



Delft University of Technology

## Financial Instruments and Territorial Cohesion

### Interim report

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# Financial Instruments and Territorial Cohesion

Applied Research

**Interim Report**

Version 22/01/19

This applied research activity is conducted within the framework of the ESPON 2020 Cooperation Programme, partly financed by the European Regional Development Fund.

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This delivery does not necessarily reflect the opinion of the members of the ESPON 2020 Monitoring Committee.

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# Financial Instruments and Territorial Cohesion

**Disclaimer:**

This document is an interim report.

The information contained herein is subject to change and does not commit the ESPON EGTC and the countries participating in the ESPON 2020 Cooperation Programme.

The final version of the report will be published as soon as approved.

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## Abbreviations

CF	Cohesion Fund
COSME	EU programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises
COCOF	Committee of the Coordination of Funds
CPR	Common Provisions Regulation
CS	Case Study
EAPB	European Association of Public Banks
EAFRD	European Agricultural Fund for Rural Development
EAGGF	European Agricultural Guidance and Guarantee Fund
EC	European Commission
EFSI	European Fund for Strategic Investments
EGTC	European Grouping on Territorial Cooperation
ERDF	European Regional Development Fund
ESF	European Social Fund
ESIF	European Structural and Investment Funds
ESPN	European Territorial Observatory Network
EU	European Union
EWRC	European Week of Regions and Cities
FI	Financial Instruments
FTE	Full Time Equivalent
JEREMIE	Joint European resources for Micro to Medium Enterprises
JESSICA	Joint European Support for Sustainable Investment in City Areas
LAU	Local Administrative Unit
MA	Managing Authority
NPB	National Promotional Bank
NUTS	Nomenclature of Territorial Units for Statistics
OP	Operational Programme
PMC	Programme Monitoring Committee
PST	Project Support Team
QoG	Quality of Government
RCE	Regional Competitiveness and Employment
ROP	Regional Operational Programme
SF	Structural Funds
SFC	System for Fund Management in the European Union
SME	Small and Medium Sized Enterprises
SWOT	Strengths, Weaknesses, Opportunities, Threats



# 1 Introduction

This Interim Report represents Delivery 2 for the applied research project on Financial Instruments and Territorial Cohesion as described in the project Terms of Reference.

For this deliverable, the Terms of Reference require:

- **detailed overview of (regional) data gathered** and actions carried out to overcome data shortcomings and regionalise the data (Task 2);
- **territorial analysis and mapping of regional distribution** of ESIF financial instruments and grants (Task 2);
- **state of affairs for performing the analysis of added value** of financial instruments as a complement to grants at the territorial level (Tasks 3 and 4);
- **state of affairs of case study** work (Task 5).

This report is structured as follows: Chapter 2 provides a detailed overview of the data gathered; Chapter 3 provides the territorial analysis and mapping undertaken to date. Chapter 4 discusses the state of affairs for performing the analysis of added value. Chapter 5 presents the state of affairs of the case study work.

The annexes are as follows:

- **Annex I Overview of MA survey responses:** This annex provides an overview of managing authority responses received so far to the data survey, listed by Member State and OP. This is also provided as a separate Excel file for ease of searching and filtering (**Annex IA, submitted alongside this report**).
- **Annex II Data availability by Member State:** provides a summary of current data availability summarised by Member State, including responses to the MA survey. Both financial data and indicator data are included.
- **Annex III Regionalisation to NUTS 2:** This Excel file provides an overview of the sources of information which will be used to regionalise data on investment to final recipients for Operational Programmes with multiregional or national geographic scope to NUTS 2 level. This Annex is submitted alongside this report.

The consortium's **response to comments received on the Interim Report** is submitted alongside this report. The **response to comments received on the Inception Report** were incorporated into the Interim Report to the extent possible. On the remaining points, our earlier response explains where and why this is not possible, this has also been submitted alongside this report.

To recap, the timeline for the work undertaken so far on the study has been as follows:

- 8 September 2017: Kick-off meeting and request for ESPON EGTC support in obtaining unpublished summary data.
- 8 November 2017: Draft Inception Report submitted
- 1 December 2017: ESPON EGTC response to draft Inception Report
- 7 December 2017: Delivery feedback meeting (Tallinn)
- 18 December 2017: Formal data request sent to Commission by ESPON EGTC following informal contact
- 8 January 2018: Revised Inception Report submitted
- 23 February 2018: ESPON EGTC response to Revised Inception Report
- 1 June 2018: ESPON EGTC forwarded the unpublished Commission summary of data to the service provider
- 13 June 2018: ESPON EGTC provided the letter of introduction to accompany the MA survey request
- Remainder of June 2018: tailored survey request was sent to each MA operating financial instruments, based on a Commission list of email addresses for 2007-13 OPs.
- 5 September 2018: email sent to all relevant PMC members.

The delay in receiving the data has had a serious impact on the timelines for the study since it meant that the MA survey coincided with the holiday period and the initial response rate was poor. Because the flexibility to extend the deadline for this report was limited, data gathering had not been completed at the time of writing. As a result, it should be emphasised that the data and analyses in the report are partial. Indeed, in the view of the team, analysis was premature given that data gathering was ongoing. Nevertheless, every effort has been made to present some results at this stage, even though outcomes will change once data gathering is completed. In addition, it had been anticipated that the case study selection would follow the initial data analysis, and that stakeholders from the case studies would be invited to participate in the EWRC practitioner event in Brussels on 9 October 2018 (discussed in more detail below). However, as the delivery of the data was delayed by several months, the longlist of case studies was undertaken after a preliminary data analysis. As the case studies had not been selected by the PST by the time the EWRC organisation was underway, panellists were selected by the team from stakeholders known to them.

The team arranged two events at the 2018 EWRC in October. The aim of these events is to feed into Task 6 and the contribution to debates on the future of financial instruments in Cohesion policy:

- The first event was a session entitled '**Financial instruments in Cohesion Policy: practitioner perspectives on lessons from the past and hopes for the future**'. The session was held on 9 October 2018 at Scotland House. The event consisted of a panel discussion among six practitioners (Managing Authorities and financial intermediaries) on the implementation of FIs under Cohesion policy. It aimed to identify key lessons from the past about the governance and territorial impact of financial instruments, as well as to share hopes and plans for FIs post-2020, based on this experience.<sup>1</sup>
- The second event, '**Financial instruments and territorial cohesion: current debates and future perspectives**' took place on 10 October 2018, hosted by ESPON in partnership with EPRC, the European Commission and the European Investment Bank. The event featured contributors from the key institutions involved in the design, implementation and scrutiny of FIs. The workshop engaged with current debates on financial instruments and territorial cohesion, specifically the articulation of FIs at different spatial scales and levels of governance and the relationship between administrative capacity and FIs tailored to local needs.<sup>2</sup>

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<sup>1</sup> <https://portal.scotlandeuropa.com/event-listings/view/69>

<sup>2</sup> [https://europa.eu/regions-and-cities/programme/sessions/117\\_en](https://europa.eu/regions-and-cities/programme/sessions/117_en)

## 2 Detailed overview of data gathered

This chapter provides a detailed overview of the data collected, shortcomings of the data collected, and outlines the actions which have been carried out to overcome these issues to meet the aims of Task 2 and provide insight into the policy questions outlined.

By the time of the submission of the draft Interim Report (30 September 2018), the gathering of primary data from managing authorities was still at an early stage. This prevented the possibility of providing the full picture of the data needed to meet the aims of the project.

At the time of submission of the revised Interim Report (26 November 2018), additional progress has been made in gathering primary data. A total of 189 OPs were included in the survey. Replies have so far been received from 92 MAs (just under half of those surveyed). The responding MAs represent approximately 50 percent of Structural Funds committed to FIs. Of the responding MAs, 48 were able to provide indicators additional to those reported to the Commission, and 30 were able to provide some level of regionalisation below the level of the OP. It is unlikely that there will be many more responses received, but the survey will not be officially closed, allowing any further returns to be taken into account to the extent possible.

A detailed overview of the results of the survey is presented in the three Annexes to this report:

- **Annex I Overview of MA survey responses:** This annex provides an overview of managing authority responses received so far to the data survey, listed by Member State and OP. This is also provided as a separate Excel file for ease of searching and filtering (**Annex IA**).
- **Annex II Data availability by Member State:** provides a summary of current data availability summarised by Member State, including responses to the MA survey. Both financial data and indicator data are covered.
- **Annex III Regionalisation to NUTS 2:** This Excel file provides an overview of which sources of information will be used to regionalise data on investment to final recipients for Operational Programmes with multiregional or national geographic scope to NUTS 2 level. The main source of information for regionalisation is marked green, while OPs are marked yellow where there are no data sources available.

### 2.1 Data sources

The data sources have included:

- **Summarised Managing Authority data as published in the country annexes to the ‘Summary of data on the progress made in financing and implementing financial engineering instruments’** reported by managing authorities in accordance

with Article 67(2)(j) of Council Regulation (EC) No 1083/2006. The summary of data was prepared by the European Commission services in accordance with the provisions of Article 67 of Council Regulation 1083/2006 and the Closure guidelines. The summary presents the situation at 31 March 2017 on the basis of information reported by the national managing authorities electronically in SFC2007 under the final reporting exercise. This source provides detailed and up to date information on the use of financial instruments in the 2007-13 programming period. The summary including all the data is publicly available. The records are on financial instrument level. The geographical resolution is at programme level.

- **Raw data from SFC on final implementation** (including extra variables not included in the Summary of Data) as submitted by managing authorities to the SFC2007 application. Situation by March 2017 (at closure). The data has the most detailed information on the use of financial instruments in 2007-2013, including variables that were non-mandatory in the final reporting. Several variables are included that have not been published in the Commission's summary of data, both of which potentially could help provide insights into the value added of financial instruments. Specifically, number of final recipients by type (large enterprises, SMEs, microenterprises, urban projects, individuals or other recipients) and the core indicator number of jobs created. These 'extra' variables have quality issues in terms of a lower coverage than the mandatory variables, but they also show a varying degree of accuracy, which reveals that MAs have had different approaches to the measurement of indicators. These factors may explain why these variables were not included in the country annexes for the Summary of Data. The records are on instrument level and the geographical resolution is at programme level. The data was made available to the consortium by DG Regio (REGIO B3), following a request from ESPON EGCT as to whether the managing authorities would agree to share it with the consortium for the study.
- **Categorisation sheet data.** ERDF and ESF Investments 2007-2013 categorised by five dimensions. Data delivered to the consortium through contact with DG Regio. Summary from Final Implementation Report Annex II part C of 1828/2006.

The SCF2007 template for reporting data on specific fund implementation did not allow for assigning location information of final recipients. Alternatively, the project categorisation sheets which were submitted by MAs as a separate spreadsheet appendix to the SFC, does provide such information. In the appendix, MAs were asked to indicate the amounts invested for each project and also assign categories along five dimensions:

- Priority theme dimension. Indicating under which of the 86 priorities the intervention is motivated.

- Form of finance dimension. Information on the nature of the funding (whether refundable, non-refundable or venture capital/equity).
- Territorial dimension. This dimension indicates in which type of territory the investment is made (urban, rural, mountains, islands etc.).
- Economic activity dimension. This code indicates to which sector the investments are linked. The categories are derived from the statistical NACE classification but presented on an aggregate simplified level with codes added for the services sector.
- Location Dimension. Provides an indication to the NUTS area in which the investment has taken place. Given the different scales of projects, MAs are asked to provide the common denominator at the lowest possible level.

The dataset provides a good basis for analysing the location and properties of final recipients analogously for FIs and grants. There are, however, shortcomings to the data that need to be taken into account in any analysis. When summarising the total expenditure in the categorisation data by Operational Programme, or by Member State, the deviations are substantial when compared with other sources of cumulative data on ESIF implementation. These deviations indicate that cross-validation of amounts has not been performed in the data transmission. To a large extent, this information has been transferred to the Commission as an excel sheet annex to the electronic SFC system. This means that the possibilities for carrying out systematic cross-validation of the amounts have been limited. When comparing amounts for repayable aid separately with FI implementation data from SFC, the deviations remain large.

The degree to which the form of finance categories (specifically, category no 2 - Aid (loan, interest subsidy, guarantees) and category no 3 - Venture capital (participation, venture-capital fund) correspond to 'financial instruments' as interpreted for Managing Authority reporting under Article 67(2)(j) (see above) varies between managing authorities. An important issue concerns the inclusion of interest subsidies in 'form of finance 2', and whether these should be accounted for as repayable aid or FIs at all (as interest subsidies are essentially grants). How large a statistical influence the incorporation of interest subsidies has on the overall deviation between the datasets is difficult to assess, but it calls for some caution during the analysis.

- **Data on ESIF budget commitments 2007-2013**. Database name 'Funds\_obj\_year'. Programme budget commitment by Fund (ERDF/CF/ESF), objective and year. Source: DG Regio.
- **Data on ESIF grant expenditure**. Database name 'Database of the cumulative allocations to selected projects and expenditure at NUTS 2'. Annex to 'Geography of expenditure' Work Package 13 of the ERDF and CF ex-post evaluation 2007-2013.

The data represents cumulative allocations to projects and the expenditures of ERDF and Cohesion Fund programmes at both NUTS 2 and NUTS 3 level, broken down by objective and the 86 priorities. This is the main source of information as to the thematic nature of regional grant expenditure. This dataset does not include ESF payments. Another issue is that the data is from 2015 and not at closure. Source: WIIW and Ismeri Europa for DG Regio.

- **Historic EU payments - regionalised and modelled.** This dataset provides, in a single source, regionalised (NUTS 2) annual EU expenditure data (in current prices) for specific EU funds - ERDF, CF, EAFRD/EAGGF and ESF. No thematic classifications are provided but it includes ESF and therefore provides a complement to WP13 data. Sources: DG Regio - WIIW study (2016) and the University of Bergen study (2017).
- **Primary data from MAs.** The collection of this data is still in progress, see section 2.2. See Annex I for full overview of information received by 20 September 2018.
- **Summarised Managing Authority data for 2014-20** as published in the country annexes to 'Financial instruments under the European Structural and Investment Funds - Summaries of the data on the progress made in financing and implementing the financial instruments for the programming period 2014-2020 in accordance with Article 46 of Regulation (EU) No 1303/2013'. The summary of data was prepared by the European Commission services in the same manner as the 2007-13 summary data, and presents the situation as at 31 December 2016. This source is the latest available data for financial instrument implementation on 2014-20.<sup>3</sup> It should be noted that financial instrument implementation has been rather slow in the current programming period, hence the data remains sparse. The summary, including all the data, is publicly available. The records are on financial instrument level. The geographical resolution is at programme level.

## 2.2 Data collection process

From the outset of the project, the consortium has been aware that collection of primary data would be needed to complement the data received from the SFC system. This data collection included approaching managing authorities with a request to (i) complement the data where the reported SFC data falls short, (ii) provide data on the regional incidence of financial instruments and (iii) supply any available information about the impact of financial instruments. Regarding the aim of Task 2, there are properties of the SFC2007 data that

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<sup>3</sup> It should be noted that a new summary of the state of play of 2014-20 FI implementation is expected by the end of 2018.

prevent an assessment being made of the geographical NUTS distribution of FIs. The main issues are as follows:

1. It has not been a requirement for the 2007-13 period to report information on *where* investments have taken place, hence no option was provided in the application formula to submit such information. The geographic information available is normally the boundary area of the Operational Programme in which the FI operates.
2. FIs are offered in programmes at different geographical levels: under regional OPs, multiregional OPs and national OPs. Also, both ESF and ERDF OPs offer FIs. Investments in a region can therefore come from more than one OP. For some regions, as many as five different overlapping OPs were implementing FIs during the 2007-13 programming period.

Irrespective of these shortcomings, the SFC data is the most detailed source of information that exists on FI implementation in terms of **amounts committed and invested**. The records are on **an instrument level** and provide the variables **financial product** (three categories), **final recipient type** (six categories), **investment objective** (three categories, corresponding to Articles 44 a, b and c) and **core indicators** (firms supported and jobs created).

Where the SFC data falls short regarding regionalised data, the project categorisation data provides complimentary information about properties and locations of final recipients. The project categorisation data, which is also part of the SFC reporting but reported in a separate template, is instead structured on **project level**, and in addition to **form of finance** (two categories), provides **investment objective** (86 priorities), **sector**, **territorial typology** and **location** (described in more detail in Section 2.1)

As discussed in Section 2.1, the total figures do not match when the records from these two datasets are summarised up to OP level or to a shared regional level, which limits the possibility for integrating the sources provided to a unified level of analysis for all variables. Hence these two datasets have different potentials, providing answers to different sets of questions. For a variable such as Structural Funds amounts invested in final recipient, the project categorisation sheet can provide a geographic breakdown for some OPs, but other breakdowns or categories do not translate well between the datasets. The collection of primary data through the MA survey aimed to bridge this data property/variable gap for two types of programmes: high uptake OPs by thresholds set by the team and the EGTC, and OPs with a geographic scope at a higher level than ROP.

At an early stage in the project, the team combined the data from the country annexes of the SFC 'summary of data' (originally published in pdf format) to an integrated workspace allowing for filtering and analysis.

At a next stage the team produced a feature dataset in GIS representing 2007-13 operational programmes. The NUTS information behind it was derived from the categorisation sheet database on location of implemented projects. The OP boundaries underwent a series of



validation checks by the consortium based on previous knowledge within the team and information provided in the programme webpages at InfoRegio.

Core information on the operational programmes was matched to the vectors, such as budgetary commitments by thematic objective and programme indicators. This also allowed for data on FIs (pivoted on cci-code) to be joined to the features.

In agreement with the ESPON EGTC it was decided that the consortium would not approach the managing authorities before the raw SFC-data had been received and fully assessed. The objective was to be able to also ask MAs to revise the data from the final report and to make data amendments where applicable. There has also been a wish to minimise the frequency of MA approaches with the motivation that this will maximise the willingness to cooperate.

There are variables reported to the SFC which were not included in the Summary of Data report, some of which are considered valuable for the output of the project. These were related to recipient type and job creation. ESPON EGTC contacted DG Regio's Unit for Financial Instruments and IFI Relations (REGIO B3) requesting access to the SFC data (18 December 2017). ESPON EGTC confirmed that the planned MA survey should not begin until this data had been received. The data was provided on 1 June 2018. In June 2018 the consortium began the process of contacting managing authorities directly for new data through an email survey, asking for access to additional information on the implementation of financial instruments for the period 2007-13. The new information request focused on three key areas:

- **Confirmation of data on financial instruments submitted at closure (2007-13 period):** the survey asked Managing Authorities to verify the final data provided on financial instruments for the 2007-13 programme period by checking if the figures were accurate/complete and, if they were not, revising/adding any incorrect and missing data into an attached template for the financial instruments under their respective Operational Programme(s).
- **The contribution of financial instruments to OP indicators (2007-13 period):** the survey enquired if the Managing Authority could provide more data regarding the contribution of FIs to the Commission's core indicators and the contribution of FIs to programme-specific indicators.
- **Regionalised data – geographical information below the level of the OP (2007-13 period):** The survey enquired about information available on the use of financial instruments at NUTS 3 level, or the location of final recipients (i.e. what is the geography of uptake of financial instruments), and which indicators (core or programme-specific) are available at NUTS 3, or related to the location of final recipients (i.e. what information is available about localised uptake and impact of FIs).

For questions 2 and 3, the consortium chose to ask MAs to send source information in any format available. The reason for choosing this method rather than having them type in data in

a ready-made spreadsheet was because regionalised data under the level of OP was not expected to have been registered in a systemised way, since this information was not part of the mandatory reporting for the 2007-2013 programming period. If this information were to be available, it was expected to differ substantially between MAs in terms of format and quality. Enabling MAs to attach any data available was a way to make the process easier for MAs and maximise the chance of getting any data at all.

The strategy has been to initially get as broad an outreach as possible, focusing on getting a response from all authorities managing FIs in the 2007-2013 programming period. Depending on the response rate and amount of time consumed for this step, there will be a need to focus the outreach. The second stage would then be to work in a more targeted way towards authorities managing OPs of specific interest for the study. These will be limited to:

1. Large OPs in terms of geographic size >> Data on FIs needs disaggregation.
2. Large OPs in terms of absolute FI expenditure >> Important for the assessment on value-added.
3. OPs where FI data in final reporting have errors.

While the first, broad part of the survey was carried out using a fixed template set of questions in English language and sent out centrally (Nordregio), the second, more targeted, part of the survey has required a more tailored approach to each MA, with a more intensive involvement of national experts.

To date (26 November 2018) the consortium has received replies from managing authorities covering 92 programmes, out of the 189 surveyed. See Annexes I and IA for an overview of the responses received. In most cases, the data provided in the final summary of data for the 2007-2013 programme period was accurate with only very minor corrections.

Regarding FI contributions to programme indicators, there are some positive signs in the replies. For some of the OPs, the programme-specific indicators have been monitored specifically for FI implementation. This data is provided on a fund level for some OPs such as the 'West Wales and the Valleys ERDF OP' and the 'Highlands and Islands of Scotland ERDF OP'. For other programmes, these indicators are presented on an instrument level, such as for example the 'Programme opérationnel 'Compétitivité régionale et emploi' - Wallonie (hors Hainaut)'. The MA for the Wallonie OP noted that they have data available at LAU level but that it required processing.<sup>4</sup>

Regarding Q3 on geographical breakdowns; this information has been provided for 30 of the OPs. These OPs have provided expenditure data (SF amounts) or number of firms supported, often down to NUTS 3 level (for Wallonie to LAU level and for Brussels to zip-zone). Several MAs noted the difficulty of obtaining information on where the final recipients are located.

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<sup>4</sup> Given this level of data availability, Wallonia was proposed as a case study region.

There might, for example, be information on the location of the headquarters of the recipient, which is not necessarily where the money has been spent.

A few MAs have indicated that no data can be provided beyond what is already submitted in the final report. This goes for all programmes in Greece. Similarly, in France no information is available beyond that in the Summary of data. Moreover, due to reforms in the implementation of ESIF in France, the MAs from 2007-2013 no longer handle Cohesion policy and the new MAs (regional councils, which cover different areas from the previous ROPs) are not involved with the previous programmes.

### 3 Territorial analysis and mapping

This section provides a first territorial analysis of the regional distribution of ESIF financial instruments and the importance of financial instruments relative to grants. It begins by setting out some definitional and conceptual issues (section 3.1). These are crucial for understanding the territorial analysis that follows (section 3.2). As noted in Chapter 2, however, this analysis remains preliminary and partial owing to the status of data collection, particularly for Operational Programmes providing financial instruments across several regions or nationwide. It is therefore anticipated that further analyses will be done once data collection is complete. The final section outlines some of the areas where it is anticipated that more territorial analyses will be possible (section 3.3).

#### 3.1 Definitional and conceptual issues

The territorial analysis and mapping of financial instruments is a non-trivial task. A detailed overview of the data gathered to date has been provided in Chapter 2. This makes clear that there are significant shortcomings in the data available. That said, there is a large volume of information in the published Commission summary of data on FIs and, to a lesser extent, in the unpublished ‘discretionary’ data submitted by the Managing Authorities made available for this study. Nevertheless, there are considerable conceptual and practical challenges involved in the territorial analysis of this information. This requires a shared understanding of four key definitional issues:

- The concept of a ‘financial instrument’ and how it is accounted for in reporting
- The geographical scope of OPs and the financial instruments funded from them.
- The governance arrangements for the OPs and financial instruments within them
- The notion of ‘expenditure’ in the context of FIs.

Importantly, these four elements interact to produce complex patterns of financial instrument usage across the Member States and within them. Each of these four elements is discussed in turn below.

##### 3.1.1 What is a financial instrument?

The term **financial instrument** is often used quite loosely, and frequently also regarded as interchangeable with **financial product**. This is understandable in common parlance, but is unhelpful for the purposes of analysing policy patterns.

The starting point for the analysis in this study is the Commission summary of data on financial instruments. This distinguishes between holding funds and specific funds – with both ‘counted’ as financial instruments. In practice, the real investment activity takes place at the level of the **specific fund**, and this is the main unit of analysis in this study – this is important to avoid double-counting of holding fund and specific fund data. At this stage, the operation of holding funds is not part of the analysis, but will be considered further in the value-added analysis and in more depth in the case studies. Importantly, the number of financial instruments in the form of **specific funds** is distinct from the number of **financial products** (i.e. loans, guarantees, equity), since a given specific fund may offer more than one type of

financial product. This part of the study focuses on overall territorial mapping of financial instruments (in practice, specific funds); however, the **distinction between different financial products is highly pertinent** and to the extent possible will be addressed in the value-added analysis and will be covered in depth in the case studies, where the performance of different financial products in different contexts will be considered.

Table 3-1: How many financial instruments are there?

Number of financial instruments	Holding Funds (HF)	Specific Funds (SF)	SF implemented directly	SF implemented under HF
1058	77	981	469	512

Source: European Commission (2017) Summary of data on the progress made in implementing financial instruments (at closure).

**Box 1: What is a financial instrument?**

Quantifying the use of financial instruments is not straightforward. FIs were not defined precisely in the 2007-13 Structural Funds regulations. The General Regulation stated that to qualify as a financial engineering instrument, an OP contribution must target the specific final recipients/type of investments referred to in Article 44 (enterprises and urban development funds and take the form of repayable investments (i.e. equity, loans and/or guarantees). Article 43(2) of the Implementing Regulation specified that co-financed financial engineering instruments must be set up either as independent legal entities governed by agreements between the co-financing partners or shareholders, or as a separate block of finance within a financial institution.

The template monitoring report provided with the February 2012 revised COCOF note (Guidance Note on Financial Engineering Instruments under Article 44 of Council Regulation (EC) No 1083/2006 COCOF\_10-0014-05-EN (12/02/2012)) supplied a form for managing authorities to complete and submit with their AIRs. This invited information on Holding Funds (Form I) and on Financial Engineering Instruments /Financial Intermediaries and provided a box for the 'total number of financial engineering instruments supported (no. of agreements signed)'.

Member States have reported different circumstances in different ways:

- funding from two different OPs into one instrument has been reported variously as one FI (e.g. Hungary) or two FIs (e.g. UK).
- some entries seem to represent new tranches of funding to the same FI, but were (initially at least) reported separately, perhaps because they involved a new funding agreement being signed, e.g. Poland.
- a fund procured for delivery at local level with the same terms and conditions with many financial intermediaries is reported as many FIs, though it may essentially be only one 'financial product' – e.g. Poland and Hungary.

### 3.1.2 Geographical scope of Operational Programmes and Financial Instruments

The Terms of Reference seek an analysis and mapping of the geographical distribution of expenditure at NUTS 2 or NUTS 3. The definition of 'expenditure' is discussed further below.

A crucial issue is that many of the Operational Programmes offering financial instruments *do not* coincide with single NUTS 2 regions (though this is the 'norm' in terms of *number* of programmes). As Table 3-2 shows, 13 OPs operate at NUTS 0; 17 at NUTS 1; and 21 OPs

cover more than one NUTS 2 region. In addition, in some countries, more than one situation pertains – for example: in Germany all four possibilities are present; and in Greece and the United Kingdom three possibilities are presented. The simplest and ‘ideal’ scenario from the perspective of a territorial analysis is one in which *only* OPs operating at NUTS 2 offer FIs. However, this occurs in only nine of the 25 countries offering FIs; moreover, of these nine, five are Member States where the NUTS 2 and NUTS 0 levels coincide (CY, EE, LT, LV, MT), and only four are countries with regional OPs offering FIs (AT, FI, FR, SE). In short, in the majority countries the geographical scope of OPs offering FIs is either mixed and or overlapping. (Annex II to this report provides a detailed overview of the situation for each country).

*Table 3-2: Geographical scope of Operational Programmes offering financial instruments (no. of OPs)*

	<b>NUTS 0</b>	<b>NUTS 1</b>	<b>NUTS 2</b>	<b>Multiple NUTS 2</b>
AT			2	
BG	2			
BE			2	1
CY			1	
CZ			1	1
DE	1	9	7	1
DK	2			
EE			3	
ES	1		12	
FI			4	
FR			26	
GR	1		1	6
HU			7	1
IT			29	3
LT			3	
LV			2	
MT			1	
NL				2
PL	2		16	1
PT			7	1
RO	1			
SI	2			
SE			8	
SK	1		1	2
UK		8	5	2
Total	13	17	138	21

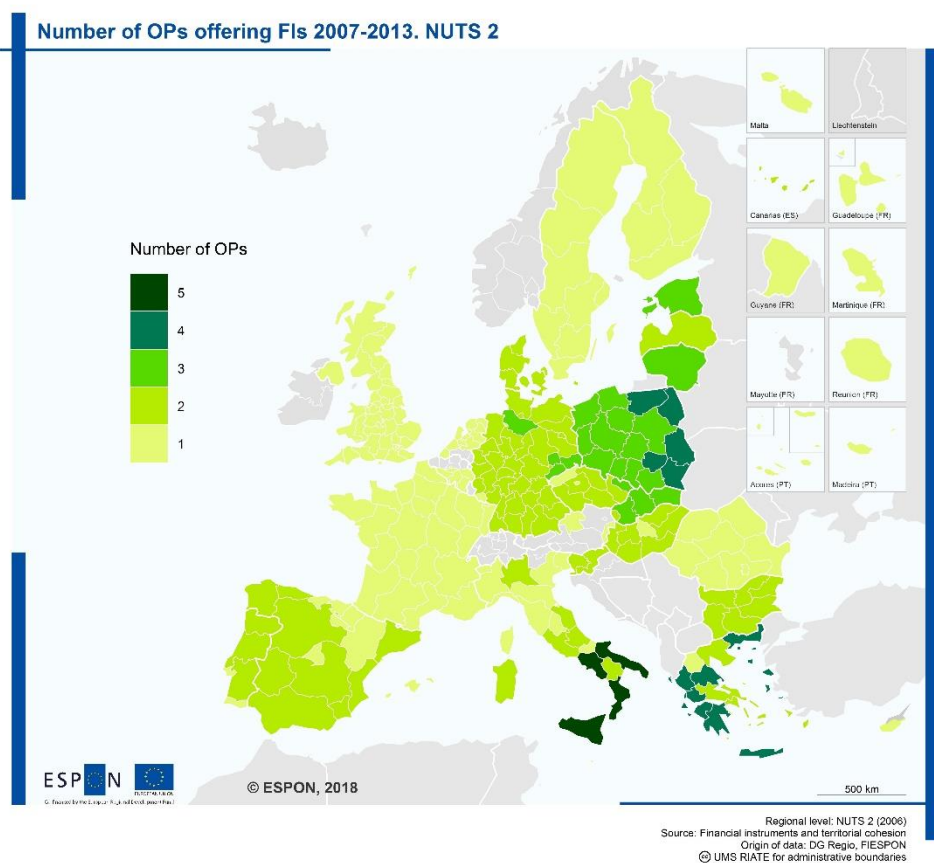
*Note: This includes only those OPs which offered FIs in 2007-13; no OPs in Croatia, Ireland and Luxembourg did so.*

*Source: Authors.*

The obverse of this is that in some NUTS 2 regions, financial instruments are offered under more than one Operational Programme. This is illustrated in Map 3-1 which shows that in parts of the *Mezzogiorno* (IT), up to five different OPs offered financial instruments in 2007-

13; similarly, in parts of Greece and Poland up to four OPs offered FIs. This is in part due to the overlap between regional and multiregional OPs, but in some regions is also due to ESF programmes offering FIs,<sup>5</sup> as well as ERDF programmes doing so.

Map 3-1: Number of Operational Programmes offering financial instruments at NUTS 2



Source: authors

### 3.1.3 Governance arrangements

Partly related, Operational Programmes also differ in their governance arrangements. The norm is for programmes covering specific regions to be managed at the subnational level. However, there are several examples of nationally-managed programmes that cover several regions (but not the entire national territory), in addition to nationally-managed programmes that cover the entire national territory; further, in some countries, the national level also corresponds to NUTS 2. The combinations of national / subnational governance arrangements and the regional scope of programmes (and financial instruments within them) are illustrated in Table 3-4, which shows six possible variants among the Operational Programmes offering financial instruments. To assist interpretation, the codes are listed and explained in Table 3-3.

<sup>5</sup> This is the case in Germany, Denmark, Estonia, Italy, Lithuania, Latvia, Poland and Slovenia.

Table 3-3: Coding of national and regional OPs depending on geographical coverage (NUTS level)

<b>National OPs</b>	
<b>C_N0</b>	National OPs at NUTS 0 level
<b>C_N2</b>	National OPs where NUTS 0 and NUTS 2 are coterminous
<b>C_MN2</b>	National OPs covering only some NUTS 2 regions
<b>Regional OPs</b>	
<b>R_N1</b>	Regional OPs at NUTS 1 level
<b>R_N2</b>	Regional OPs at NUTS 2 level
<b>R_MN2</b>	Regional OPs based on groups of NUTS 2 regions

Source: authors

Table 3-4: Governance and scope of OPs offering financial instruments

<b>Scope</b>	<b>NUTS0</b>	<b>NUTS1</b>	<b>NUTS2</b>	<b>MN2</b>	<b>Total</b>
<b>National (C) Scope</b>	C_N0	N/A	C_N2	C_MN2	38
<b>No. of OPs</b>	13		10	15	
<b>Example</b>	Romania		Estonia	Italy: PON Ricerca	
<b>Subnational (R) Scope</b>	N/A	R_N1	R_N2	R_MN2	151
<b>No. of OPs</b>		17	128	6	
<b>Example</b>		OP NW England	OP Andalucía	Belgium: OP Wallonia exc. Hainaut	
<b>Total</b>	13	17	138	21	189

Source: authors

This matrix has important implications for the data available in relation to the different concepts of expenditure discussed below. There are also governance arrangements specific to financial instruments themselves,<sup>6</sup> but these are separate from this analysis and, to the extent possible, will be explored as part of the value-added analysis, as well as in the case study research.

**National OPs offering financial instruments** are illustrated in Table 3-5 and Map 3-2.

<sup>6</sup> Eg use of holding funds, FIs established as legal entities or blocks or finance; the role of the EIB Group, etc.



Table 3-5: Number of national OPs offering FIs by NUTS region scope

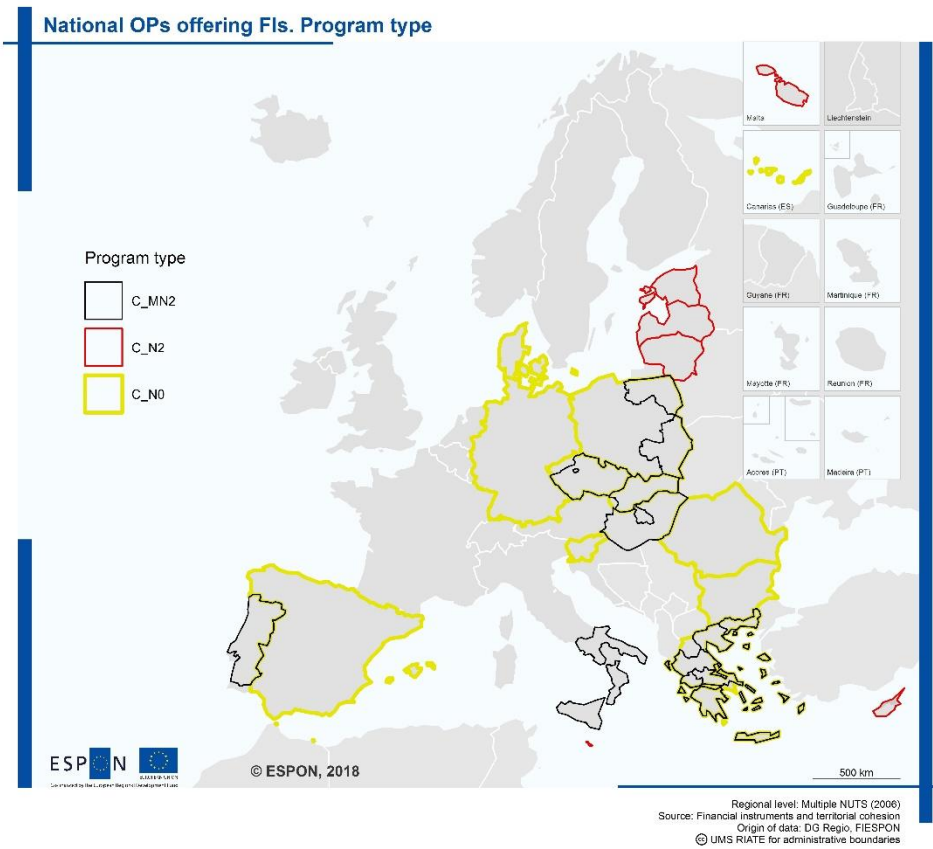
	<b>C_NO</b>	<b>C_N2</b>	<b>C_MN2</b>	<b>Total</b>
BG	2			2
CY		1		1
CZ			1	1
DE	1			1
DK	2			2
EE		3		3
ES	1			1
GR	1		6	7
HU			1	1
IT			3	3
LT		3		3
LV		2		2
MT		1		1
PL	2		1	3
PT			1	1
RO	1			1
SI	2			2
SK	1		2	3
<b>Total</b>	<b>13</b>	<b>10</b>	<b>15</b>	<b>38</b>

Note: for an explanation of codes used, see Table 3-3.

Source: authors

As can be seen from this, more than one national OP may operate to the same or different geographies. For example, Bulgaria has two national OPs operating nationwide, while Greece has one national OP operating nationwide and six nationally-managed OPs covering only some NUTS 2 regions.

Map 3-2: National Operational Programmes offering financial instruments (by NUTS region scope)



Source: authors

**Regional OPs offering financial instruments** are illustrated in Table 3-6 and Map 3-3. For many countries, the use of regional OPs is the ‘standard’ scenario. However, these do not systematically coincide with NUTS 2 boundaries. In Germany and the UK the standard unit for ROPs is the NUTS 1 level. However, where NUTS 2 regions within the country are classified differently for Cohesion policy purposes, this creates a mix of geographies. For example, in the UK, Cornwall and the Scilly Isles is a NUTS 2 region classified as a Convergence region in 2007-13, within the wider South West of England NUTS 1 region, where the remaining NUTS 2 regions are Regional Competitiveness and Employment (RCE) regions. A similar situation applies in Wallonia, where Hainaut (NUTS 2) was a Convergence region within a NUTS 1 region, where the remaining NUTS 2 regions were RCE. In the Netherlands, OPs are based on groups of NUTS 2 regions that do not coincide with NUTS 1.

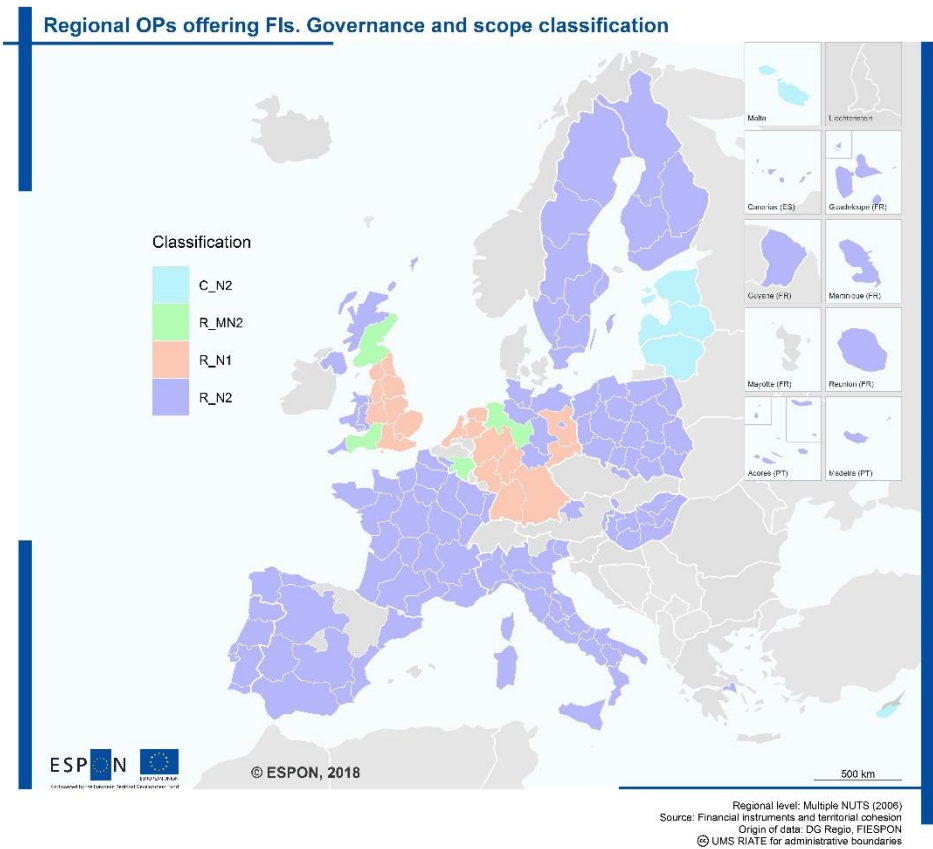
Table 3-6: Number of regional OPs offering FIs by NUTS region scope

	<b>R_N1</b>	<b>R_MN2</b>	<b>R_N2</b>	<b>Total</b>
<b>AT</b>			2	2
<b>BE</b>		1	2	3
<b>CZ</b>			1	1
<b>DE</b>	9	1	7	17
<b>ES</b>			12	12
<b>FI</b>			4	4
<b>FR</b>			26	26
<b>GR</b>			1	1
<b>HU</b>			7	7
<b>IT</b>			29	29
<b>NL</b>		2		2
<b>PL</b>			16	16
<b>PT</b>			7	7
<b>SE</b>			8	8
<b>SK</b>			1	1
<b>UK</b>	8	2	5	15
<b>Total</b>	17	6	128	151

Note: for an explanation of codes used, see Table 3-3.

Source: authors

Map 3-3: Regional Operational Programmes offering financial instruments (by NUTS region scope)



Note: National OPs where NUTS 0 and NUTS 2 regions are coterminous (C\_N2) are included in this map (as well as in Map 3-2) since the options for analysis are the same as for regional OPs where the scope is NUTS 2 (R\_N2).

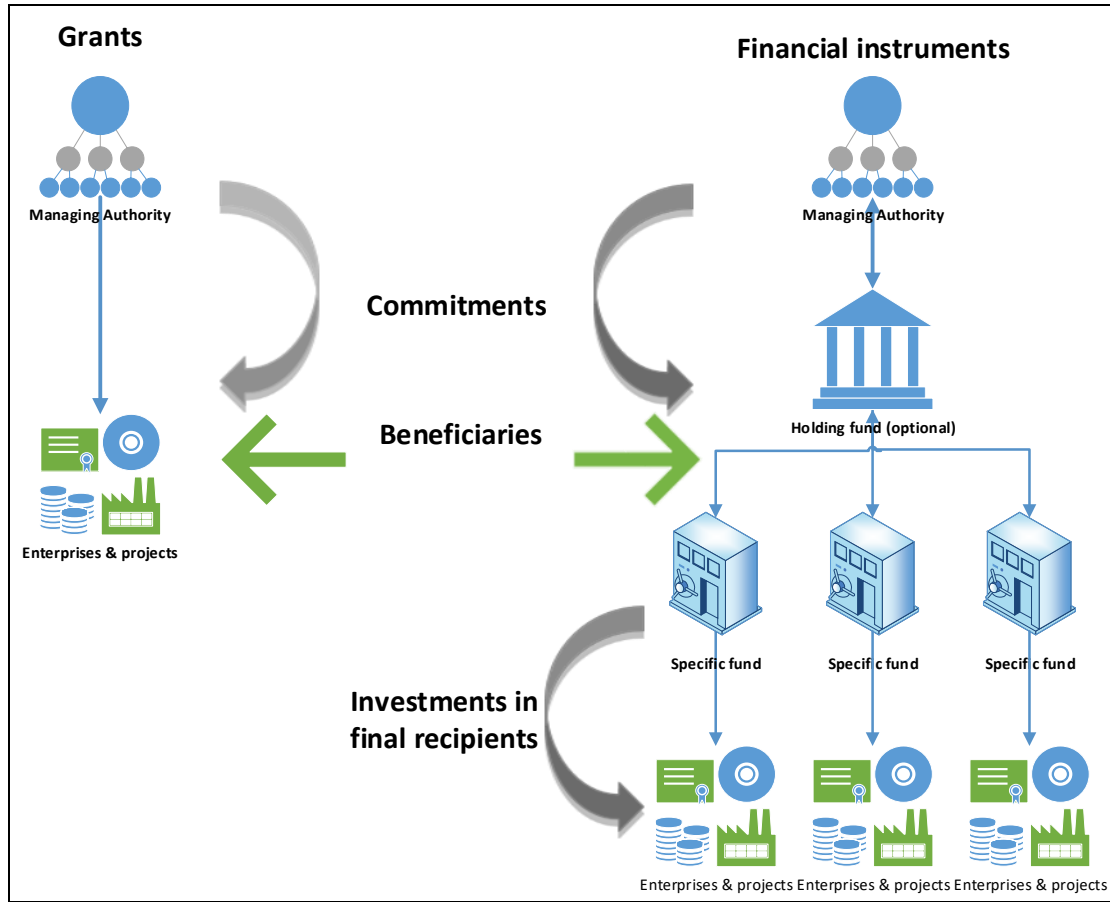
Source: authors

### 3.1.4 Defining and analysing expenditure on financial instruments

The notion of 'expenditure' is more complex for financial instruments than for grants. This is illustrated in Figure 3-1. For **grants**, commitments are made to the selected firm or project, and this is the *beneficiary* of ultimate payments. For **financial instruments**, commitments are made to holding funds and/or specific funds and these funds are the *beneficiaries*. The firms or projects which ultimately receive the loan, equity or guarantee from the financial intermediary are the *final recipients* of support.

This distinction partly accounts for the over-capitalisation of financial instruments early in the 2007-13 period; Managing Authorities could avoid, or at least postpone the prospect of decommitment under N+2/3 by committing funds to financial instruments. Related, by the end of the 2007-13 period, levels of commitment to FIs in some countries were substantially lower than they had been in previous years. (Wishlade, 2018). This in turn has implications for the concept of 'uptake' which will be explored later in the study.

Figure 3-1: Financial flows under grants and financial instruments



Source: authors

This distinction between **beneficiaries** and **final recipients** is also important for the data analysis. A critical issue concerns the limited obligations on reporting below the level of beneficiaries: for grants, fine-grained information is available on location, sector, size and other characteristics of the ‘target’ – not least because there are State aid compliance obligations to be met. By contrast, for financial instruments, limited information is available. For example, in the AIR reporting on categories of spend required under Regulation 1828/2006, the sectoral distribution over 80 percent of expenditure in the form of loans, interest rate subsidies, guarantees and venture capital<sup>7</sup> is reported as having been paid to financial intermediaries, unspecified services, unspecified manufacturing or ‘not applicable’. Similarly, regarding the spatial analysis of these forms of finance, to the extent that information is provided at all, it relates to the beneficiary – the financial intermediary – and not the ‘real’ target of support, the final recipient.

<sup>7</sup> As noted in Chapter 2, expenditure on the categories reported in the AIR does not exactly coincide with commitments / payments in the Commission’s summary of data on FIs. This owes partly to definitional issues, since interest rate subsidies are not financial instruments, but likely also to the inclusion of repayable grants as loans in some countries.

## 3.2 The spatial distribution of financial instruments

Collectively, the four definitional issues described in the section above have important implications for the territorial analysis of data. An indication of the scale of these implications is given in Table 3-7, which identifies those instances where data is relevant and available at NUTS 2.

Table 3-7: Data availability at NUTS 2 by OP scope and governance and type of OP 'spend' on FIs.

Gov / scope	Number of OPs offering FIs	Commitments to FIs (€m, EU amount)	Commitment data at NUTS 2	Investment in final recipients (€m EU amount)	Investment in final recipients at NUTS 2
C_N0	13	1371	N/A	1081	Being sought in MA survey
C_N2	10	713	Y	681	Y
C_MN2	15	3262	N/A	2897	Being sought in MA survey
R_N1	17	1082	N/A	1063	Being sought in MA survey
R_N2	128	4451	Y	4239	Y
R_MN2	6	224	N/A	180	Being sought in MA survey

*Note: The data concern specific funds only and take no account of funds committed to holding funds. The commitment and investment data should be treated with caution since the extent to which it has been validated by Managing Authorities varies, and there are known anomalies. For many FIs no information is available on investment; in others, the amounts exceed the commitments due to erroneous reporting of recycled funds. For an explanation of the codes used, see Table 3-3.*

*Source: authors' calculations from Commission's summary of data.*

As Table 3-7 shows, **commitment** data is only available at NUTS 2 for C\_N2 and R\_N2 Operational Programmes. Where the scope of the programme is wider (NUTS 0, 1 or multi NUTS 2) this data is not available or relevant, as commitment data is not regionally earmarked.

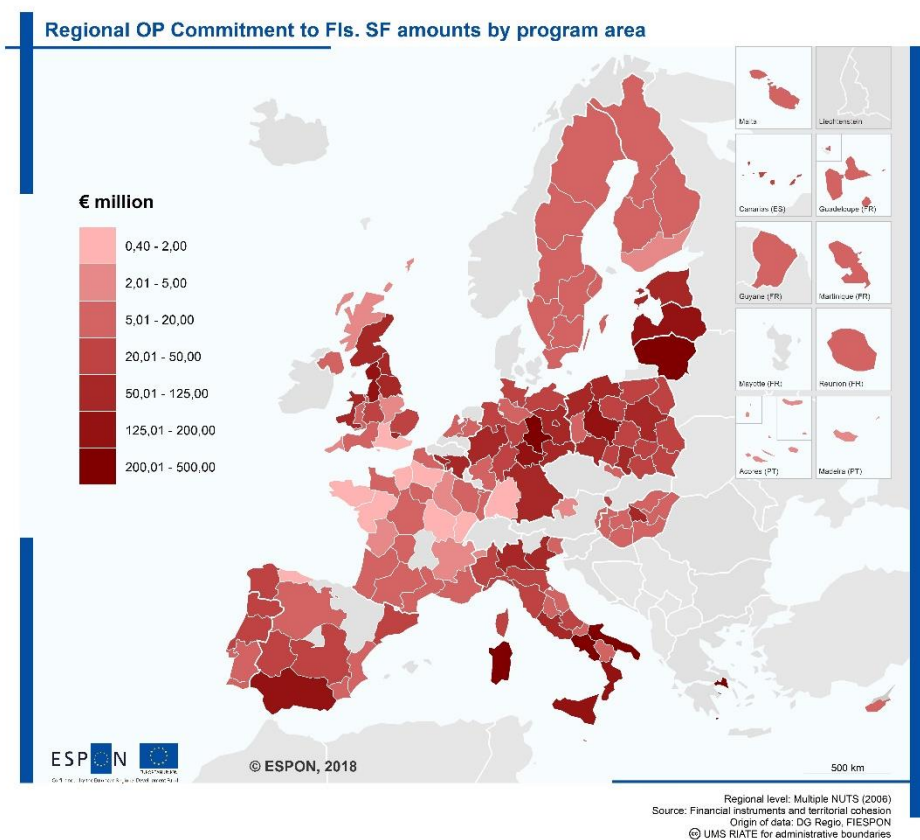
Regarding **investment** data, again this is available at NUTS 2 already for C\_N2 and R\_N2 Operational Programmes. In addition, it is being sought at NUTS 3 for all OPs through the Managing Authority survey, where special emphasis is being placed on the collection of regionalised investment data in C\_N0 and C\_MN2 Operational Programmes.

As described in Chapter 2, the Managing Authority survey remains open with the aim of capturing as much data as possible. The ultimate aim is to obtain regionalised **investment** data for as many OPs as possible (though it is already known that this has not been collated at all for some financial instruments). However, at this stage, the analysis is limited to FI **commitments** by Regional Operational Programmes, at the level of the programme area – this is typically at NUTS 2 (including national OPs where NUTS 0 and 2 coincide),<sup>8</sup> and also includes some NUTS 1 and some multi-NUTS 2 areas.

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<sup>8</sup> Estonia, Latvia, Lithuania, Cyprus, Malta.

Map 3-4: Commitments to FIs by ROP area (€ million)

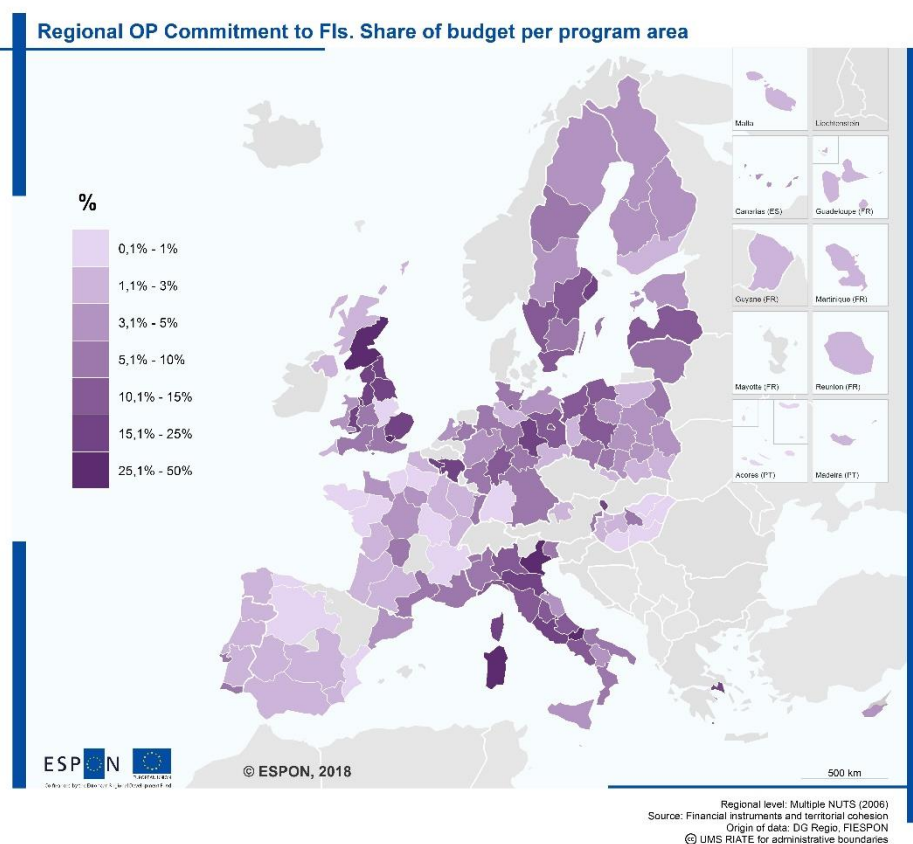


*Note: Caution must be exercised in viewing this map as the data has not yet been fully validated. By way of example, the Auvergne region (FR) is the only French region that appears not to offer FIs; in fact, data is recorded as committed to a holding fund, but not to specific funds in the region, and it also records some investment in final recipients. Such issues are currently being addressed through the MA survey. Source: authors*

Map 3-4 illustrates the levels of commitment to FIs by regional OPs (and the national OPs mentioned above) in absolute terms - € millions. This shows very wide variations in the Structural Fund amounts allocated, with particularly large sums committed in OPs in some southern Italian regions, Andalucía, parts of the UK and Germany.

Wide differences in the scale of spending under the different OPs, and the population resident in the programme areas, means that this give only a partial view.

Map 3-5: Commitments to FIs (as a percentage of OP spend)

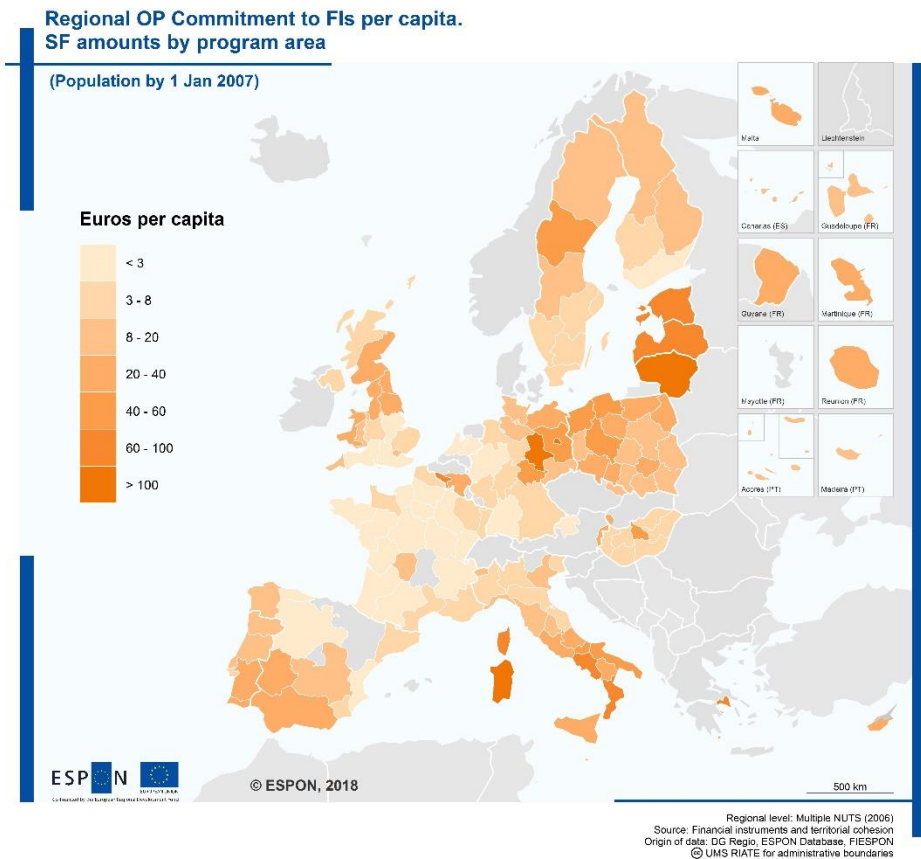


Source: authors

Map 3-5 presents the same commitment data, but relative to the overall budget of the Operational Programme. On this basis, relative commitments remain high in Sardegna, but elsewhere in southern Italy are less significant; similarly, commitments to FIs in Andalucía, although high in absolute terms, are less so relative to programme spend. By contrast, relatively more is committed in several UK regions, parts of Sweden, Germany, notably Sachsen-Anhalt, and Wallonia when expressed as a percentage of the total budget.



Map 3-6: Commitments to FIs (€ per head of resident population)



Source: authors

A consideration of commitments in per capita terms provides another perspective and adjusts for differences in the size of region. This is illustrated in Map 3-6. This highlights more differentiated levels of commitment to FIs within some countries – such as Sweden, but also that FI commitments in some regions are high on all three measures – for example Hainaut, Sardegna, Sachsen-Anhalt, Estonia, Latvia and Lithuania.

### 3.3 Further territorial analyses

The section above has provided some first ‘snapshots’ of the territorial distribution of FI **commitments** at the level of regional OP boundaries. This shows intensive use of FIs in some regions. However, it is important to note that this data is aggregated and for many regions may comprise:

- FIs funded from different ESI Funds – ESF and ERDF (eg. as in Lombardia)
- FIs with different objectives - enterprises and urban development (eg as in Andalucía)
- Commitments to different financial products.

In short, the overview in Section 3.2 gives a sense of the ***intensity of planned use*** of financial instruments in aggregate terms. As the study progresses and data collection is completed, attention will focus on the actual use – ***investments in final recipients*** – covering both the regional OPs covered in Section 3.2 (C\_N2, R\_N2, R\_N1, R\_MN2) and the national OPs (C\_N0 and C\_MN2). This will also entail a more fine-grained analysis at the level of ESI fund, financial product, target recipient, policy objective and governance arrangements for FIs (use of holding funds, legal entities/blocks of finance, role of EIB group).

## 4 State of play of value-added analysis

This chapter discusses the state of play for the analysis of added value. The Terms of Reference require the development of a methodology to measure what value-added different types of projects financed by ESIF financial instruments have for different types of territories when implemented as a complement to grant schemes. As discussed in the Inception Report, the analysis of added value is contingent on the data captured under Task 2 of the study. Chapter 2 of this report has described the status quo on the data collection process and the progress in collecting additional data. Chapter 3 has described the definitional and conceptual issues which are fundamental to understanding the existing data of financial instruments, and the information which is being collected. These same issues are central to the analysis of value-added.

This chapter is structured as follows. Section 4.1 presents preliminary data on some key variables, based on the concepts of added value and impact as developed in the revised Inception Report. The data is presented at the Member State level. These data show large differences between Member States for the EU-wide quantitative variables for added value and impact. The next step is the regionalisation of this data. Section 4.2 discusses the need for a differentiated approach to the regional analysis, as there are significant differences between Member States in the way Operational Programmes are implemented in regional terms. In Section 4.3, regions are categorised as high or low uptake regions (in relation to the use made of financial instruments). Section 4.4 concerns the typology of regions, and Section 4.5 discusses the selection of model regions. Last, Section 4.6 refers back to the methodology presented in the Inception Report to indicate how analysis will take place.

### 4.1 EU wide quantitative analysis of added value and impact

In the revised Inception Report, a distinction is made between value-added and impact (see Chapter 6 of the revised Inception Report and Section 4.6 below). This revised Interim Report shows some preliminary quantitative outcomes of this analysis at the level of the Member States. As a next step, results will be analysed at regional level. In the analysis at regional level, assessment at the level of selected OP/FIs will also be undertaken (Section 4.5) and any additional information arising from the case studies will be included in the analysis.

#### 4.1.1 The value-added of financial instruments

In the revised Inception Report, it was indicated that analysis of the value-added of financial instruments would focus on issues of sustainability, efficiency and quality (Figure 6-1 of the revised Inception Report, and Table 4-13 of this report), reflecting the advantages claimed for financial instruments compared to grants. In terms of quantitative measures, legacies and returns are suitable indicators for **sustainability**, and management costs and fees and leverage for **efficiency**. For **quality**, no comparative quantitative measures are available, but this will be considered in the case studies. *The data that are available should be treated with*

*caution.* They are derived from reports by managing authorities which interpret reporting requirements differently. As such, differences between Member States can be indicative of differences in fact, as well as differences in interpreting, defining and reporting the facts.

*Legacy* refers to OP contributions that have reached final recipients and are returned – for example through the repayment of a loan - and which are consequently available for reuse. An analysis of this data shows large differences between Member States (Table 4-1). In absolute terms, managing authorities report legacy funds generated (i.e. returns available for reinvestment) varying between €10.42 million (Malta) and €2,300 million (Italy). As a proportion of the total amount invested in final recipients (legacy relative to OP contributions invested in final recipients), this varies from a reported six percent (Czech Republic) to levels above 90 percent in Cyprus, Estonia, Greece, Latvia, Malta and Slovenia. When the amount of legacy funding reported is compared to the total amount of Structural Funds invested in final recipients, the data suggests that financial instruments in some Member States have generated returns equalling or exceeding the amount of Structural Funds initially invested (Belgium, Cyprus, Estonia, Lithuania, Latvia, Malta, Portugal, Slovenia, Slovakia).<sup>9</sup>

Regionalised analysis of these differences, also in relation to the types of financial instruments (i.e. loan guarantee, equity / venture capital or other product, used), will provide territorial insights into the patterns of legacy/returns as a measure of sustainability. Information at the level of specific funds and programmes is available through the additional information provided by the Commission for all relevant Member States except Hungary. The case studies will provide more in-depth knowledge to explain these differences.

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<sup>9</sup> Note that in the summary of data (European Commission, 2017) legacy includes potential legacy: 'value of resources at final recipient level which have yet to be paid back'.

Table 4-1: Legacy/returns relative to FI contributions invested in final recipients

Member State	OP contributions invested in final recipients as FIs (€ million)	Structural Funds contributions invested in final recipients as FIs (€ million)	Legacy (€ million)	Legacy relative to OP contributions invested in final recipients as FIs	Legacy relative to Structural Funds contributions invested in final recipients as FIs
AT	21.38	8.63	N/A	N/A	N/A
BE	427.75	171.66	175.68	41%	102%
BG	356.88	303.35	293.48	82%	97%
CY	18.32	15.57	17.36	95%	111%
CZ	257.68	139.06	15.44	6%	11%
DE	1,578.80	1,009.82	739.43	47%	73%
DK	81.22	36.35	33.30	41%	92%
EE	197.13	117.46	226.09	115%	192%
EL	1,033.10	1,014.82	938.01	91%	92%
ES	594.83	449.29	286.83	48%	64%
FI	57.33	27.55	22.93	40%	83%
FR	732.97	189.52	69.38	9%	37%
HU	829.67	706.35	235.46	28%	33%
IT	4,006.06	2,669.68	2,311.06	58%	87%
LT	620.11	397.22	433.82	70%	109%
LV	194.74	141.96	177.03	91%	125%
MT	10.67	9.14	10.42	98%	114%
NL	56.13	22.46	20.11	36%	90%
PL	1,184.74	1,011.70	839.97	71%	83%
PT	624.53	357.06	484.40	78%	136%
RO	244.74	210.48	182.71	75%	87%
SE	133.73	61.27	53.56	40%	87%
SI	171.99	146.17	157.50	92%	108%
SK	349.04	296.69	296.56	85%	100%
UK	1,407.18	612.13	443.58	32%	72%
Total	15,192.18	10,125.81	8,464.12	56%	84%

Note: Hungary (HU) is based on closure report (European Commission, 2017, p. 114). Legacy for Hungary is an estimate based on total legacy mentioned in closure report (€8,464.12 million; European Commission, 2017, p. 36) minus legacy total for all other OPs (€ 8,228.66 million) received by additional information. OP contributions = Structural Funds plus other public funding plus private funds at the level of the OP. AT did not report on returns.

Source: authors based on information from Member States gathered by European Commission

Data on *management costs and fees* and *leverage* are available from the Summary of Data and can be used as quantitative indicators of the efficiency of financial instruments (Table 4-2). Management costs and fees of financial instruments are claimed to be higher than those

of grants (European Court of Auditors, 2016).<sup>10</sup> It is also known from previous research and reports (European Court of Auditors, 2016; European Commission, 2017) that guarantees have generally lower management costs and fees than loans, based on underlying differences in cost structure.

*Leverage* concerns additional resources, alongside the finance from the Structural Funds, that becomes available to final recipients of financial instruments. Financial instruments may generate more additional finance than grants, which is called the 'leverage effect' in the Financial Regulation. Through leverage, Structural Funds may have a greater impact if additional finances are also unlocked. The Rules of Application of the Financial Regulation defines the leverage effect as follows:

*"1. Financial instruments shall aim at achieving a leverage effect of the Union contribution by mobilising a global investment exceeding the size of the Union contribution. The leverage effect of Union funds shall be equal to amount of finance to eligible final recipients divided by the amount of the Union contribution."* (Rules of Application, 2012, article 223-1)

This definition is used in the EU-wide quantitative overview (Table 4-2). Table 4-2 shows by Member State the data reported by managing authorities on management costs and fees paid in relation to financial instruments, and the amounts of leverage generated (calculated using the Financial Regulation definition described above). Management costs and fees vary widely, as might be expected given that the size and number of FIs to be managed vary widely between OPs and Member States. To provide a basis for comparison, the third and fourth columns in Table 4-2 show management costs and fees as a proportion of total OP resources invested as FIs in final recipients, and total Structural Funds invested as FIs in final recipients. The data suggests that there may be considerable differences in efficiency between Operational Programmes in different Member States (with the proportion of total funding reportedly spent on management costs and fees varying from fairly low in Belgium, for example (and, in fact, even zero in Estonia), to much higher in Sweden). These differences may relate to differences in context, financial product and choice of governance arrangements. In Sweden, for instance, twelve regional venture capital funds were implemented, each managing relatively small amounts of money.

The Financial Regulation definition above states that leverage is calculated by dividing the finance ultimately available to final recipients by the EU contribution. This is shown in column seven, and has been calculated by dividing the previous two columns. In other words, in the Netherlands, , for example, every €1 of Structural Funds invested in final recipients as an FI has generated €1.50.

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<sup>10</sup> However, it should be borne in mind that grants are rarely administered by organisations outside the public sector and the administrative costs of implementing grants are not systematically recorded.

Further analysis at the level of regions will provide insight into issues that are of relevance for territorial cohesion in relation to these indicators. The case studies selected can be found in Member States that have large differences in management costs and fees and leverage (France, Italy, Poland, Sweden, and outside this context, in Norway).

Table 4-2: Management costs and fees and leverage in relation to contributions to final recipients

Member State	Management costs and fees (€ million)	Management costs and fees relative to OP contributions invested in final recipients	Management costs and fees relative to SF contributions invested in final recipients	OP contributions invested in final recipients as FIs (€ million)	SF contributions invested in final recipients as FIs (€ million)	Leverage (SF to OP contributions invested in final recipients as FIs)
AT	2.02	9.5%	23.5%	21.38	8.63	2.48
BE	2.67	0.6%	1.6%	427.75	171.66	2.49
BG	26.84	7.5%	8.8%	356.88	303.35	1.18
CY	2.33	12.7%	14.9%	18.32	15.57	1.18
CZ	3.37	1.3%	2.4%	257.68	139.06	1.85
DE	150.52	9.5%	14.9%	1,578.80	1,009.82	1.56
DK	6.48	8.0%	17.8%	81.22	36.35	2.23
EE	0.00	0.0%	0.0%	197.13	117.46	1.68
EL	57.48	5.6%	5.7%	1,033.10	1,014.82	1.02
ES	39.55	6.6%	8.8%	594.83	449.29	1.32
FI	3.17	5.5%	11.5%	57.33	27.55	2.08
FR	21.63	3.0%	11.4%	732.97	189.52	3.87
HU	24.09	2.9%	3.4%	829.67	706.35	1.17
IT	183.40	4.6%	6.9%	4,006.06	2,669.68	1.50
LT	25.02	4.0%	6.3%	620.11	397.22	1.56
LV	20.19	10.4%	14.2%	194.74	141.96	1.37
MT	1.51	14.1%	16.5%	10.67	9.14	1.17
NL	1.73	3.1%	7.7%	56.13	22.46	2.50
PL	100.16	8.5%	9.9%	1,184.74	1,011.70	1.17
PT	19.44	3.1%	5.4%	624.53	357.06	1.75
RO	12.84	5.2%	6.1%	244.74	210.48	1.16
SE	24.60	18.4%	40.1%	133.73	61.27	2.18
SI	6.94	4.0%	4.7%	171.99	146.17	1.18
SK	14.35	4.1%	4.8%	349.04	296.69	1.18
UK	149.66	10.6%	24.4%	1,407.18	612.13	2.30
Total	900.01	5.9%	8.9%	15,192.18	10,125.81	1.50

Source: Authors based on information Member States gathered by European Commission. Hungary (HU) based on European Commission (2017). Note: OP contributions = Structural Funds plus other public funding plus private funds at the level of the OP.

Importantly, the region in which the fund manager is located may differ from the area that is addressed by an Operational Programme. Management costs and fees may therefore have an impact on different regions than addressed by the OP. The data provides information (which can be pinpointed to a NUTS 3 level) where these costs are allocated.

#### **4.1.2 The impact of financial instruments**

As noted in the revised Inception Report (Figure 6-2 of the revised Inception Report; see Table 4-13) the number of jobs created is the only measure for which data is widely available. There are very large differences between Member States relating to the number of jobs created relative to contributions to final recipients (see Table 4-3). The extreme nature of these differences suggests that considerable caution should be exercised in drawing conclusions from this data before it has been checked to the extent possible. Based on the survey, case studies and regional level data, the study will analyse the extent to which these differences relate to differences in the impact of programmes or differences in the methods of reporting job creation.



Table 4-3 Number of jobs created relative to OP and SF contributions to final recipients per Member State

MS	Jobs created by FIs (#)	Jobs created per €million of OP contributions to final recipient as FIs	OP contribution to final recipient as FIs per job created (€)	Jobs created per €million Structural Funds contributions to final recipient as FIs	SF contribution to final recipient as FIs per job created (€)
AT	49	2.29	436,367	5.68	176,159
BE	4,943	11.56	86,536	28.79	34,729
BG	161,919	453.71	2,204	533.78	1,873
CY	4,247	231.84	4,313	272.75	3,666
CZ	5,680	22.04	45,366	40.84	24,483
DE	18,830	11.93	83,845	18.65	53,628
DK	690	8.49	117,717	18.98	52,674
EE	1,903	9.65	103,587	16.20	61,724
EL	2,502	2.42	412,911	2.47	405,602
ES	14,559	24.48	40,857	32.40	30,860
FI	4,976	86.80	11,521	180.62	5,537
FR	67,622	92.26	10,839	356.81	2,803
IT	28,348	7.08	141,317	10.62	94,175
LT	3,580	5.77	173,214	9.01	110,955
LV	3,172	16.29	61,394	22.34	44,754
MT	5,349	501.48	1,994	585.34	1,708
NL	1,750	31.18	32,072	77.92	12,833
PL	6,709	5.66	176,590	6.63	150,797
PT	8,134	13.02	76,780	22.78	43,898
RO	0	0.00	n.a.	0.00	n.a.
SE	1,435	10.73	93,189	23.42	42,697
SI	6,793	39.50	25,319	46.47	21,518
SK	1,699	4.87	205,439	5.73	174,623
UK	28,353	20.15	49,631	46.32	21,590
Total	383,242	26.68	37,476	40.69	24,578

Note: no data received from Hungary; for Romania the survey reveals that 122,789 jobs are "sustained".  
Source: authors based on Member State data as gathered by the European Commission

A potential additional measure of impact, not explicitly mentioned in the revised Inception Report, is the number of final recipients (see Table 4-4). Further analysis on this will also be undertaken by regionalising the data, by focused analysis and through the case studies. Other data that measure impact are only quantified for a relatively small selection of funds and programmes, as identified in the managing authority survey. These data will be analysed in a more focused way.

Table 4-4 Financial recipients supported

Member state	Total number of final recipients supported	OP contribution per final recipient (€)	SF contribution per final recipient (€)
AT	33	647,940	261,569
BE	4,421	96,754	38,829
BG	8,024	44,476	37,805
CY	509	35,990	30,592
CZ	4,192	61,469	33,173
DE	4,928	320,373	204,914
DK	128	634,567	283,948
EE	1,572	125,399	74,721
EL	61,497	16,799	16,502
ES	4,571	130,132	98,290
FI	6,210	9,232	4,436
FR	14,298	51,264	13,255
IT	130,138	30,783	20,514
LT	8,365	74,131	47,486
LV	2,278	85,489	62,318
MT	653	16,335	13,994
NL	445	126,126	50,468
PL	33,733	35,121	29,991
PT	10,977	56,894	32,528
RO	5,013	48,822	41,987
SE	338	395,639	181,273
SI	4,710	36,516	31,034
SK	2,078	167,970	142,774
UK	5,765	244,090	106,180
All	314,882	45,612	29,914

Note: no data received from Hungary

Source: authors based on Member State data as gathered by the European Commission

## 4.2 The need for differentiated levels of analysis

As discussed in Chapter 3, the geographical scope of OPs offering FIs is varied and the overall picture rather complex. Within a single NUTS 2 region, financial instruments from up to five Operational Programmes may be offered. In other regions, no financial instruments are offered at all (see Map 3-1). There are various combinations of overall governance and geographical scope: some are national; some are nationally-managed, but apply in only a part of the Member State; others are regional, but the regional boundaries of the Operational Programmes may not conform to a specific NUTS regional level. The classification proposed in Chapter 3 is replicated in Table 4-5 below.

Table 4-5: Governance and scope of OPs offering financial instruments

Scope	NUTS0	NUTS1	NUTS2	MN2	Total
<b>National (C) Scope</b> <b>code</b> <b>No. of OPs</b> <b>Example</b>	C_N0 13 Romania	N/A	C_N2 10 Estonia	C_MN2 15 Italy: PON Ricerca	38
<b>Subnational (R) Scope</b> <b>code</b> <b>No. of OPs</b> <b>Example</b>	N/A	R_N1 17 OP NW England	R_N2 128 OP Andalucía	R_MN2 6 Belgium: OP Wallonia exc. Hainaut	151
<b>Total</b>	13	17	138	21	189

Note: The shaded areas are those that can be analysed at the regional level (NUTS 1 or 2) on the basis of published data. For an explanation of the codes, see Table 3-3.

Source: authors

Member States can choose whether to implement nationally-managed Operational Programmes or regionally-managed Operational Programmes. In Member States which mainly use regionally-managed Operational Programmes, regional information on the use of financial instruments is available. In other Member States, such as Romania, this information is not available. In a further category of Member State, such as Italy, there is a mix of nationally-managed and regionally-managed OPs, so that regionalised data is partial.

For nationally-managed Operational Programmes, it is usually *unclear* in which NUTS 2 region the financial instruments are being used (the exception being where NUTS 0 and NUTS 2 are the same). For example, if a large financial instrument is implemented by an investment bank, the location of the final recipients of financial products offered under this financial instrument are frequently not reported to the Managing Authority or European Commission, since the key unit of information reporting is the *beneficiary* (the financial intermediary or fund in the case of FIs) and not the ultimate target of support, the *final recipient* – see also Figure 3-1). As can be seen from the survey results, managing authorities of national Operational Programmes do not always have regional-level data on where, for example, start-ups have been supported. **There is therefore an issue of transparency in the use of financial instruments that limits the territorial analysis of the instrument.** The situation is summarised in Table 3-7 in Chapter 3, which shows that, for **commitments**, data cannot be regionalised for types C\_N0, C\_MN2, R\_N1 or R\_MN2 – these data simply do not exist as there is no *a priori* earmarking at this level within OPs. For **investments**, this data either already exists (where the OP coincides with NUTS 2 – C\_N2 or R\_N2) or is being sought through the MA survey.<sup>11</sup> As mentioned in the cautionary note to the table, however, this data needs to be treated carefully – especially the data in relation to *investments*, where there are known anomalies.

<sup>11</sup> For an explanation of these codes, see Table 3-3.

In the analysis of financial instruments, therefore, a **differentiated approach will be used, splitting the analysis between the appropriate levels:**

- For **regional** level OPs (and NUTS 2 countries) the existing dataset available through the Commission summary of data provides a basis for analysis of both **commitments** and **investments** (though this requires validation and completion in many cases).
- For **national** level OPs, the results of the survey are essential to unlocking an understanding of patterns of investment at the subnational level. The data as it is, allows for analysis at the level of the Member State (as is done in Section 4.1), but not for an analysis at the level of individual regions. An initial review of the outcomes of the survey indicates that the survey will reveal more regional information for some indicators in some Member States. Some managing authorities have indicated that they do not have extra information beyond what is in the Commission's summary of data, others have provided extra information, but not on all relevant indicators.

Reflecting this, the discussion below focuses on regional level OPs.

### **4.3 Exploratory assessment of data under regional OPs**

Although the data collection exercise is not complete or validated, there is sufficient information available on regional OPs to undertake a first analysis of levels of uptake of financial instruments. The concept of 'uptake' is not defined in the Terms of Reference. However, with regard to regional OPs, two dimensions can be identified.

First, 'uptake' refers to the decision of the Managing Authority to commit funds to FIs – in other words an analysis of the commitment data; second, 'uptake' refers to the decisions of firms and projects within the OP area to use the FIs on offer – an analysis of the investment data. At this stage, the team considers the investment data to be of poorer quality than the commitment data. This refers to two main issues. First, in a number of cases there is no information on investments in final recipients or the amount is zero. This needs, as far as possible, to be validated through the MA survey. Second, the amounts invested sometimes exceed the commitments. According to the Commission commentary (see p28 of Summary of Data at closure), this may, among other things, be because it includes reinvested returns, which are not technically OP contributions and complicate the interpretation of the data. As a result, it is considered appropriate to focus on the commitment data while the investment data is being validated and while regionalized data is being sought. In order to advance the process, the team has begun a preliminary analysis of high and low uptake regions on the basis of the commitment data at the regional level.

Within the green-shaded cells in Table 4-5 there are 146 regions. As indicated these regions are typically at the level of NUTS 2. However, some of them are at NUTS 1 and some are a combination of NUTS 2 regions. There are 163 regionalised Operational Programmes active within these 146 regions. In most regions there is only one regionalised Operational Programme; however, in others two or three programmes apply (for example, some regions

have both ESF and ERDF programmes offering FIs). Fortunately the boundaries of these regional programmes coincide.

The quantitative data on value-added and impact as presented in Section 4.1 can be presented and analysed at the level of these 146 regions.

For these 146 regions, the ‘uptake’ of financial instruments was assessed on the basis of **absolute commitments** to FIs and on the **relative importance of FIs in total OP commitments**. In both cases account is taken only of the ESI Fund contributions (in order to avoid distortions arising from different rates of co-financing).<sup>12</sup> The rationale for using two thresholds is that it enables the identification not only of those OPs where the volume of planned spend on FIs is large, but also those where FIs are a significant part of the OP. This is important because in some cases the absolute spend is essentially a reflection of programme size, especially in Convergence regions. However, in some regions where the budget is small, FIs may be an important part of spend – indeed, the small size of the budget may itself be an incentive to use FIs – as is the case for the London OP.

Two thresholds were used to determine high uptake:

- An absolute one: more than €20 million commitments (EU expenditure) on financial instruments in the region.
- A relative one: financial instruments cover over 10% of the Operational Programme commitments (EU expenditure).

This means that 73 regions (exactly 50%) have a low uptake of financial instruments based on both criteria (Table 4-6).

*Table 4-6: High and low uptake regions – commitments to financial instruments*

<b>Uptake</b>	<b>Definition</b>	<b>Regions (No.)</b>	<b>Regions (%)</b>
Low uptake both absolute and relative	FI < € 20 mln and < 10%	73	50.0%
Low absolute uptake, but high relative uptake	FI < € 20 mln and > 10%	9	6.2%
High absolute uptake, but low relative uptake	FI > € 20 mln and < 10%	38	26.0%
High uptake both absolute and relative	FI > € 20 mln and > 10%	26	17.8%
All		146	100%

*Source: authors based on Commission’s Summary of data*

<sup>12</sup> At a later stage in the study, total FI commitments could be analysed, including OP contributions outside national co-financing, but at this stage a simpler analysis is preferred for reasons of comparability.

#### 4.4 Developing a typology of regions and clustering

The outcome of the classification of the OPs under which financial instruments are offered has been incorporated in the typology of regions developed for this study.

At the level of NUTS 3, regions have been classified using the following criteria:

- **Eligibility**, which is based on the regional policy designation: Convergence (C), Phasing Out (PO), Phasing In (PI) or Regional Competitiveness and Employment (RCE) (Official Journal of the European Union, 6.9.2006, L243; 28.3.2007, L87.);
- **Financial system**, classified as bank based (1), market based (2) or former socialist (3) (Moritz, Block and Heinz, 2015; Masiak, Moritz and Lang, 2017; Demirguc-Kunt and Levine, 1999);
- **Quality of government**, classified as far above average (1), above average (2), average (3), below average (4) and far below average (5) (Charron, Dijkstra and Lapuente, 2015; Teorell et al, 2017).
- **Urban/Rural**, classified as urban (1), intermediate close to the city (21), intermediate remote (22), rural close to the city (31) and rural remote (32) (EUROSTAT, 2013, ESPON, 2011; 2014; Dijkstra and Poelman, 2008).

Combining all criteria results in a potential 375 types of regions (5 (Structural Funds eligibility) \* 3 (systems of finance) \* 5 (levels of quality of government) \* 5 (urban-rural, including level of remoteness) = 375). However, over 48 per cent of all regions are concentrated in only nine types and another 20 per cent in 14 types. As a result, over two-thirds of all NUTS 3 regions are found in only 6 per cent (23 out of 375) of all potential combinations (see Table 4-8). These 23 regional typologies each cover at least one percent of NUTS 3 regions; these typologies are listed in Table 4-7

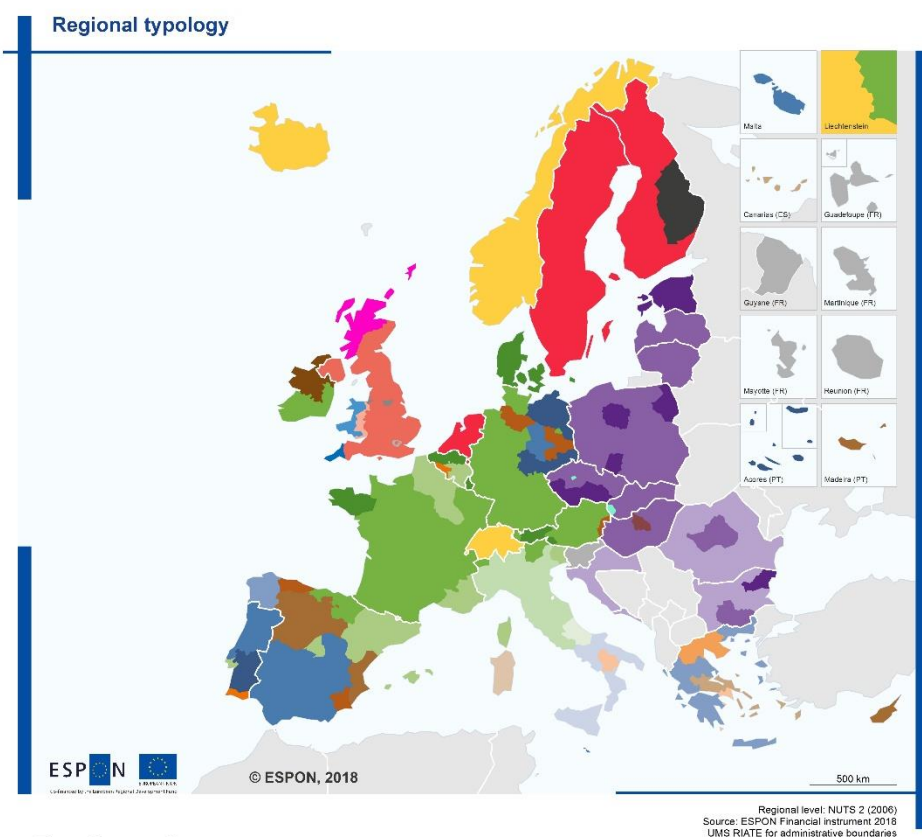
Table 4-7: 'Top' regional typologies (each covering at least 1% of NUTS 3 regions)

Structural Funds	Finance system	Quality of government	Urban-rural	Regions
Convergence	bank-based	above average	intermediate close	45
Convergence	former socialist	below average	rural close	44
Convergence	former socialist	below average	intermediate close	40
Convergence	former socialist	far below average	rural close	27
Convergence	bank-based	above average	rural close	24
Convergence	former socialist	far below average	intermediate close	24
Convergence	bank-based	below average	rural remote	21
Convergence	former socialist	far below average	rural remote	21
Convergence	former socialist	below average	urban	19
Convergence	former socialist	average	rural close	16
Convergence	former socialist	below average	rural remote	15
Phasing-Out	bank-based	above average	intermediate close	16
RCE	bank-based	above average	intermediate close	174
RCE	bank-based	above average	rural close	133
RCE	bank-based	above average	urban	106
RCE	market-based	above average	urban	67
RCE	market-based	far above average	intermediate close	36
RCE	market-based	above average	intermediate close	31
RCE	bank-based	below average	intermediate close	27
RCE	market-based	far above average	urban	23
RCE	bank-based	above average	rural remote	18
RCE	bank-based	average	rural close	17
RCE	bank-based	far above average	urban	16

Source: authors

The data on the financial instruments is not usually available at the level of NUTS 3, but rather at the level of NUTS 2. At the level of NUTS 2 there is no urban/rural classification and there are therefore only 75 potential classes (5 (Structural Funds eligibility) \* 3 (systems of finance) \* 5 (levels of quality of government) = 75). Of these 75 potential classes, 42 classes are blank, i.e. none of the 290 NUTS 2 regions have this combination of qualities. Therefore, there are 33 types of region (including non-EU ESPON countries, which can be classified in 3 types on the basis of their finance systems and quality of government, but clearly not in relation to Structural Fund eligibility (see Map 4-1).

Map 4-1: Composite typologies of NUTS 2 regions



**Typology classes**

- No data
- Con/bank-based/QoG above average
- Con/bank-based/QoG average
- Con/bank-based/QoG below average
- Con/bank-based/QoG far below average
- Con/former socialist/QoG average
- Con/former socialist/QoG below average
- Con/former socialist/QoG far below
- Con/market-based/QoG above average
- Con/market-based/QoG average
- Phasing-out/bank-based/QoG above average
- Phasing-out/bank-based/QoG average
- Phasing-out/bank-based/QoG below average
- Phasing-out/bank-based/QoG far below average
- Phasing-out/market-based/QoG above average
- Phasing-in/bank-based/QoG above average
- Phasing-in/bank-based/QoG below average
- Phasing-in/bank-based/QoG far below average
- Phasing-in/market-based/QoG far above average
- Phasing-in/market-based/QoG above average
- Phasing-in/former socialist/QoG below average
- RCE/bank-based/QoG far above average
- RCE/bank-based/QoG above average
- RCE/bank-based/QoG average
- RCE/bank-based/QoG below average
- RCE/bank-based/QoG far below average
- RCE/market-based/QoG far above average
- RCE/market-based/QoG above average
- RCE/market-based/QoG average
- RCE/former socialist/QoG below average
- Non-EU ESPON countries

Source: authors

The regional typology of NUTS 3 regions (presented in Table 4-7) can be condensed to a classification at NUTS 2 level (Table 4-8) by leaving out the urban/rural dimension. This results in fewer types, and as NUTS 2 regions are a combination of NUTS 3 regions, this results in fewer regions. For example, in Table 4-7, the type ‘convergence-bank-based-above



average-intermediate close to the city' (with 45 NUTS 3 regions), and the type 'convergence-bank-based-above average-rural close to the city' (with 24 NUTS 3 regions) are at NUTS 2 level combined to one type (convergence-bank-based-above average) with only 7 NUTS 2 regions (see Table 4-8). These 12 types of regions in Table 4-8 comprise 232 regions - 80% of all 290 NUTS 2 regions.

Table 4-8: 'Top' regional typologies at NUTS 2 level (covering 80% of NUTS 2 regions)

Eligibility	Finance system	Quality of government	NUTS 2 regions
Convergence	bank-based	above average	7
Convergence	former socialist	below average	31
Convergence	former socialist	far below average	14
Convergence	bank-based	below average	11
Convergence	former socialist	average	9
Phasing-Out	bank-based	above average	6
RCE	bank-based	above average	61
RCE	market-based	above average	31
RCE	market-based	far above average	24
RCE	bank-based	below average	9
RCE	bank-based	average	16
RCE	bank-based	far above average	13

Source: authors

Furthermore, it must be noted that in 29.7% of the NUTS 2 regions, a classification on the urban/rural dimension can be made, because these NUTS 2 regions either consists of one NUTS 3 region (35 NUTS 2/NUTS 3 regions) or all NUTS 3 regions in a single NUTS 2 region have the same urban/rural classification (145 NUTS 3 regions in 51 NUTS 2 regions). For these regions, it is therefore possible to analyse urban/rural aspects. The other 70.3% of NUTS 2 regions consist of a mix of urban, intermediate (close to the city or remote), rural (close to the city or remote) NUTS 3 regions.

#### 4.5 Selection of model regions

As noted already, data on financial instruments is not always available at a subnational level. Moreover in some Member States, regionalisation is not at NUTS 2, but at NUTS 1. Aside from a few exceptions in relation to eligibility in Germany and the UK, where Convergence and Phasing-out regions (Germany) or Regional Competitiveness and Employment and Phasing-in regions (UK) were covered within the same OPs, the regions that were comprised of neighbouring NUTS 2 regions were all of the same type, allowing the typology developed for NUTS 2 regions to be used for these regions as well. The division of the 146 regions in this typology is shown in Table 4-10: 112 of these 146 regions (76.6%) belong to the typology of regions at NUTS 2 level (Table 4-8) .

Table 4-9: Numbers of regions in regional typology (regions within typology in bold)

Uptake and eligibility	Finance	Bank based						Market based				Former socialist			Total
	Quality of government	1	2	3	4	5	Sum	1	2	3	Sum	3	4	Sum	
<b>Low uptake</b>	Sum	1	26	18	3	1	49	10	6		16		8	8	73
C			<b>2</b>	3	<b>2</b>		7		1		1		<b>8</b>	8	16
PI				4			4	1			1				5
PO			<b>4</b>	3		1	8		1		1				9
RCE		<b>1</b>	<b>20</b>	<b>8</b>	<b>1</b>		30	<b>9</b>	<b>4</b>		13				43
<b>Low absolute; high relative</b>	Sum		1		1	1	3	5		1	6				9
RCE			<b>1</b>		<b>1</b>	1	3	<b>5</b>		1	6				9
<b>High absolute, low relative</b>	Sum		8	6	4	3	21		1	1	2	4	11	15	38
C			<b>2</b>	5	<b>1</b>	3	11			1	1	<b>4</b>	<b>10</b>	14	26
C+PO			<b>2</b>				2								2
PI					1		1						1	1	2
RCE			<b>4</b>	<b>1</b>	<b>2</b>		7		<b>1</b>		1				8
<b>High uptake; both</b>	Sum		2	4	5	4	15		6		6		5	5	26
C				1		1	2						<b>4</b>	4	6
PI						1	1								1
PO				1		1	2								2
RCE			<b>2</b>	<b>2</b>	<b>5</b>	1	10		<b>4</b>		4		1	1	15
RCE+PI									<b>2</b>		2				2
<i>Total</i>		<i>1</i>	<i>37</i>	<i>28</i>	<i>13</i>	<i>9</i>	<i>88</i>	<i>15</i>	<i>13</i>	<i>2</i>	<i>30</i>	<i>4</i>	<i>24</i>	<i>28</i>	<i>146</i>

Note: C: Convergence; PO: Phasing Out; PI: Phasing In; RCE: Regional Competitiveness and Employment; Quality of Government: 1: far above average; 2: above average; 3: average; 4 below average; 5: far below average.

Source: authors

The Inception Report for this study presented clusters of regions at NUTS 3 (see Figure 6-6). Although it is desirable to assess data at this level, at present the data does not permit such a fine-grained analysis as most Operational Programmes do not report at NUTS 3 level. At the level of NUTS 2, the clusters outlined in Table 4-10 emerge (the proposed clusters for the study). The table also indicates what proportion of the regions belonging to each cluster have regional Operational Programmes with financial instruments.

Table 4-10: Clusters of regions at NUTS 2 level

<b>Eligibility</b>	<b>Finance system</b>	<b>QoG</b>	<b>Regions</b>	<b>Share of regions in cluster with regionalised OP offering FI</b>
Convergence	bank-based	above average	7	100%
Convergence	former socialist	below average	31	71%
Convergence	former socialist	far below average	14	0%
Convergence	bank-based	below average	11	27%
Convergence	former socialist	average	9	44%
Phasing-Out	bank-based	above average	6	100%
RCE	bank-based	above average	61	75%
RCE	market-based	above average	31	100%
RCE	market-based	far above average	24	83%
RCE	bank-based	below average	9	100%
RCE	bank-based	average	16	88%
RCE	bank-based	far above average	13	8%

Source: authors

Most notable is the 0% coverage of the Convergence/former socialist/far below average type. These are regions in Bulgaria and Romania: where Cohesion policy OPs are implemented in these regions, this is done only through national programmes. Through the Managing Authority survey data has been received at a regional level in Bulgaria. Although the scope of the regionalised data is not complete, it provides opportunities to fill this gap.

Table 4-11: Clusters, regionalised OPs and FI uptake

Eligibility	Finance system	Quality of government	regions	Regions with regionalised OPs with FI		Uptake of financial instruments			
				Relative (Rel)	Absolute (Abs)	Abs and rel high	Abs high, rel low	Abs low, rel high	Abs and rel low
Convergence	bank-based	above average	7	100%	6		4		2
Convergence	former socialist	below average	31	71%	22	4	10		8
Convergence	former socialist	far below average	14	0%	0				
Convergence	bank-based	below average	11	27%	3		1		2
Convergence	former socialist	average	9	44%	4		4		
Phasing-Out	bank-based	above average	6	100%	6		2		4
RCE	bank-based	above average	61	75%	27	2	4	1	20
RCE	market-based	above average	31	100%	11	6	1		4
RCE	market-based	far above average	24	83%	14			5	9
RCE	bank-based	below average	9	100%	9	5	2	1	1
RCE	bank-based	average	16	88%	11	2	1		8
RCE	bank-based	far above average	13	8%	1				1

Note: Note that Sachsen (DE) and Brandenburg (DE) are both listed under Convergence and Phasing-Out (bank based, below average), and that the regions of North West England (UK) and Yorkshire and Humberside (UK) are both RCE and Phasing In. These NUTS 1 regions consist of NUTS 2 regions in different clusters.

Source: authors

**The idea of the approach is that within a cluster, model regions with high and low uptake will be compared** (see Table 4-12). The final selection of model regions will be informed by the availability of data from the survey and case studies. The survey and case studies may provide opportunities to also obtain data at the level of NUTS 3. A further point to note is that, reflecting the precise wording of the Terms of Reference, this analysis distinguishes between high and low uptake regions; there is, however, **a strong case for including ‘no’ uptake regions as comparators, not just those where uptake is low**. In addition, it should be stressed that at this exploratory stage, the **data under scrutiny is aggregated data on commitments** – it does not yet distinguish between type of target investment (enterprise, urban, energy), by ESI Fund (ESF or ERDF), by type of financial product, or by mode of FI governance.

Table 4-12: Potential model regions within clusters

Eligibility	Finance	Quality of Government	High uptake	Low uptake
Convergence	bank-based	above average	Thüringen (DE)	Alentejo (PT)
Convergence	former socialist	below average	Wielkopolskie (PL) and 3 other regions	Options: Moravskoslezsko (CZ) Közép-Dunántúl Nyugat-Dunántúl Dél-Dunántúl Észak-Magyarország Észak-Alföld Dél-Alföld (HU) Lubuskie (PL)
Convergence	former socialist	far below average	n.a.	n.a
Convergence	bank-based	below average	Galicia (ES)	Guadeloupe or Guyane
Convergence	former socialist	Average	Eesti (EE) or Podlaskie Opolskie Kujawsko-Pomorskie (all PL)	n.a.
Phasing-Out	bank-based	above average	Sachsen or Brandenburg (both also CI)	Options: Burgenland (AT) Lüneburg Principado de Asturias Región de Murcia Basilicata Algarve
RCE	bank-based	above average	Berlin, Hessen	20 regions including Auvergne
RCE	market-based	above average	North East England East Anglia London Lowlands and Uplands of Scotland (UKM without UKM6)	East Midlands South East England South West England except UKK3 Northern Ireland (UK)
RCE	market-based	far above average	Mellersta Norrland (and 4 other regions)	in total 3 FI, 3, SE and 3 NL
RCE	bank-based	below average	Lombardia (and 4 other regions)	Marche (IT)

Eligibility	Finance	Quality of Government	High uptake	Low uptake
RCE	bank-based	Average	Wallon except Hainaut (and Corse)	Brussels Comunidad de Madrid Champagne-Ardenne Picardie Nord - Pas-de-Calais Provence-Alpes-Côte d'Azur Friuli-Venezia Giulia Lisboa
RCE	bank-based	far above average	n.a.	Bretagne

*Note: These clusters would require further refinement to take account of other factors, notably territorial issues which are not factored in at NUTS 2. This would mean, for example, that Galicia and Guyane or Guadeloupe would be unlikely pairings given the specificities of Outermost Region status.*

*Source: authors*

#### 4.6 Measuring added value and impact

As indicated in the revised Inception Report, it is not an easy task to obtain a detailed understanding of the actual use of financial instruments. This is a necessary step to develop insight into the added value of the instruments and is currently being pursued through the Managing Authority survey. The relative use of grants for the same purpose as financial instruments within an Operational Programme also has an effect on the potential impact of financial instruments.

**Our analysis will be based on a mix of published outcomes of the programmes, the data obtained from the Member States through the request from the Commission and the outcome of the survey.** Therefore, alongside a mix of regional scales of Operational Programmes, there is also a mixed quality of data sources. This has an impact on the extent to which a quantitative analysis of the data on added value can be provided. There are no European-wide data available that provide information at a single regional NUTS level.

In general, three levels of analysis will be used. First, the analysis of the quantitative data; second, qualitative analysis of materials of model regions (for both: see below) and third, the case studies (see Chapter 5). The outcomes of these three methods will contribute to the results.

The **quantitative analysis** provides insight into 'sustainability' and 'efficiency' as described in the revised Inception Report (Table 4-13).

Table 4-13: Data and methods of analysis – value-added of financial instruments (based on figure 6.1 of revised Inception Report)

Value-added	Type	Measures	Method of analysis	Data availability	Issues	Task link
Sustainability	EU-wide quantitative	Legacy / returns	Assess scale of returns by type of region and financial product.	Legacy data is available for all OP based on extra information provided by the Commission. Hungary is currently missing in these data	What does legacy value indicate? Could be that FI is just not risky enough if returns are high? Data difficult to interpret.	Collect data under T2, analyse under T3/4
	OP/FI quantitative		Ad hoc assessment depending on data available; focus on priority OPs determined by scale, interest, relevance...;	Unknown, but see evaluations; ex ante assessments conducted for 2014-20. Consider scope to benchmark returns	Comparability between FIs	Collect in T2 and T5, as appropriate, for analysis in T4.
	Qualitative	Expectations and perceptions of value of returns and relationship with risk.	Interviews in case studies; mini surveys?	Consider risk profiles, expectations of returns	Anecdotal by nature	T5, but feeds back into T4
Efficiency	EU-wide quantitative	Management costs and fees	Assess scale of management costs and fees by type of region and financial product. Benchmark against standard ESIF admin costs?	Available in Commission's summary of data; data does not only provide information about programmes, but also about the location of fund manager	Interpretation of high and low costs; sometimes NPBs do not make costs explicit or absorb some. Comparability issues.	Collect in T2; analyse under T3/4
	EU-wide quantitative / OP/FI quantitative	Leverage	Assess scale of leverage by type of region and financial products.	Leverage information to final recipients is in extra information based on the Commission's summary of data (except for Hungary)	Comparability between instruments; differences of interpretation; data may not capture all private contributions.	Collect in T2; analyse under T3/4
	Qualitative	MA time & effort to set-up; perceptions of complexity; delays?	Desk based research; interviews;	Evaluations; ex ante assessments; interviews with MAs and others; issues of critical mass	Anecdotal by nature.	T5, but feeds back into T4
Quality	Qualitative	Perceptions of	Desk based research;	Evaluations; ex ante	Largely anecdotal.	T5, but feeds back into

<b>Value-added</b>	<b>Type</b>	<b>Measures</b>	<b>Method of analysis</b>	<b>Data availability</b>	<b>Issues</b>	<b>Task link</b>
		project quality among stakeholders.	interviews.	assessments; interviews with MAs and others;		T4.
Development of local financial markets	Qualitative (primarily)	Extent to which local financial markets are perceived to have evolved.	Anecdotal evidence of how local financial markets have adapted in response to use of FIs – eg NE England and Estonia renovation loan	Evaluations; ex ante assessments; interviews with MAs and others;	Anecdotal by nature.	T5, but feeds back into T4
Impact on subsidy culture (and other effects?)	Qualitative	Perceptions of change in attitude to subsidies	Anecdotal evidence of attitudinal changes to grants / repayable finance	Stakeholder views / interviews.	Anecdotal by nature.	T5, but feeds back in to T4.

*Source: authors, adapted from revised Inception Report (Figure 6-1)*



In the quantitative analysis of **added value** the following indicators will be used:

- **Region** (the 146 regions as introduced in Section 4.2 and further developed in Section 4.4; which allows the outcomes to be linked to the typology);
- **Funds allocated and invested in** final recipients, both absolute and relative to the total (including grants) of the Operational Programmes, which allows differentiation to be made between high and low uptake regions;
- **Legacy returns**, the existence of which is a major difference between FIs and grants;
- **Management costs and fees**, which is the counterpart to legacy. The data provides an extra opportunity to analyse the NUTS 3 regions where management costs and fees are available for all OPs.
- **Leverage**, where regional differences are of particular interest.

For **impact**, the following additional criteria will be used (see also Figure 4.2):

- **Jobs created**, which is the most widely available impact measure;
- **Firms supported**, which is the second most available impact measure.

The data provided is not always complete in relation to all indicators: some indicators are voluntary information and not all outcomes are finalised yet. This is especially the case for legacy returns, jobs created and firms supported. Based on case studies and focused analysis of underlying materials, these differences will be studied.

For a selection of regions there is data available on the urban/rural dimension. These regions consist of either one NUTS 3 region or several NUTS 3 regions which are classified the same for the urban/rural dimension. Most of these regions have a low uptake of financial instruments. It will be explored whether a quantitative analysis of the regions with data on the urban/rural dimension will provide relevant insights on this dimension.

Table 4-14.: Impacts associated with financial instruments and grants (based on Figure 6.2 from revised Inception Report)

<b>Type of analysis</b>	<b>Measures</b>	<b>Method of analysis</b>	<b>Data availability</b>	<b>Issues</b>	<b>Task link</b>
EU-wide Quantitative	Job creation	Assess scale of jobs associated by region and financial product	Requested from COM and provided (except for Hungary). Also requested in survey to managing authorities.	Job creation not relevant to all FIs or OPs. Definitions, such as, jobs created versus jobs sustained	Collect data in T2, possibly complement under T5
EU-wide quantitative / OP/FI quantitative	Other indicators, as relevant – eg GHG reductions, number of start-ups	Assess results compared to targets; to what extent available at level of FI? Only if FI only priority?	Most of these indicators are rarely used. Widely used is, however, the indicator 'Total number of final recipients supported', which can be used for EU wide quantitative analysis.	Except for indicators jobs created and number of final recipients supported, data cannot be analysed quantitatively without accepting large data omissions (SME supported or micro enterprises supported) at best.	Assess data under T2 to see to what extent useable under T4.
Qualitative	Other intended or unintended outcomes	Stakeholder interviews; evaluation studies....	Evaluations; ex ante assessments; interviews with MAs and others;	Largely anecdotal.	T5

Source: authors, adapted from revised Inception Report (Figure 6-2)

For the **focused analysis of model regions**, model regions will be selected based on the clusters using the typology developed in Section 4.4. This is a form of desk based research that allows the consideration of data which is not available EU-wide, but which provides extra insights in relation to added value. **Model regions with high and low uptake within the same clusters of regions will be compared.** This will be a pairwise comparison of model regions within the same cluster (see Table 4-15). In the selection of model regions A and B, after the high versus low uptake of financial instruments, the availability of comparable data will play a role.

The pairwise comparison of regions with high and low uptake within a specific type of region makes it possible to make full use of the data gathered, without the necessity of a full coverage of all data on the same level for all regions (which is unavailable). Here other indicators, as mentioned in Figure 6.2 in the revised Inception Report can be analysed. The clustering of regions also makes it possible to involve data from other regions within the same type of region to be incorporated in the analysis. In the definition of model regions, regions for which data is available on NUTS 3 level through the Managing Authority survey will also be examined.

Table 4-15: Regional typology example

<b>Regional typology (based on level of development and financial situation, available infrastructure, geographical specificities and governance mechanisms)</b>					
Ideal typical region 1		Ideal typical region 2		Ideal typical region X	
Model region 1A	Model region 1B	Model region 2A	Model region 2B	Model region XA	Model region XB
High uptake of FI	Low uptake of FI	High uptake of FI	Low uptake of FI	High uptake of FI	Low uptake of FI

Source: Revised Inception Report based on Project Terms of Reference

This more in-depth analysis allows for the construction of different ideal typical regions. Based on data assembled, the kinds of added value that are typical for certain types of regions will be indicated. Based on the differences between model regions A and B it will be possible to indicate what the added value can be for the use of financial instruments in relation to grants for diverse types of regions. For the clustering of regions, the methodology described in the Inception Report and Section 4.4 will be used.

Table 4-16: Factors affecting the uptake and implementation of financial instruments

<b>Factor</b>	<b>Relevance</b>	<b>Indicator</b>	<b>Elements</b>
National financial context	Type of financial institutions and main patterns in sources of finance for SMEs	National system of finance	Bank-based Market based Former socialist
Cohesion policy eligibility	Broadly reflects level of development (GDP-PPS per head as % of EU average). Different designations reflect different intensities of Cohesion policy support	2007-13 Cohesion policy categories	Convergence Phasing-out Phasing-in RCE Non-EU ESPON 4
Geography of	Degrees of agglomeration	Urban,	Predominantly urban

Factor	Relevance	Indicator	Elements
finance	reflect development of local financial markets. Degree of remoteness affects access to finance	intermediate, rural classification and level of remoteness	Intermediate close to city Intermediate remote Rural close to city Remote rural areas
Quality of government	Affects administrative capacity to implement FI, which are generally acknowledged to be more complex than grants	Quality of government index	Far above average Above average Average Below average Far below average

Source: authors

The **construction of ideal types will be carried out at two levels**. First at the level of the regionalised programmes or national programmes at the level of NUTS 2 regions (shaded areas in Table 4-5). As has been presented in Tables 4-9, 4-10 and 4-11, Operational Programmes are positioned in the typology developed based on the criteria of National Financial Context, Cohesion policy eligibility and Quality of Government. At this level, the quantitative data provided through the Commission's summary of data and the additional Member State data received through the Commission will be analysed and related to the typology of regions and the high and low uptake of the instruments. The relative criterion in the uptake of financial instruments allows the analysis of whether a certain regional mix of financial instruments and grants relates to the value added or impact of financial instruments. In addition to quantitative data, qualitative information from the case studies and desk research of specific data for regions with low and high uptake will add to the understanding of differences between regions and will be used to draw conclusions at the territorial level on added value and impact of financial instruments.

At a next level, the ideal types will be refined to NUTS 3 level, which is necessary to draw conclusions on the geography of finance (Table 4-16). Conclusions on geography of finance will also be based on NUTS 2 areas that consist of NUTS 3 areas of a uniform type, for example, all NUTS 3 regions in a specific NUTS 2 area are rural close to the city. Through the survey, some information at the level of NUTS 3 or even local administrative units (LAU) is provided. However, this information is not uniform or complete. It does not allow an EU-wide quantitative analysis, but it can and will be used for focused analysis using qualitative methods combined with the quantitative data gathered. Through the location of fund managers, the territorial distribution of management costs and fees at NUTS 3 level can be analysed. The main aim of this analysis at NUTS 3 level is to study what differences in value-added and impact the use of financial instruments has for urban areas, intermediate areas (close to the city or remote) and rural areas (both close to the city and remote).

This analysis will focus on **revealing regional differences in the added value of financial instruments**. These differences will emerge from the quantitative analysis, the analysis of model regions and the case studies (see Chapter 5). As the ideal types constructed relate to

the typology of regions, maps will be constructed that show differences in the added value of financial instruments that will cover the ESPON-area.

An important, but non-quantifiable element of FI implementation concerns the mode of governance, specifically, **what effect might governance arrangements of financial instruments have on territorial cohesion?**

There are several components to the discussion of the governance of shared-management FIs. These include:

- Whether the OP under which the FI is funded is **national or regional**
- Whether the MA decides to implement the FI **directly** (rare), or to implement through another agency/institution
- Implementation structure chosen (**holding fund/fund of funds or specific fund**)
- the **ownership** of agencies, financial intermediaries, fund managers and banks etc. involved in implementation (public, private or a mixture of these)
- the **location and structure** of agencies, financial intermediaries, fund managers and banks etc. involved in implementation (e.g. international, national, regional, the existence of local branches/offices)
- the number of levels of FI management and implementation between MA and final recipient, and the controls put in place through contracts, funding agreements and investment strategies
- the role of on-lenders (e.g. in the case of the provision of guarantees, these are often commercial banks).

A large number and variety of different institutions can be involved in the implementation of shared-management FIs, including national and regional banks, public financial institutions, regional development agencies, guarantee providers, government departments, in-house entities, private fund managers, commercial banks, standalone funds and international financial institutions such as the EIB Group.

The geographical and sectoral remits of these different institutions vary. Some, such as the *Land* banks in Germany, have an explicitly subnational remit. Others are nationwide in scope, but with a strong regional representation (e.g. BGK in Poland). Often, the boundaries between the different types of institution is blurred. Among the 20 largest FIs by EU budget contribution in 2007-13:

- Eleven were implemented under national OPs, eight under regional OPs and one under a national OP that covered only the Convergence regions in that Member State.
- Six were implemented through Holding Funds and 14 through specific funds.
- Three of the Holding Funds were managed by the EIB Group, two by national promotional banks and one by a State investment management company.
- The 14 specific funds were managed by a mixture of national agencies, public banks and private banks.

The potential effect of these choices on territorial cohesion will be explored in more depth in the case studies where issues such as the degree of discretion available to fund managers and the level of risk entertained can be explored in more detail.

## 4.7 Summary

The next steps for Tasks 3 and 4 of the study are as follows: first, a quantitative analysis of the data on value-added and impact; second, a more in-depth analysis of data through comparisons of similar regions (regions that are of the same type) with high and low uptake of financial instruments. In this comparison, data will be used which is not available for all programmes, but which can offer insights into the differences between these regions. A more qualitative perspective will emerge from the case studies. The next steps in the analysis of value added and impact are outlined in Figure 4-1.

*Figure 4-1: Next steps in analysis of value added and impact*

<ol style="list-style-type: none"> <li>1. Analyse regionalised quantitative data (146 regions)             <ol style="list-style-type: none"> <li>a. OP contributions to final recipients</li> <li>b. SF part of OP contributions to final recipients</li> <li>c. Legacy/returns</li> <li>d. Leverage effect</li> <li>e. Management costs and fees</li> <li>f. Jobs created</li> <li>g. Number of final recipients supported</li> <li>h. Absolute commitments of financial instruments in region</li> <li>i. Relative commitments of financial instruments in region</li> <li>j. Eligibility</li> <li>k. Financial system</li> <li>l. Quality of government</li> </ol> </li> </ol>
<ol style="list-style-type: none"> <li>2. Use other data (including survey results and case studies) to get a better understanding of the outcomes of the analysis             <ol style="list-style-type: none"> <li>a. Comparison of regions with high and low uptake of financial instruments</li> <li>b. Compare region pairs using quantitative data on value added, which is not available for all regions, but which is available for specific set of regions</li> <li>c. Improve insights by using qualitative data on value added</li> <li>d. Compare region pairs using quantitative data on impact, which is not available for all regions, but which is available for specific set of regions</li> <li>e. Improve understanding by using qualitative data on impact</li> </ol> </li> </ol>
<ol style="list-style-type: none"> <li>3. Analysis of urban/rural dimension by using data of uniform NUTS 2 areas and additional survey data allowing the breakdown of NUTS 2 data to NUTS 3             <ol style="list-style-type: none"> <li>a. Classification of region as urban, intermediate close to the city, intermediate remote, rural close to the city, rural remote</li> <li>b. Analyse differences relating to 3a using other data available (listed under 1a-1l) that allows for comparison of set of regions</li> <li>c. Comparing sets of regions using methods described under 2</li> <li>d. Analyse distribution of management fees and costs to fund managers in specific NUTS 3 areas (using typology)</li> </ol> </li> </ol>
<ol style="list-style-type: none"> <li>4. Wrapping-up of outcomes under 1-3             <ol style="list-style-type: none"> <li>a. Establishing which differences between regions are relevant for value-added of financial instruments (are relevant for territorial development) and which differences are not</li> <li>b. Establishing which differences between regions are relevant for impact of financial instruments (are relevant for territorial development) and which differences are not</li> <li>c. Presentation of outcomes in text, tables, figures and maps</li> </ol> </li> </ol>

*Source: authors*

**The outcome will feed in to Task 6 on developing policy proposals** for which it is essential to have insight in what FI *can* do in a certain regional context.

## 5 State of play of case studies

### 5.1 Introduction

As indicated by the Terms of Reference, the objective of Task 5 is to produce **at least five case studies** on particular countries or regions which have substantial experience with ESIF FIs and which could provide solid information on what might be expected elsewhere in Europe. The task will be developed with the aim of providing concrete examples and a thorough picture of the territorial impact of selected ESIF FIs, analysing particular regions with substantial experience in FI implementation and providing qualitative information on impact and added value that cannot easily be measured by quantitative data alone. The case studies will thus complement and enrich the outcomes of the previous tasks of the study.

In developing the final selection of case studies, the Core Team presented to the ESPON EGTC and the Project Support Team on 31 July 2018 a 'long list' of pre-selected potential candidate regions developed according to the following criteria:

- **Substantial experience with ESIF FIs**, represented by high levels of commitments to financial instruments, either in absolute terms or as a percentage of Operational Programme expenditure;
- Representation of **different types of region**, as signified by their membership of different cluster types. Each selected region belongs to a different cluster type, ensuring representativeness among the case studies;
- An emphasis on **filling data gaps**, by including several regions with existing data gaps that could not be completed through the quantitative research;
- Ensuring a **geographical balance** across the EU, as the criterion of geographical representativeness has also been applied;
- Including **different types of FIs** in terms of thematic coverage, to ensure a rich approach and a wide scope of the case studies as a whole.

At the same time, as required by the Terms of Reference, each of the case studies can be considered as an 'outlier', in the sense of being a leading user of FIs, a 'pioneer', or an innovator in terms of the use of FIs within Cohesion policy.

The final short-list of case studies to be further developed in the final part of the study was approved on 14 September 2018. The six approved case studies are as follows:

1. Country: Spain. Case Study: FI within the ERDF ROP Andalucía 2007-13;
2. Country: France. Case Study: Auvergne FI JEREMIE 2007-13;
3. Country: Italy. Case Study: FI within the ROP Lombardia 2007-13;
4. Country: Sweden. Case Study: FI within the Mellersta Norrland OP 2007-13;

5. Country: Poland. Case Study: FI within the ROP Wielkopolskie 2007-13;
6. An extra case study on Norway has been added to the list in order to provide a non-EU perspective within the ESPON membership.

## 5.2 Working methodology for the case studies

As a working methodology, the Core Team will undertake the following steps for Task 5:

- Elaborate general guidelines for the Case Study Experts in order to provide them with clear instructions for carrying out the analysis;
- Elaborate suitable templates to analyse the territorial impact of each case study;
- Mobilise the Case Study Experts and provide them with the guidance note;
- Undertake the analysis through desk research and fieldwork with local stakeholders (interviews and/or online survey) by CS Experts;
- Analyse the obtained research results, elaborate the SWOT matrix and project fiches for each case study, and develop the corresponding final draft.

In relation to the CS Experts, this work can be done internally within the consortium, thanks to the consortium's extensive in-house language skills and geographical coverage. This will facilitate coordination of the Task 5 activities while also benefiting from the capacity to access national databases and relevant stakeholders, as well as screening documents and conducting interviews, in the national languages.

Red2Red will undertake the coordination of CS Experts, ensuring smooth analysis, quality control and homogeneity of the information provided.

Last, as already mentioned in the approved Inception Report, the Case Studies will be drafted in a homogeneous fashion, with the same layout and structure as follows:

- Introduction on case study context and rationale;
- Brief overview of the analysis methodology (stakeholders involved, techniques used and constraints encountered, if any);
- Description of main results and findings achieved through desk research and fieldwork (including SWOT matrix and the Project Fiche);
- References: list of the consulted sources, categories of interviewees and survey description.

In preparation for the case study work, a **pilot test** has been carried out in Norway to test a specific questionnaire drafted for the study purposes. An in-depth preliminary interview has been performed with Innovation Norway, the national agency for innovation and development of Norwegian enterprises and industry. The interview focused on the following aspects:

- Strategic priorities of Innovation Norway for financing projects;
- Characteristics of the FIs implemented (typology, area, beneficiaries, projects supported, assessment of the management carried out of these projects, etc.);
- Outcomes: evaluation, follow-up or feedback of the financial support programs, territorial impact, innovation, key success factors, etc.;
- Flagship examples (Project Fiche).



The pilot test approach was found to be useful, and gave an early indication that the working methodology to be applied to the case studies would need to be individually tailored on a case by case basis for each of the case studies. For example, in the case of Norway, as Innovation Norway is a national agency and given the fact that most of the processing of the loan applications they deal with take place in its regional offices, during the next stage of the research for the Norway case study development, the Core Team will contact the regional offices during fieldwork, in order to analyse in depth the specific investment projects of interest for this study.

Thus the detailed interview questionnaires to be used and the specific stakeholders to be consulted will be tailored for each individual case study. As the final list of case studies was approved on 14 September 2018, the detailed questionnaires and lists of stakeholders to be approached in each case have not yet been finalised.

In the following pages, a short description of the approved case studies to be developed under Task 5, as well as the rationale for each selection, is presented.

### **5.3 Case study profile: Andalucía, Spain**

Andalucía provides an example of strong regional performance in economic terms within a complex environment: regional GDP has been increasing since 2013, growing by 4.61% in 2016 and 2017. In 2016, regional GDP was at €161 million, the highest level since 2012. However, the unemployment rate is extremely high, though at 28.3 percent in 2016, the lowest since 2011; and the region still ranks in 16th position among the Spanish Regions (*Comunidades Autónomas*). Regional R&D expenditure is below the national and EU28 averages. Nevertheless, Andalucía is classified a “Moderate Innovator”, with innovation performance increasing over time (Regional Innovation Scoreboard, 2017).

*What makes Andalucía an interesting case study?*

The Financial Instruments programmed within the Andalucía ERDF ROP 2007-13 focus on entrepreneurship and the promotion of SMEs, as well as urban sustainable development. Andalucía is currently a **leading user of FIs** among the Convergence regions in Southern Europe. The region has developed **extensive experience in designing and implementing Financial Instruments** within the ERDF ROP. An **interesting mix of public and private actors are involved in FI implementation**, and **FIs of different types cover several thematic areas**.

The JEREMIE Fund for Andalucía was set up in 2009. Initially, the total allocation was €235.7 million, comprising €165 million ERDF and €70.7 million in regional government co-funding. The fund was split in two strands: a venture capital fund and a multi-product fund comprising human capital, globalisation, guarantee and equity loan schemes. In 2014, the JEREMIE allocation was increased from €235.7 million to €379 million through the creation of two new funds for sustainable construction and energy. The Holding Fund is managed by the regional development and innovation agency ‘IDEA’ (Agencia de Inovación y Desarrollo de

Andalucía). The financial intermediary for the venture capital fund is a public body created by IDEA in 2005 to develop risk capital instruments. The manager of the multi-instrument fund is also a public company that manages other financial instruments. By contrast, the financial intermediaries of the more recently created funds for sustainable construction and energy are private sector banks.

In addition to the JEREMIE fund, the Andalucía ERDF ROP for 2007-13 integrates JESSICA instruments through energy and urban holding funds. The urban fund (JESSICA Andalucía) was set up by the EIB and regional government in 2009 with an allocation of €85.7 million. The Holding Fund is managed by the EIB, which has selected two Urban Development Funds: a newly created company and a venture capital fund, both managed by a financial services group. The fund provides loans, equity participations, loans and other types of quasi-equity to urban projects. The main beneficiaries are public-private partnerships, private sector promoters and, to a more limited extent, public sector promoters.

The second 2007-13 JESSICA instrument is the Fund for Investments in Energy Saving and Diversification (FIDAE). The Holding Fund was set up in 2011 by the Spanish Institute for Energy Savings and Diversification (IDAE) and the EIB to support energy efficiency and renewable energy projects in ten regional ERDF OPs in 2007-13. IDAE is a national agency attached to the secretary of Energy (of the Ministry of Industry, Energy and Tourism) with the status of an intermediate body in the eligible programmes (ROPs Andalucía, Canarias, Castilla y León, Castilla-La Mancha, Ceuta, Extremadura, Galicia, Melilla, Murcia, Valencia). The EIB is the Holding Fund Manager and has selected three UDFs managed by financial intermediaries. The main forms of assistance are loans as well as venture capital and participative loans.

In the 2014-20 period, as recently as July 2018 the Regional Government of Andalucía committed funds to put in place a new fund for the financing of companies and entrepreneurs through the ERDF ROP Andalucía 2014-20. This instrument will manage guarantees and reimbursable loans in more favourable conditions than those of the market. The FI aims at supporting the productive sector, especially SMEs and entrepreneurs with difficulties in accessing credit. The new “Andalucian Public Fund for Business Financing and Economic Development” will act in priority areas for the region such as entrepreneurship, innovation or sustainable urban projects, promoting activities that contribute to economic growth and job creation, environmental protection, renewable energies and energy efficiency and sustainable urban development.

#### **5.4 Case study profile: Auvergne, France**

The Auvergne region ranked 20th out of 22 regions in France in terms of GDP in 2015. The region was very negatively affected by the economic crisis, experiencing limited economic growth between 2006 and 2015, with a regional average annual growth rate below the French and EU28 averages, and a 7% decline in GDP over the period 2008-09 (Regional Innovation Scoreboard, 2017). However, Auvergne has one of the lowest rates of unemployment in

France - in 2016, 7.2% of the population was unemployed, a figure well below the national and European rates. Youth unemployment (15-24 year olds) is particularly low: 15.2%, in 2016, versus 24.7% at the national level (Eurostat, 2017). This can be explained by the weakness of the population's growth, youth outmigration and the increase in the share of the aged population.

Auvergne is characterised by a strong presence of industrial and agricultural activities, being home to large companies in the chemical and plastics industries, but also with specialisms in some new and fast growing high-tech industries such as pharmaceuticals, nutrition and health, biotechnology and ICT. It is worth noting the recent regional reorganisation - since 2016, Auvergne and Rhône-Alpes have merged together to become the Auvergne-Rhône-Alpes region.

*What makes Auvergne an interesting case study?*

In France, regional-level **awareness of the importance of financial instruments has been growing** over several programming periods. The Auvergne region set **up one of only three JEREMIE funds** implemented in France in 2007-13. The Auvergne JEREMIE (€25.2 million) took an innovative approach to management of their holding fund, which involved a public/private partnership. Following a public procurement procedure, two bids were received, only one of which fully met the criteria. The successful bid was a joint tender by the multiregional private management firm, SOFIMAC PARTNERS, together with the Auvergne Region Chamber of Commerce and Industry (CCIA). The public/private partnership is considered an innovative approach to covering all fund management requirements, benefitting from the expertise and skills of each of the structures involved. SOFIMAC PARTNERS therefore manages the holding fund and oversees follow-up of the venture capital investment portfolio and mezzanine debt portfolio and CCIA manages the loan fund portfolio (Wishlade, Michie and Gloazzo, 2014).

In Auvergne, there has also been an **interesting territorial approach** to covering the region. The loan fund element of JEREMIE is managed through a network of 14 small 'loan on trust' associations spread throughout the region. These associations know their territory well, and loans are provided to the entrepreneurs rather than to the companies, so that the loan amount can be brought in to the capital of the company. The loans on trust do not require any guarantee or personal liability and are interest-free. Administration and coordination is carried out by the regional Chamber of Commerce, which has oversight over the network of loan associations (Wishlade, Michie and Gloazzo, 2014).

The final reason for selecting Auvergne as a case study is **the opportunity to address data gaps**. Data reported by the Managing Authority to the Commission and published in the Commission's annual summary of data does not include the amounts committed to specific funds below the level of the Holding Fund. However, money is reported as having reached final recipients. The case study will provide the opportunity to verify existing data, obtain more precise data below the level of the Holding Fund, and allow a more in-depth analysis of

territorial impact. It is also worth noting that the region has implemented a new JEREMIE Fund of Funds in the 2014-20 period.

## 5.5 Case study profile: Lombardia, Italy

Lombardia is the most populated Italian region, (with approximately 10 million inhabitants in 2017) and has the fifth largest GDP amongst European regions (€357.2 billion - Eurostat, 2017), representing one fifth of the Italian national GDP. The economy of Lombardia is characterised by a wide variety of industries, being one of the most developed productive systems in Italy and Europe: at the end of 2012, there were 71.2 enterprises per 1000 inhabitants, one of the highest rates of entrepreneurship in Europe, of which more than 99% were SMEs (Regional Innovation Scoreboard, 2017). In 2014, about 21% of total Italian R&D investments were concentrated in Lombardia. Milan, its capital, is the second-largest city and the largest metropolitan area in Italy and it is defined as the economic capital of Italy for its financial and commercial centre.

*What makes Lombardia an interesting case study?*

Lombardia has **extensive experience of FI implementation**, under both ERDF and ESF ROPs. Under the ERDF ROP, several FIs were implemented, including a JEREMIE Holding Fund (€22.2 million), the FRIM (Fondo di Rotazione per l'Imprenditorialità) (c.€114 million), and the Made in Lombardy scheme (€9.68 million).

The **approach to implementation has also been innovative**. In the case of the JEREMIE Fund, for example, the EIF was involved at the start of the process in Lombardia, as advisor for the setting up of the fund, but it was not involved in the management – this was subsequently entrusted to Finlombarda, Lombardia Region's financial institute. Finlombarda is also responsible for implementation of the FRIM and Made in Lombardy schemes.

In the case of the FRIM (Fondo di Rotazione per l'Imprenditorialità) in Lombardia, an innovative approach was taken to speed up implementation and to encourage participation by financial intermediaries in the instrument. Instead of selecting financial intermediaries through a public tender, a document fully describing the role, activities, remuneration and deadlines to be respected by the financial intermediary was produced. Accordingly, financial intermediaries willing to participate did not have to submit an offer, they just had to sign the document. This reduced the time needed in the selection process of financial intermediaries (Wishlade, Michie and Gloazzo, 2014). Lombardia may also be an interesting case study in terms of **type of final recipients** as about 15 percent of the final beneficiaries are large enterprises (Wishlade, Michie, Familiari, Schneidewind and Resch, 2016).

The inclusion of Lombardia as a case study also provides the **opportunity to explore the potential rich availability of data**. For example, an innovative web-based data management system was developed for the FRIM, through which data is collected from the first application throughout the project. The system allows operators belonging to the different institutions involved to make queries at any time and receive updated information. There is also an

integrated reporting tool (report template) used by the FI manager to report to the Managing Authority which summarizes results every six months. This has simplified reporting duties and significantly reduced the time needed to assemble reports and ensures that data is timely and accurate (Wishlade, Michie and Gloazzo, 2014). This could potentially provide a very useful data resource for the project.

Lombardia has also implemented FIs under their ESF ROP, indeed this has been the subject of a *fi-compass* good practice case study. The ESF FI was one of the first ESF co-funded financial instruments in the EU. The JEREMIE ESF (€18.75 million) supported access to finance for cooperatives and their members in the social sector. It provided medium-term funding to approximately one third of the social cooperatives in Lombardia, contributing to job creation and the social inclusion of disadvantaged people.

The region is also active in FI implementation in the 2014-20 period, with five specific funds being managed by Finlombarda:

- Fondo Linea R&S per Aggregazioni (€60 million)
- Fondo Linea R&S per MPMI (FRIM FESR 2020) (€30 million)
- Fondo regionale per l'efficienza energetica (FREE) (€17.6 million)
- Linea Controgaranzie (€28.5 million)
- Linea Intraprendo (€27 million).

Lombardia ERDF ROP has been selected as a case study to be developed because of the rich experience of FI implementation within the region, and its innovative approaches to implementation. Furthermore, access to regional institutions such as the Lombardia region (Managing Authority), Finlombarda S.p.A and other stakeholders involved such as the commercial banks and cooperatives guarantees a first-hand approach and ability to capture impact and added value.

## **5.6 Case Study profile: Mellersta Norrland, Sweden**

Mellersta Norrland (Central Norrland or Mid Sweden) is one of the most sparsely populated regions in Sweden and in the EU, with 4.8 inhabitants/km<sup>2</sup> and a 2016 population of only 374,245 inhabitants (Regional Innovation Scoreboard, 2017). Regional unemployment stood at 6.8% in 2016, slightly below the national average and below the EU 28 average. The region's GDP per capita in 2015 (€30,600 PPS) lay below the national average but above the EU 28 average.

Mellersta Norrland is a NUTS 2 region made up of two relatively independent NUTS 3 regions, the county of Västernorrland and the county of Jämtland. The region is predominantly rural (forests cover about 67% of the area and the percentage of GVA from agriculture, forestry and energy is well above the national average) but the economy is dominated by heavy process industries (Regional Innovation Scoreboard, 2017).

*What makes Mellersta Norrland an interesting case study?*

The Swedish regional venture capital funds provide a **relatively scarce example of co-investment equity financial instruments** funded under ERDF. The regional venture capital funds are also fairly well-established, having been in operation over several programming periods. Indeed, Mellersta Norrland was the location of one of the first of the regional venture capital funds to be launched. The regional venture capital funds were first implemented under the ERDF programmes in Sweden during the 2000-06 period. Three pilot partnership funds (inspired by the Scottish Co-Investment Fund) were launched in 2005, in what were then the Objective 2 programme areas of Västsverige, Gotland and Mellersta Norrland (Michie and Wishalde, 2011).

The Swedish approach to FI implementation is also **interesting from a territorial point of view**, as the 12 regional venture capital funds managed by public sector agencies cover the entire country. All 12 funds are managed by five different fund managers, and each fund is only allowed to invest in its own region. In Mellersta Norrland there are two venture capital funds co-financed by ERDF - Saminvest, belonging to the Almi Invest group, and Mittkapital, a venture capital firm owned by a Swedish state pension fund (Nilsson, 2012).

The mid-term evaluation of the regional venture capital funds found that **demand varied between regions**, and in particular, had decreased in some parts of Sweden (especially in the peripheral north) because of the economic downturn; there were also some problems experienced with finding private co-funding. Given these problems, SEK10-15 million (€1.2-1.8 million) from one fund (located in northern Sweden) was transferred to funds in other regions. At the time of the evaluation, most funds were still in the start-up phase. However, the study noted that it was challenging for many of the funds to ensure a sufficient flow of good deals and suitable investment partners, particularly in those regions dominated by large companies and industrial environments which had not historically had a culture of venture capital financing (Mason, Michie and Wishlade, 2012).

The funds' co-investment approach seeks to engage the private sector more proactively by investing on a *pari passu* basis (the funds invest together with private commercial actors on equal terms) in projects selected by the private investors, which increases the funds available for investment. This approach specifically aims to take advantage of private sector expertise in the identification of appropriate investments. Although there was some initial uncertainty as to whether there would be private co-financiers willing to co-invest, results were considered positive – by July 2013 each SEK of fund investment had attracted an average of SEK 1.9 in private funding (Operational Programme for investments in growth and jobs Mellersta Norrland 2014-2020).

The final evaluation of the regional venture capital funds raises some interesting questions about the consequences of the geographical delimitations applying to such funds (Growth Analysis, 2016). Set within the broader context of Cohesion policy FI implementation in Sweden during the current (2014-20) programming period, where the **new national Swedish**

**Venture Initiative** has been launched in cooperation with the EIF to support access to equity capital for Swedish early-stage high-growth enterprises. The SEK 582 million Swedish Venture Initiative is among the first fund-of-funds into which the EIF has invested, combining ESIF resources with the European Fund for Strategic Investments (EFSI). The regional venture capital funds also continue in 2014-20; this case study therefore provides the opportunity to investigate **the role and added value of regional funds in an increasingly complex environment**.

## 5.7 Case Study profile: Wielkopolskie, Poland

The region of Wielkopolskie has one of the lowest levels of unemployment in Poland, at 4.8% in 2016, below the national average of 6.2%. The region has a strong industrial base, with a particular presence of the automotive sector, clusters of more traditional industries (e.g. furniture) and a growing service sector base. Wielkopolskie ranks as the third region in Poland in terms of population (3.45m) and GDP per capita (€21,500 PPS, which corresponds to 75% of the EU28 average in 2015). Located in Western Poland and with good transport links to Germany and industrial traditions, it is one of the fastest growing Polish regions, even though its innovation performance remains below the EU average (Regional Innovation Scoreboard, 2017). Poznań, one of the largest, growing and most economically vibrant cities in the country, is the capital of the region, however, there is also a range of important medium-size urban centres, such as Kalisz, Gniezno, Konin, Leszno and Piła.

*What makes Wielkopolskie an interesting case study?*

First, Polish regions are interesting cases to study financial instruments because of **the governance setting in which they operate**. The Polish system of territorial organisation is based on three tiers of sub-national government. The boundaries of the Polish regions correspond to those of NUTS 2 units, which are central in the system of implementation of EU Cohesion policy, which is exceptional among the Central and Eastern European member states. The Polish regions thus manage Regional Operational Programmes as part of this policy, while also having competences in regional development and resources for these activities allocated by the central government as part of regional contracts.

Second, as for other Polish regions, **EU Cohesion policy remains central** for Wielkopolskie's regional development policy. Being still a 'Less Developed Region', the region benefits from a substantial allocation of EU funds. Its Regional Operational Programme 2014-2020, managed by the Marshal Office (regional government), has a total budget of €2.88 billion, including a total EU contribution of €2.45 billion.

Third, Wielkopolskie is a particularly interesting case study for financial instruments for at least two reasons. It is one of the **early adopters** of this tool in Europe. The region started implementing JESSICA, supporting differentiated urban regeneration projects in a variety of cities and towns, during the 2007-2013 period. It has also been using JEREMIE to support SMEs since the same period. Both programmes continue in the current period. There is thus

scope for **assessing the operation, uses and impacts of financial instruments over a longer period**. Second, in 2014-2020 the region dedicated PLN 1.05 billion to financial instruments, which is **the highest allocation for this type of instrument** among the Polish regions. Out of this, PLN 712.58 million is allocated for loans, guarantees and micro-loans for SMEs as part of JEREMIE. Moreover, PLN 336.25 million is allocated for urban projects as part of JESSICA. The latter currently supports projects improving energy efficiency of buildings (public utility buildings and housing blocks) and regeneration of deprived areas (urban and rural areas, post-industrial and post-military sites). Both JEREMIE and JESSICA are managed by the Bank Gospodarstwa Krajowego (BGK) located in Warsaw, as in the previous programming period, on the basis of an agreement with the regional government of Wielkopolskie.

## 5.8 Case Study profile: Norway

Norway is a diverse industrial society with a free market economy and low trade barriers. A significant share of the economy consists of service industries, especially those involved in oil and gas exploration and exploitation. Norway has a high income level, low inequality and a comprehensive public welfare system, benefitting also from a qualified labour force and high labour force participation. The main objective of the government's economic policy is high employment and a fair distribution of rights and responsibilities. Based on the Norwegian social model, the government aims to facilitate economic growth and development across the entire country (Norwegian Government, 2018).

*What makes Norway an interesting case study?*

Norway has a **long tradition of public sector provision of financial instruments**. In Norway, most seed-stage capital (whether national or region-specific) is provided by public schemes. The provision of government-backed seed capital dates back to the 1990s when the government established a nationwide seed capital fund with a subordinated loan, together with five regional funds. Further funds were established between 2006 and 2008 – four nationwide and five 'district' funds restricted to investing in the designated northern or peripheral regions. Examples of State-backed 'district' seed capital funds include the following:

- *KapNord* - established in 2006 and will operate to 2021. It has capital of NOK 255 million (c. €35 million). It invests in new businesses and SMEs by providing equity and convertible shareholder loans. KapNord AS aims to complete 1-2 investments annually. Each investment is typically NOK 5-15 million (c. €0.67-€2 million), divided into phases and performance according to defined milestones.
- *Fjord Invest Sørvest* - operates in Sogn og Fjordane. Established in 2006 with capital of €27 million. Invests in south-western Norway and is supported through a subordinated loan from Innovation Norway.
- *Norinnova Invest* - set up in 2007 and is scheduled to be dissolved by 2022. The aim of the fund is to invest in technology and research-based growth companies in northern Norway. The fund comprises private investment of around NOK 96.5 million (c €12.9 million); in addition Innovation Norway provides a subordinated loan of NOK



175 million (c. €23.4 million), taking the total capital to NOK €271.5 million (c €36.3 million).

Collectively the five district funds have over NOK 1.1 billion (€150 million) under management. The funds and the fund managers are privately owned and run, but up to 70 percent of the funds are financed from public sources, with the private sector providing a minimum of 30 percent (Mason, Michie and Wislade, 2012).

Of particular interest to this study, **there is a long-standing loan scheme operated in Norway focused on the sparsely-populated regions**. The 'regional risk loan' is operated by Innovation Norway and is available to high risk projects undertaken in designated problem regions. The aim of the scheme is to provide support for high risk projects that could not be undertaken otherwise. The scheme is restricted to designated assisted areas. The target group is SMEs, usually with up to 100 employees. Support takes the form of a subsidised loan, the value of which is subject to the grant-equivalent ceilings set out in the Regional aid guidelines. This scheme is of particular interest in the context of this study because it forms part of a portfolio measures operated by or through Innovation Norway where the other measures do not have an explicit regional policy orientation. This case study therefore provides an important opportunity to **explore the operation of a financial instrument aimed at promoting territorial cohesion**, alongside national measures with horizontal, rather than spatial objectives. Another interesting consideration is of course that Norway is outside the EU. Much of the discussion of FIs in Cohesion policy has tended to be dominated by issues of regulation and frustrations about EU-level constraints on the implementation of FIs; these features are absent in Norway which should enable a clearer focus on the substance of policy.

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## Annex I: Overview of managing authority responses to the data survey

The table provides an overview of managing authority responses received so far to the data survey, listed by Member State and OP. The Annex is also available as a spreadsheet for ease of filtering and sorting, see Annex IA.

Entries in the columns indicate the following:

1. Governance/scope of the OP (codes as below):

National OPs

C_N0	National OPs at NUTS 0 level
C_N2	National OPs where NUTS 0 and NUTS 2 are coterminous
C_MN2	National OPs covering only some NUTS 2 regions

Regional OPs

R_N1	Regional OPs at NUTS 1 level
R_N2	Regional OPs at NUTS 2 level
R_MN2	Regional OPs based on groups of NUTS 2 regions

2. Member State
3. OP Name
4. Has a response been received from the MA? (Y/N/ or N/A = not applicable)
5. Has the PMC validated email addresses? (Y/N/ or N/A = not applicable)
6. Have SFC variables been checked and validated by the MA? (Y/N/ or N/A = not applicable) Have corrections been made?
7. Are any indicators provided other than the core indicators from SFC? (Y/N/ or N/A = not applicable) Indicator name.
8. Is any regionalised data provided? (Y/N/ or N/A = not applicable) Variable, Level.
9. Structural Funds commitments to the FI (€m)
10. Structural Funds commitment to FI as share of budget (%)

1.	2. MS	3. OP Name	4. Reply	5. Email validated	6. Data checked/ corrected	7. Additional indicators	8. Regionalised data	9. SFs (€m)	10. SFs (%)
R_N2	AT	OP Burgenland 2007-2013: Ziel Konvergenz/Phasing Out / EFRE	N	Y	N	N/A	N/A	7.5	6%
R_N2	AT	OP Oberösterreich 2007-2013: Ziel Regionale Wettbewerbsfähigkeit & Beschäftigung / EFRE	Y	Y	N	N	yes, Firms, NUTS 3	2.77	3%
R_N2	BE	Programme opérationnel 'Convergence' Hainaut - FEDER	Y	Y	Y	Y	yes, amounts and firms, LAU 2	96.31	21%
R_N2	BE	Programme opérationnel 'Compétitivité régionale et emploi' de la Région de Bruxelles-Capitale 'Cohésion et compétitivité territoriale' - FEDER	Y	Y	Y	Y	yes, zip area	2.82	5%
R_M N2	BE	Programme opérationnel 'Compétitivité régionale et emploi' - Wallonie (hors Hainaut ) - FEDER	Y	Y	Y	Y	yes, amounts and firms, LAU 2	68.58	24%
C_N0	BG	Operational Programme Regional Development	Y	N/A	Y - minor correction	N	yes, number of firms, NUTS 3	25.73	2%
C_N0	BG	Operational Programme Development of the Competitiveness of the Bulgarian Economy	Y	N/A	Y	Y	yes, no. of products (by fof), NUTS 2	293.66	30%
C_N2	CY	Sustainable Development and Competitiveness	N	N	N	N/A	N/A	16.15	3%
C_M N2	CZ	OP Podnikání a inovace	N	Y	N	N/A	N/A	120.35	4%
R_N2	CZ	ROP NUTS II Moravskoslezsko	N	Y	N	N/A	N/A	15.86	2%
C_N0	CZ	Integrovaný operační program	N	Y	N	N/A	N/A	20.72	1%
R_N2	DE	Operationelles Programm ESF Niedersachsen - Region Lüneburg 2007-2013	Y	N/A	Y	N	N	5	2%

1.	2. MS	3. OP Name	4. Reply	5. Email validated	6. Data checked/ corrected	7. Additional indicators	8. Regionalised data	9. SFs (€m)	10. SFs (%)
R_N1	DE	Operationelles Programm ESF Sachsen 2007-2013	N	N	N	N/A	N/A	25.48	3%
C_N0	DE	Operationelles Programm ESF Bund 2007-2013	N	N	N	N/A	N/A	102.07	3%
R_N2	DE	Operationelles Programm EFRE Thüringen 2007 bis 2013	N	N	N	N/A	N/A	127.79	9%
R_N1	DE	Operationelles Programm EFRE Brandenburg 2007-2013	N	N	N	N/A	N/A	74.45	5%
R_N2	DE	Operationelles Programm EFRE 2007 - 2013 Mecklenburg-Vorpommern	N	N	N	N/A	N/A	43.25	3%
R_N1	DE	Operationelles Programm EFRE Sachsen 2007-2013	N	N	N	N/A	N/A	58.31	2%
R_N2	DE	Operationelles Programm EFRE Niedersachsen - Region Lüneburg 2007-2013	Y	N/A	Y	N	N	12	2%
R_N1	DE	Operationelles Programm EFRE Sachsen-Anhalt 2007-2013	N	N	N	N/A	N/A	296.09	15%
R_N1	DE	Operationelles Programm EFRE Bayern 2007 - 2013	N	N	N	N/A	N/A	51.11	9%
R_N2	DE	Operationelles Programm EFRE Schleswig-Holstein 2007-2013	N	N	N	N/A	N/A	24	6%
R_N2	DE	Operationelles Programm EFRE Berlin 2007-2013	N	N	N	N/A	N/A	111.43	13%
R_N1	DE	Operationelles Programm EFRE Hessen 2007-2013	N	N	N	N/A	N/A	29.02	11%
R_N1	DE	Operationelles Programm EFRE Nordrhein-Westfalen 2007-2013	N	N	N	N/A	N/A	52.99	4%
R_N1	DE	Operationelles Programm EFRE Baden-Württemberg 2007-2013	Y	N/A	Y	Y	N	0.83	1%
R_N2	DE	Operationelles Programm EFRE Hamburg 2007-2013	N	N	No	N/A	N/A	6.7	19%
R_M N2	DE	Operationelles Programm EFRE Niedersachsen (ohne Region Lüneburg) 2007-2013	Y	N/A	Y	N	N	32	5%
R_N1	DE	Operationelles Programm EFRE Rheinland-Pfalz 2007-2013	N	N	N	N/A	N/A	14.33	7%

1.	2. MS	3. OP Name	4. Reply	5. Email validated	6. Data checked/ corrected	7. Additional indicators	8. Regionalised data	9. SFs (€m)	10. SFs (%)
C_N0	DK	Flere og bedre job	Y	Y	N	N	yes, all SFC variables, NUTS 2	22.31	9%
C_N0	DK	Innovation og Viden	Y	Y	N	N	yes, all SFC variables, NUTS 2	16.76	7%
C_N2	EE	Operational Programme for Human Resource Development	N	Y	N	N/A	N/A	6.01	2%
C_N2	EE	Operational Programme for the Development of Economic Environment	N	Y	N	N/A	N/A	100.91	7%
C_N2	EE	Operational Programme for the Development of Living Environment	N	Y	N	N/A	N/A	17.74	1%
R_N2	ES	Programa Operativo FEDER de la Región de Murcia	Y	N/A	N	Y	N	5.68	1%
R_N2	ES	Programa Operativo FEDER de Melilla	Y	N/A	N	Y	N	n/a	##### #
R_N2	ES	Programa Operativo FEDER de Ceuta	Y	N/A	N	Y	N	0.4	1%
R_N2	ES	Programa Operativo FEDER de Asturias	Y	N/A	N	Y	N	0.59	0%
R_N2	ES	Programa Operativo FEDER de Galicia	Y	N/A	N	Y	N	25.95	1%
R_N2	ES	Programa Operativo FEDER de Extremadura	Y	N/A	N	Y	N	29.01	2%
R_N2	ES	Programa Operativo FEDER de Castilla la Mancha	Y	N/A	N	Y	N	22.25	2%
R_N2	ES	Programa Operativo FEDER de Andalucía	Y	N/A	N	Y	N	168.52	2%
R_N2	ES	Programa Operativo FEDER de Cataluña	Y	N/A	N	Y	N	25	4%
R_N2	ES	Programa Operativo FEDER de Castilla y León	Y	N/A	N	Y	N	6.48	1%

1.	2. MS	3. OP Name	4. Reply	5. Email validated	6. Data checked/ corrected	7. Additional indicators	8. Regionalised data	9. SFs (€m)	10. SFs (%)
R_N2	ES	Programa Operativo FEDER de la Comunitat Valenciana	Y	N/A	N	Y	N	11.12	1%
R_N2	ES	Programa Operativo FEDER de Canarias	Y	N/A	N	Y	N	35.64	3%
C_N0	ES	Programa Operativo FEDER de Investigación, Desarrollo e innovación por y para el beneficio de las Empresas - Fondo Tecnológico	Y	N/A	N	N	Yes, amounts, eligibility types, HF level	411.02	18%
R_N2	FI	Itä-Suomen EAKR-toimenpideohjelma 2007-2013	Y	Y	Y	Yes - firms and jobs by gender. R&D jobs created by equity/venture capital, by gender	Yes, Firms and indicators, NUTS 3 (not vc/equity)	11.08	3%
R_N2	FI	Pohjois-Suomen EAKR-toimenpideohjelma 2007-2013	Y	Y	Y	Yes - firms and jobs by gender. R&D jobs created by equity/venture capital, by gender	Yes, Firms and indicators, NUTS 3 (not vc/equity)	9.39	3%
R_N2	FI	Länsi-Suomen EAKR-toimenpideohjelma 2007-2013	Y	Y	Y	Yes - firms and jobs by gender. R&D jobs created by equity/venture capital, by gender	Yes, Firms and indicators, NUTS 3 (not vc/equity)	5.87	4%



1.	2. MS	3. OP Name	4. Reply	5. Email validated	6. Data checked/ corrected	7. Additional indicators	8. Regionalised data	9. SFs (€m)	10. SFs (%)
R_N2	FI	Etelä-Suomen EAKR-toimenpideohjelma 2007-2013	Y	Y	Y	Yes - firms and jobs by gender. R&D jobs created by equity/venture capital, by gender	Yes, Firms and indicators, NUTS 3 (not vc/equity)	2.12	2%
R_N2	FR	Programme opérationnel FEDER Guyane	N	N/A	N	N/A	N/A	5.23	2%
R_N2	FR	Programme opérationnel FEDER Guadeloupe	N	N/A	N	N/A	N/A	6.49	1%
R_N2	FR	Programme opérationnel FEDER Martinique	N	N/A	N	N/A	N/A	9.44	2%
R_N2	FR	Programme opérationnel FEDER Réunion	N	N/A	N	N/A	N/A	16.15	2%
R_N2	FR	Programme opérationnel FEDER AQUITAINE	N	N/A	N	N/A	N/A	5.73	1%
R_N2	FR	Programme opérationnel FEDER CENTRE	N	N/A	N	N/A	N/A	6.58	3%
R_N2	FR	Programme opérationnel FEDER ALSACE	N	N/A	N	N/A	N/A	5.63	7%
R_N2	FR	Programme opérationnel FEDER AUVERGNE	N	N/A	N	N/A	N/A	0	0%
R_N2	FR	Programme opérationnel FEDER BASSE-NORMANDIE	N	N/A	N	N/A	N/A	7.27	4%
R_N2	FR	Programme opérationnel FEDER BOURGOGNE	N	N/A	N	N/A	N/A	1.34	1%
R_N2	FR	Programme opérationnel FEDER BRETAGNE	N	N/A	N	N/A	N/A	1.99	1%
R_N2	FR	Programme opérationnel FEDER CHAMPAGNE-ARDENNE	N	N/A	N	N/A	N/A	3.84	2%
R_N2	FR	Programme opérationnel FEDER CORSE	N	N/A	N	N/A	N/A	27.46	18%
R_N2	FR	Programme opérationnel FEDER FRANCHE-COMTE	N	N/A	N	N/A	N/A	1.82	1%

1.	2. MS	3. OP Name	4. Reply	5. Email validated	6. Data checked/ corrected	7. Additional indicators	8. Regionalised data	9. SFs (€m)	10. SFs (%)
R_N2	FR	Programme opérationnel FEDER HAUTE-NORMANDIE	N	N/A	N	N/A	N/A	2	1%
R_N2	FR	Programme opérationnel FEDER ILE-DE-FRANCE	N	N/A	N	N/A	N/A	6.27	4%
R_N2	FR	Programme opérationnel FEDER LANGUEDOC-ROUSSILLON	N	N/A	N	N/A	N/A	14.18	5%
R_N2	FR	Programme opérationnel FEDER LIMOUSIN	N	N/A	N	N/A	N/A	7.3	6%
R_N2	FR	Programme opérationnel FEDER LORRAINE	N	N/A	N	N/A	N/A	7.82	2%
R_N2	FR	Programme opérationnel FEDER PAYS DE LA LOIRE	N	N/A	N	N/A	N/A	0.6	0%
R_N2	FR	Programme opérationnel FEDER NORD PAS-DE-CALAIS	N	N/A	N	N/A	N/A	12.49	2%
R_N2	FR	Programme opérationnel FEDER PICARDIE	N	N/A	N	N/A	N/A	0.75	0%
R_N2	FR	Programme opérationnel FEDER POITOU-CHARENTES	N	N/A	N	N/A	N/A	4.75	2%
R_N2	FR	Programme opérationnel FEDER PROVENCE ALPES COTE D'AZUR	N	N/A	N	N/A	N/A	18.98	6%
R_N2	FR	Programme opérationnel FEDER MIDI-PYRENEES	N	N/A	N	N/A	N/A	5.84	1%
R_N2	FR	Programme opérationnel FEDER RHONE-ALPES	N	N/A	N	N/A	N/A	3.06	1%
C_M N2	GR	Operational Programme 'Competitiveness and Entrepreneurship'	Y	Y	Not available	Not available	Not available	317.5	22%
C_M N2	GR	Operational Programme 'Digital Convergence'	Y	Y	Not available	Not available	Not available	13.83	2%
C_N0	GR	Operational Programme 'Environment and Sustainable Development'	Y	Y	Not available	Not available	Not available	15.33	1%
R_N2	GR	Operational Programme 'Attica'	Y	Y	Not available	Not available	Not available	363.67	16%
C_M N2	GR	Operational Programme 'Western Greece - Peloponnesus - Ionian Islands'	Y	Y	Not available	Not available	Not available	3.63	0%

1.	2. MS	3. OP Name	4. Reply	5. Email validated	6. Data checked/ corrected	7. Additional indicators	8. Regionalised data	9. SFs (€m)	10. SFs (%)
C_M N2	GR	Operational Programme 'Macedonia & Thrace'	Y	Y	Not available	Not available	Not available	243.62	9%
C_M N2	GR	Operational Programme 'Thessalia - Sterea Ellada - Ipiros'	Y	Y	Not available	Not available	Not available	60.97	6%
C_M N2	GR	Operational Programme 'Crete and the Aegean Islands'	Y	Y	Not available	Not available	Not available	38.81	4%
C_M N2	HU	Economic Development Operational Programme	Y - awaiting data	Y	No	Awaiting data	Awaiting data	626.11	22%
R_N2	HU	Operational Programme for West Pannon	Y - awaiting data	Y	No	Awaiting data	Awaiting data	5.48	1%
R_N2	HU	Operational Programme for South Great Plain	Y - awaiting data	Y	No	Awaiting data	Awaiting data	5.48	1%
R_N2	HU	Operational Programme for Central Transdanubia	Y - awaiting data	Y	No	Awaiting data	Awaiting data	5.48	1%
R_N2	HU	Operational Programme for North Hungary	Y - awaiting data	Y	No	Awaiting data	Awaiting data	5.48	1%
R_N2	HU	Operational Programme for North Great Plain	Y - awaiting data	Y	No	Awaiting data	Awaiting data	5.48	1%
R_N2	HU	Operational Programme for South Transdanubia	Y - awaiting data	Y	No	Awaiting data	Awaiting data	5.48	1%
R_N2	HU	Operational Programme for Central Hungary	Y - awaiting data	Y	No	Awaiting data	Awaiting data	123.15	8%
R_N2	IT	PO Campania FSE	N	N	N	N/A	N/A	70.98	13%

1.	2. MS	3. OP Name	4. Reply	5. Email validated	6. Data checked/ corrected	7. Additional indicators	8. Regionalised data	9. SFs (€m)	10. SFs (%)
R_N2	IT	Por Calabria FSE 2007 - 2013	N	N	N	N/A	N/A	57	13%
R_N2	IT	Programma Operativo Regionale Sicilia per il Fondo Sociale Europeo 2007-2013	N	N	N	N/A	N/A	4.34	0%
R_N2	IT	Programma Operativo F.S.E. 2007 - 2013	N	N	N	N/A	N/A	6	5%
R_N2	IT	P.O. Puglia FSE 2007/2013 (vers. 3)	N	N	N	N/A	N/A	23.6	4%
R_N2	IT	Por Abruzzo FSE	N	N	N	N/A	N/A	18.61	15%
R_N2	IT	Por Lazio FSE	N	N	N	N/A	N/A	17.5	5%
R_N2	IT	Por Lombardia FSE	N	N	N	N/A	N/A	7.94	2%
R_N2	IT	Por Marche FSE	N	N	N	N/A	N/A	1.43	1%
R_N2	IT	Programma Operativo Occupazione 2007-2013	N	N	N	N/A	N/A	2.25	7%
R_N2	IT	POR Sardegna FSE 2007-2013 versione 3 marzo 2013	N	N	N	N/A	N/A	45.09	15%
C_M N2	IT	Poin Attrattori culturali, naturali e turismo	Y - awaiting data	N	Yes. Minor correction	Not provided but included in FIR	Not provided but included in FIR	69.58	15%
C_M N2	IT	POI "Energie rinnovabili e risparmio energetico" 2007-2013	N	N	N	N/A	N/A	180.9	23%
C_M N2	IT	Pon Ricerca e competitività	N	N	N	N/A	N/A	1090.88	35%
R_N2	IT	POR Calabria FESR 2007 - 2013	N	N	N	N/A	N/A	69.72	5%
R_N2	IT	Por Campania FESR	N	N	N	N/A	N/A	383.31	11%

1.	2. MS	3. OP Name	4. Reply	5. Email validated	6. Data checked/ corrected	7. Additional indicators	8. Regionalised data	9. SFs (€m)	10. SFs (%)
R_N2	IT	Programma Operativo FESR Puglia 2007-2013	N	N	N	N/A	N/A	198.11	8%
R_N2	IT	Por Sicilia FESR	N	N	N	N/A	N/A	161.66	5%
R_N2	IT	Por Basilicata ST FESR	N	N	N	N/A	N/A	11.75	4%
R_N2	IT	Por Abruzzo FESR	Y	N	Y	Yes - CO08 nr of startups	Yes, Firms, NUTS 3	15.59	11%
R_N2	IT	Por Emilia Romagna FESR	N	N	N	N/A	N/A	28.42	20%
R_N2	IT	Por Friuli Venezia Giulia FESR	N	N	N	N/A	N/A	7.01	10%
R_N2	IT	Por Lazio FESR 2007-2013	N	N	N	N/A	N/A	99.5	27%
R_N2	IT	Por Liguria FESR	N	N	N	N/A	N/A	22.38	13%
R_N2	IT	POR FESR 2007-2013 Lombardia	Y - awaiting data	N	N	Awaiting data	Awaiting data	57.81	27%
R_N2	IT	Por Marche FESR	N	N	N	N/A	N/A	6.63	6%
R_N2	IT	POR Molise FESR	N	N	N	N/A	N/A	18.37	26%
R_N2	IT	PO Regione Piemonte FESR	Y	N	Y	Y	yes, amounts, NUTS 3	28.8	7%
R_N2	IT	Por Toscana FESR	N	N	N	N/A	N/A	36.31	11%
R_N2	IT	Por Umbria FESR	N	N	N	N/A	N/A	17.27	12%
R_N2	IT	Por Veneto FESR	N	N	N	N/A	N/A	62.74	30%
R_N2	IT	Por Sardegna ST FESR	N	N	N	N/A	N/A	244.23	36%

1.	2. MS	3. OP Name	4. Reply	5. Email validated	6. Data checked/ corrected	7. Additional indicators	8. Regionalised data	9. SFs (€m)	10. SFs (%)
C_N2	LT	2007-2013 m. Žmogiškųjų išteklių plėtros veiksmų programa	Y	N/A	Y	yes - OP specific	No	14.48	2%
C_N2	LT	2007-2013 m. Sanglaudos skatinimo veiksmu programa	Y	N/A	Y	yes - OP specific	yes, amounts, contracts, Firms, NUTS 3	132.6	5%
C_N2	LT	2007-2013 m. Ekonomikos augimo veiksmu programa	Y	N/A	Y	yes - OP specific	No	260.89	8%
C_N2	LV	Cilvēkresursi un nodarbinātība	Y	N/A	Y - corr	yes	yes, NUTS3 (but not delivered)	12.82	2%
C_N2	LV	Entrepreneurship and Innovations	Y	N/A	Y - corr	yes	yes, NUTS3 (but not delivered)	142.46	20%
C_N2	MT	Operational Programme I - Investing in Competitiveness for a Better Quality of Life	Y	N/A	Y	Yes	yes, transactions, NUTS 3	9.18	1%
R_M N2	NL	Operationeel Programma West 2007-2013	Y	N/A	Y	yes - OP specific indicators at instrument level	No	12.97	4%
R_M N2	NL	Operationeel Programma Oost 2007-2013	N	N	No	N/A	N/A	8.24	5%
C_N0	PL	Program Operacyjny Kapitał Ludzki	Y	Y	Y	Y	yes, all SFC variables, NUTS 2	32.5	0%
C_M N2	PL	Program Operacyjny Rozwój Polski Wschodniej 2007-2013	Y	Y	Y	Y	yes, amounts, NUTS 2	38.38	2%
R_N2	PL	Regionalny Program Operacyjny Województwa Łódzkiego na lata 2007-2013	Y	Y	Y	N	Yes, Firms and amounts, NUTS 3	43.7	4%

1.	2. MS	3. OP Name	4. Reply	5. Email validated	6. Data checked/ corrected	7. Additional indicators	8. Regionalised data	9. SFs (€m)	10. SFs (%)
R_N2	PL	Regionalny Program Operacyjny Województwa Mazowieckiego	Y	Y	Y	N, but project types provided	no	65.46	4%
R_N2	PL	Regionalny Program Operacyjny Województwa Pomorskiego	Y	Y	Y	Y	Yes, amounts, NUTS 3	114.07	12%
C_N0	PL	Program Operacyjny Innowacyjna Gospodarka, 2007-2013	N	Y	N	N/A	N/A	110.52	1%
R_N2	PL	Regionalny Program Operacyjny dla Województwa Dolnośląskiego na lata 2007-2013	N	Y	N	N/A	N/A	96.53	8%
R_N2	PL	Regionalny Program Operacyjny Województwa Kujawsko-Pomorskiego na lata 2007 - 2013	N	Y	N	N/A	N/A	43.02	4%
R_N2	PL	Regionalny Program Operacyjny Województwa Lubelskiego	N	Y	N	N/A	N/A	39.1	3%
R_N2	PL	Regionalny Program Operacyjny Województwa Lubuskiego	N	Y	N	N/A	N/A	10.42	2%
R_N2	PL	Małopolski Regionalny Program Operacyjny na lata 2007-2013	N	Y	N	N/A	N/A	32.82	2%
R_N2	PL	Regionalny Program Operacyjny Województwa Opolskiego na lata 2007-2013	N	Y	N	N/A	N/A	24.97	5%
R_N2	PL	Regionalny Program Operacyjny Województwa Podkarpackiego	N	Y	N	N/A	N/A	26.21	2%
R_N2	PL	Regionalny Program Operacyjny Województwa Podlaskiego na lata 2007-2013	N	Y	N	N/A	N/A	40.32	6%
R_N2	PL	Regionalny Program Operacyjny Województwa Zachodniopomorskiego	N	Y	N	N/A	N/A	90.6	11%
R_N2	PL	Regionalny Program Operacyjny Województwa Wielkopolskiego na lata 2007 - 2013	N	Y	N	N/A	N/A	143.91	11%
R_N2	PL	Regionalny Program Operacyjny Województwa Świętokrzyskiego	N	Y	N	N/A	N/A	29.09	4%
R_N2	PL	Regionalny Program Operacyjny Województwa Śląskiego	N	Y	N	N/A	N/A	73.01	4%

1.	2. MS	3. OP Name	4. Reply	5. Email validated	6. Data checked/ corrected	7. Additional indicators	8. Regionalised data	9. SFs (€m)	10. SFs (%)
R_N2	PL	Regionalny Program Operacyjny Województwa Warmińsko-Mazurskiego	N	Y	N	N/A	N/A	30.58	3%
C_M N2	PT	PO Factores de Competitividade 2007-2013	N	Y	N	N/A	N/A	236.77	7%
R_N2	PT	PO Regional do Norte 2007-2013	Y	Y	Y - corrections made	Y	yes, amounts and firms, NUTS 3	44.58	2%
R_N2	PT	PO Regional do Centro 2007-2013	N	Y	N	N/A	N/A	28.53	2%
R_N2	PT	PO Regional do Alentejo 2007-2013	N	Y	N	N/A	N/A	16.02	2%
R_N2	PT	PO Regional do Algarve 2007-2013	N	Y	N	N/A	N/A	14.81	8%
R_N2	PT	Programa Operacional dos Açores para a Convergência 2007-2013	N	Y	N	N/A	N/A	2.5	0%
R_N2	PT	PO Regional de Lisboa 2007-2013	N	Y	N	N/A	N/A	18.98	6%
R_N2	PT	PO Valorização do Potencial Económico e Coesão Territorial da RAM 2007-2013	N	Y	N	N/A	N/A	4.54	1%
C_N0	RO	Sectoral Operational Programme Increase of Economic Competitiveness	Y	Y	N	N	N	191.68	8%
R_N2	SE	Skåne-Blekinge	Y	N/A	Y	Y	N	9.2	13%
R_N2	SE	Småland och Öarna	Y	N/A	Y	Y	N	5.09	8%
R_N2	SE	Västsverige	Y	N/A	Y	Y	N	7.01	11%
R_N2	SE	Östra Mellansverige	Y	N/A	Y	Y	N	9.31	11%
R_N2	SE	Stockholm	Y	N/A	Y	Y	N	7.59	20%



1.	2. MS	3. OP Name	4. Reply	5. Email validated	6. Data checked/ corrected	7. Additional indicators	8. Regionalised data	9. SFs (€m)	10. SFs (%)
R_N2	SE	Norra Mellansverige	Y	N/A	Y	Y	N	8.02	4%
R_N2	SE	Mellersta Norrland	Y	N/A	Y	Y	N	16.49	9%
R_N2	SE	Övre Norrland	Y	N/A	Y	Y	N	9.55	4%
C_N0	SI	Operativni program razvoja človeških virov za obdobje 2007-2013	Y	Y	N	N	Y	21.73	3%
C_N0	SI	Operativni program krepitve regionalnih razvojnih potencialov za obdobje 2007 - 2013	Y	Y	N	N	Y	110.18	6%
C_M N2	SK	Regional Operational Programme	Y	N/A	Y	Y	N	140.24	9%
C_M N2	SK	OP Competitiveness and Economic Growth	Y	N/A	Y	Y	yes, amounts HF level, NUTS 2	122.34	13%
R_N2	SK	OP Bratislava region	Y	N/A	Y	Y	N	20.19	21%
C_N0	SK	OP Research and Development	Y	N/A	Y - corrections made	Y	yes, no of investments, amounts, NUTS 3	17.11	1%
R_N2	UK	Highlands and Islands of Scotland ERDF phasing out Convergence programme	Y	N/A	Y - data ok	data only collected at Priority level	N	2.88	2%
R_N2	UK	West Wales and the Valleys ERDF Convergence programme	Y	N/A	N	Y - data provided	N	52.47	4%
R_N2	UK	Cornwall and the Isles of Scilly ERDF Convergence programme	Y	N/A	Y - update provided	only AIR data	N	4.83	1%
R_M N2	UK	Lowlands and Uplands of Scotland ERDF Regional Competitiveness and Employment programme	Y	N/A	Y - data ok	data only collected at Priority level	N	94.08	25%

1.	2. MS	3. OP Name	4. Reply	5. Email validated	6. Data checked/ corrected	7. Additional indicators	8. Regionalised data	9. SFs (€m)	10. SFs (%)
R_N1	UK	South East England ERDF Regional Competitiveness and Employment programme	Y	N/A	Y- update provided	only AIR data	N	1.8	8%
R_N2	UK	Northern Ireland ERDF Regional Competitiveness and Employment programme	Y	N/A	Y - data ok	data only collected at Priority level	yes, firms, NUTS 3	5.49	2%
R_N1	UK	East of England ERDF Regional Competitiveness and Employment programme	Y	N/A	Y - update provided	only AIR data	N	23.92	22%
R_N1	UK	North East England ERDF Regional Competitiveness and Employment programme	Y	N/A	Y - update provided	only AIR data	N	72.72	19%
R_N1	UK	London England ERDF Regional Competitiveness and Employment Programme	Y	N/A	Y - update provided	only AIR data	N	77.85	43%
R_N1	UK	West Midlands England ERDF Regional Competitiveness and Employment programme	Y	N/A	Y - update provided	only AIR data	N	36.82	9%
R_N1	UK	North West England ERDF Regional Competitiveness and Employment Operational Programme	Y	N/A	Y - update provided	only AIR data	N	156.87	21%
R_N1	UK	Yorkshire and Humberside England ERDF Regional Competitiveness and Employment programme	Y	N/A	Y - update provided	only AIR data	N	106.99	18%
R_N1	UK	East Midlands England ERDF Regional Competitiveness and Employment programme	Y	N/A	Y - update provided	only AIR data	N	2.05	1%
R_M N2	UK	South West England ERDF Regional Competitiveness and Employment programme	Y	N/A	Y - update provided	only AIR data	N	8.05	6%
R_N2	UK	East Wales ERDF Regional competitiveness and Employment programme	Y	N/A	Y - data ok	Y - data provided	yes, amounts, LAU 1 (unitary authority)	17.18	24%

## Annex II: Overview of 2007-13 data by Member State

This Annex provides a summary of current data availability summarised by Member State, including responses to the MA survey (see also Annex I). Both financial data and indicator data are covered.

AUSTRIA
Two regional ERDF OP use FIs. Both OPs are at NUTS 2 level. Response to MA survey and data received only from Oberösterreich: <ul style="list-style-type: none"> <li>• <u>OP Oberösterreich</u>: Fund report provided with number of firms (7) and amounts to NUTS 3</li> </ul>
BELGIUM
Three ERDF OPs use FIs. Response and data from all. <ul style="list-style-type: none"> <li>• <u>Two Wallonian OPs (Hainaut and all except Hainaut)</u>. Additional indicators provided and investment to LAU 2 level (municipality).</li> <li>• <u>Brussels OP</u>. All investment was done in the “zip zone”. Indicators: <ul style="list-style-type: none"> <li>- CO01 (Jobs Created) = 591</li> <li>- CO07 Number of projects (Direct investment aid to SME) = 214</li> </ul> </li> </ul>
BULGARIA
Two ERDF OPs using FIs. Response and indicator data from both. <ul style="list-style-type: none"> <li>• <u>OP Regional Development</u>. Two urban development funds, one operating the capital region of Sofia (Sofia EAD) and one operating all other regions. Investment data at NUTS 3, but it is taking place within the six biggest cities (Plovdiv, Varna, Bourgas, Rousse, Stara Zagora and Pleven)</li> <li>• <u>OP Development of the Competitiveness of the Bulgarian Economy</u> Output indicators provided: Number of start-ups supported by financial products; Number of enterprises supported by risk capital funds; Number of enterprises supported by debt products; Number of financial products created/developed. Breakdown on number of products offered (by product type) at NUTS 2</li> </ul>
CYPRUS

One ERDF OP using FIs. No survey response
CZECH REPUBLIC
Three ERDF OP using FIs. No survey response.
DENMARK
Two national OPs implementing FIs. One ESF and one ERDF. All implementation data from SFC is regionalised to NUTS 2. No additional indicators provided.
ESTONIA
Three National OPs offering FIs. One ESF and two ERDF. Contact with Regional Development Department at Ministry of Finance. Request forwarded to the Ministry of Economic Affairs and Communications and to 'KredEx' (fund manager). No response to specific questions.
FINLAND
One national FI to which four regional ERDF OPs contribute. FIs. National MA responded for all. Indicators 'no. of new firms' and 'no. of new jobs' broken down by gender and NUTS 3. Regionalisation only for loans and guarantees fund, not for vc/equity fund.
FRANCE
26 OPs with regional FIs. MA from 2007-13 no longer handle Cohesion policy, and the new MAs (regional government rather than central government) are not involved with the previous programmes. It appears that no indicator data was collected.
GERMANY
18 OPs using FIs (17 regional OPs and one national ESF OP). Responses covering 4 OPs (1 Baden-Württemberg and 3 covering Lower Saxony). Figures corrected but no additional information provided.

GREECE
Response received regarding all 8 Greek OPs implementing FIs. No data is collected other than what is reported to SFC.
HUNGARY
8 OPs implementing FIs. This includes the national Economic Development OP (a national OP which covers six NUTS2 regions except central Hungary) and seven regional OPs. Message from Ministry of Finance (24/09/18) that the 'centrally coordinating' MA (at Ministry of Innovation and Technology) is preparing the data. Reminder sent 26/10/18.
ITALY
32 OPs using FIs, including national and regional OPs. Several regions with both ESF and ERDF ROPs. FIs also offered from multi-regional OPs which only cover Convergence regions (Apulia, Campania, Calabria and Sicily). Responses related to three OPs: <ul style="list-style-type: none"> <li>• <u>Poin Attrattori culturali, naturali e turismo</u>. (Southern Italy). Contact person waiting for inputs and confirmation from Ministero dello Sviluppo.</li> <li>• <u>POR FESR 2007-2013 Lombardia</u>. Forwarded by MA to the institute 'Finlombardia' to provide data. No notification since 2018-08-27</li> <li>• <u>PO Regione Piemonte FESR</u>. Indicator CO07 - Number of projects (Direct investment aid to SME). Indicator and invested amounts provided at NUTS 3 level.</li> <li>• <u>Por Abruzzo FESR</u>. Indicators provided: Investment with risk capital (SFC 1.4) early stage e/o expansion e replacement; Number of new innovative companies (start – up e spin -off) (SFC 1.13); Number of new companies assisted (two years after start-up) (SFC 1.12). Number of final recipients by NUTS 3 provided.</li> </ul>
LATVIA
Latvia has two national OPs implementing FIs. Human Resources and Employment (ESF) and Entrepreneurship and Innovations (ERDF). Response have been received for both.  For the ERDF OP indicators were collected: (7) Number of projects (Direct investment aid to SME), and (8) Number of start-ups supported. The national institute Altum apparently has data at NUTS 3 but has not supplied this data.

## LITHUANIA

Three OPs using FIs. One ESF and two ERDF. Response from Ministry of Finance covering all OPs and data provided.

- Human Resources Development OP. FI operated through one specific fund, Entrepreneurship Promotions loans. Additional indicators collected: 'Persons participating in the training', 'Number of small medium enterprises / persons, supported by financial engineering measures. Persons who have successfully completed training. No regionalised data
- Promotion of Cohesion. OP specific indicators: Number of renovated state high-school dormitories; Number of renovated vocational training dormitories; Number of renovated multi-apartment houses; Increase of energy efficiency of renovated state high-school dormitories and vocational training dormitories; Increase of energy efficiency of renovated multi-apartment houses. Regionalisation: No. of loans, recipients and amounts to NUTS 3
- Economic Growth. Jeremie fund. Two Indicators: Number of small medium enterprises supported by financial engineering measures; Private investments induced by financial engineering measures (MEUR). 5 Equity/VC funds operating entire territory. Data not regionalised.

## MALTA

Response received:

### **JEREMIE**

- 763 transactions guaranteed (out of which 714 in Malta island and 49 in Gozo)
- 654 SMEs assisted
- €62.5M loans committed
- €62.2M loans disbursed
- Average loan size - €82,000
- Sectors benefitting
  - a. Retail
  - b. Food and beverage
  - c. Personal Service Activities
  - d. Wholesale trade
  - e. Health Activities

### SMEi (confirmed verified figures as at June 2017)

- 435 transactions guaranteed (out of which 385 in Malta and 50 in Gozo)
- 373 SMEs assisted
- €42M loans committed
- €25.3M loans disbursed
- Average loan size - €97.000
- Sectors benefitting:
  - a. Retail
  - b. Hotels and Restaurants
  - c. Manufacture
  - d. Professional Activities

### NETHERLANDS

Two NL OPs use FIs. West Netherlands OP and East Netherlands OP (both ERDF). Survey response only from West NL:

- OP West NL 2007-2013. Instrument-specific indicators provided. Targets and achievements.  
Data from project categorisation sheet (the five dimensions) showing no coherent regionalisation >> Multiple NUTS levels (OPs in NL are 'multi-regional' as cover several provinces).

### POLAND

19 OPs in Poland use FIs. These include the National ESF OP and two national ERDF OPs, one of which covers Eastern Poland (and is therefore a multi-regional OP). Response to the survey covering 4 OPs:

- ROP Mazovia. Data provided: The number of contracts signed with final beneficiaries by category:
  - Revitalization: 15 projects (out of which: education and culture 4, public transport 3, public space 3, offices and services 3, sport 1, others 1)
  - Energy efficiency: 18 projects and
  - Development of clusters: 2 projects

No regionalisation of data provided.

- ROP Pomorskie. JEREMIE and JESSICA frames had their own project indicators whereas the direct model did not have any specific requirements. Data differs from the tables from SFC2007 system because financial engineering instruments were implemented till 31 December 2015, but according to the Guidelines on Closure 2007-2013 data submitted through SFC2007 were to be presented only within first investment round. In fact, if the whole eligibility period is taken into account, Pomorskie have already started to use reflows (which was done under the financing agreements with beneficiaries). 11 different indicators (project and results) monitored during implementation under JESSICA Initiative. Project locations at powiat level (NUTS 3)  
For JEREMIE fund a few additional indicators collected. 'Number of start-ups supported' being the most interesting one. Provided also investment data by sector and by initiative. Regionalised data: no. of firms per powiat (NUTS 3)
- ROP Łódzkie. No indicators collected. Firms and amounts invested regionalised to NUTS 3
- OP 'Development of Eastern Poland'. Regarding programme specific indicators MA monitored one result indicator NUMBER OF SME SUPPORTED BY LOAN OR GUARANTEEE FUNDS with target value 600 and achieved value 2512 SMEs. The target value of the indicator was exceeded because initially support was planned to be provided only in the form of guarantees. In 2011, we recorded lower than expected interest in the guarantees. Therefore, in 2012, MA decided to introduce a new financial product - the loan addressed to SMEs.  
Data regionalised to NUTS 2.

#### PORTUGAL

8 OPs using FIs. This includes a 'national' OP which covers the Convergence regions only. Response only from OP Norte

OP Norte. Jessica fund amounts, no of projects by category (tourism, etc.) disaggregated to NUTS 3. No specific indicators.

#### ROMANIA

One national OP implementing FIs. Response to survey but no useful information.

"During the programming period 2007-2013 the financial allocation was national, not divided by regions".

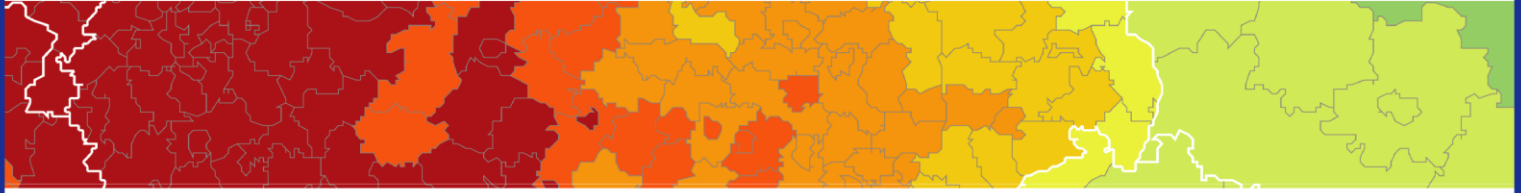


SLOVAKIA
<p>Four OPs (ERDF) operating FIs with response from all of them:</p> <ul style="list-style-type: none"> <li>• <u>OP Competitiveness and Economic Growth</u>. Core indicators subdivided on men/women. And specific indicator No. of projects, collected. Regionalised data to NUTS 2 for both Jessica and Jeremie.</li> <li>• <u>Regional Operational Programme</u>. Specific OP indicators for Jessica implementation. No regionalisation.</li> <li>• <u>OP Research and Development</u>. The only core indicator monitored under VC instruments are CO04 Number of RTD projects. The total of 37 projects were supported by the 3 VC funds funded by the OP Research and Development (OP R&amp;D). The core indicator CO06 Research jobs created was not monitored, but there is a statistics regarding number of jobs supported by VC instruments. Out of the total number of 515 jobs supported the 312 were supported by the Slovak Venture Fund – SEF, 56 by the Slovak Venture Fund – SIF and 173 by the JEREMIE Co-investment Fund. Data is regionalised to NUTS 3 (no of investments and invested amounts)</li> <li>• <u>OP Bratislava region</u>. Specific indicators collected related to the Jessica fund (17,61 meuro to finalrecip) by not for Jeremie Slovak Innovation Fund (2,35 meuro). No regionalisation provided.</li> </ul>
SLOVENIA
<p>Two national ERDF OPs implementing FIs. Response covering both OPs. ‘Slovene enterprise fund’ is the intermediate body for all 6 instruments (different product types) in Slovenia. Data with indicators and regionalisation provided but needs check/interpretation.</p>
SPAIN
<p>Response from centrally coordinating MA (Ministerio de hacienda), response covering all 12 OPs using FIs. Indicators provided but no regionalisation below the ROP geographic level. Regionalisation (of amounts) provided for the National OP programme ‘Fondo Tecnológico’ but attributed to eligibility type and not to specific regions. A ‘estimation-based’ disaggregation of these amounts down to NUTS 2 can take us quite close.</p>
SWEDEN
<p>Centrally coordinating MA provides data for all Swedish ROPs using FIs. Additional indicator provided &gt;&gt; CO01 subdivided on men/women. No regionalisation of amounts provided but specification on specific branches for all enterprises supported.</p>

## UNITED KINGDOM

FIs offered from 15 regional OPs. MA responses for all:

- Corrected data provided for all English OPs, but no further indicators or regionalisation available.
- Investment and indicator data (jobs created and safeguarded) plus sectors provided to LAU level for both Wales ERDF OPs
- For the two Scotland ERDF OPs, data checked but not additional data available.
- For Northern Ireland ERDF OP, data checked, data on investments at NUTS 3



### **ESPON 2020 – More information**

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