



UNIONE EUROPEA
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Regione
Lombardia

Regional Operational Programme (ERDF ROP) 2014-2020

Co-financed by the European Regional
Development Fund (ERDF)

Adopted by the European Commission
in Decision C (2015) 923, 12 February 2015

Growth Competitiveness Research
Development Innovation Sustainability

April 2015

The 2014-2020 ERDF ROP: strategy

The Lombardy Region's 2014 - 2020 Regional Operational Programme (ROP) under the European Regional Development Fund (ERDF) provides investment funds of nearly one billion euros (€970,474,516) with the priority objectives of the Region's economic growth and social development as well as the enhancement of its productive capabilities.

The ERDF ROP promotes a **smart, sustainable and inclusive growth** model in line with the objectives identified in the "Europe 2020" strategy and with the regional government's development policies promoting the productivity and competitiveness of its businesses and the entire economy of the Region.

BUILDING THE PROGRAMME: STAGES AND PARTICIPANTS

Setting its own sights on the Europe 2020 strategy targets, the ERDF ROP has added further reinforcements to its overall strategy for intervention; this has also involved breaking with the past in some areas in order to improve the capacity of Lombardy businesses as a whole to tackle the challenges and exploit the opportunities of international markets. The ROP strategy of targets, results and measures has been put together bearing in mind the policy guidelines for 2014-2020 at European and national level (viz, in addition to the Europe 2020 strategy, the Common Strategic Framework for Cohesion Policy, the European Commission services' Position Paper for Italy, the Partnership Agreement for Italy 2014 and Italy's own National Reform Programme) and the main regional needs as revealed by **analysis and assessment of the situation and also through continuous dialogue with employers' and workers' organizations, local government and public bodies, and the key players within the region**. This makes it possible to respond to the real requirements of Lombardy's social and economic situation by correctly interpreting both the opportunities and the weaknesses of the local economy, and to point the way to putting the Region back on track for growth: boosting the system's productivity and competitiveness.

MAIN CHALLENGES TO BE TACKLED

The ERDF ROP strategy supports a model of growth which emphasizes research and innovation (not least through the spread of new technology), and promotes an intelligent use of the Region's resources and a balanced management of its natural and cultural heritage. The vision of development adopted in the ERDF ROP also entails the deployment of measures to prevent social exclusion of the economically, socially or culturally weaker groups within the population, for instance by implementing various forms of support to promote inclusion in the matter of housing.

Smart growth

The ERDF ROP strategy lays emphasis on the **construction of an ecosystem of innovation**, in which continually sustained innovation is part of the very fabric of the economy, in keeping

with the European flagship initiative entitled “The Innovation Union”.

Action under the ERDF ROP accordingly has the following aims:

to encourage innovation among MSMEs (micro, small and medium-sized enterprises), partly by making truly high-quality services available throughout the Region’s economy and partly through various forms of “temporary management” such as business mentorship and technical advice

to encourage co-operative R&D activities by supporting complex projects of considerable size designed to build capacity in Lombardy’s RD&I operators (Research, Development & Innovation)

to foster networking and synergies both among businesses and between them and research institutions

to promote public-sector commissioning of research, development and innovation so as to make such services more sustainable, and to get the best value for taxpayers’ money by means of public tenders at the pre-commercial stage

These interventions to promote RD&I, especially in manufacturing, form part of the exclusive strategic scope of the “Regional Innovation Strategy for Smart Specialisation” (RIS3), based on choosing priorities related to areas of application which have significant potential for returns in technological and industrial terms. The Lombardy Region’s *Smart Specialisation Strategy* (S3) identifies areas of specialization around which the available resources should be concentrated; these are translated into a number of work Programmes which specify subject areas for particular invitations to tender under the ROP.

Another factor in the ERDF ROP favouring smart growth is **support for the competitiveness of Lombardy’s individual businesses and its whole enterprise economy** so as to satisfy that economy’s real requirements and attain the goals of the European flagship initiative entitled “An Integrated Industrial Policy for the Globalisation Era”.

The Programme’s strategy is in keeping with the priorities identified in the Strategic Document for the Lombardy Region’s Industrial Policies 2013-2018, which are also the guiding principles of Regional Law No. 11/2014 designed to boost competitiveness and develop a business-friendly environment in line with the recommendations of the *Small Business Act* for Europe.

Here action under the ERDF ROP has the following aims:

to promote the start-up and growth of new businesses, the reactivation of existing ones and the development of new patterns of business activity, especially as regards culture, tourism and commerce as lines of business

to promote companies’ international expansion (into export business) and increase the Region’s attractiveness to direct foreign investment

to improve access to credit, supporting a revival of the selective accumulation of productive capital in the Region’s production circuits and relieving the shortage of credit by developing new ways of enabling businesses to grow

One of the ways in which the ROP supports the competitiveness of Lombardy enterprises is through the availability of and access to adequate ICT. This is an essential ingredient of smart growth and a fundamental precondition for “smartening” any policy for local specialization: for the overall context is such that national and regional economies cannot avoid facing intense competition from international players in the global market.

Reducing the digital divide and rolling out **widespread superfast broadband connectivity**, especially among businesses, are further elements on which the ERDF ROP’s actions concentrate so as to strengthen the Region’s competitiveness and attractiveness in accordance with the Digital Agenda for Lombardy 2014-2018 whose objectives are in line with those of the European Digital Agenda and the “Innovation Union” flagship initiative. This will also have a positive impact on the efficiency of public administration and on people’s quality of life.

Sustainable development

The ERDF ROP strategy lays emphasis on building an economy which uses resources efficiently, guides the development of new technologies and processes, and underpins Lombardy companies’ competitive advantages by making use of EU-wide networks, in line with the flagship initiative entitled “A resource-efficient Europe”.

With this in mind, and in keeping with the provisions of the Regional Plan for Energy and the Environment (PEAR) and the Regional Plan of Action on Air Quality (PRIA), measures to be taken under the ERDF ROP have the following aims:

- to reduce the energy consumed in public buildings and by public lighting
- to promote sustainable transport in urban and metropolitan areas

The ROP also aims to identify requirements for skilled and qualified workers, and to support the reform of vocational qualifications so that they are better adapted to changes in the labour market, bringing improved employment prospects through the creation of new jobs in “green economy” industries.

Inclusive development

Another practical manifestation of the ERDF ROP strategy is urban policy experimentation with a view to sustainable and inclusive development, through interventions in housing supply and demand guided essentially by the concept of social inclusion.

This takes the form of integrated projects for the **rehabilitation of predominantly council-house estates** by combining action on infrastructure (rehabilitation of the residential buildings, improving energy efficiency, etc.) with intangible investments such as support for disadvantaged people, cultural mediators, etc.

The ROP also contributes to inclusive development in its interventions for “**Hinterland Areas**” which feature an large-scale approach to local development. “Hinterland Areas” are districts characterized by geographical isolation, demographic decline and poor levels of essential citizen services. Intervention in these districts takes the form of coordinating **ordinary policies** (for transport, education and health) with funds from the 2014-2020 Community Plans earmarked for development

policies to **promote growth by making the most of local resources** (cultural assets, tourist attractions, natural resources, etc.).

In support of policy localization, moreover, the ROP aims to prioritize implementation of the **Alpine Super-Regional Strategy** and the Italy-Switzerland Cross-border Cooperation Programme.

The ROP will implement its strategy for the Region's development by promoting, among other things, **complex multidisciplinary investment projects** which make the most of its local resources (its human capital, its infrastructure endowment, its equipment and instrumentation which are advanced and competitive even by international standards, the strategic positioning of the innovation ecosystem, etc.), which put these advantages together for synergistic amplification and see to it that the Region's well-educated workforce is duly involved and properly linked up within high-tech clusters at regional and national level.

A Smart Specialisation Strategy (S3) for the Region

In keeping with the EU policy guidelines which identify innovation and research as the pillars of smart growth, the Lombardy Region has drawn up its own regional S3 for research and innovation, arranged on the basis of priorities connected with promising and challenging areas of application. These are known as the Region's "Areas of Specialization" (AdS), and there are seven: Aerospace, Agro-food, Eco-industry, Healthcare, the creative and cultural industries, Advanced Manufacturing and Sustainable Transport; alongside these there is an additional one, Smart Cities & Communities, a basic driver for the aggregation of skills which belong to more than one AdS.

Research and Innovation Work Programmes for each AdS for the two-year period 2014-2015, together with their Smart Cities & Communities implications across the board, have been drawn up to implement the S3: this is a further step along the road map of this complex governance intervention for maximizing the synergy between initiatives and making the most of the strategic sectors and priorities for boosting the Region's competitiveness.

The Work Programmes identify individual topics and broad topic areas for each AdS to give a better breakdown of R&D routes with the greatest impact on the Lombardy Region's industry, its social development and the expansion of its human capital.

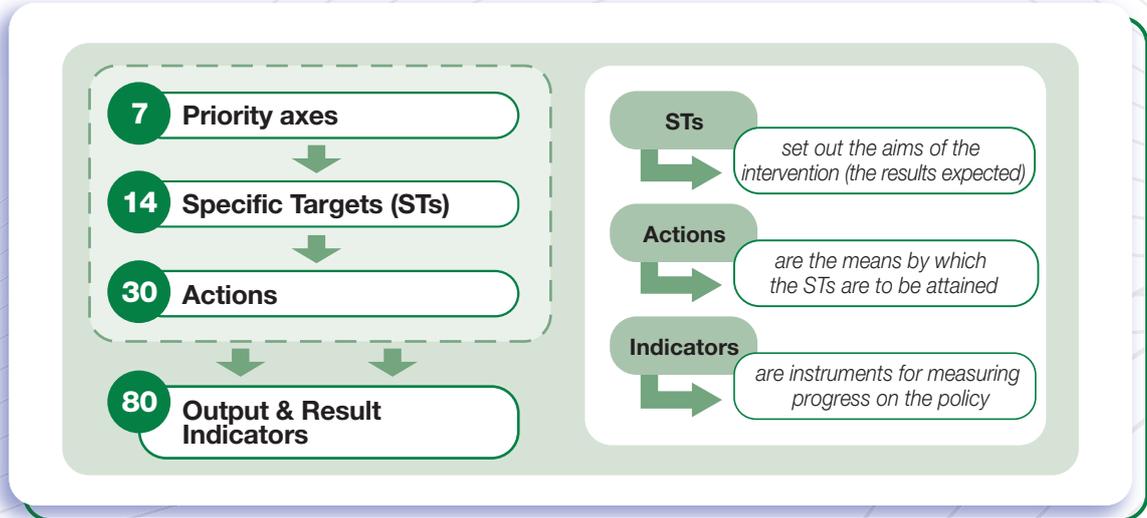
At the end of the two-year period the initiatives and their initial results will be analysed to help draw up the Work Programmes for the following two years, so as to ensure that the regional government's actions have an increasingly powerful impact.

Integrating ERDF and ESF

In a break with the past, the Lombardy regional government has decided to base the construction and implementation of the ERDF ROP strategy on the key principle of integration with the 2014-2020 ROP of the ESF (European Social Fund) by setting up a single Executive Authority to ensure that the two programmes, being constructed in parallel to ensure maximum impact in the Region, complement each other across the board, especially as regards regional development policies (the tourism strategy for the Hinterland Areas and the measures for Sustainable Urban Development).

Structure of the 2014-2020 ERDF ROP

The strategic articulation of the ERDF ROP concentrates on seven main mutually consistent and integrated **priority axes**. Each of these has one or more **specific targets (STs)**, with the outcomes expected for each ST, and the **actions** to be co-financed by the Programme are related to these STs. The degree to which the specific targets are attained and the corresponding actions implemented is measured using a set of output and result indicators.



Priority axes

- 
Priority axis I
Strengthen technological research, development and innovation
- 
Priority axis II
Improve access to information and communication technology (ICT), and the uptake and quality of local ICT
- 
Priority axis III
Promote SME competitiveness
- 
Priority axis IV
Support the transition to a low-carbon economy in all sectors
- 
Priority axis V
Sustainable Urban Development
- 
Priority axis VI
Tourism Strategy for Hinterland Areas
- 
Priority axis VII
Technical support



Priority axis I Strengthen technological RD&I



Funds allocated: € 349,355,000 (36.00% of total ROP resources)

The themes of research, development and innovation (RD&I), within the exclusive reference framework of the Regional R&IS3, are the core element of the ERDF ROP. Priority axis I supports the Lombardy region's R&I system by making the most of those technological domains and regional areas of excellence and by incentivizing technology transfer mechanisms to create positive externalities in the enterprise economy. The resources assigned are commensurate with the Programme's objective for the period 2014-2020 of diminishing the shortfall compared with the Europe 2020 strategy target in terms of R&D spending as a proportion of GDP.

Specific targets and corresponding actions

- 1 Increase businesses' innovative activity** (see para. 1b.1), raising the proportion of firms which engage in R&D in collaboration with outside bodies:
 - support for the buying-in of services for technological strategic, organizational and commercial innovation by companies (see para. I.1.b.1.1)
 - support for the economic exploitation of innovation by experimenting with and taking up innovative solutions in processes, products and organizational formulas, and by funding the industrial application of research findings (see para. I.1.b.1.2)
 - support for co-operative R&D activities to develop new sustainable technologies, products and services (see para. I.1.b.1.3)
- 2 Strengthen regional and national systems for innovation** (see para. 1b.2) by raising the proportion of GDP spent on R&D overall:
 - system-wide measures to support Lombardy firms' participation in national platforms for concerted action and technological specialization networks such as the National Technology Clusters, and in projects funded under other European programmes for research and innovation such as Horizon 2020 (see para. I.1.b.2.1)
 - support for implementing complex R&D projects on a chosen few subject areas, and for applying functional technological solutions to the implementation of S3s (see para. I.1.b.2.2)
- 3 Promote new markets for innovation** (see para. 1 b.3) optimizing public expenditure through more efficient services:
 - strengthening and upgrading government demand for innovation through support for Pre-commercial Public Procurement and Innovation Procurement (see para. I.1.b.3.1)

Main beneficiaries

Businesses (including business groupings), research institutions, Lombardy Technology Clusters, the Regional Treasury, the Lombardy regional government, local government, Research & Technology Transfer Centres (CRTT)



Priority axis II Improve access to ICT, and the uptake and quality of local ICT

Funds allocated: € 20,000,000 (2.06% of total ROP resources)

Putting in place the regional infrastructure needed to bridge the digital divide will pave the way to greater competitiveness. That is why Priority axis II will fund capital investment in enhancing the digital infrastructure by providing incentives for the development of superfast broadband networks, especially in Lombardy's industrial areas, in accordance with the relevant national strategy.

Specific targets and corresponding actions

- 1 Reduce the digital divide between geographical areas, and roll out superfast broadband more widely** (see para. 2a.1), extending 100Mbps coverage:
 - helping to implement the “Strategic Project: Digital Agenda for Superfast Broadband” and other interventions planned to ensure the availability throughout the region of 30 Mbps connection at the minimum; speeding up the rollout in business districts, industrial areas, rural areas and Hinterland Areas, respecting the principle of Technological Neutrality wherever EU regulations permit

Main beneficiaries

The Ministry of Economic Development, the Lombardy regional government, telcos



Priority III Promote SME competitiveness

Funds allocated: € 294,645,000 (30.36% of total ROP resources)

Improving businesses' competitiveness from the start-up stage throughout their growth and consolidation is part of the ROP's overall strategy for the reawakening of the Region's enterprise economy.

Priority axis III supports interventions to help SMEs in their business activities, with special attention to improving access to credit, and making the most of the Region's tourist destinations and other attractions.

Specific targets and corresponding actions

- 1 Start-up and consolidation of MSMEs** (see para. 3a.1), raising the three-year and five-year survival rate:
 - measures to support new business start-ups through direct incentives, by providing services, and using micro-finance arrangements (see para. III.3.a.1.1)
- 2 Raise the level of international activity in the economy** (see para. 3b.1) by fostering quality enhancements:
 - export promotion projects to encourage individual firms and consortiums grouped on a geographical or industry basis (see para. III.3.b.1.1)
 - setting up opportunities for Italian and foreign entrepreneurs to meet with a view to attracting inward investment and promoting commercial agreements; and other active information and promotional measures targeting potential foreign investors (see para. III.3.b.1.2)
- 3 Consolidate, modernize and diversify the Region's production resources and arrangements** (see para. 3b.2) by making the most of a strategic repositioning of Lombardy on tourism, culture and general attractiveness so as to raise the number of customers/visitors:
 - support for the development of products and services that complement the development and exploitation of identified cultural and natural attractions of the Region, not least by linking enterprises in the cultural, tourism, creative and entertainment businesses, and those concerned with the Region's traditional products and typical produce (see para. III.3.b.2.1)
 - support for the processes of aggregating and combining firms into business networks, establishing a joined-up offering for tourist destinations (see para. III.3.b.2.2)
 - support for the competitiveness of firms in tourist destinations by action to improve the quality of the offer and introduce new products and services with strategic and organizational innovation (see para. III.3.b.2.3)
- 4 Reawaken the propensity to invest within the regional economy** (see para. 3c.1), increasing that economy's rate of innovation:
 - help for capital spending on machinery, equipment and intangible assets, and assistance with the processes of company reorganization and corporate restructuring (see para. III.3.c.1.1)





5 Improve access to credit, business funding and risk management in farming

(see para. 3d.1), making them more readily available throughout the enterprise economy:

- providing financial backing for the system of public guarantees for the expansion of credit, making the national and regional guarantee systems work together for greater efficiency by promoting rationalization measures which make joint credit guarantees even more efficient and effective (see para. III.3.d.1.1)
- promoting innovative bonds for SME finance, and mentoring SMEs making use of them (see para. III.3.d.1.2)
- helping to develop the market in venture capital funds for business start-ups at the pre-seed, seed and early stages (see para. III.3.d.1.3)

Main beneficiaries

Businesses (including business groupings), the Regional Treasury, “contract networks”, “personal networks”, clusters and other structured forms of business grouping, the Lombardy regional government, Chambers of Commerce, official local organizations, trade fair/exhibition organizations and operators, civil society organizations provided they are registered in the Administrative Register of Businesses (REA), bodies managing Protected Areas, joint guarantors, banks, venture capital operators and crowdfunding platforms



Priority axis IV Support the transition to a low-carbon economy in all sectors

Funds allocated: € 194,600,000 (20.05% of total ROP resources)

To help cut carbon emissions and make up the shortfall compared with the target of the Europe 2020 strategy over the period 2014-2020, Priority axis IV supports measures to reduce energy consumption in the public sector (public buildings and public lighting) and interventions designed to promote strategies for cutting carbon emissions in urban and metropolitan areas, in keeping with the relevant regional instruments, the Regional Plan for Energy and the Environment (PEAR) and the Regional Plan of Action on Air Quality (PRIA).

Specific targets and corresponding actions

1 Reduce the energy consumed in government buildings and other residential and non-residential structures belonging to or used by the public, and increase the use of energy from renewable sources (see para. 4c.1), promoting lower energy consumption by government:

- promote environmental efficiency and lower primary energy consumption in public buildings and structures: restructure individual buildings or building complexes, installing “smart buildings” systems (remote control, regulation, management, monitoring and optimization of energy consumption); cut polluting emissions, not least by the use of a better mix of technologies (see para. IV4.c.1.1)
- adopt technological solutions for cutting the energy consumed by public lighting networks, promoting the installation of automatic regulation systems (see para. IV.4.c.1.2)

2 Develop sustainable transport further in urban neighbourhoods (see para. 4e.1) by encouraging people to use public transport:

- developing the infrastructure needed for the use of low environmental impact vehicles, including initiatives to provide charging hubs (see para. IV.4.e.1.1);
- renewing the vehicle fleet (see para. IV.4.e.1.2)

Main beneficiaries

Local government and groups of local authorities, public-private partnerships, businesses, non-profit institutions, the Regional Treasury, official local organizations, companies within or majority-owned by the public sector, public organizations and owners or managers of areas used by the public, the Lombardy regional government, regional organizations, local transport/railway/SFR managers, regional railway network concessionaires, railway operating companies





Priority axis V Sustainable Urban Development

Funds allocated: € 60,000,000 (6.18% of total ROP resources)

Priority axis V, dedicated to social inclusion and urban housing, stems from awareness of the existence of council house estates in the Milan Metropolitan Area characterized by deteriorating buildings and a concentration of disadvantaged people exposed to poverty, where public spaces are likewise degraded. The issue is tackled by action on a number of fronts ensuring sufficient dialogue to produce an integrated urban regeneration project using a joined-up approach which takes into account both the buildings' physical state and the social and economic condition of the neighbourhoods. The implementation of Priority axis V will be supported by social interventions under the ESF ROP with up to €20m of funding.

Specific targets and corresponding actions

The targets are all concerned with restoring the general soundness of the neighbourhoods in question, all located within the municipalities of Milan and Bollate.

- 1 Strengthen and extend economic activities which also serve a social purpose** (see para. 3.c.1), in recognition of the importance of the point at which the economy and society meet; people are offered employment and support services:
 - support in starting up and consolidating business activities which have socially desirable effects and produce public goods/benefits not catered for by the market (see para. V.3.c.1.1)
- 2 Reduce the energy consumed in government buildings and other residential and non-residential structures belonging to or used by the public**, and increase the provision of energy from renewable sources (see para. 4.c.1), improving the quality of public spaces (buildings and roads), not least in order to change the way these are perceived in a civic context:
 - promote environmental efficiency and lower primary energy consumption in public buildings and structures: restructure individual buildings or building complexes, installing "smart buildings" systems (remote control, regulation, management, monitoring and optimization of energy consumption); cut polluting emissions, not least by the use of a better mix of technologies (see para. V.4.c.1.1)
 - adopt technological solutions for cutting the energy consumed by public lighting networks, promoting the installation of automatic regulation systems (light-level sensors, remote monitoring/control systems for the lighting grid) (see para. V.4.c.1.2)
- 3 Reduce the number of families in poor housing conditions with particular social and economic problems** (see para. 9.b.1) by supporting the rehabilitation of buildings and the improvement of the families' housing:
 - measures to improve existing public assets and rehabilitate the stock of publicly-owned residential buildings to increase the availability of social housing and housing services for economically and socially disadvantaged individuals and households. Action on infrastructure to experiment with innovative social and housing models for the most vulnerable categories.

Main beneficiaries

Social enterprises (Law 118/2005), government, corporations owned or part-owned by the state or municipalities, businesses undertaking public projects under guarantee, official local organizations, publicly-owned housing agencies, co-operatives and social enterprises concerned with social housing generally



Priority axis VI Tourism Strategy for Hinterland Areas

Funds allocated: € 19,000,000 (1.96% of total ROP resources)

In keeping with the provisions of the Partnership Agreement, the Programme supports the National Strategy for Hinterland Areas which applies to those areas suffering from the effects of rapid demographic decline, geographical isolation and/or poor levels of essential citizen services (health, transport, education).

Here planning is based on two pillars: strengthening citizen services (schools, health and transport) and constructing pathways for local development (tourism, craft production, etc.).

The Lombardy regional government has identified two pilot areas, Valchiavenna and Alta Valtellina, which will be assisted in working out local development strategies to be embodied in formal agreements. Another two areas could be added later.

In recognition of the importance of the tourist industry as an engine of sustainable local development, Priority axis VI will provide Lombardy's Hinterland Areas with the tools for redefining their tourist offerings, both in terms of infrastructure (restoration and exploitation of the local heritage), and in terms of intangibles, mainly organizational (promotional services, etc.).

Another €19m of additional funding will contribute to this strategy, from reserves on Priority axes I, III and IV and from the ESF ROP (€15m of funds allocated).

Specific targets and corresponding actions

1 Improve the condition of the cultural heritage in the areas which are to attract tourists, and the quality standards for making that heritage available and enjoying it (see para. 6.c.1) by getting local government to reorganize and reposition their cultural resources, to advertise their areas in the tourist market as recognizable destinations, and to work out strategies for making the most of the heritage by networking resources and operators:

- interventions for the protection, economic exploitation and networking of the tangible and intangible cultural heritage in strategically important tourist areas so as to consolidate and promote their development processes (see para. VI.6.c.1.1)
- support for spreading awareness and enjoyment of the tangible and intangible cultural heritage by creating innovative services and/or systems and by the use of advanced technology

Main beneficiaries

Local authorities within Lombardy associated in partnerships and qualifying for the National Strategy for Hinterland Areas (<http://www.dps.gov.it/arint/>), official local organizations, bodies managing Protected Areas, tourism promoters, museums, heritage managers, arts associations, tourism operators, government, networks and partnership for local tourism and promotion of the cultural heritage





Priority axis VII Technical support

Funds allocated: € **32,874,516** (3.39% of total ROP resources)

Improving the administrative capacity of the various bodies involved in implementing and running the Programme is fundamental to achieving the results and attaining the targets set. Priority axis VII funds technical assistance interventions in support of the activities of managing, monitoring, assessment, information/communication and control of the ROP so as to ensure that it is effectively and efficiently implemented.

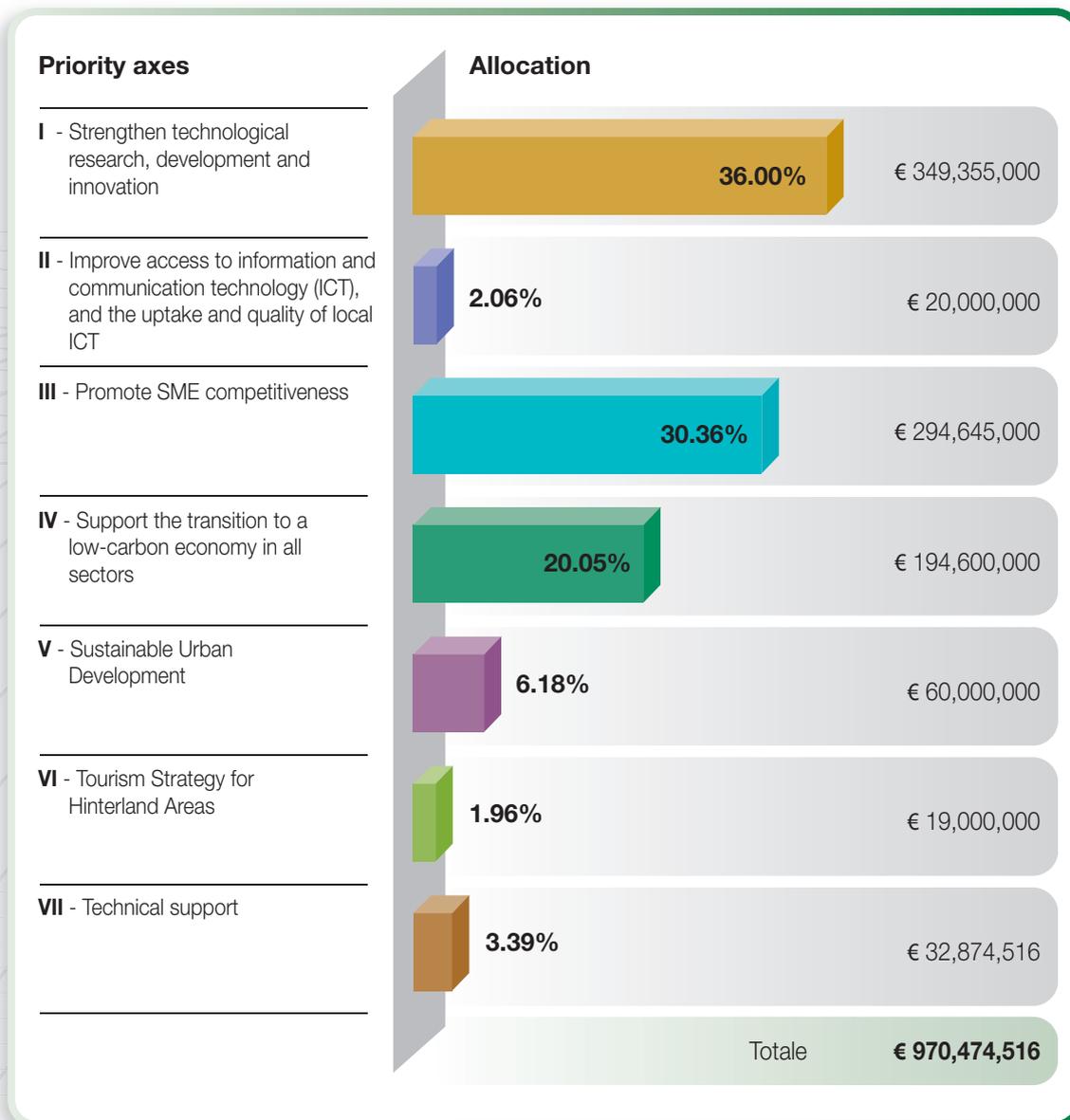
Specific targets and corresponding actions

- 1 **Support the implementation of the ROP in its main stages: planning, execution, surveillance and control** (see para. VII. 1).
 - planning, execution, surveillance and control (Action VII. 1.1).
 - setting up recruitment arrangements to reinforce the staff engaged in planning and managing the interventions, having first specified exact criteria for implementation (see para. VII.1.2)
 - assessment and research (see para. VII.1.3)
 - information and communication (see para. VII.1.4)

Main beneficiaries

Executive authorities and control bodies involved in implementing and running the Programme

The 2014-2020 ERDF ROP: Financial Plan



The Programme has allocated funds of €970,474,516 in total, 50% from the ERDF and 50% co-financed (35% by the Italian government and 15% by the Lombardy regional government).

Executive Authority, 2014-2020 EFS and ERDF

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