



THE FUTURE OF COHESION POLICIES (AND OF THE NEXT GENERATION EU)



A PROPOSAL (IN PROGRESS)

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This paper drafted for the 7th edition of the *SIENA conference on the EUROPE of the FUTURE* is a first attempt to provide few ideas on the future of cohesion policies (CP): it is an attempt that makes a synthesis between the European Commission's proposal dating back to July 2025 and the resistance coming from most of the stakeholders of the cohesion policies.

The starting point is that the European Union (EU) will have to significantly reshape its own budget to “finally land in the 21st century”: not only in terms of size, sources of funding (own fiscal resources, common debt and transfers from Member States) and distribution of its resources amongst different policies; but – probably more importantly – regarding implementation and accountability mechanisms.

As mentioned, the paper takes stance of the recent proposals from the European Commission for the next programming period (post 2027) considering the evolution of gaps amongst regions as a proxy of the objectives of the policy; and a preliminary assessment of the Next Generation EU (NGEU - the 750 billion EURO facility that was launched at the time of COVID 19 along with its main instrument - the RRF- with objectives somewhat connected with CP) which has been seen not only as unprecedented tool for cohesion, but also the experimentation of new implementation processes. We are talking about the future of both CP and NGEU because NGEU was, indeed, based on an exception (the common debt) that we still cannot envisage to become a permanent feature of the EU budget.

The paper is, thus, organized in five main sections:

1. a recap of the definition, scope, and objective of the policy (meant to open the debate to whom is not within the – rather self-referential - CP community of experts);
2. initial evidence of the evolution of cohesion in Europe (as an imperfect proxy of the performance of CP);
3. a preliminary assessment of NGEU (some of the numbers focus on Italy because of the disproportionate weight of this country in the RRF portfolio);
4. we, then try to take stock on the EC's proposal and we conclude with
5. three ideas that can lead to a reform of CP by using some interesting innovations of the RRF adjusting their use according to the previous assessment.

The structure is thus

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1. What is at stake? The policy defining three decades of the EU budget

Cohesion policy has absorbed between little more than half and slightly less than one third of the EU budget in the nearly fifty years that go from 1989 to 2027.

However, a first potential weakness of "cohesion policies" is that their scope is poorly understood; the mission appears to have expanded over time to the point where it has no clear focus (or, at least, it is increasingly difficult to have a single indicator measuring its effectiveness); and the same applies to define the total volume of available resources.

This has not always been the case.

The Regional Development Fund (established in 1975) and regional programs (launched with the 1989 reform that launched the first programming period) initially had a clearer objective: to reduce the gap—in terms of GDP per capita—between lagging regions (identified by having a GDP per capita less than 75% of the EU average) and those most advanced.

Over time, the "don't leave anybody behind" rhetoric has diluted the policy's mission by adding multiple objectives in search of funding (most recently, fighting sources and consequences of climate change and funding R&D of large manufacturing firms) and broadening the scope of action to all European regions since the 2007-2013 cycle (even Paris and Luxembourg benefit, despite having a GDP per capita double the European average). The volume of resources is also not immediately clear.

Looking at the Commission's multiannual budget¹ (at current prices), for the current programming period 2021–2027² and in order to make the argument clearer (though at the cost of losing some technical precision) we note that:

1. The "regional development and cohesion" policies chapter is worth €274 billion: of the various funds, the largest is the Regional Development Fund (ERDF) with €226 billion; the entire "envelope" is guarded by DG REGIO under shared management with Regions, Ministries/Central authorities, and, more recently, cities.

¹ More technically the Multiannual Financial Framework or MFF organized in chapters and subchapters.

² The EU MFF runs in seven-years periods.

2. These funds should obviously be integrated with the €131 billion from the "investing in people" chapter (the European Social Fund (ESF+), which, however, is managed by DG EMPLOYMENT and another Commissioner, the one designated is Roxana Minzatu);
3. In the last period, however, the larger cohesion umbrella also includes the much larger €775 billion³ Recovery and Resilience Facility (RRF), the core of "NEXT GENERATION EU" for cohesion policies.

A total of more than one trillion euro sums up to more than half of the about 1,9 trillion EU budget. However, before the NGEU-RRF, the money allocated to CP used to be about one third of the total.

There are significant differences between CP and RRF: the former are managed by the Member States under the supervision of the Commission ("shared management") and organized in programs – approved by the Commission - which respect an identical structure/format and common detailed implementing rules; the second is an EC's initiative where the States implements the program (one program for member State with highly differentiated contents among MS) agreed with the Commission and approved by the EU Council and the Commission certifies the achievement of targets and milestones (which also include reforms).

This alone gives a sense of the complexity of the structure and how flexibly the role of the Vice President in charge of "cohesion and reforms" can be interpreted. He or she can influence—integrating with at least two other Commissioners—a total of resources exceeding €1.2 trillion (60% of the EU budget). And yet, the Commissioner also faces constraints in managing the €274 billion (ERDF and Cohesion Fund) that he or she most directly coordinates.

2. The evolution of CP performance.

But how are "cohesion policies" working overall? Or at least to what extent are they achieving their main (or at least historically first) objective, which is to reduce the variance in wellbeing and development level (proxied by per capita GDP) among European regions?

We captured from the literature and from statistics some evidence:

³ The overall amount of NGEU became smaller because some of the countries which were awarded not only grants but also loans, decided not to use the loan part. And because the aids for some others (like Hungary) were frozen due to violations of EU rule of law.

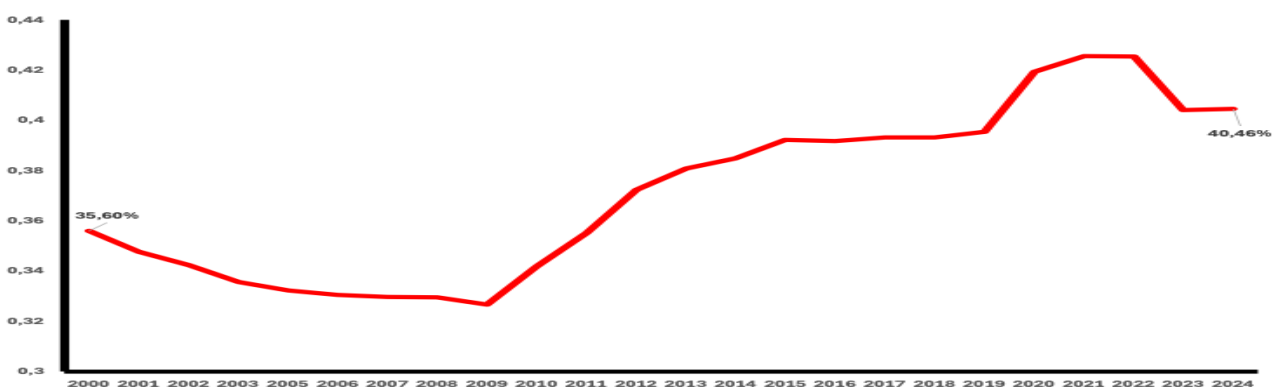
2.1 One of the defining policies of the Union is losing steam...

"In order to promote its overall harmonious development, the Union shall develop and pursue its actions leading to the strengthening of its economic, social and territorial cohesion. In particular, the Union shall aim at reducing disparities between the levels of development of the various regions and the backwardness of the least favoured regions": the article 174 of the Treaty on the Functioning of the European Union (TFEU) did clearly establish as one of the defining (and, indeed, most well-known) objectives of the Union.

This role seems to have gradually shrunk. Not just in terms of performance, but in the expectations of public opinion. "Structural funds" have become much less popular in the portfolio of the Union. And, probably, this is the consequence of a much lower trust into the possibility itself that development can be "harmonious" (and not led by animal spirits as in other societies – namely US and China - with which we compete).

The following graph provides a concise and powerful representation by measuring the gap by calculating the dispersion around the average GDP per capita of EU regions.

Standard deviation from the average GDP per capita of regions (2000 –2024, % from 0 – as a theoretical total equality, EU 15 old member states).



Source Vision on EUROSTAT

The data refers to the old member states (including UK) that have benefited from the structural funds since the beginning. Inequalities between regions, which decreased until 2009, have grown (and significantly) in the last 15 years.

It is not less interesting to look to what happened to the ten Regions which have been the largest beneficiaries of the European Regional Development Fund.

Yearly convergence to the EU average GDP per capita of ten Regions largest beneficiaries of the European Regional Development Fund (GDP growth rates between 2000 –2024, Billion EURO spent between 1989 and 2018).

Region	Convergence rate	Billion structural funds
Andalucía	-0,21%	22
Campania	-1,03%	13,2
Norte (PT)	0,33%	13,1
Sicilia	-1,01%	11,7
Attiki	-0,48%	9,3
Centro (PT)	0,10%	9,1
Puglia	-1,00%	8,8
Galicia	0,52%	8,3
Comunitat Valenciana	-0,74%	7,4
Castilla y León	-0,06%	6,8

The ten regions represent a large share of the entire ERDF funds (about 15% of the money spent since 1989)⁴. It is, however, interesting that the convergence has been negative for seven of them (exceptions are the Norte and Centro in Portugal and Galicia).

A different trend emerges if we consider the 80 regions of the 13 countries (including Croatia) that entered the EU after 1989.

In 2000 (after the Berlin Wall and before joining), all these regions had a GDP per capita lower than the EU average. At the end of 2024, five of them (the most populous, including the ones hosting Praha, Warsaw and Budapest) enjoyed an income per inhabitant higher than the EU average. The average GDP per capita went from less than a quarter to more than half of the EU average per capita income, and even the inequality within this block shrank (the dispersion around the regional average went from a very high 65% to 43%).

These trends can have, of course, multiple explanations. And yet it seems that at least cohesion policies are losing steam amongst the member states that invented the policy.

⁴ According to Regional Studies Association, <https://www.regionalstudies.org/rsa-blog/a-comprehensive-record-of-erdf-investments-by-nuts-2-region-1988-2016/>

We, then, have the question of the speed of implementation.

Halfway through the 2021-2027 period (December 2024), it appeared (from the DG REGIO2 website page) that:

1. of the 39 billion allocated to the cohesion fund, 2.4 billion have been "paid" by the European Commission to the Member States (as an advance or reimbursement of accounted expenses);
2. of 224 billion ERDF, only 7.9;
3. and that this also concerns the European Social Fund (3.7 billion out of 95).

Overall, financial progress in terms of spending is at 5.3%

There are notable differences between countries, ranging from 13% in the Netherlands to 2.4% in Portugal.

2.2 ... and yet we should not throw away the baby with the dirty water

That said, there are elements of the "structural funds" (the financial facilities through which CP are implemented) that should not be wasted (even if their weight may have to be scaled down):

1. as we will see, unlike the recovery and resilience facility, the structural funds provides for mid-term reprogramming (they are not a shopping list) on the basis of much larger obligation for "evaluations"; these evaluations are *ex ante*, *in itinere* (the most important because they should steer the programs and improve their impact) and *ex post*; they have sometimes been less relevant than expected and yet they gave a strong contribution to create a proper "practice".

2. they require the data on payments to beneficiaries, and this is the condition for disbursement from the Commission to Member States. We believe that such a requirement must be changed and, yet, actual payments are important for understanding the extent to which funding lands in the wallets of families and businesses;

3. they even introduced – in 2000/2007 – a performance reserve allocated to the most virtuous administrations; the mechanism was somewhat similar to the idea of the RRF "milestones and targets" and was meant to promote accountability on results (and, in the case of Italy that voluntarily introduces that requirement adding an extra performance reserve, reforms); the idea, however, was lost due to the inability to identify those who had performed best;

4. they tried to propose that the regions make choices on which sectors to focus on (the "smart specializations") in order to avoid the syndrome of all-the-same programs⁵; this, however, was only successful when the politicians or the managing authority bought into the idea of the necessity to make choices⁶.

Some of these ideas drove an evolution of the CP that seems to have been overwhelmed by the arrival of the NGEU/RRF.

3. Preliminary assessment of the NGEU/RRF.

The NEXT GENERATION EU was launched in May 2020 in one of the longest councils⁷ of the EU history (and one of the latest that Angela Merkel joined as Germany's chancellor in nearly 16 years). The one which was greeted as the EU "Hamiltonian moment" because it "broke a glass ceiling" (the taboo on common debt), as Economic Affairs Commissioner Gentiloni⁸ said.

NGEU gave the strong signal that the EU was getting together in one of its darkest hours (at the time of the COVID19 – pandemic where the GDPs of all EU countries simultaneously collapsed): the signal we had been missing since 2012, when the European Central Bank's President Mario Draghi decided to intervene to save the Euro with whatever unconventional weapons this would have taken.

The NGEU's most important instrument was the Recovery and Resilience Facility whose regulation was (probably too quickly devised and) issued on the 12th February 2021⁹.

3.1 Good intuitions waiting for substantial adjustments: milestones, targets and reforms

⁵ <https://journals.sagepub.com/doi/10.1177/0269094211417161>

⁶ <https://www.routledge.com/Governing-Smart-Specialisation/Kyriakou-PalazuelosMartinez-Perianez-Forte-Rainoldi/p/book/9780367876265>

⁷ chrome-

extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.consilium.europa.eu/media/45109/210720-euco-final-conclusions-en.pdf

⁸ Gentiloni will be one of the leaders that Siena will gather when discussing the shape that the EUROPE of the FUTURE may get.

⁹ chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32021R0241

Few features of the RRF appear to be a radical implementation of innovations that the debate on CP had nurtured for decades:

1. The idea of linking payments to reaching not (only) to payments but to delivery of results (targets which appear associated not just to the notion of a physical outputs but of the outcomes that a certain investment was aiming for) expected by investments is certainly an interesting one (and it must be said built on intuitions developed within CP as for experiments made on payments by results and on financing/payments linked to standard and not actual costs) .
2. Similarly, it is interesting the introduction of the concept of financing conditional to reforms (sometimes meant as capable to unlock the impact of the investments themselves).

A consequence of the above seems to have been that

3. the plan is proceeding more rapidly than the CP programs.
this is especially true if we consider the largest recipient (35% of the total recipient) of the RRF money: Italy.
As far as disbursement from the European Commission, the country has received already 85% of the initial allocations and nine of the the instalments expected from the EC¹⁰;
although the financial advancement has been slower; the country has spent half of the initial allocation by the end of 2025 according to Italy's government¹¹.

3.2 Not all that glitters is gold, and the case of Italy

The external "[interim assessment](#)¹²" of the RRF released in December 2023 is the only official independent evaluation that the European Commission has carried as far as the overall evaluation of the instrument. The study acknowledged the limitation of counting on the date of just the 18 months after

¹⁰ <https://www.governo.it/it/articolo/pnrr-l-italia-riceve-il-pagamento-della-nona-e-penultima-rata-pari-12.8-miliardi-di-euro>

¹¹ <https://www.strutturapnrr.gov.it/media/m2yfwnkz/settima-relazione-al-parlamento-sezione-i.pdf>

¹² Prepared by ECORYS, CEPS, CSIL, NIESR, and Wavestone for the European Commission, Directorate-General for Economic and Financial Affairs

the approval of the first national plans. It is, thus, in between an *ex-ante* and *in itinere* evaluation. The assessment was, however, positive about

- 1) the impact of the instrument on the GDP (both in terms of the improvement versus the baseline in the first two years of the implementation and expected cumulative long-term impact by 2041). Due to its timing, this evaluation, however, had the limit to be a forecast of a macroeconomic model¹³ entirely based on the speed and categories of disbursements from the EC to Member States. The limits is that we do not know how much of those disbursements actually reached families and firms; but also that a macroeconomic analysis does not capture – per definition – the quality of the choices made by the plan vis-à-vis industry and places specific problems.
- 2) The study, however, reported also good feedback on the effect of combining reforms with investments. The limit of this assessment is that, again, was constructed based on the responses to a number of interviews and questionnaires received from people involved into the implementation.
- 3) The evaluation was, instead, more problematic about the complexity of the procedures (considered “comparable to the cohesion policies”), the speed of the implementation and the flexibility of the plan vis-à-vis external shocks.

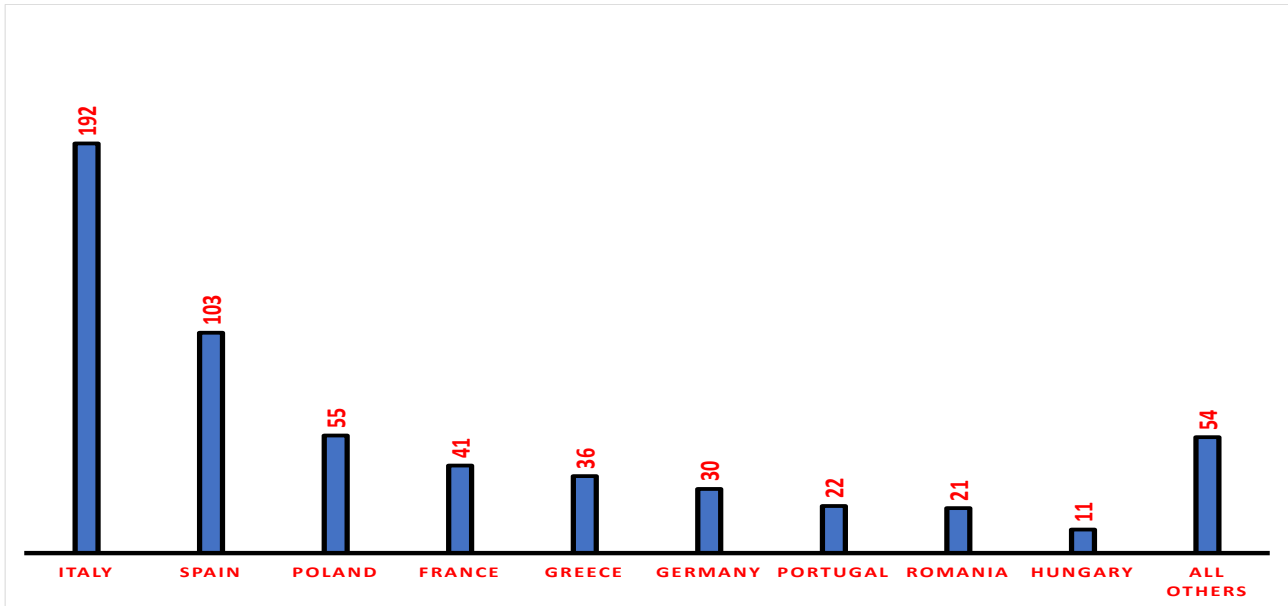
Therefore, the “lessons learned” and the suggestions from the report were mainly about reducing the red tape. Since then, the EC and Member states did agree a lot of flexibility and the RRF procedures are about to reach the initial deadline of the end of June 2026 without major dramas. And yet it is the overall impact of the NGEU on the “recovery” and the “resilience” of the European Union which appears to be much less positive than forecasted by the first (and only) comprehensive official independent evaluation.

As far as the economic impact, some interesting insights come from the country that has – by far – been the largest beneficiary of the RRF: Italy.

The allocation of the NGEU did, indeed, have a remarkable characteristic. It was very uneven amongst countries, and it is enough to consider just 2 of the 27 member states (Italy and Spain) count for more than half of the funds.

Distribution of the RRF funds by country (billions euro; only the loans being activated and plans being approved; %; 100% = 564 BN).

¹³ National Institute Global Econometric Model (NiGEM)



More specifically, Italy absorbs more than one third of the overall NGEU and – unlike Spain it has received the money earlier (Spain only decided to add the “loan” part of the money to the grants at a later stage).

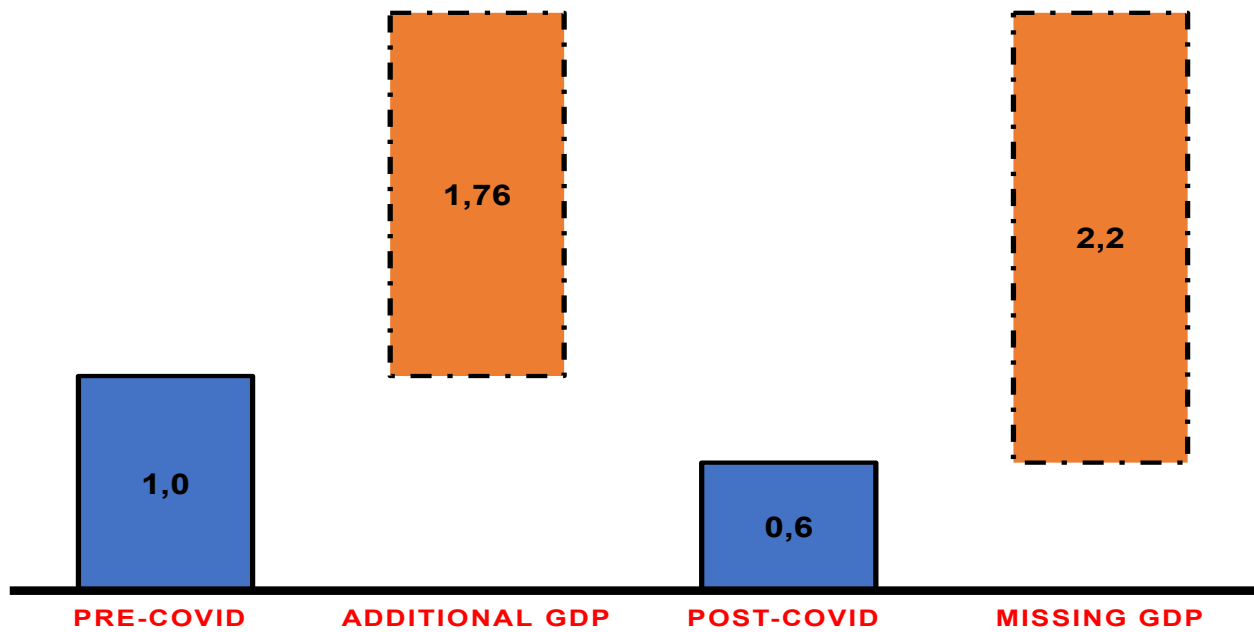
Almost two hundred (194,4¹⁴) billion (the money allocated to Italy is also significant relative to the country’s GDP (almost 10% of the GDP). Italy can, then, provide a strong signal on whether the NGEU has worked (and one may even argue that one of the problems of NGEU may have been the decision to “put all the eggs in one basket”). A preliminary assessment seems to point at problems of delivery that the independent evaluation could not spot. In terms of the main (although imperfect) indicator that any development plan should consider: GDP.

The following chart attempts an evaluation by considering:

- The growth rate (“*PRE COVID*” in the graph) of Italy’s GDP in the five years before the COVID19 (2015 – 2019) as a proxy of the baseline that we would have had without the RRF;
- The per-year weight on Italy’s GDP of the RRF’s expected expenditures in the five years of RRF’s duration (2022 – 2026) as a first attempt to calculate the impact of the RRF (such a hypothesis discounts a pessimistic assumption of a multiplier being 1); the graph calls is “*additional GDP*” and we eventually
- compare the potential average growth of GDP in the five years (that we obtain adding our proxy of baseline with our preliminary proxy of “impact”) with the actual growth that the country is experiencing in the five years (“*POST COVID*”).

¹⁴ Including the extra financing of 2 billion linked to the RePoer EU initiative.

Preliminary assessment of the economic impact of the RRF (Italy; %; pre – COVID = 2015 – 2019 as a proxy of baseline; RRF period = 2022 – 2026; RRF funds/ GDP/ 5 years as a proxy of impact with a multiplier equal to 1).



Source: Vision on EUROSTAT and IMF data

It seems that we are missing 2 percentage points of expected growth per year.

It is an assessment that has got four limits: it is far from being the result of a macroeconomic exercises; the pre COVID average growth may be a higher baseline than the one that we should calculate considering the many wars and disruptions we had; payments may not be (for some technical reason we omit here, surely they will not) 100% of the allocation by 2026 (as theoretically required by the regulation of the RRF); some of the investments were meant not be “additional” to the ones that the country was already planning.

And yet the magnitude of the missing growth is impressive and in any case it is remarkable that Italy is growing less while spending 200 billion of RRF (overall 10% of its GDP) than without.

The result is, indeed, confirmed by two other pieces of evidence:

- a) The first comes from the official document (the PNNR) that the then PM Mario Draghi sent to the European Commission as the plan that the EC and Italy’s institutions eventually approved. In the last session of that

document the RRF is expected to add to the “baseline” 3,6% of GDP in 2026 and 3,1% in 2025. The impact was expected to be much bigger than the one we are considering and that compares with a growth rate of 0,6% for the two years. If we assume that the expected impact has been achieved, this will mean that the “baseline” for the Italian economy would have been a sharp reduction of more than 2 % per year. This seems to be not plausible and, again, this is a sign that the RRF failed its main objective.

- b) The second is to better calculate the “baseline” by assuming that in a “baseline” situation the Italian economy would have continued to suffer the same gap in GDP growth rates vis-à-vis the EU average that it used to record before the COVID (so that we try to discount the impact of disruptions/ wars that should have impacted similarly both Italy and the EU average).

Before COVID-19 (in the 2014 – 2019), Italy was growing (1,0% versus 2,2%). However, the weight on the GDP (as a proxy of potential impact) of the RRF was 1,76% per year and 0,4% in the EU. This may have translated into Italy growing about 0,6% more than the EU while spending the RRF. Instead, Italy continues to trail the EU, although the gap has been reduced (to 0,6% and in 2026 Italy will again be in the last position amongst EU countries in terms of growth).

All these estimates have the limits of almost back-of-the-envelope methods. And yet the magnitude of the (as somebody have put it) “disappeared PNRR” is so large that it is safe to argue that the innovation did not come without limitations.

4. The proposal from the EU

The proposal of the European Commission to the European Parliament and European Council (https://eur-lex.europa.eu/resource.html?uri=cellar:0d5ded06-639d-11f0-bf4e-01aa75ed71a1.0001.02/DOC_1&format=PDF) for establishing one “European Fund for economic, social and territorial cohesion, agriculture and rural, fisheries and maritime, prosperity and security for the period 2028-2034” was issued almost one year ago (16th July 2025) and was based upon an impact assessment (<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52025SC0565>).

The overall idea is “to move from about 540 programs and eleven different funds ¹⁵ to 27 plans (called national and regional partnerships) so to reduce overlaps and increase synergies.

However, the “impact assessment” appears to assume that necessarily the RRF is “better value for money” and the regulation proposes to switch radically from payments to milestones/ targets.

Both proposals - the architecture by 27 regional/ national plans and the adoption of the milestones/ targets – need some better design.

5. Seven ideas for a reform: a synthesis between cohesion and NGEU

We suggest seven preliminary ideas that should be further articulated by the follow-ups that the Siena conference is planning:

1) **Structured flexibility.**

The EC is right when it asks to streamline the facilities (in terms of number of facilities at EU level and number of programs/ managing authorities within a country) in NRP so that there is more integration and less over-laps.

We, however, also believe that within this redesign “cohesion” policies must be refocused on “cohesion” meaning by that reductions of the inequalities that risk to fragment the Union, whereas this notion must be extended to not territorial inequalities.

The consequence of this is that the new “cohesion policies” may not have the universal geographic coverage (we would argue that Luxembourg and, more generally, developed regions may find their territorial funding in other envelopes) nor the scope (the fight to climate change itself may be pursued with different lines of the EU budget).

More importantly, the country-specific NRP must still be structured so that there is comparability amongst countries and across programs so that the performances can be assessed and knowledge can be generated.

One idea is that the new “national/ regional partnerships” will be structured along five interconnected policies targeting:

- a) territorial inequalities, which will be organized by place-based strategies, where the places will be at a enough coherent level (normally regional, although some of the “regions” appear too large and some others are too small express such a coherent strategy);

¹⁵ Cohesion Fund, European Regional Development Fund, European Social Fund+, the Just Transition Fund. European Agricultural Guarantee Fund, European Agricultural Fund for Rural Development, European Maritime, Fisheries and Aquaculture Fund. Asylum, Migration and Integration Fund, the Border Management and Visa Instrument and the Internal Security Fund. The 2021-2027 long-term budget also introduced the Brexit Adjustment Reserve and the Recovery and Resilience Facility. Last but not least, outside the multiannual financial framework or the EU budget, there are the Social Climate Fund (from 2026) and the Modernisation Fund.

- b) generational inequalities that will be normally pursued at the national level (so to tackle the education, labor market, housing issues);
- c) urban inequalities which is about integration within cities (including immigrants);
- d) agricultural policies to leverage on the industry-specific knowledge accumulated in almost 80 years of CAP;
- e) Interreg and experimentation.

2) Milestones and targets as a lever for accountability.

The idea to replace “payments to beneficiaries” with concrete results (milestones/ reforms and targets) for releasing disbursements from the European Commission to member states is a good idea.

However, the RRF’s ones were too many 7,092 results to monitor for 27 national plans. They must become much more transparent (and understandable) so that citizens can hold institutions accountable for their delivery. Milestones must be focused on few, key “reforms” (not accomplishment of procedures) whereas a clarification of what “reforms” are, appear necessary.

More importantly, they must be always attached to incentives/ consequences.

3) Crises, failures and evaluations.

One of the weaknesses of the current programming periods is its rigidity for a period which is way too long (even in the Soviet Union plans were for a shorter, five year period).

In a world where crises are becoming more frequent and destructive we cannot afford plans to stay the same for seven years. And yet we can not govern plans by changing them continuously and at microlevels of micro measures.

4) Subsidiarity for efficiency.

A flexible system of subsidiarity should also be established. The key is to give substance to the long-announced idea that the management of policies should be established where it is governed more efficiently (and citizens are better engaged).

If an administration (region or ministry) falls behind within a certain fixed timeframe, there must be a remedy:

either a technical structure will replace it (whereas the technical structure can also include managers remunerated based on their ability to achieve

a specific result); or the policy is moved to an alternative institutional level.

5) New policies for new inequalities: the role of social infrastructures

Before defining instruments and governance mechanisms, it may be useful to further clarify how new investment priorities within the next EU budget - and the legacy of NextGenerationEU - could evolve in response to emerging challenges.

In this perspective, one area that could benefit from greater consideration is the role of social infrastructure as a driver of long-term development, competitiveness and resilience.

Social infrastructure can be understood in a broad and forward-looking sense, encompassing not only “traditional sectors” such as healthcare, education and housing, but also domains that are still less prominently reflected in EU strategies and funding - such as, for example, sport, culture and community-based infrastructure. These areas make an important contribution to human capital, social cohesion, productivity and territorial attractiveness, and could play an increasingly visible role within the overall policy framework.

A stronger and more explicit focus on social infrastructure could help further anchor EU policies around a tangible and widely shared objective: expanding access to opportunities for citizens, strengthening communities, and enhancing the resilience of territories.

6) Public/ private partnerships and pay-by-results contracts.

Whenever possible, greater use could be made of innovative financial instruments, payment-by-results schemes and public-private partnerships, as a way to complement traditional public funding and enhance the overall effectiveness of EU policies, while ensuring additionality in the use of public resources.

In this perspective, public-private partnerships should not be seen merely as marginal or complementary tools, but as a potentially valuable pillar of the future implementation model, particularly where they can add value in terms of scale, efficiency and expertise.

This would imply, where appropriate, a more systematic recourse to blended finance schemes, where public resources are used in a strategic way to de-risk projects, facilitate coordination across initiatives and help structure more coherent pipelines - especially in contexts where market failures limit the effective delivery of projects.

In this context, public development banks and national promotional institutions can play an important enabling role, acting as a bridge between public policy objectives and project implementation.

Such approaches may prove especially relevant in areas characterized by high social value and fragmented interventions, where the benefits for communities and territories are significant, even if they are not always immediately captured through traditional financial metrics.

More broadly, these “tools” can help enhance the effectiveness of public resources, while also bringing in additional competences - particularly in areas such as project structuring, implementation and long-term sustainability that can usefully complement public sector capacity.

7) Another Hamiltonian moment?

The NGEU was mainly seen as the historical first for issuing common debt in a sizeable way vis-a-vis an economic and health emergency.

The result of the facility is, as we just mentioned, a mixed bag of good intuitions, delivery mechanisms that need to be revised and questionable impact: this may cast doubts on the convenience to replicate something like the NGEU as such. On the other hand, policies for cohesion (like the rest of the EU budget) obviously calls for more EU “own resources” (common debt or EU taxation) and less endless “zero sum games” on constrained transfers from MS.

One possibility would be to apply even to cohesion policies the “pragmatic federalism” the Siena conference is trying to operationalize.

Mechanisms should be devised to allow subset of countries to jointly issue debt to finance cohesion-related European public goods.

These ideas are to be considered as a contribution to a debate that is urgent. The conservation of the status quo is not an option; however, we cannot dismiss one of the most defining features of the European Union’s project without a collective problem-solving like the one that the Siena conference is promoting.

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