <sup>2</sup> )	70
35	Number of jobs created in tourism	3 607

*Note: The figures in the table are those reported by MAs in Annual Implementation Reports. Only the core indicators are included in the table for which MAs in Italy reported data. The "Aggregate Jobs" indicator is based on an examination by the Commission of all gross job creation reported for each priority axis and is regarded as the most accurate figure for the total number of gross jobs directly created as a result of funding. It tends to be higher than the sum of the figures reported by MAs for the core indicators relating to "Jobs created" because in many cases MAs fail to report anything for these indicators.*

*Source: Annual Implementation Reports, 2014 and DG Regional Policy post-processing of these, August 2016*

