



Seminar on 2021-2027 programming

14 June 2019


Programming of Cohesion Policy funds



AGENDA:

1. Policy objectives and specific objectives
2. Intervention logic
3. Performance framework and indicators
4. Programming requirements, thematic concentration
Q&A session
5. Financial instruments, contributions to InvestEU
Q&A session
6. Thematic enabling conditions
Q&A session
7. Technical assistance
Q&A session





1. Policy objectives and specific objectives

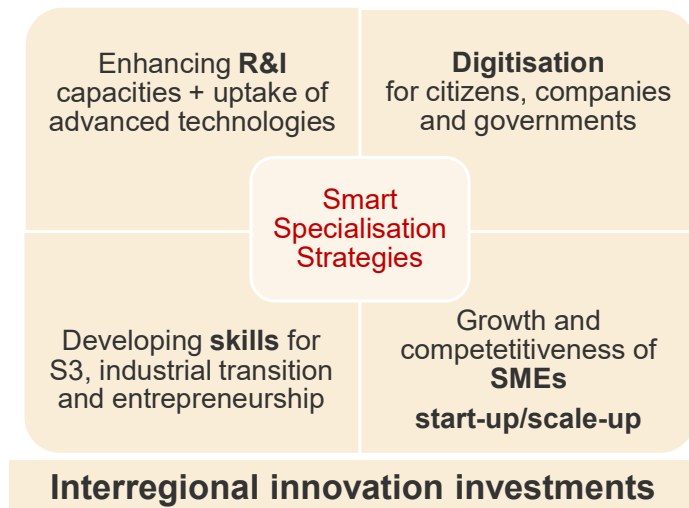


Policy Objective 1: A smarter Europe

Peter Berkowitz
Head of Unit DG REGIO G1



Cohesion Policy Objective 1: 2021-27 A smarter Europe by promoting innovative and smart economic transformation



Main points:

- Continue with smart specialisation in the new financial perspective and build on what has been developed by now
- Go beyond simply prioritising innovation investments towards a mechanism of economic transformation that serves broader economic, social and environmental goals
- Broaden the scope of smart specialisation strategies beyond R&I
 - Innovation, digitalisation of industry, SME competitiveness, skills
- Strengthen accent on complements to physical investment
 - Intangibles, software, IP, firm level skills
- Reinforce governance of smart specialisation
 - Accountable body, role of EDP as an ongoing process
- Accelerate innovation diffusion and increase cross-sectoral cooperation as part of adaptation to technological change
- Benefit from being in the EU through interregional innovation investments



Policy Objective 2: A greener Europe

Peter Berkowitz
Head of Unit DG REGIO G1



Policy objective 2: A greener, low-carbon Europe, by promoting clean and fair energy transition, green and blue investment, the circular economy, climate adaptation and risk prevention and management

- (i) promoting energy efficiency measures;
- (ii) promoting renewable energy;
- (iii) developing smart energy systems, grids and storage at local level;
- (iv) promoting climate change adaptation, risk prevention and disaster resilience;
- (v) promoting sustainable water management;
- (vi) promoting the transition to a circular economy;
- (vii) enhancing biodiversity, green infrastructure in the urban environment, and reducing pollution;

=> PO2 allows for integrated, cross-sectorial approaches

=> PO2 provides important support/opportunities for transition towards climate neutral, circular economy



Policy Objective 3: A more connected Europe

Peter Berkowitz
Head of Unit DG REGIO G1



Policy Objective 3: A more connected Europe by enhancing mobility and regional ICT connectivity

Specific Objectives from CF/ERDF

- (i) enhancing digital connectivity;
- (ii) developing a sustainable, climate resilient, intelligent, secure and intermodal TEN-T;
- (iii) developing sustainable, climate resilient, intelligent and intermodal national, regional and local mobility, including improved access to TEN-T and cross-border mobility;
- (iv) promoting sustainable multimodal urban mobility;

Priorities:

- => Better physical and digital connectivity
- => Balanced development of the transport network (all layers)
- => More sustainability; reducing externalities (safety, air quality, CO2)



Policy Objective 4: A more social Europe

Loris Di Pietrantonio
Head of Unit DG EMPL F1



Policy Objective 4 - A More Social Europe – Implementing the European Pillar of Social Rights

ESF+ Specific Objectives

EMPLOYMENT

- (i) Access to employment of all jobseekers
- (ii) Modernising labour market institutions and services
- (iii) Women's labour market participation, work/life balance, well-adapted working environment, adaptation of workers & enterprises, active & healthy ageing

EDUCATION TRAINING

- (iv) Improving the quality, effectiveness and labour market relevance of education and training systems
- (v) Promoting equal access to and completion of, quality and inclusive education
- (vi) Lifelong learning, upskilling, anticipating change and new skills requirements

SOCIAL INCLUSION

- (vii) Active inclusion
- (viii) Socio-integration of migrants and marginalised communities e.g. Roma
- (ix) Equal and timely access to services; social protection healthcare systems and long term care
- (x) Social integration of people at risk of poverty;
- (xi) Addressing material deprivation

Gender equality, equal opportunity & non-discrimination

Also contributes to other policy objectives, in particular, to PO 1 a Smarter Europe; PO 2 A Greener, low-carbon Europe



Overview of Key Changes

- The new specific objectives are more **streamlined** and **simplified**
- Aligned with the principles of the **European Pillar of Social Rights**
- No specific objectives linked to former **TO 11** (public admin reform)
- **Integration of the FEAD** – specific objectives (x) and (xi)
- **Integration of the YEI**
- **Reflect current social challenges**



THANK YOU FOR LISTENING

“



#EUBudget

Our social funds are indispensable bricks in the new architecture of the EU budget, to empower people, make sure they can make the best out of our changing world of work, and accompany those who need it most.

Marianne Thyssen





Policy Objective 5: Europe closer to citizens

Marek Teplansky
Head of Unit DG REGIO 03



Policy objective 5 Objective? Method? Tool?

PO5 is a cross-cutting **territorial policy objective** to address the diverse and inter-linked territorial and local needs and challenges.

PO5 entails a **specific method** for integrated territorial development, that requires place-based and integrated strategies, local empowerment and partnership.

PO5 must be achieved via **territorial tools**: CLLD, ITI, or any other nationally developed tools.

- Nationally developed territorial tools only possible under PO5. Must comply with the minimum requirements
- CLLD and ITI also available outside PO5



Policy objective 5

The objective

Foster economic, social, and environmental sustainability and resilience in all places.

- **Urban context:** to benefit from agglomeration economies and positive spill-overs towards the wider functional urban and rural areas close to cities
- **Other territories:** To build on the potentials and specific assets of remote rural areas and local communities (beyond compensatory)



Policy objective 5

The method

Minimum requirements to operationalise the support to integrated territorial development (CPR Art 23 and Art 25-28 for CLLD)

- Definition of the **targeted area** according to needs
- Interventions linked to **territorial or local strategies**
- Locally coordinated interventions through an **integrated approach** (cross-sectoral, multi-territorial or multi-stakeholder)
- Relevant **local or territorial bodies involved** in project selection
- **Partnership with relevant actors** to be ensured at local level



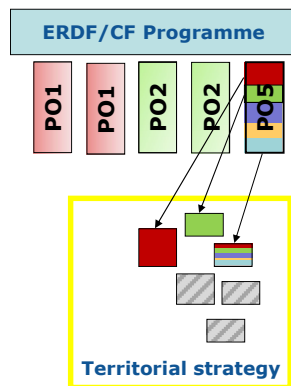
Policy objective 5 The territorial tools

Support from the Funds to be provided for integrated territorial and local development in forms of:

- **Other territorial tool:** Allowed when a territorial strategy receives funding only through PO5 priority or programme (CPR Art 22(c))
- **ITI:** Necessary when territorial strategy receives funding from multiple priorities or even programmes, funds or POs (not exclusive to PO5), (CPR Art 24)
- **CLLD:** Specific delivery method to enhance the participatory approach (CPR Art 25-28)



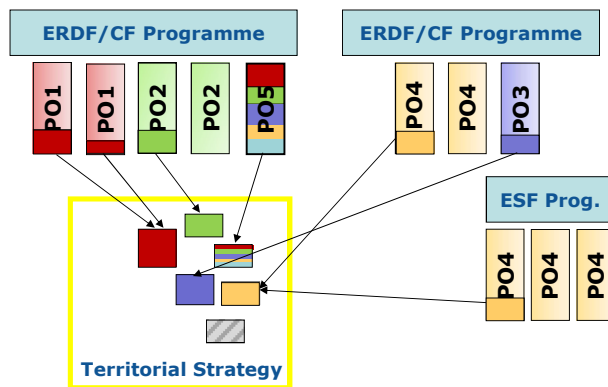
Programing PO 5 through other territorial tools



- Provides continuation for the multi-thematic urban and CLLD priority axis and other national tools
- Suitable for experimentation and integrated local projects
- All intervention fields and indicators are available to monitor thematic inputs, outputs and results
- Coordination and governance arrangements need to ensure consistency with sectoral policy framework



Programing PO5 through an ITI



- A very comprehensive way to provide support to a territorial strategy
- Can be suitable for a territorial strategy with a substantial support from Cohesion Policy
- Suitable to ensure the link with enabling conditions
- Can include multiple tools and strategies (e.g. CLLD strategies within ITI strategy)
- Importance of appropriate coordination, governance and monitoring across the different strands



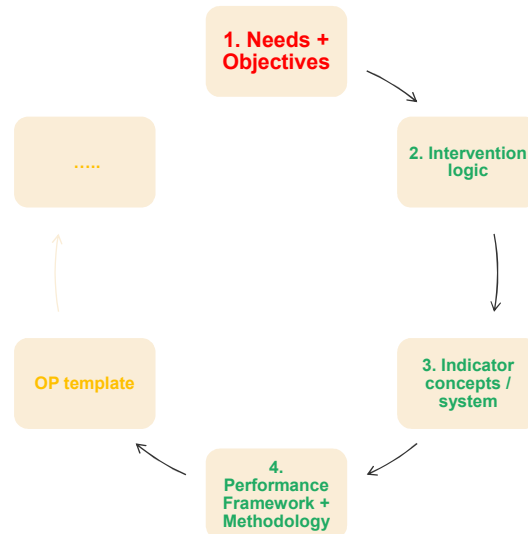
2. Intervention logic

3. Performance framework and indicators

John Walsh | DG REGIO B2



Objective setting and performance concepts

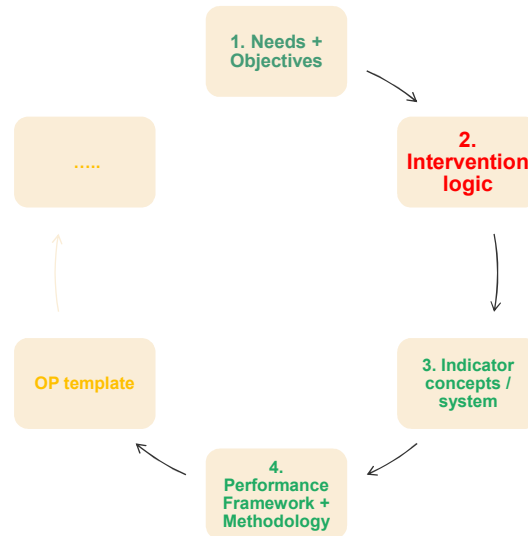


1. Evidence for programming (Art 17)

- Analysis of challenges and disparities, economic, social and territorial (National stats, Eurostat ...)
 - Market failures, needs, complementarities
 - European Semester: 2019 Country Report / Annex D and CSRs and other EC recommendations
 - Admin Capacity + governance challenges
 - Lessons learned: Past Programming
 - 2007-2013 National impact evaluations
 - 2014-2020 Programme needs + monitoring data / National evaluation plans => studies + impact evaluations / Thematic evaluations by COM
 - Macro Regional and Sea basin Strategies
 - OTHER: Enabling Conditions, National strategies, other studies
 - [Voluntary ex-ante evaluation]
- => **CONCLUSION: justification for selected policy objectives + specific objectives**



Objective setting and performance concepts



2. Intervention rationale

Specific Objectives are the building blocks for the intervention rationale and the ***NEW* performance framework**:

- What is / are the need(s) that the programme will address?
=> "expected contribution to those specific objectives" chosen
- What is the change expected for beneficiaries?
=> **Result indicator**
- What will be the relevant actions to support beneficiaries to reach that change?
=> **identify actions and output indicators**
- What is the budget? How will it be used?
=> **budget with breakdown by 3 categorisation dimensions** (Intervention – Finance form – Territorial delivery + focus)



Harmonization and Simplification

More comparable data based on the use of fewer indicators

Period 2014-2020 – Example ERDF/CF

11 Thematic Objectives	<ul style="list-style-type: none"> • 56 Investment Priorities • 3573 Specific Objectives 	(Policy) Results: <ul style="list-style-type: none"> • 5082 records programme specific 	Outputs: <ul style="list-style-type: none"> • 46 common indicators (6481 records) • 4813 records programme specific
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Note: Based on data in adopted programmes, REGIO SFC, October 2018

Period 2021-2027

5 Policy Objectives	21 Specific Objectives + Interreg	(Direct) Results: +/- 85 common indicators + programme specific	Outputs: +/- 85 common indicators + programme specific
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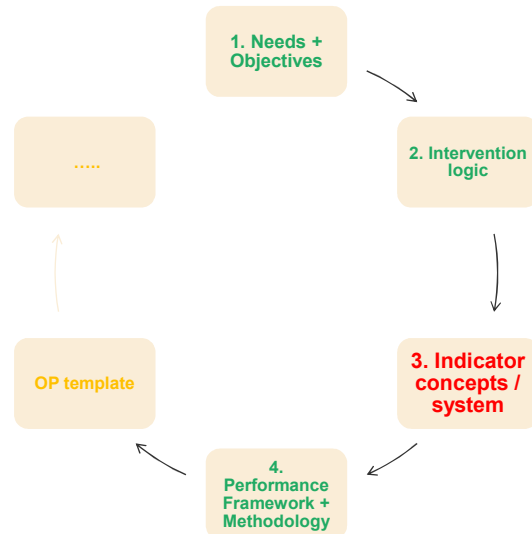
Programming by Specific Objective

Objective	Results	Outputs	Inputs
Identify need(s): choose ERDF-CF-ESF+ specific objective from the Regs	Common and specific result indicators (proxy for the objectives)	Common and specific outputs indicators for actions / measures	EUR budget allocated via categorisation tables by SO

- **Concept of results:** outcome for beneficiary or users. What has changed as a direct result; reported at closure or after +/- 1 year (Example ESF+: upon leaving the operation, or 6 months after for longer-term, as currently)
- **Concept of outputs:** ERDF/CF direct deliverables; reported when achieved; ESF+: at entry to operation, as currently



Objective setting and performance concepts



3. Indicator principles

- **Common indicators:**
 - Definitions + methodologies will be set out in indicator fiches
 - National application may be more restrictive but not broader than the indicator fiche (=> specific indicators)
 - Work underway with National experts
 - ERDF/CF: Revised draft of fiches in September 2019
 - ESF+: Discussion of 3 remaining indicator definitions
- **Common Indicator coverage:**
 - All types of expenditure 1) payments based on expenditure, 2) Simplified cost options 3) payments not based on expenditure
 - ESF+: Full coverage of all actions
 - ERDF/CF: A high proportion of all actions to “contribute to measuring overall performance” (CPR Art 12)
- **Cost of implementing the indicator system + collection, either by programme or by beneficiary, is an eligible cost**



Changes in ERDF-CF indicator system

2014 – 2020

- **Result indicators (impacts)**
- [national results for beneficiaries]
- **Common indicators for outputs**
(Coverage est. at 50-60% of investment, with gaps)
- **Use common indicators whenever relevant**
- **Programme-specific indicators when needed**
- **Reliance on external data sources (ex: Stats and regional surveys) more distant from programmes**

2021 – 2027

- [...]
- **Common results for beneficiaries**
- **Common indicators for outputs**
Higher policy coverage (est. 70-80%)
- **Use common indicators whenever relevant**
- **Programme-specific indicators when needed (fewer)**
- **Data collection only from projects / registries / etc.**



REGIO Common outputs (RCO)

During Programming :

- **Identify the actions to finance (linked to beneficiaries)**
- **Choose common output indicators** (or define specific output indicators)
- **Baselines = “0” (not applicable)**
- **Milestones are obligatory for all outputs (“0” is possible when justified)**
- **Targets are set target for all output indicators based on 5 years of investments (NB 5+2 programming **)**

▪ Narrative will be familiar

=> PF Methodology



REGIO Common Results ERDF-CF /1

During Programming :

- **Identify** the change expected for beneficiaries (link to challenges / needs)
- **Choose** common result indicators or define specific result indicators
- **Baselines** may be zero or >0 (where known or to be estimated)
- **Milestones** are not obligatory
- **Targets** are set for all results indicators based on 5 years of investments (NB 5+2 programming **)

=> Documented in PF Methodology



ERDF/CF – RCR common results /2

- **Common results a novel element for 2021-2027 ERDF/CF**
- **Target setting may be challenging: mid term modifications of targets possible**
- **Narrative will be important for EC and MS / programmes.** There are lags in achievement, measurement and reporting of outputs and, even more so, of results for beneficiaries (cf. infrastructures)

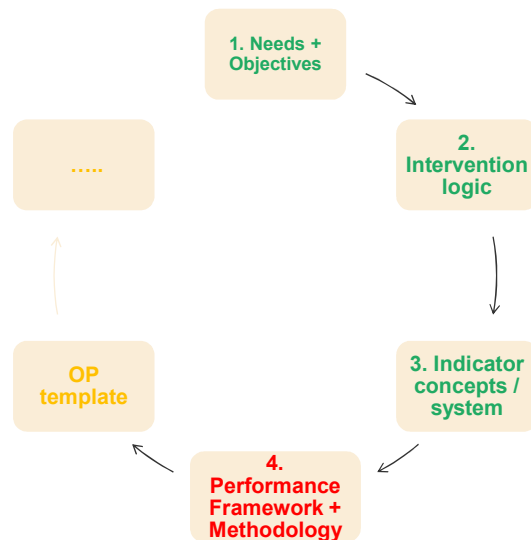


Stability and simplification in ESF indicator system

- Achievements of 2014-2020 maintained
 - Programmes may also use programme specific indicators
 - Indicator measurement concepts (output at entry, result upon leaving)
 - Milestone: in large majority greater than "0"
 - Reference value for results: greater than "0"
- Reduction in the number of common indicators (from 44 to 23)
- More reliance on administrative registers
- Streamlined monitoring of material deprivation



Objective setting and performance concepts



4. Performance Framework (PF) - Art 12

2014 – 2020

- 2018 Milestones and targets set for finances and outputs (or Key implementation steps - KIS)
- Covering a subset >50% of each priority / category of region
- “Meeting” milestones determines allocation of 6% reserve
- TA exempt

2021 – 2027

- 2024 Milestones set for all outputs (no financial or KIS) = higher policy coverage
- No need for a subset of indicators with milestones (complications in 2014-2020)
- Achievement of milestones one element in mid term review allows more qualitative judgement of performance by December 2024 and expected
- TA and ESF+ specific objective addressing material deprivation exempt (Art 12(2))



PF methodology Document - Art 13

Methodologies to include ...

- Criteria applied to select indicators
- Data, evidence, quality assurance
- Factors that may influence achievement of milestones and targets, how they were factored in

Available on request to Commission

Added Value for programmes:

- Documents the starting point, data and assumptions made;
- Useful during implementation for programmers (institutional memory) and at programme modification
- Useful to share with key stakeholders



Programming – Key legal provisions

Draft CPR

- Art 2 - Definitions (indicator concepts, ...)
- Art 11 - Performance Framework
- Art 13 - PF Methodology
- Art 17 - Programme Contents
- Annex V - Programme template

Draft ERDF/CF Regulation

- Art 2, 7 – SOs and common indicators
- Annex I - Common output + result indicators

Draft ESF+ Regulation

- Article 15, 15(a), 21 and Annex I and II



CPR Annex V – OP template

- **Section 1 - Table 1 Challenges and policy response by specific objective**
- **Section 2.1.1 – Specific Objective “X”**
- **Section 2.1.1.1 Interventions** (text)
 - Types of actions
 - Operations of Strategic Importance
 - Target Groups
 - Specific Territories
 - Interregional + transnational
 - Financial instruments
- **Section 2.1.1.2 Indicators** (structured)
 - **Outputs**
 - **Results**
- **Section 2.1.1.3 Indicative breakdown by type of intervention** (structured)
 - **Intervention field – form of finance – territorial delivery / focus – ESF secondary theme**



Example of an ERDF SO (R+I in enterprises)

Section 2.1.1.2 Indicators (example)

- **Outputs**

Indicators	Milestone	Target
RCO1 Enterprises supported	300	1 000
RCO2 .. by grants	100	500
RCO3 .. by Fis	200	500

- **Results**

Indicators	Baseline	Target
RCR01 Jobs created	0	600
RCR03 ... product or process innovation	0	1 000



Section 2.1.1.3 Indicative breakdown by type of intervention (example)

- **Intervention field**

Field code	EUR (m)
002 .. fixed assets in SMEs linked to R&I activities	40
005 .. intangible assets in SMEs linked to R&I activities	15
008 R+I activities in SMEs (incl. Networking)	25
021 Technology Transfer	40
	120

- **Form of finance**

Field code	EUR (m)
001 Grants	60
002 .. Equity	20
003 .. Loans	40
	120

- **Territorial delivery / focus ...**



4. Programming requirements, thematic concentration

Blazej Gorgol | DG REGIO B1
Ilse de Mecheleer | DG EMPL F1



Programming architecture



Simplified programming

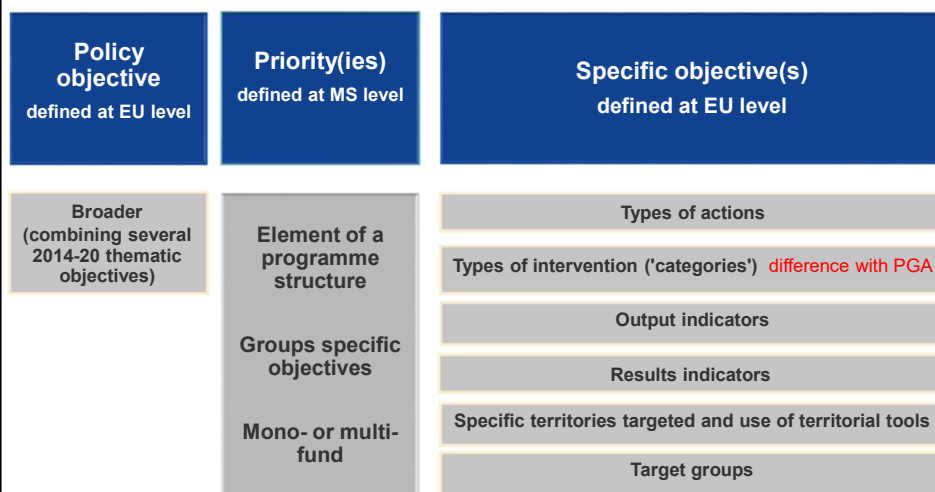
Programme content – comparison to 2014-2020

- **Only elements requiring Commission decision**
 - **No separate sections ‘for information’:** territorial approach, approach to CLLD, demographic challenges, approach to areas with handicaps, sustainable urban development, transnational actions, macro-regional strategies, administrative burden, specific action for sustainable development (risk prevention, resource efficiency etc.)...
 - **More operational approach:** all relevant issues for programming should be reflected as challenges and tackled by actions
 - **All crucial elements for programming at specific objective level** (instead of priority, investment priority and specific objective)



Programme structure post 2020

Evidence for programming (needs and challenges)



Programme strategy – challenges and responses

Presentation in the programme template

- Programme strategy for contribution to policy objectives (point 1)
 - Description of main development challenges and policy responses, including the planned use of forms of support (text field)
 - A 'snapshot' of a programme rationale (table 1)
- ✓ Purpose: to present causal / logical link between needs and responses

Example:

- ✓ Challenge: a need to upgrade regional skills set for smart specialisation
- ✓ Lessons learnt: pilot project on vocational training schools' cooperation with business
- ✓ Programme responses:
 - ✓ scaling up of pilot project under priority 1 under PO1, SO related to skills
 - ✓ complementary actions under ESF+ under PO4 related to educational reform

Policy objective	Specific objective	Justification
PO 1	Skills for smart specialisation	<ul style="list-style-type: none"> • Need to upgrade regional skills • Identified weakness in regional S3 strategy • Successful pilot project

 Commission

Construction of a priority

...but first: multi-fund programmes for ERDF, CF, ESF+ are possible (Art 20(1), CPR)

What is impossible in building a priority?

- X to mix different policy objectives within one priority

What is possible in building a priority?

- ✓ Multi-fund priorities

	PO 1	PO 2	PO 3	PO 4	PO 5
Multi-fund priorities	ERDF	ERDF CF	ERDF CF	ERDF ESF+	ERDF

- ✓ ESF+ can contribute to all policy objectives, BUT is programmed only under PO 4
- ✓ There might be one or several priorities under the same policy objective
- ✓ Each priority may consist of one or more specific objectives
- ✓ To repeat the specific objective under several priorities
- ✓ To have a multi-fund priority dedicated to relevant CSRs

 European Commission

Specific objective - logic

Specific objective	
'Corresponding' types of actions	What and how we intend to do
Operations of strategic importance	
Interregional and international actions	
Types of intervention ('categories') intervention field ESF+ secondary themes territorial dimension form of support	Indicative inputs tracking on climate earmarking SUD earmarking 'statistical' representation of actions
Output indicators	What we deliver
Results indicators	What intend to achieve
Specific territories targeted and use of territorial tools	Territorial aspect of actions
Target groups	Specific focus of action (primarily ESF+)

Specific objective – example (cont.)

Specific objective	
'Corresponding' types of actions	Scaling up a pilot project on vocational training in cooperation with business
Operations of strategic importance	
Interregional / international actions	Exchange of best practice and twinning with leading S3 region
Types of intervention ('categories')	Intervention field: Skills development for S3 ESF+ theme: R&I and smart specialisation Form of support: Grants Territorial dimension: No territorial targeting
Output indicators	Common output indicators: Investment in regional ecosystem for skills development SMEs investing in skills development
Results indicators	Common result indicators: Apprenticeships supported in SMEs SMEs benefiting from activities for skills delivered by regional ecosystem

Specific objective for material deprivation ESF+

- Specific description for ESF+ material deprivation
 - types of support,
 - main target groups,
 - description of the national or regional schemes of support
 - for programmes limited to addressing material deprivation, the criteria for the selection of operations



Example of 2014-2020 – case for continuity

Thematic objective (EU level)	Priority axis	Investment priority (EU level)	Specific objective(s) (MS level)	Types pf actions
TO7: Sustainable transport	Priority axis 1: Regional mobility	7b Enhancing regional mobility	Enhancing regional, road accessibility	Comprehensive TEN-T network; Secondary links to TEN-T network; Other national and regional roads
		7d Railway systems	Increased use of railway transport	Railways TEN-T comprehensive
TO4: Low carbon economy		4e Low carbon strategies including urban mobility	Increased use of public transport in cities and functional areas	Clean urban transport; Intelligent transport systems;
Result indicators		Output indicators		
No of passengers in the rail transport No of passengers in the public transport No of towns within 60 min drive from the capital		Total length of build roads Total length of reconstructed or upgraded roads Total length of reconstructed or upgraded railway No of integrated transport nodes and 'park and ride' objects		

How could it look like in 2021-2027?

Policy objective	Priority	Specific objective(s)	Types of actions
PO3: More connected Europe <small>(transport, broadband and energy networks)</small>	Priority1: Regional mobility	Developing (...) intermodal TEN-T	TEN-T comprehensive network; Railways TEN-T comprehensive;
		Developing (...) national, regional, local mobility, including access to TEN-T and cross border mobility	Secondary links to TEN-T network; Other national and regional roads
		Developing (...) intermodal TEN-T	Clean urban transport; Intelligent transport systems;
		Result indicators Annual passengers on supported railway (common) Annual passengers of public transport (common) No of towns within 60 min drive from the capital	Output indicators Length of new road – TEN-T / other (common) Length of reconstructed or upgraded roads – TEN-T / other (common) Length of reconstructed or upgraded railway – TEN-T / other (common) No of integrated transport nodes and 'park and ride' objects

Financing plan

- Total financial allocation for each of the Funds, for each category of region by year for the whole programming period – as in 2014-2020
 - for 7 years – purpose: checking the MFF ceilings
 - **The issue of 'flexibility amount' (PGA text)**
- Total financial allocation for each priority by Fund and by category of region plus national contribution and basis for calculation (public or total)
 - **Main difference between EC proposal and PGA: 5 years programming**
- Specific tables (15-17) for contribution to InvestEU and transfers under Art 21 – only for a modification of the programme!

5-year programming – pragmatic approach

5-year programming – impact on indicators and types of intervention

- Budget: commitment profile by year
- Selection of specific objectives and definition of main types actions
- Assumption that at MTR there will be no significant changes
- Starting point: 7 year allocations
 - past experience (historical unit costs, progress of contracting and implementation, payment profiles)
- Estimation for 5 years (additional step)



Enabling conditions

- Assessment of fulfilment of enabling conditions at the date of submission of a programme
 - 'Justification' and 'Reference to documents' are not aimed at giving 'complete' description of fulfilment, but for main information in a nutshell (table 12)

Example: Enabling condition for specific objective XYZ

Fulfilment	Criteria	Fulfilment of criteria	Reference	Justification
NO	Criterion 1	YES	Link to an adopted strategy	A strategy or a law was adopted by the government on 1 January 2020
	Criterion 2	NO	Link to the draft strategy	A draft strategy was prepared on 1 January 2020 and is in public consultations



Thematic concentration

ERDF thematic concentration

- Reminder: checked at national level – a derogation became a rule

For countries with:	minimum % PO1	minimum % PO2
GNI below 75%	35%	30%
GNI 75-100%	45%	30%
GNI above 100%	60%	PO1 + PO2 min. 85%

- 'Compensation' between programmes possible (flexibility)
- For the calculation of thresholds for thematic concentration the amounts for ERDF and ESF+ should be **without technical assistance** (discrepancy between ERDF and ESF+ explained in fiche 58)
- Transfers: if you transfer to from or to ERDF or ESF+ 'new' amounts needs to comply with the respective thresholds
- Transfers to other instruments and contribution to InvestEU – new 'reduced' amounts need to comply with thematic concentration

ERDF thematic concentration

- Requirements refer to 'budgetary allocations' at priority level and NOT indicative types of intervention
- Policy objective 5 is outside the thematic concentration (types of actions falling within the scope of PO 1 and 2, but programmed under PO5 do not count for the thematic concentration)
- ITI and CLLD (or other territorial tools – PGA), which implement actions programmed under priorities related to PO1 and PO2 count into thematic concentration



ESF+ thematic concentration and programming requirements (Art 7, 9 to 11)

To be met at MS level, unless stipulated differently

- **Social inclusion:** at least 25% of the ESF+ resources of a MS have to be allocated to the specific objectives (SO) (vii) to (xi)
- **Material deprivation:** at least 2% of the ESF+ resources of a MS has to address SO (xi) BUT in duly justified cases, this may include support to the social integration of the most deprived, i.e. SO (x)
 - To be programmed under a dedicated priority or programme
 - 2% is taken into account for meeting the 25% on social inclusion
- **Youth employment:** MS with high NEET rates (above the Union average) should programme at least 10% of their ESF+ resources for 2021-2025 to support youth employment BUT: for the outermost regions with high NEET rates: at least 15% of the ESF+ resources in their programmes,
 - Mid-term review (2025): at least 10% of the ESF+ resources for 2026-2027
 - To be programmed under a dedicated priority always under SO(i)
 - Council PM: always SO (i) + in addition SO (v) and (x)



ESF+ thematic concentration and programming requirements (Art 7, 9 to 11)

- **Relevant CSRs and challenges under the EU Semester:** appropriate amount of ESF+ resources under shared management programmed under one or more dedicated priorities (Art 11)
 - Council PM: no longer dedicated priority – explicit that it can be a multi-fund priority
- Thematic concentration requirements explicitly **do not apply to technical assistance** and do not apply to the **specific allocation for the outermost regions and the northern sparsely populated regions (Art 7(6) and (7))**
 - These amounts are not taken into account for calculating whether the % for thematic concentration have been met
- **Dedicated priority ≠ mono-fund ESF+ priority:** the rule that a priority can be supported by more than one Fund remains valid also in case of dedicated ESF+ priorities



Additional programming requirements for ESF+

- Specific targeted actions to **promote equality between men and women and equal opportunities and non-discrimination** under any of the SO of the ESF+ (Art 6)
- **Capacity building of social partners and civil society organisations:** appropriate amount of ESF+ resources under shared management in each programme (Art 8)
 - Council PM: in each programme where relevant; in addition it can be programmed under SO (i) to (x) and/or technical assistance
- **Innovative actions** under SO (i) to (x) (Art 13)
 - MS to support actions of social innovation and social experimentation OR strengthen bottom up approaches based on partnerships (public and private and civil society)
 - MS may support upscaling of innovative approaches developed under the EaSI strand or other Union programmes
 - Mandatory to have a dedicated priority + higher co-financing rate possible
 - Council PM: no longer mandatory to have a dedicated priority





Q&A session



5. Financial instruments, contributions to InvestEU

Jonathan Denness
Head of Unit DG REGIO B3



Post 2020 intervention logic – a global approach

The **policy objectives** defined in the Partnership Agreements and/or programmes can be implemented through the following delivery modes:

- Grants
- Repayable support for revenue-generating and cost-saving investments:
 - Financial instruments under the CPR (FIs)
 - Budgetary guarantee under InvestEU

Justification for using **any** form of support needed!



FIs under shared management

FIs are an implementation tool of the specific objectives of the underlying programmes

- **For investments with revenue-generating or cost-saving potential**
- **Simplified and a more user-friendly framework – e.g.:**
 - Ex-ante assessment
 - Combination with grants in one FI operation
 - Eligibility, including management costs and fees
 - Payments
- **Financial instruments better integrated into the programming and implementation process from the outset**



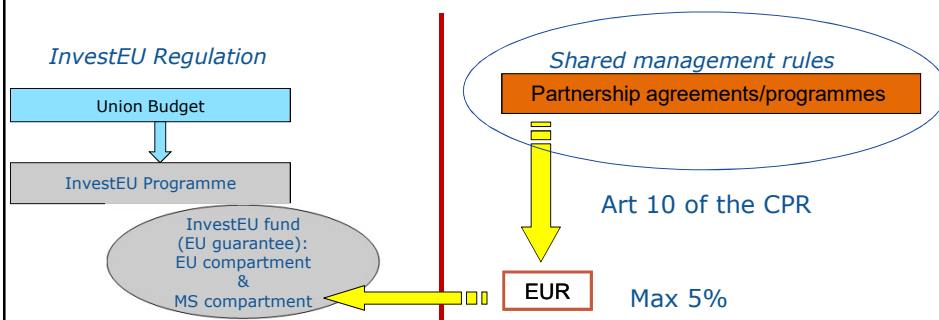
FIs under shared management

Streamlined ex ante assessment:

- **NEW! Partly covered in the programmes (grants and FIs):**
 - Market failures, investment needs and complementarity with other forms of support (Art 17(3)(a)(ii))
 - Justification for selecting a specific form of support (Art 17(3)(b))
- **NEW! For FIs only:**
 - Proposed amount/financial product/targeted final recipients, expected leverage effect, contribution to the specific objectives, need for differentiated treatment (Art 52)
- **NEW! Possibility to use existing or updated ex-ante assessment**



Voluntary contribution to the Member State compartment under InvestEU



Why to contribute to InvestEU?

- Possibility to **achieve the policy objectives** of the contributing PA/programme and to ring-fence geographical coverage
- Mobilizing **high volume of private finance** for final recipients
- Implementation based on an institutional and legal framework established **under the responsibility of the Commission** - lower administrative burden
- No **need for national co-financing**. **Contingent liability** for the Member State calibrated on the basis of the risks
- Implementation under InvestEU rules (single set of rules)



Key messages

- Consider continuing with shared management FIs
- Look at the new opportunities under InvestEU from the programming stage
 - Prepare to contribute early - at the level of Partnership agreement
 - Liaise with your NPB and with the EIB Group
 - DG REGIO would be closely involved also in the negotiations on the Contribution Agreement
- If you have questions we are available to support you!





Q&A session



6. Thematic enabling conditions

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Scopes and mechanisms



Application

- Thematic conditions linked to specific objectives, as detailed in Annex IV
 - Some specific objectives are not covered by conditions (e.g: urban mobility, smart energy systems, social integration of people at risk of poverty and addressing material deprivation)
- No enabling conditions for INTERREG and PO5
- No applicability assessment : all expenditure within the priority concerned, irrespectively of their pertinence with regard to the corresponding condition
- Condition fulfilled when **ALL criteria met** : no partial fulfilment



Application

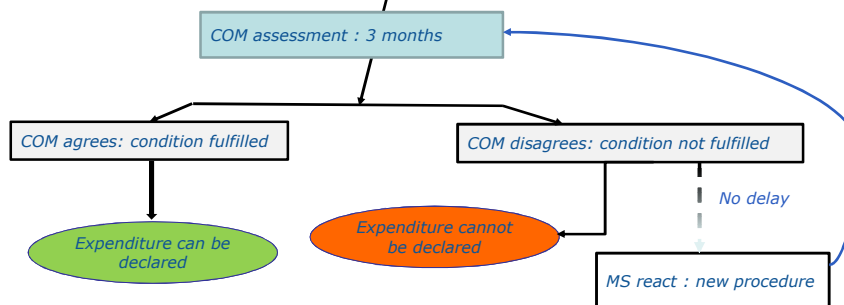
- Application throughout the entire programming period:
- Linkage to selection criteria: selected operations should be consistent with the corresponding strategies and planning documents established for the fulfilment of enabling conditions
 - *MS take responsibilities when selecting projects before the fulfilment of the corresponding conditions is confirmed (risk of irregularity)*
- MS have the obligation to inform COM in case of any modification impacting fulfilment of condition (update of strategies does not challenge, a priori, fulfilment but information needed)
- Agenda of monitoring committee and annual review
- COM may obtain information from other sources
- No systematic monitoring by COM or reporting to COM
- Rationale: conditions should be presumed continuously fulfilled, unless information proves the contrary



Assessment

MSs submit their assessment on fulfilment:

- When submitting programmes and amendments with new specific objectives and new enabling conditions
- Later in case conditions not fulfilled at the time of programme submission



In case an enabling condition is not fulfilled at the time of programme adoption, no need to amend the programme later when the condition is fulfilled.

Miscellaneous

- No guidance will be issued: criteria from regulation **directly and solely** applicable for assessment
- If national strategy expires in 2025: condition fulfilled (unless the timeframe of the strategy is imposed by EU legislation), but the adoption of new strategy upon 2025 will be scrutinised pursuant to Art 11(6) – Member States shall inform the Commission
- Operations selected shall be consistent with the corresponding strategies and planning documents established for the fulfilment of that enabling condition (Art 67(3)(b))
 - For smart specialisation, pursuant to COREPER text, only operations corresponding to the specific objectives “enhancing research and innovation capacities and the uptake of advanced technologies” and “developing skills for smart specialisation, industrial transition and entrepreneurship” shall be consistent with the corresponding S3
- Submission of programmes: dedicated section of the template for assessment of fulfilment. Links to relevant documentation justifying the fulfilment (for each criterion) to be used



Review of thematic conditions



Smart specialisation

Rationale

- Heterogeneous quality of S3
- Uneven ownership: sometimes « managed » by managing authorities, merely granting additional points during selection
- Uneven quality of governance, in particular as regards Entrepreneurial Discovery Process (EDP)

Objectives

- Enhance ownership and quality of governance of S3
 - Subsequently, adaptability, higher quality and effectiveness of S3 expected
 - Creating interregional investment opportunities which will facilitate scaling up regional and local innovation
- Update / revision of existing S3 is **not required**
- Condition applicable to **each** S3 concerned by the programme (regional / national)



Smart specialisation

Criteria

Bottlenecks for innovation diffusion: analysis has been carried out to identify bottlenecks such as:

- weaknesses in adoption at firm level of new technologies,
- failure by universities and research organizations to serve the needs of firms in their ecosystem,
- inefficiencies of innovation agencies in facilitating knowledge flows and coordination problems with other public agencies or
- lack of knowledge transfer from multinational companies to domestic firms

Competent authority for management: empowered body (regional development / innovation agency for instance) formal mandate and decisional powers to develop, coordinate the implementation and monitor the S3

Monitoring and evaluation: competent authority shall be able to collect data, capturing specialisation areas, with a view to evaluating effectiveness and performance of S3

Effective functioning of Entrepreneurial Discovery Process: evidence to be provided by MS on their functioning (meetings, organisation, decisional mechanisms, etc)

Actions necessary to improve R&I systems: when relevant in case deficiencies have been identified (Country reports or dedicated evaluations endorsed by MS). Can be common to several / all S3



Smart specialisation

Criteria

Actions to manage industrial transition: analysis has been undertaken to identify sectors and territories in the region or member state which are challenged by globalisation, technological change (notably linked to industry 4.0) and the shift to a low carbon economy

Appropriate actions to facilitate transition have been identified (reskilling of the workforce, diversification of the economy, strengthening entrepreneurship and technological upgrading of SMEs)

International collaboration: Opportunities for international collaboration with R&I actors and private companies in similar priority areas have been identified,

Measures to engage regional stakeholders are being developed / promoted

- **Criteria 1 and 5 could be addressed horizontally /national level in the absence of regional specificity**



Disaster risk management framework

Criteria

1. **Assessment of risks:** already exist and need to be updated, if relevant, to embed climate change projections and scenarios (underlying normally national adaptation strategies)
2. **Disaster prevention, preparedness and response measures:**
 - Available under the required risk management capability assessment - Art 6 of Decision 2019/420/EU amending Decision No 1313/2013/EU
 - **Prioritisation in proportion to risks and their economic impact:** priority given to risks triggering the highest damages (economic losses, infrastructure damages and human losses – in EUR, weighted by probability of occurrence) and taking into account the impact of risk prevention measures: only residual risk addressed
 - **Possible alternatives:** pooling of resources (including transnational), requisition, etc
3. **Budgetary and financing resources:** O&M estimated roughly, using ratios if relevant – against budgetary resources of other mechanisms (such as flood tax)



Comprehensive transport plan

Criteria

At appropriate level: « Appropriate » level: depends on the distribution of responsibilities for planning / investments in MS/region

- Practically, national or “regional” level
- Economic justification (1)
 - Economic analysis, based on demand analysis / traffic model and available data: feasibility studies / estimates for CAPEX and OPEX
 - Impact of rail liberalisation: shall be reflected in particular through the assumption underlying the estimation of demand for rail
- ERTMS baseline-3 (5) : in accordance with ERTMS deployment plans, pursuant to Commission Implementing Regulation EU 2017/6
- Promotion of alternative fuels (7): main elements of the dedicated national policy framework reported



Comprehensive transport plan

Criteria

- Road safety (8): road safety assessment (based on accident statistics or infrastructure assessment) => road safety priorities and corresponding measures
- Budgetary and financing resources for investments and O&M costs (9):
 - Investment: budgetary (include PPP under availability payment schemes), EU funding, vignettes, tolling, etc...
 - O&M: to be matched with actual needs which are assessed based on estimates
 - *Covers existing and planned infrastructures (multimodal mapping)*

Concrete outputs expected:

1. Comprehensive transport plan, including **map(s) of existing and future infrastructure for all modes** (addressing criteria 3, 4 and partially 8)
2. Accompanying document addressing other criteria

In case of national and regional maps, consistency and complementarity need to be ensured



PO 4 enabling conditions (1)

How to understand 'strategic policy framework / strategy':

- A document or a set of documents
- All criteria should be covered
- Possibility to comply with an existing strategy



PO 4 enabling conditions (2)

Criteria:

- Needs analysis:
 - needs assessment, to take into account the differentiated needs of target groups
- Arrangements for monitoring, evaluation and review:
 - timing, bodies responsible, methods, etc., feedback loop – discussed and taken into account
- Arrangements for ensuring that its design, implementation, monitoring and review is conducted in close cooperation with partners:
 - focus on partnership, relevant stakeholders involved at all stages
- Community-based care/services:
 - shift towards independent living



PO 4 enabling conditions (3)

Other points of attention (1):

- Thematic enabling condition on **gender equality**:
 - In line with the work-life balance initiative
 - Focus on quality rather than compliance
 - Not replacing the former general ex ante conditionality on gender
- Thematic enabling condition on **education and training**:
 - Formerly 4 ex ante conditionalities
 - covers all education and training sectors;
 - covers all specific objectives in the area of education and training
 - Importance of coordination mechanisms



PO 4 enabling conditions (4)

Other points of attention (2):

- Thematic enabling condition on **Roma**:
 - Council recommendation on Accelerating the Process of Roma Integration (2016)
 - Gender dimension and young Roma as specific target groups
- Thematic enabling condition on **health**:
 - Not only about health but also about long-term care
 - In line with the work-life balance initiative



Q&A session



7. Technical assistance

Blazej Gorgol | DG REGIO B1



Technical assistance

Commission proposal

- Flat rate TA
 - A separate priority (a 'budgetary line')

- TA to reinforce capacity through financing not linked to costs
 - A separate priority with a brief description to link it with the financing not linked to cost scheme in the appendix
 - a 'budgetary line' in a financial table 11 to set up a ceiling for payments)

Council's proposal

- Flat rate TA
 - Built into a 'regular' priority
 - Possibility to split a flat rate payment to one or more bodies receiving payments

- Financing not linked to cost (the same)

- Reimbursements for the TA based on 'real' costs
 - Possibility of a separate 'real' cost TA programme
 - A 'fully-fledged' priority with description, indicators etc.

- Separate solutions for ISF, BMVI, AMIF



Technical assistance - flat rate

How does it work?

- Step 1: MS submits a payment claim (for a non-TA priority in a programme) with total eligible costs

- Step 2: COM applies the percentage for CF expenditure, so 2.5%

- Step 3: COM applies the co-financing rate for
 - a non-TA priority for which the expenditure was claimed (PGA)
 - separate TA priority: weighted average of co-financing rates for non-TA priorities for a given fund (Commission proposal)

- Step 4: COM makes a payment to one or more bodies (PGA) receiving payments

- No verification of underlying expenditure (settlements between MA and beneficiaries)



Flat rate TA example

How do you programme it (financial tables)? **PGA**

- Allocation for priority X from the Cohesion Fund – 1025 EUR
- Flat rate for Cohesion Fund – 2.5%
- Determination of the amounts in a priority for projects and TA

PO or TA	Priority	Basis for calculation	Fund	EU contribution		National	Total	Co-financing rate
				Allocation less TA	Flat rate TA			
TA	X	P(ublic)	CF	1000	25	1025	2050	50%

Example:

- MS sends CF application for payment: 100
- Commission applies flat rate of 2.5% and tops up payment by 2.5
- Commission applies co-financing rate of 50% to main amount and flat rate TA
- Commission makes payment for 51.25 (50 + 1.25)



Background: flat rate TA formula

How do you programme it (financial tables)? **PGA**

- Allocation for priority X from the Cohesion Fund – 100 EUR
- Flat rate for Cohesion Fund – 2.5%
- Determination of the amounts in a priority for projects and TA

$$\text{Allocation for priority without TA} = \frac{\text{Allocation available for priority}}{1 + \text{flat rate}}$$

$$\text{Allocation for priority without TA} = \frac{100}{1 + 0,025} = 97,56$$

- Financial table 11

PO or TA	Priority	Basis for calculation	Fund	EU contribution		National	Total	Co-financing rate
				Allocation less TA	Flat rate TA			
TA	X	P(ublic)	CF	97,56	2,44	100	200	50%



Q&A session