



# 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



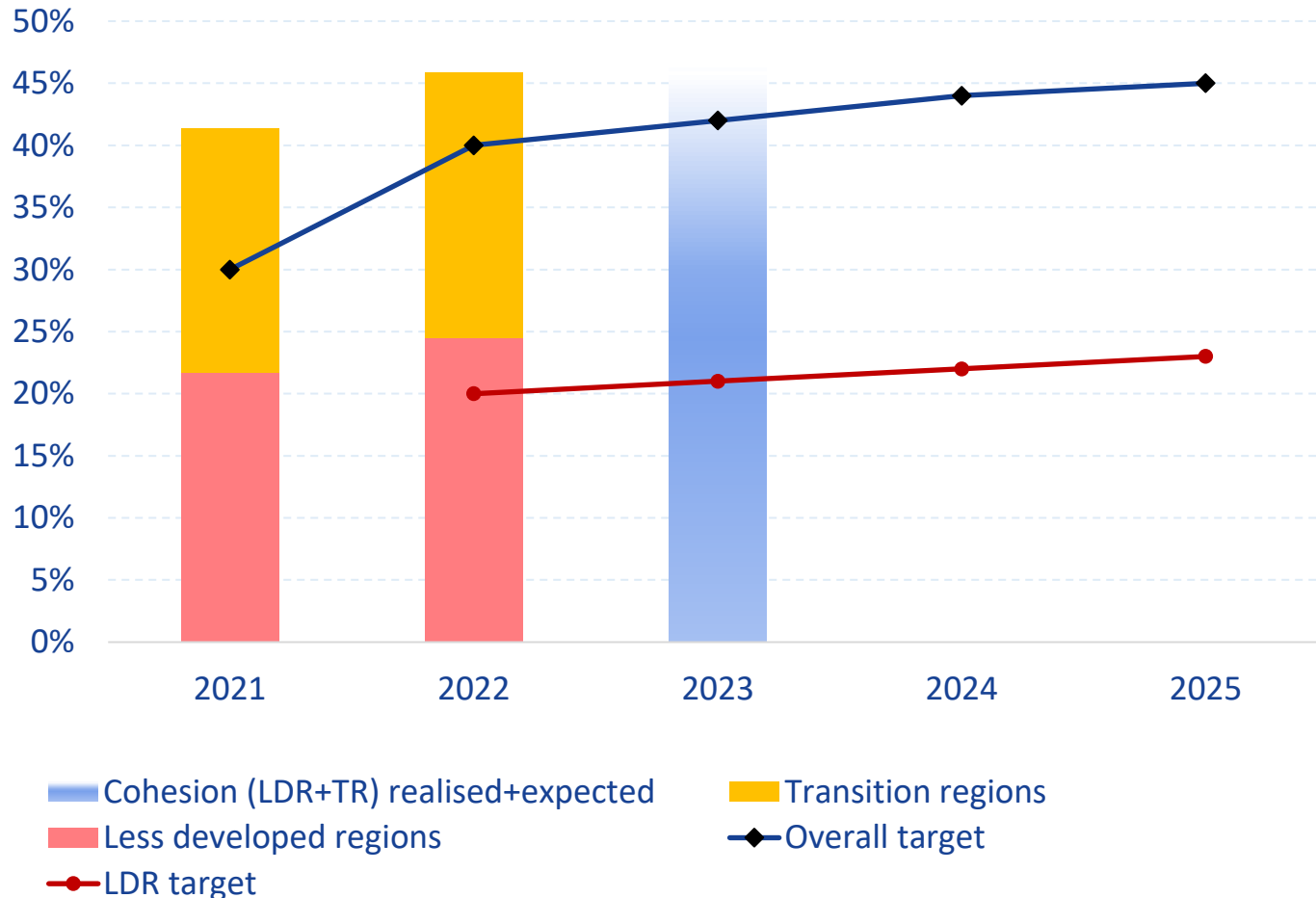
Facilitate access to finance through **direct lending to mid-caps** in cohesion regions



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

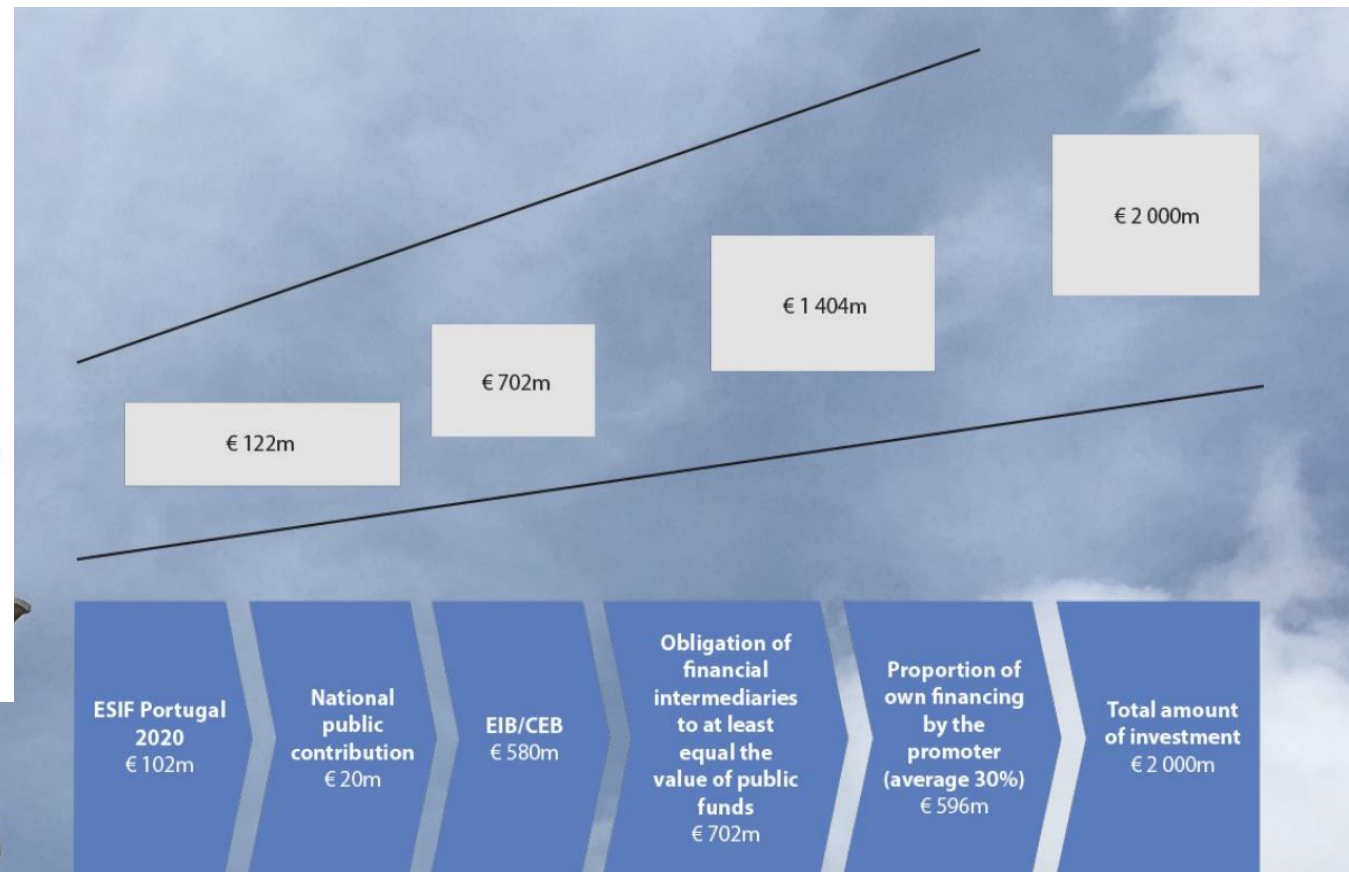
**1.511 M€**

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