



# Special Session Proposal

## Special Session Title

(Please list here the special session organizer(s) of this proposal including first name, last name, email and affiliation - and specify who is the corresponding convener for ERSA Congress Secretariat)

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## Abstract

### Special session topic (max. one page)

Financial Instruments (FIs) such as loans, guarantees, equity and other repayable support are now a core component of EU and national investment policies, notably within EU Cohesion Policy (ERDF/CF) where they complement or partially substitute for traditional grants. By design, FIs aim to mobilise private capital, improve project selection through financial discipline, and create revolving resources that can be reinvested over time. At the same time, their policy rationale increasingly extends beyond direct project finance to broader objectives: strengthening local financial ecosystems, supporting innovation and SME growth, enabling urban and green investments, and reducing territorial disparities.

Despite their growing importance, the measurement of FI impacts remains methodologically challenging. Compared to grants, FIs operate through multiple channels leverage and risk-sharing with intermediaries, selection effects at firm and project level, repayment and timing dynamics, and interactions with local credit markets. These features complicate attribution and comparability across regions, programming periods, and instrument types. In addition, many expected benefits are indirect: spillovers through supply chains and demand linkages, cross-regional effects via labour and product markets, potential crowding-in (or crowding-out) of private investment, and distributional or spatial displacement effects.

This special session focuses on advances in quantifying spillovers and impact of FIs used in EU and national investment policies. We invite contributions that provide empirical evidence and/or methodological innovations addressing questions such as: What is the causal impact



and economic additionality of FIs relative to counterfactual financing? How large are spillovers across regions and sectors, and how do they depend on territorial connectivity and market integration? Which evaluation strategies are best suited to FI interventions quasi-experimental designs (DiD, RDD, IV, synthetic controls), spatial econometrics, network approaches, or model-based frameworks capturing general equilibrium mechanisms? How can micro evidence (firm/project data, administrative and intermediary/banking data) be combined with regional accounts, input–output structures, and spatial interaction data to trace transmission channels?

The session aims to bring together regional scientists, evaluators, and policy practitioners to compare approaches and results across instruments and territories, and to strengthen the evidence base for designing FIs that deliver measurable, place-sensitive impacts both directly and through their wider spillover effects.