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EU Budget for the future

CPR ERDF/CF

Monitoring Committee Meeting of the ERDF/CF/ESF Operational Programme 2014-2020

12 June, 2018 - Kaunas

#CohesionPolicy
#EUinmyRegion

Key themes

Modern

- Focus on smart, low carbon
- Enabling conditions, link to the European Semester

Simple & flexible

- 50% shorter regulations
- 50 key simplifications
- Adapts to emerging needs (migration, economy)

For all regions

- Objective method
- 75% for poorest regions
- Present for emerging needs elsewhere

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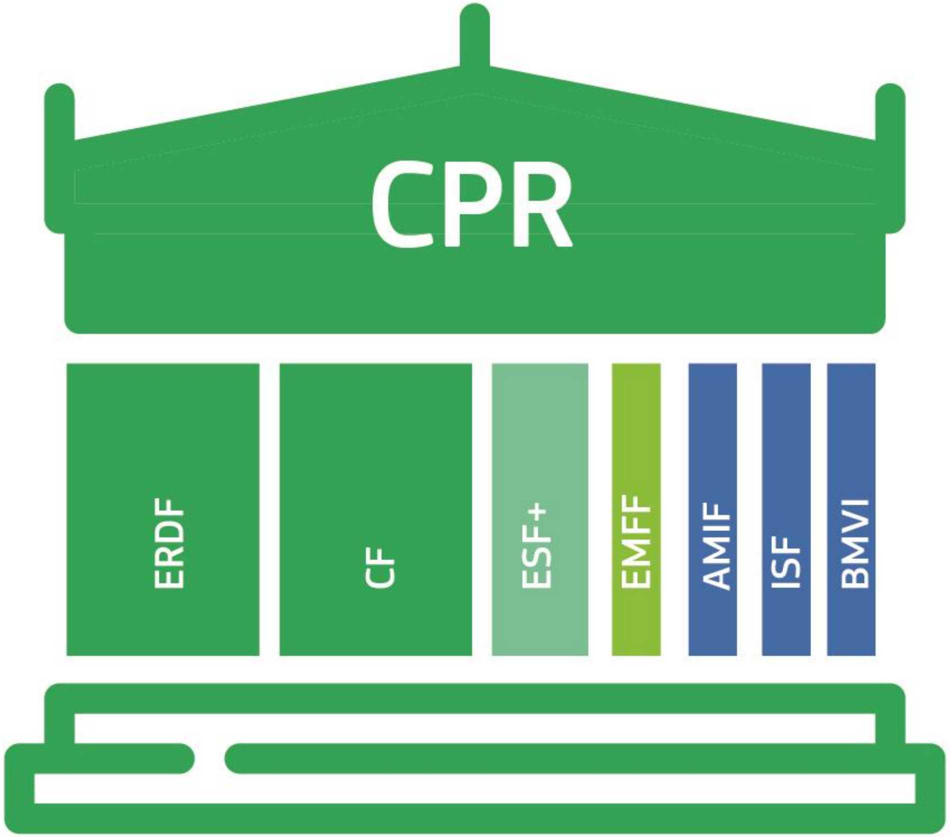
7 funds, 1 regulation



CPR covers delivery.
1 set of rules is:

- More coherent
- Simpler to learn
- Simpler to combine

Modernising the policy

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Policy objectives

11 objectives are simplified and consolidated to 5:

1. A smarter Europe (innovative & smart economic transformation)
2. A greener, low-carbon Europe (including energy transition, the circular economy, climate adaptation and risk management)
3. A more connected Europe (mobility and ICT connectivity)
4. A more social Europe (the European Pillar of Social Rights)
5. A Europe closer to citizens (sustainable development of urban, rural and coastal areas and local initiatives)

Horizontal objectives in all five: Administrative capacity building, cooperation across borders and between regions.

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ERDF THEMATIC CONCENTRATION

- Maintaining spending in the key areas for growth and jobs
- At national level based on GNI per head => flexibility

For countries with:	minimum % PO1 ("smarter Europe")	minimum % PO2 ("greener, low carbon Europe")
GNI below 75%	35%	30%
GNI 75-100%	45%	30%
GNI above 100%	60%	PO1 + PO2 min. 85%

- 6% of budget to urban development, delivered through local development partnerships

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Simplification and flexibility

Programming

What's new?

- Simplified, more focused and strategic programming in structured form
- Performance-oriented: Mid-term review in 2025
- Synergies: Closer link with the European Semester
- Clarity: PA and programme models as part of CPR
- Annexes: to replace some 40 empowerments from 2014-2020

What we will not do anymore?

- No more changes of the PA during period
- Eliminated overlaps between PA and programmes
- Fewer procedures: combing technical adjustment with performance review

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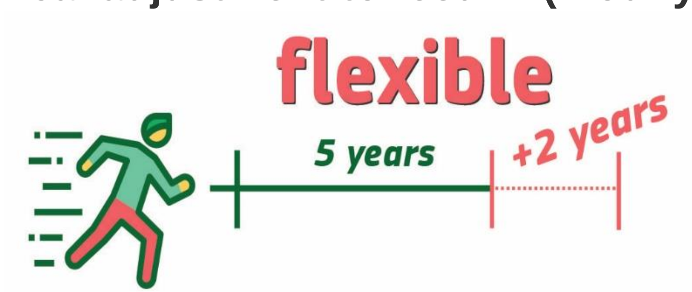
More flexible

- New transfer possibility: Member State may request the transfer of up to 5 % of programme resources to any other Fund under <u>shared management or to any instrument under direct or indirect management.</u>
- Simpler reprogramming: up to 5% of a priority (3% of programme) without Commission decision.
- "5+2" Programming:
  - **5 years programmed initially**
  - **2026-27 programmed after mid-term review in 2024-25 (basis: emerging needs, performance)**
  - **Technical adjustment to feed in (modifying allocations starting from 2025)**



Simpler management, control and audit

- No designation procedure: roll-over of existing systems
- Fewer layers of control: Certifying Authorities replaced by an accounting function which will not duplicate controls
- Fewer management verifications: Currently 100% of payment claims covered by administrative verifications, in future risk-based sample
- Enhanced proportionate system: For programmes with good track record on error rates, proper functioning of system => Reliance on national systems, max 30 operations in the sample
- Simpler process for acceptance of accounts
- Clarity on document retention period for beneficiaries

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Increased use of financial instruments

- Encouraging financial instruments (FIs) by simplification:
  - **Lighter ex-ante assessments**
  - **Integrated rules for grants and FIs => easier to master rules, easier to combine instruments**
  - **Simpler rules on eligibility, payments and management fees**
  - **No separate reporting**
- Voluntary contribution, as a general rule, up to 5% of each Fund to new "InvestEU" instrument.
- Rules of InvestEU apply, but cohesion objectives pursued

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Solidarity and responsibility

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Lower co-financing ceilings

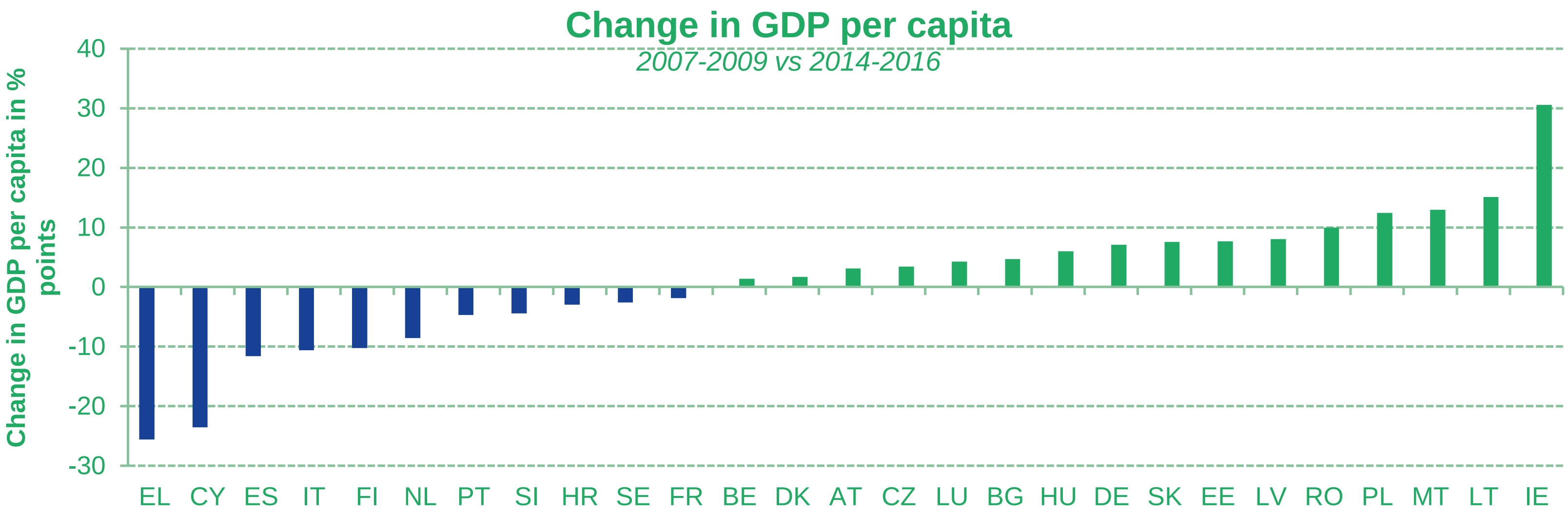
Ceiling	Applies to
70%	Less developed regions Outermost regions Cohesion Fund Interreg
55%	Transition regions
40%	More developed regions

"Quid pro quo": Lighter VAT eligibility rules

No specific rules for revenue generating projects

New MFF: possible allocations for Lithuania

- 5,6 bln EUR under the investment for jobs and growth goal for 2021-2027 in 2018 prices (6,4 bln EUR in current prices).



Continued concentration on the poorest regions

	2021-2027	2014-2020
Cohesion Fund	13%	22%
Less developed regions	62%	53%
Transition	14%	10%
More developed	11%	15%
Total	100%	100%
Share CF + less developed	75%	74%

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Thank you!