

1. What is cohesion policy?

Cohesion policy aims to ensure the strengthening of economic, social, and territorial cohesion in order to help reduce the gaps and disparities between European territories and regions, acting in particular in less developed areas and for the most fragile communities and people. It is based on the [Treaty on the Functioning of the European Union \(Article 174\)](#) and the Italian Constitution ([Article 3\(2\)](#) and [Article 119\(5\)](#)), which require special measures to promote harmonious development and remove economic and social imbalance, while ensuring equality in the socio-economic opportunities of Europe's citizens.

In Italy, cohesion policy is financed by additional European Community and national public resources from the European (Structural Funds) and national budgets (national co-financing with Community funds, the Development and Cohesion Fund, and other complementary national resources), respectively.

2. When was European cohesion policy first established?

At the European level, cohesion policy (or regional policy) dates back to the treaty, signed in Rome in **1957**, establishing the European Economic Community and calls for special attention to be paid to promoting a "harmonious development" of the territories of the Community. On that occasion, the European Social Fund (ESF) was established to support employment and ensure fairer job opportunities.

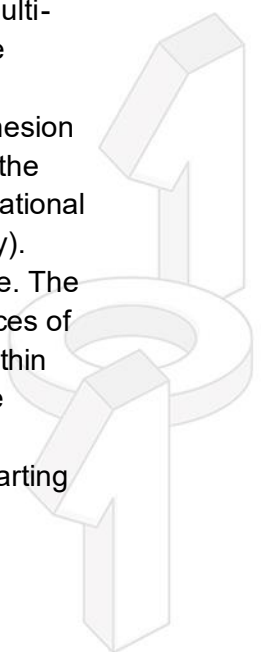
In **1975**, the European Regional Development Fund (ERDF) was established, which initially financed individual projects chosen by the Member States.

In **1988**, a reform was launched that defined cohesion policy and the Operational Programmes of the **1989-1993** cycle with objectives set by priority and by territory. Four fundamental principles were introduced: concentration on the most underdeveloped regions; involvement of the economic and social partners; multi-annual programming; and complementary funding that should not replace the standard sources of the individual States.

With the **1994-1999** cycle, there was a further strengthening of European cohesion policies, with a greater involvement of the regional levels of government and the establishment of the Cohesion Fund that assists Member States with gross national income per capita below 90% of the EU average (thereby not concerning Italy).

Overall, cohesion funding accounted for a third of the EU budget for that cycle. The resources of the Structural Funds were always to be accompanied by resources of the individual Member State as mandatory national co-financing for which, within each programming cycle, minimum and maximum thresholds were set for the different eligible territorial areas.

European cohesion policy then went to **seven-year programming cycles** starting with 2000-2006.



3. How did cohesion policy develop in Italy?

Cohesion policy in Italy began with [Italian Law No. 208/1998](#) (Articles 60 and 61), which established a Revolving Fund for the financing of programmes to promote business development in depressed areas, followed by the establishment, by way of [Law No. 289/2002](#) (Italy's Finance Law for **2003**), of the Fund for Underutilised Areas (FUA). Subsequently, with Italian Legislative Decree No. 88/2011, this was renamed the Development and Cohesion Fund (DCF).

The allocation of DCF resources to Plans, Programmes, or projects became the purview of CIPESS (formerly CIPE) as recommended by the current [Department for Cohesion Policy](#) of the Office of the Prime Minister, pursuant to Italian Law No. 122/2010 (Article 7, paragraphs 26 and 27).

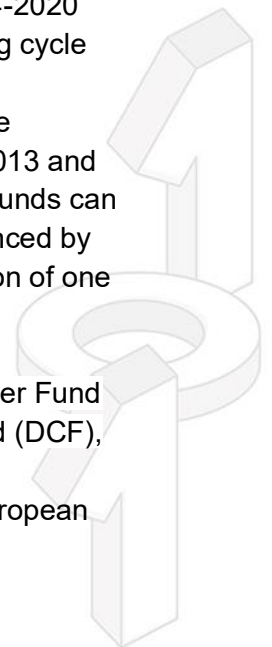
With Legislative Decree 34/2019 as amended (Article 44), all the various mechanisms used over time to programme national resources of the Development and Cohesion Fund relating to the 2014-2020, 2007-2013, and 2000-2006 programming cycles were unified under the [Development and Cohesion Plan](#) (DCP).

For the 2021-2027 cycle, operational planning of DCF resources made use of a new mechanism known as the "Cohesion Agreement", introduced by way of [Italian Legislative Decree 124/2023 as amended](#) and signed by the Office of the Prime Minister and by the individual administrations, which determined the specific projects to be carried out.

4. What is a cohesion policy programming cycle?

Under the European multi-annual budget, cohesion policies co-financed by Community resources have been programmed in seven-year cycles starting with 2000-2006. Subsequent cycles were, therefore, as follows: 2007-2013, 2014-2020 and the current 2021-2027 cycle. Completion of each individual programming cycle does not coincide with the actual end date. According to the rules valid for Community funds, the actual duration of each seven-year programming cycle extends for a further 2 or 3 years (i.e. the "n + 2" rule in force for the 2007-2013 and 2021-2027 cycles or the "n + 3" rule for the 2014-2020 cycle), during which funds can still be spent. Implementation of the projects under the Programmes co-financed by Community cohesion funds, therefore, has an overlap between the conclusion of one cycle and the start of the next.

With regard to cohesion funding in Italy, initially the programming of the former Fund for Underutilized Areas, now known as the Development and Cohesion Fund (DCF), was annual. Starting with the 2007-2013 programming cycle, multi-annual appropriation over a seven-year timeline was established, in line with the European Community cycles.



5. How are Italian regions categorized for cohesion policy?

Cohesion policy resources are allocated in a manner that favours the most disadvantaged areas. As for **European cohesion funding**, regions with a per-capita gross domestic product below 75% of the EU average are the largest recipients of funds, through projects that promote growth and convergence.

Across the programming cycles, Italy's regions have been divided into: "Objective 1" and "Objective 2" (up to 2000-2006); "Convergence" and "Competitiveness" (for the 2007-2013 cycle); and "Less-developed", "Transition", and "More-developed" (for the 2014-2020 and 2021-2027 cycles).

For [2021-2027](#), the "least-developed regions" are Basilicata, Calabria, Campania, Molise, Puglia, Sardinia, and Sicily. Abruzzo, Marche, and Umbria are the "transition regions", and the "most-developed regions" are Emilia-Romagna, Friuli-Venezia Giulia, Lazio, Liguria, Lombardy, Piedmont, Tuscany, Valle d'Aosta, and Veneto, along with the autonomous provinces of Bolzano and Trento.

At **the national level**, Italy's regions are categorized geographically, divided into "South" (Abruzzo, Basilicata, Calabria, Campania, Molise, Puglia, Sardinia, and Sicily), to which 80% of funding must be allocated, and "North-Central" (which encompasses all the other regions and autonomous provinces).

At the European level in [2014-2020](#), the "least-developed regions" were Basilicata, Calabria, Campania, Puglia, and Sicily. The "transition regions" were Abruzzo, Molise, and Sardinia, while the "most-developed regions" were Emilia-Romagna, Friuli-Venezia Giulia, Lazio, Liguria, Lombardy, Marche, Piedmont, Tuscany, Valle d'Aosta, Veneto, Umbria, and the autonomous provinces of Bolzano and Trento. For [2007-2013](#), the regions of the European Objective "Convergence" were Calabria, Campania, Puglia, and Sicily, with Basilicata undergoing transitional support. All others were part of the "Competitiveness" Objective.

6. What are the broad objectives of European cohesion policy?

The allocation of European Union financial resources for cohesion policy is focused on two main goals.

The first is "Investment for growth and jobs" aimed at strengthening the labour market and regional economies.

The second is "European Territorial Cooperation" (ETC) through cooperation at the cross-border, transnational and interregional level. ETC is a pillar of European integration in that it helps ensure borders do not become barriers, brings Europeans closer together, promotes solutions to shared problems, facilitates the sharing of ideas and good practices, and encourages strategic collaboration.

7. What are the strategic objectives of 2021-2027 cohesion policy?

Every seven years, Italy and the European Commission negotiate and sign a Partnership Agreement, which defines the strategies and objectives on which the



projects financed by European Cohesion Policy funds are focused. For the 2021-2027 cycle, cohesion policy is structured around five policy objectives that are deemed to be strategic for the ERDF, the ESF+, the Cohesion Fund, and the EMFAF:

- Policy Objective 1: A Smarter Europe — innovative and smarter economic transformation;
- Policy Objective 2: A Greener, Carbon-Free Europe
- Policy Objective 3: A More Connected Europe — mobility and regional connectivity to digital networks;
- Policy Objective 4: A More Social Europe through implementation of the European Pillar of Social Rights;
- Policy Objective 5: A Europe Closer to Citizens — sustainable and integrated development of urban, rural, and coastal areas through local initiatives.

8. What are the main themes of cohesion policy?

Cohesion policies are aimed at promoting territorial rebalancing through support for multi-sector initiatives. Therefore, there are multiple themes that characterize the various programmes and projects. Within the framework of the cohesion policy goals, the European Union sets a list of high-priority themes for each programming cycle relating to the EU's regional, rural, and urban development and to which the individual initiatives financed are associated. For 2021-2027, there were **182 areas of action**. At the national level, too, the various mechanisms used to plan funding for territorial rebalancing are based on different classifications of these areas of action, and there are **10 high-priority areas for Italy**.

In Italy, the unified national portal OpenCoesione has introduced a synthetic, simplified classification to facilitate a cross-sector interpretation of national and European cohesion policy across the various programming cycles, attributing each individual project to a specific theme. There are 11 such themes: Research and Innovation, Digital Networks and Services, Business Competitiveness, Energy, Environment, Culture and Tourism, Transportation and Mobility, Employment and Labor, Social Inclusion and Health, Education and Training, Administrative Capacity.

9. What is the difference between European Structural Funds and European Structural and Investment Funds?

European Structural Funds are the financial instruments made available by the EU to support cohesion policy. These funds are financed by Community resources, which are accompanied by a national co-financing obligation. Beginning with the 2000-2006 programming cycle, this Community funding has been allocated under the European multi-annual budget in [seven-year cycles](#). For the 2007-2013 cycle, the Structural Funds (SF) were renamed the European Regional Development Fund (ERDF) and the European Social Fund (ESF). For the 2014-2020 cycle, the European Agricultural

Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF) were also grouped with the other structural funds. Collectively, these then became known as European Structural and Investment (ESI) Funds. With the 2021-2027 cycle, the Just Transition Fund (JTF) was also added to the structural funds, while the European Social Fund (ESF) was replaced by ESF Plus (ESF+).

10. What is the certified expenditure to the EU for structural funds?

Certified expenditure to the EU refers to the total value of requests for reimbursement of expenses already incurred that are submitted to the European Commission by the administrations managing the programmes co-financed by structural funds. These requests must be submitted within a set deadline for each fiscal year of the resources committed to the Community budget for each structural fund (i.e. ESF, ERDF, etc.) and Operational Programme. When the funding is not certified to the Commission within the established deadlines, it is subject to automatic decommitment, and this entails a reduction in Community funding and in the corresponding national co-financing of the programme.

11. What is the Performance Framework (on the efficacy of implementation)?

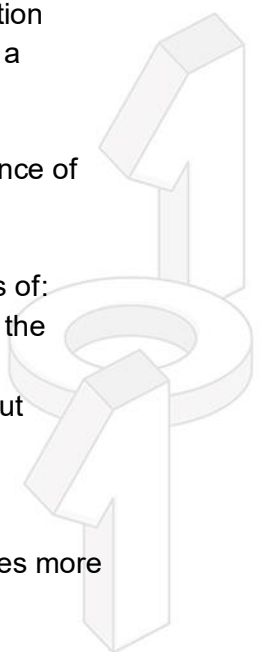
The Performance Framework (on the efficacy of implementation) is a mechanism [introduced for the first time for the 2014-2020 programming cycle](#) in order to enhance the efficacy of implementation of cohesion-policy programmes that are co-financed with European funding.

For the 2021-2027 cycle, it is established under Articles 16 and 17 of Regulation (EU) 2021/1060, which state that each Member State is required to establish a framework for the efficacy of implementation that provides for the monitoring, reporting, and evaluation of the performance of the programme during its implementation, thereby contributing to measurement of the overall performance of the funds.

The Performance Framework on the effectiveness of implementation consists of:

- a) output and performance indicators tied to specific objectives set by the specific regulations relating to the funds selected for the programme;
- b) intermediate targets to be achieved by the end of 2024 for the output indicators;
- c) final targets to be achieved by the end of 2029 for the output and performance indicators.

The performance framework for 2021-2027 EU spending programmes includes more than 800 indicators measuring performance against more than 170 specific objectives.



With regard to the intermediate targets to be achieved by the end of 2024, the Strategic Technologies for Europe Platform (STEP) Regulation of February 2024 introduced the possible exemption from mid-term verification if the total amount of flexibility allowances relating to the years 2026-2027 of a programme is definitively allocated to STEP priorities.

12. What is REACT-EU?

The REACT-EU initiative was introduced into EU legislation as part of the [European strategy to combat the COVID-19 emergency](#) in order to allocate additional resources from the 2021-2027 EU budget to 2014-2020 cohesion policy. This took place in 2021 and 2022 with the aim of overcoming of the negative impact of the health crisis on the economy, employment, and the social systems in the regions affected by the COVID-19 pandemic while, at the same time, fostering a resilient green and digital transition of both the economy and society. In particular, REACT-EU makes use of €50.6 billion in EU funding at current prices (€47.5 billion in 2018 prices), which is allocated to member states on the basis of the allocation method specified in Regulation (EU) No. 2020/2221. Italy has a total of €14.4 billion at current prices, of which the *tranche* for 2021 amounts to €11.4 billion, while the *tranche* for 2022 is €3.1 billion. European resources are complemented by national co-financing of €186.4 million for technical assistance alone. In 2021 and 2022, Italy sent the Commission two REACT-EU resource programming documents. The 2014-2020 European programmes affected by an increase in resources as a result of the REACT-EU appropriations are: NOP Governance and Administrative Capacity; NOP Business Competitiveness; NOP Metropolitan Cities, NOP for Education, NOP Research, NOP Active Policies and Employment Systems; NOP Infrastructure and Networks; and NOP Inclusion and FEAD Programme.

13. What is the STEP Regulation?

On 29 February 2024, the European Commission published [Regulation \(EU\) 2024/795](#) (STEP Regulation) introducing the Strategic Technologies for Europe Platform (STEP) to support the development of strategic technologies.

The core objective of the STEP Regulation is to strengthen the production of intermediate and final industrial goods for which the COVID-19 pandemic has pointed to worrying deficits for all Member States.

STEP was established with two objectives in particular.

The first is to support the development or production of critical technologies across the Union, in part to safeguard and strengthen value chains in the following sectors:

- 1) digital technologies and innovation of "deep tech";
- 2) clean and resource-efficient technologies, including net-zero emissions technologies, as defined in the Net-Zero Industry Act;



3) biotechnology, including medicinal products on the Union's list of critical medicinal products.

The second, by way of the funding activated within the platform, is to address shortages of labour and essential skills in support of the objectives, through projects of lifelong learning, education, and training.

STEP membership provides the 2021-2027 European Cohesion Policy Programmes with greater flexibility, including the extension of eligibility for large enterprises and possible exemption from the mid-term review envisaged for the 2021-2027 Performance Framework.

Regulation (EU) 2024/795 introduces a 20% ceiling on ERDF resources to be allocated nationally to STEP objectives (roughly €5.3 billion for Italy).

14. What is the Italian Development and Cohesion Fund?

The Development and Cohesion Fund (DCF) is the financial mechanism through which Italy pursues the principle of territorial cohesion, as enshrined in Article 119 of the Constitution. The fund, which was previously known as the Fund for Underutilized Areas (FAS), was established by the 2003 Finance Law (Article 61 of Law 289/2002) with the aim of lending programmatic and financial unity to national resources allocated for the economic and social rebalancing across the various regions of the country in addition to EU funding.

In particular, the fund finances special State initiatives and the provision of infrastructure and intangible contributions of national, interregional, and regional importance. Of the total, 80% of the resources of the Development and Cohesion Fund are directed to the South and 20% to the North-Central region. Projects being implemented within the DCF also feed into the National Monitoring System, as do all those funded within the scope of cohesion policies.

15. What are Development and Cohesion Plans (DCPs)?

A [Development and Cohesion Plan](#) (DCP) is a mechanism introduced during the 2014-2020 cycle as envisaged under [Article 44 of Italian Legislative Decree 34/2019](#) (as amended) with the aim of unifying programming of the resources of the Development and Cohesion Fund (the former Fund for Underutilized Areas) relating to the three programming cycles of 2014-2020, 2007-2013 and 2000-2006. A total of 43 Development and Cohesion Plans were defined during the 2014-2020 cycle. They replaced the more than 900 previous DCF programming mechanisms, such as Development Pacts, Regional Implementation Programmes, Service Objectives, and Programme Agreements. Projects initially monitored through these mechanisms were migrated under the new Development and Cohesion Plans.

16. What is the Revolving Fund for the implementation of Community policies?

The Revolving Fund was established by Article 5 of Italian Law No. 183/1987, at the General Accounting Office of Italy's Ministry of the Economy and Finance, i.e. the entity called upon to disburse the national co-financing shares of Community initiatives financed in the target areas of the structural funds, as well as any advances on contributions due under the EU budget.

As of 2011, the Revolving Fund, and in particular national resources deriving from the reduction of the national co-financing rate of the Operational Programmes and from resources reprogrammed through internal restructuring of those programmes, financed the Cohesion Action Plan (CAP), launched to accelerate implementation of the programmes co-financed by the 2007-2013 structural funds and to enhance the efficacy of the initiatives. For the 2014-2020 programming cycle, the experience of the CAP continued under the Complementary Operational Programmes (COPs), financed by a share of the resources of the Rotation Fund alongside the national co-financing of the Operational Programmes of the European Structural and Investment Funds. For the 2021-2027 programming cycle, the resources deriving from the reduction of the co-financing rate to Community Programmes were directly programmed under the Cohesion Agreements.

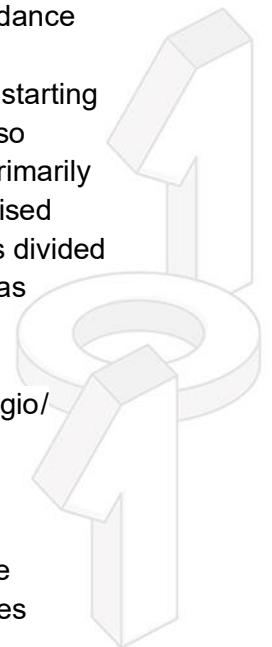
17. What is the National Monitoring System?

Cohesion-policy monitoring is provided by way of Italy's National Monitoring System managed by General Inspectorate for Relations with the European Union of Italy's General Accounting Office under the Ministry of the Economy and Finance (MEF-RGS-IGRUE). At the core of the National Monitoring System is a database fed — at the individual project level — by the local information systems of all the public bodies responsible for plans or programmes financed by cohesion funding, in accordance with shared rules and standards. The need to have a centralized source of information comes out of Community requirements expressed in regulations starting with the 2000-2006 programming cycle. From 2007-2013, monitoring was also extended to all cohesion policy initiatives carried out with national funding (primarily the Development and Cohesion Fund (DCF), formerly the Fund for Underutilised Areas (FUA)). From one programming cycle to the next, the system, which is divided into separate databases, has maintained a unified information system and has evolved in line with the main variables observed.

For more information, see https://opencoesione.gov.it/en/sistema_monitoraggio/

18. What are monitored public cost and cohesion cost?

The term monitored public cost refers to the total public funding related to the [projects monitored](#), net of any savings accrued. Monitored public cost includes



funding from all financial sources, but does not include funding from private entities. Cohesion cost, on the other hand, represents the portion of monitored public cost that is financed by European and national cohesion policy resources, i.e. the cost allowed on cohesion plans and programmes. The difference between monitored public cost and cohesion cost shows how much co-financing is "attracted" by cohesion policies, consisting of ordinary funding of national, regional or municipal origin that contributes to the financing of projects.

19. What is OpenCoesione?

[OpenCoesione](#) is Italy's open government initiative on cohesion policy. Data on planned funding and expenses, locations, thematic areas, programming and implementing entities, timing, achievements, and payments of individual projects can be accessed via the portal. Everyone can thereby evaluate how resources are being used in relation to the needs of the various territories.

Beginning with the 2014-2020 cycle, OpenCoesione is also **the single national portal in Italy** that ensures transparency on projects financed and that, beginning with the 2021-2027 cycle, also assumes the role of improving the communication and visibility of cohesion policy, together with the adoption in 2022 of a single national logo. To promote the awareness, visibility, and transparency of cohesion policy, the central, regional, and local communication representatives are organized into a national and European network, now known as INFORM, which meets periodically to foster constant discussion and the sharing of experience.

