

EU Cohesion Policy 2014 – 2020

Proposals from the
European Commission

ERDF and CF

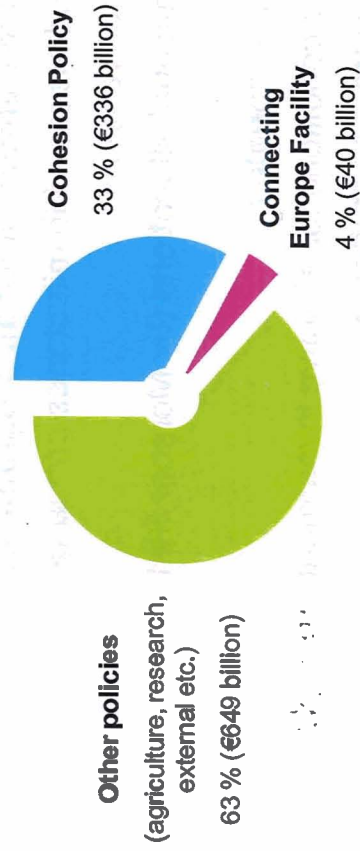
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Proposed EU budget 2014-2020



“Ambitious but realistic” proposals issued by the Commission
in June 2011 for the Multiannual Financial Framework (MFF) 2014-2020



Objectives EU Structural Funds



**Deliver the Europe 2020 strategy objectives
of smart, sustainable and inclusive growth**

Focus on results

Maximise the impact of EU funding



Reinforcing effectiveness and performance



Focus on results

Common & programme-specific indicators, reporting, monitoring & evaluation

Performance framework for all programmes

Clear and measurable milestones and targets

Performance reserve

- 5 % of national allocations (by Member State, fund and category of region)

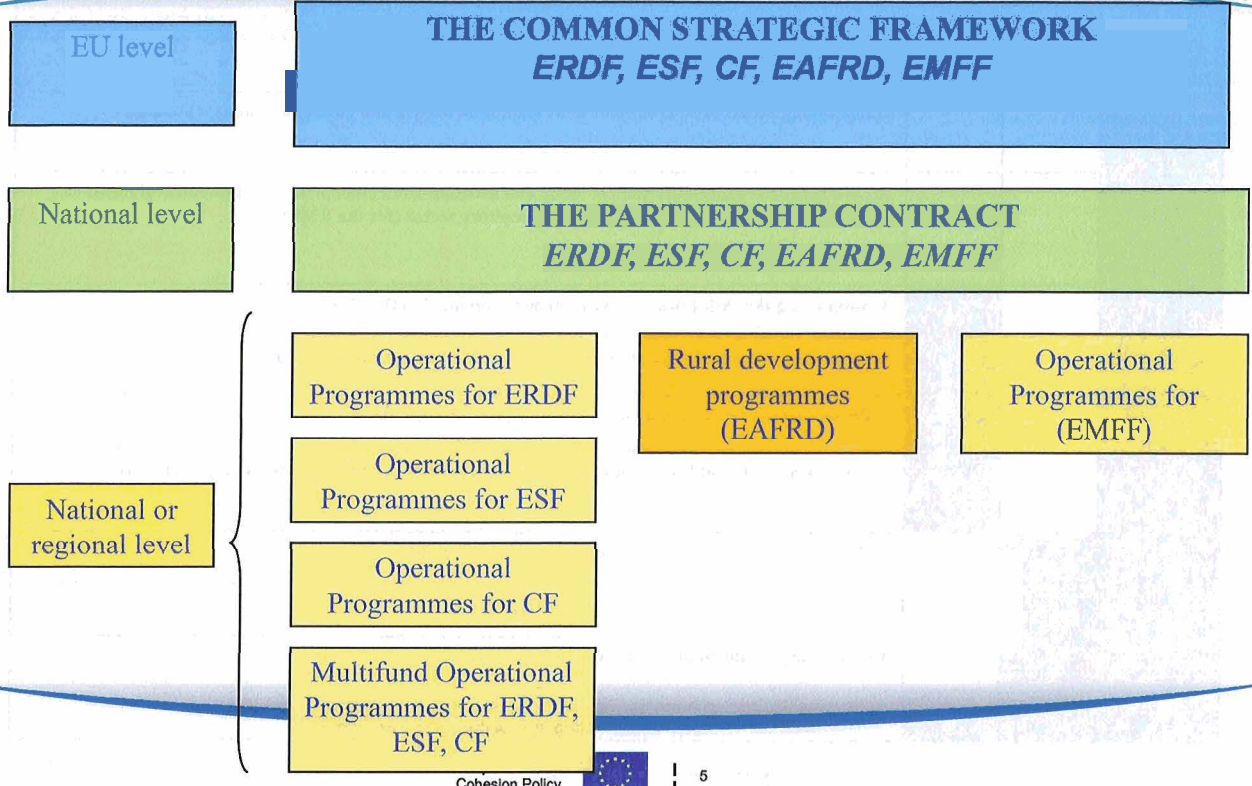
Ex-ante conditionality

Ensuring conditions for effective investment are in place

Macro-economic conditionality

- Alignment with new economic governance





Common Strategic Framework



Thematic Objectives

- Thematic objectives constitute the basis for the Common Strategic Framework, which shall outline key actions for each thematic objective
- In the case of Cohesion Policy every action financed must be linked to a particular thematic objective
- Reporting (on financial progress, indicators etc.) can also be linked back to particular thematic objectives
- Technical assistance is the exception – TA is not linked to any of the thematic objectives





ERDF	ESF	CF	Thematic objective
			1. Strengthening research, technological development and innovation
			2. Enhancing access to, and use and quality of, information and communication technologies
			3. Enhancing the competitiveness of small and medium-sized enterprises, the agricultural sector (for the EAFRD) and the fisheries and aquaculture sector (for the EMFF)
			4. Supporting the shift towards a low-carbon economy in all sectors
			5. Promoting climate change adaptation, risk prevention and management
			6. Protecting the environment and promoting resource efficiency
			7. Promoting sustainable transport and removing bottlenecks in key network infrastructures
			8. Promoting employment and supporting labour mobility
			9. Promoting social inclusion and combating poverty
			10. Investing in education, skills and lifelong learning
			11. Enhancing institutional capacity and an efficient public administration



Investment priorities

- Each thematic objective is translated into “investment priorities” (in Fund-specific regulations)
- The list of investment priorities is exhaustive
- Investment priorities are also objectives, not types of intervention. This leaves flexibility to design the optimal mix of actions



Common Strategic Framework



- The Common Strategic Framework shall establish:
 - for each thematic objective, the key actions to be supported by each CSF Fund;
 - the key territorial challenges for urban, rural, coastal and fisheries areas, as well as for areas with particular territorial features referred to in Articles 174 and 349 of the Treaty, to be addressed by the CSF Funds;
 - horizontal principles and policy objectives for the implementation of the CSF Funds;
 - priority areas for cooperation activities for each of the CSF Funds, where appropriate, taking account of macro-regional and sea basin strategies;
 - coordination mechanisms among the CSF Funds, and with other relevant Union policies and instruments, including external instruments for cooperation;
 - mechanisms for ensuring the coherence and consistency of the programming of the CSF Funds with the country-specific recommendations under Article 121(2) of the Treaty and the relevant Council recommendations adopted under 148(4) of the Treaty.



Common Strategic Framework



Adoption and review

- Commission will prepare a communication on the CSF in early 2012 - this will be followed by a public consultation in 2012
 - The results of this public consultation, along with a proposal for the CSF by the Commission should be available by mid- 2012
- The aim of this exercise is to provide strategic direction for planning in due time, as formal adoption can only take place after the adoption of the CPR
- CSF shall be officially adopted by the Commission within 3 months of the adoption of the CPR
 - CSF can be reviewed and revised, if there are major changes to the Union strategy of smart, sustainable and inclusive growth
 - If this takes place, MS should review their PCs and operational programmes to establish whether they are still consistent with the CSF and whether changes are needed
 - Where necessary, MS should submit proposals for amendment of the PC and the operational programmes



Partnership Contract



- Prepared at national level with close involvement of partners
- Agreed between the Commission and Member State, includes:
 - The contribution of the CSF Funds towards the achievement of thematic objectives, translating Europe 2020 priorities in a national and/or regional context
 - Summary of the main results expected
 - The main priority areas for cooperation
 - An integrated approach for territorial development supported by the CSF Funds
 - Arrangements for effective implementation: involvement of partners, ex-ante conditionalities, performance framework, additionality
 - Arrangements for efficient implementation: administrative capacity, administrative burden reduction



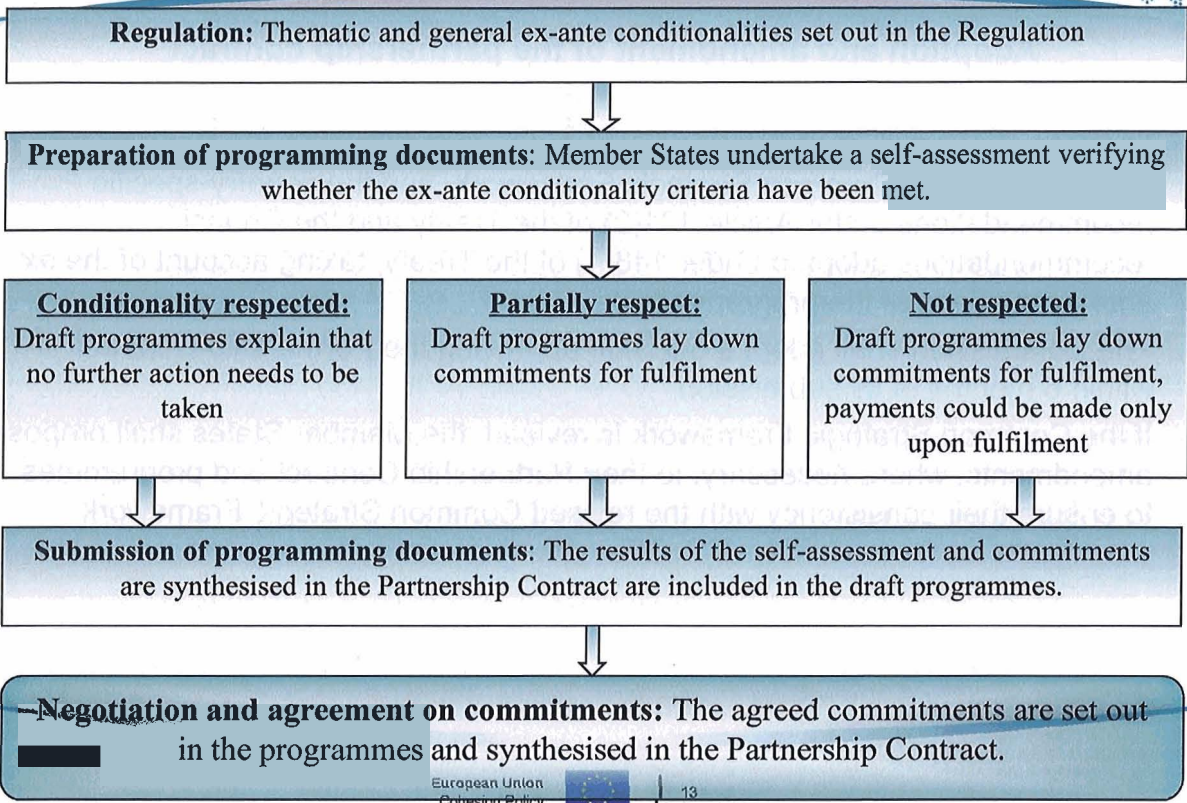
Partnership Contract



Ex-ante conditionality

- Aim to contribute to increase effectiveness
- **Preventive action** to avoid bottlenecks and inefficiencies
- **2 types:** thematic and general ex-ante conditionality
- Relate to factors determining effectiveness in the context of strategic, regulatory and institutional frameworks
- Relate to clearly established **existing commitment at EU level** that Member States have signed up to in the form of a directive or Council conclusion





Conditionality Example



Administrative efficiency

Ex-ante conditionality:

- The existence of a strategy for reinforcing the Member States' administrative efficiency including public administration reform

Criteria for fulfilment:

- an analysis and strategic planning of legal, organisational and/or procedural reform actions
- the development of quality management systems
- actions for simplification rationalisation of administrative procedures
- the development and implementation of human resources strategies and policies covering the recruitment plans and career paths of staff, competence building and resourcing
- the development of procedures and tools for monitoring and evaluation



Partnership Contract



Adoption and amendment of the partnership contract

- The Commission shall assess the consistency of the Partnership Contract with the CPR, with the Common Strategic Framework, and the country-specific recommendations under Article 121(2) of the Treaty and the Council recommendations adopted under 148(4) of the Treaty, taking account of the *ex ante* evaluations of the programmes
- The Commission shall adopt a decision approving the Partnership Contract within 6 months of its submission
- If the Common Strategic Framework is revised, the Member States shall propose amendments, where necessary, to their Partnership Contract and programmes to ensure their consistency with the revised Common Strategic Framework



Operational Programmes



Provisions in the regulation

- Common provisions for CSF Funds on preparation, adoption and amendment, as well as on the shared elements of the content
- Specific provisions on the content of operational programmes under cohesion policy:
 - Strategy for smart, sustainable and inclusive growth
 - Description of priority axes incl. specific objectives, actions to be financed, indicators, categories of intervention.
 - Contribution to territorial development
 - Arrangements to ensure effective implementation
 - Financing plan
 - Implementing provisions
 - Specific actions (related to horizontal principles)
- Operational programmes submitted shall be accompanied by the ex-ante evaluation



Operational Programmes



Principles of programming

- Operational programmes will constitute the main management and monitoring unit under cohesion policy
- Member States will have the flexibility to choose the appropriate level of programming. As a general rule, operational programmes under ERDF and ESF should be drawn up at the appropriate geographical level and at least at NUTS level 2, in accordance with the institutional system specific to the Member State.
- Operational programmes with support from the Cohesion Fund shall be drawn up at national level.



Operational Programmes



Structure of operational programmes

- The main unit for management and reporting within an operational programme shall continue to be a priority axis:
 - financial tables within operational programmes shall reflect the budget at the level of the priority axis
 - co-financing rate shall be applied to the priority axis
- The definition of priority axis will however be more standardised than is the case in 2007-2013.



Operational Programmes

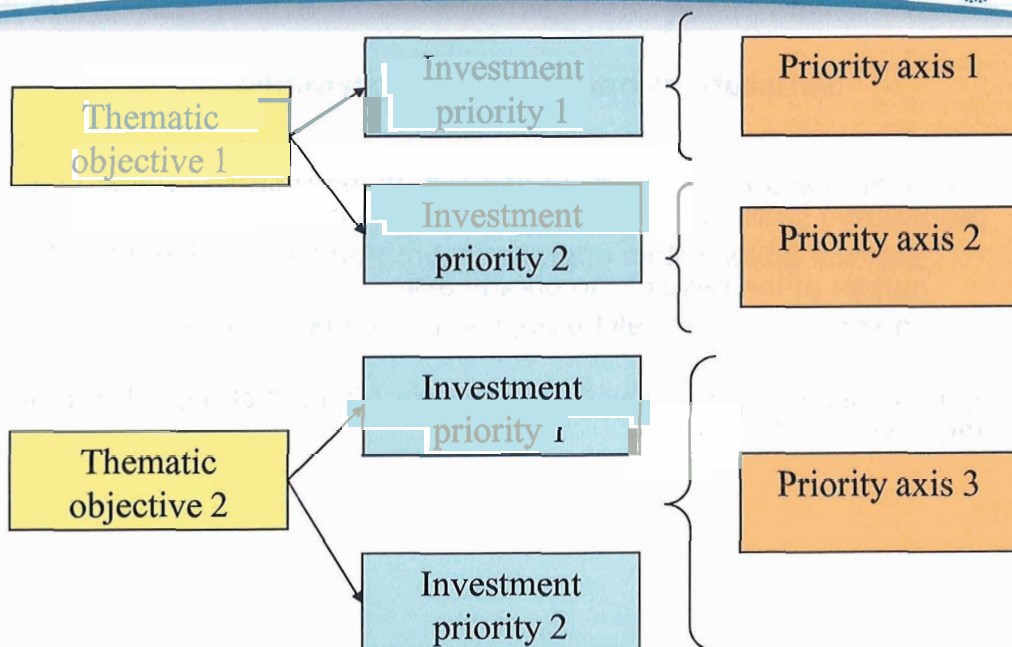


Structure of priority axes

- Each priority axis must correspond to only one thematic objective defined in Article 9 of CPR.
- A priority axis must correspond to one or more investment priorities defined in the Fund specific regulations falling under the same thematic objective. Therefore it is possible that there will be several priority axes contributing to one thematic objective.
- Priority axes are mono – fund, even where operational programmes are multi-fund
- As a general rule not be possible to combine investment priorities under different thematic objectives into a single axis (exception for ESF)
- The design of priority axes should be proportionate to the amount of funding available



Operational Programmes



Operational Programmes



Adoption and amendment of operational programmes

- The Commission shall assess the consistency of programmes with this Regulation, the Fund-specific rules, their effective contribution to the thematic objectives and the Union priorities specific to each CSF Fund, the Common Strategic Framework, the Partnership Contract, the country-specific recommendations under Article 121(2) of the Treaty and the Council recommendations adopted under 148(4) of the Treaty, taking account of the *ex ante* evaluation.
- The Commission shall adopt a decision approving the operational programmes within 6 months of its submission



Simplification



Common rules - funds covered by Common Strategic Framework Cohesion Policy, rural development and maritime & fisheries policy

Option of multi-fund programmes

- ERDF, ESF and Cohesion Fund

Streamlined delivery system

- Harmonised rules on eligibility and durability
- Greater use of simplified costs
- Linking payments with results
- e-Cohesion: "one stop shop" for beneficiaries
- Proportional approach to control



An investment-oriented policy

Promoting the use of innovative financing instruments

- Extending scope to all areas of investment
- Clearer regulatory framework
- 10 % bonus for innovative financing instruments & community-led development
- A range of options offering flexibility to programme managers

Maximum co-financing rates

- 75-85 % in less developed and outermost regions
- 60 % in transition regions
- 50 % in more developed regions



Implementation mechanisms





Financial management

- New system of annual accounts
- Annual management declaration
- Annual clearance of accounts by the Commission

Management and control systems

- National accreditation (greater responsibility for Member States)
- Managing Authorities may act as Certifying Authorities
- Commission can review accreditation (taking into account risks & track record)

Greater proportionality

- Exemptions for low volume programmes
- Exemptions for systems that have delivered consistently good results
- Limitations on frequency of Commission audits on individual operations



Major projects



Scope and content

- Projects with total cost > € 50 millions
Supported by Cost Benefit Analysis
- List of major projects included in the programme

Adoption mechanism

- Commission decision
- Physical object, amount to which co-financing rate applies, physical and financial indicators
- Decision conditional on the first works contract being concluded within two years of the date of the decision
- No more exception for decommitment rules



Integrated territorial investment



Scope and purpose

- Action requiring integrated approach and involving investments under more than one priority axis of one or more programmes
- Suitable for territorial / urban strategy
- Identified within concerned programmes and axis with afferent financial allocation

Implementation mechanism

- Possibly managed by dedicated intermediate body
- Monitoring system provides for the identification of operations and outputs of axis contributing to ITIs



Financial engineering



Scope

- Financial instruments can be combined with grants, interest rate / guarantee fee subsidies
- Based on an *ex ante* assessment which has identified market failures or suboptimal investment situations

Management and control

- On the spot verifications and audits by dedicated entities (ad hoc control reports)
- More detailed payment requests (incl information on payments to final recipients)
- Detailed management arrangements issued in future delegated act



Timeline



What next in Romania

- On going negotiations : regulation not yet secured
- No fundamental changes in delivery system
 - Possible merge of Certifying authority
 - Annual accounts closed
- Gradual preparation needed :
 - Design of underlying strategies
 - Subsequent preparation of programming framework
- **Required focus on the current implementation !**

Where can I find further information?



www.ec.europa.eu/inforegio

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