The new Programmes, 2021-2027

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Closure and Financial Management
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Contents

1. Financial Framework

Cohesion Policy and Budgets

2014-2020

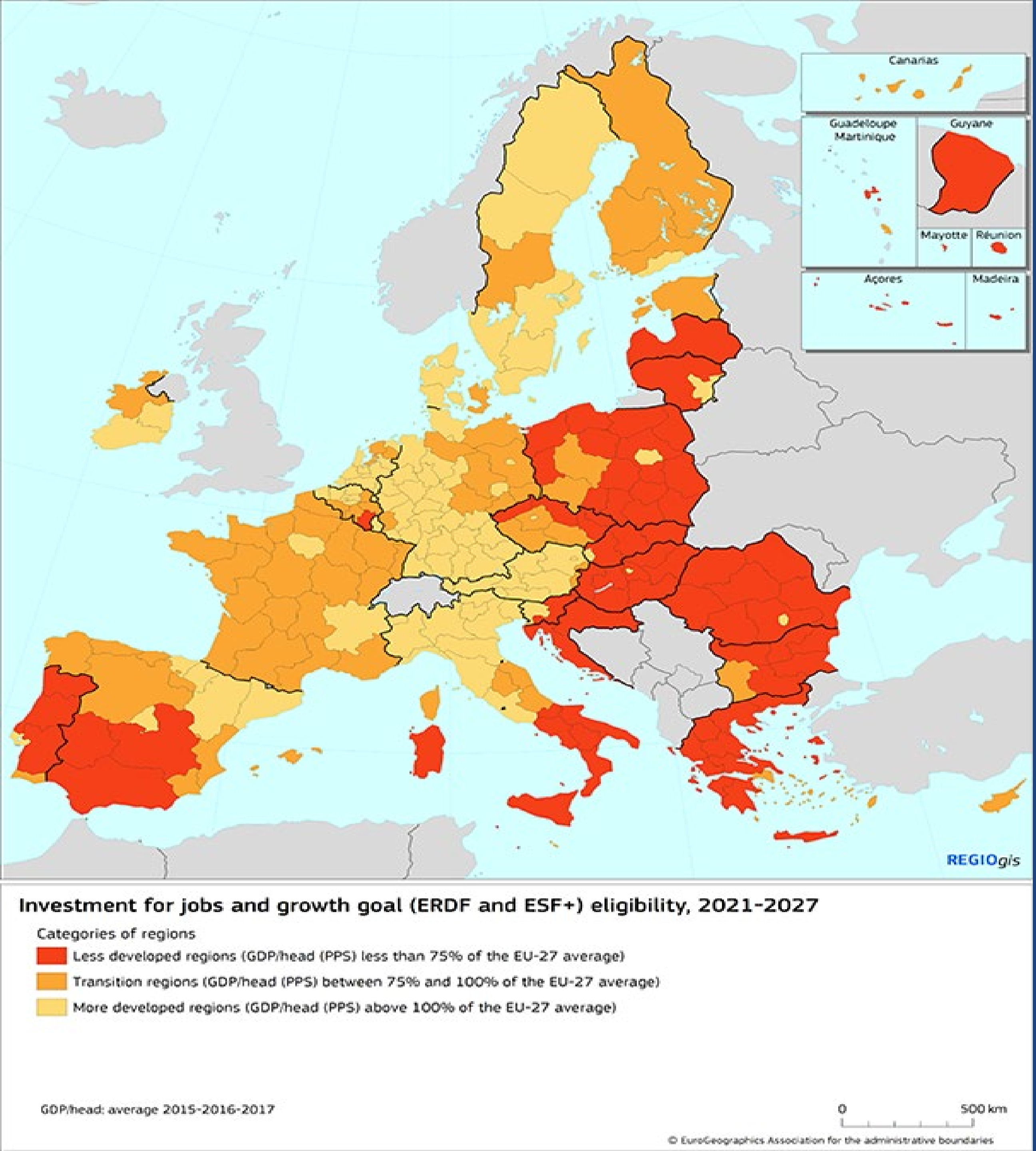
- €325 billion (2011 prices)
- indexation 2% each year → current prices
- €352 billion at current prices

2021-2027*

- €330 billion (2018 prices) (+ €7.5bn JTF) (+ €10bn JTF from ERI)
- indexation 2% each year → current prices
- €373 billion (current prices) *(approx 7% decline in real terms)* (+ JTF)

*Allocation criteria (Σ regional allocations for LDR & TR) : population; GDP per capita; GDP of MS; youth un/ unemployment; low educational attainment; emissions; migrants.

*MS allocations: min 76% of 2014-2020; max 2.3% of GDP (GDP/cap <60% of EU ave.); or 1.85%; or 1.55% (GDP/cap >65%); (was 3% max); allocations limited to 107% of 2014-2020 in real terms. Council: adjustments were made here + *special MS allocations*



Eligibility of Regions 2021-2027

- see thematic concentration rules
- see co-finance ceiling rules

Cohesion Policy: original allocation proposals

Member State	2021-27 allocation (EUR billion, 2018 prices)	Change from 2014-2020 period (%)	Aid intensity (EUR/head)	Change from 2014-2020 period (%)
BG	8.9	8	178	15
RO	27.2	8	196	17
HR	8.8	-6	298	0
LV	4.3	-13	308	0
HU	17.9	-24	260	-22
EL	19.2	8	254	12
PL	64.4	-23	239	-24
LT	5.6	-24	278	-12
EE	2.9	-24	317	-22
PT	21.2	-7	292	-5
SK	11.8	-22	310	-22
CY	0.9	2	147	-5
SI	3.1	-9	213	-11
CZ	17.8	-24	242	-25
ES	34.0	5	105	3
MT	0.6	-24	197	-28
IT	38.6	6	91	5
FR	16.0	-5	34	-9
FI	1.6	5	42	2
BE	2.4	0	31	-5
SE	2.1	0	31	-6
DE	15.7	-21	27	-20
DK	0.6	0	14	-3
AT	1.3	0	21	-4
NL	1.4	0	12	-3
IE	1.1	-13	33	-17
LU	0.1	0	16	-14

** +
CZ
PL
DE
SI
PT
BE
BG
CY
MT
EE

Cohesion Policy: MS allocations

(current prices)

(excluding JTF)

	ESF+	ERDF	CF	of which transferred to the CEF	ETC	Total allocation
Belgium	1 168	1 152	-	-	369	**2 689**
Bulgaria	2 625	5 741	1 656	390	134	**10 157**
Czechia	2 701	10 426	8 327	1 962	306	**21 761**
Denmark	120	141	-	-	254	**515**
Germany	6 527	10 913	-	-	1 005	**18 445**
Estonia	503	1 693	1 073	253	57	**3 325**
Ireland	508	396	-	-	291	**1 195**
Greece	5 845	11 452	3 955	932	127	**21 379**
Spain	11 153	23 540	-	-	683	**35 376**
France	6 675	9 070	-	-	1 090	**16 835**
Croatia	1 983	5 356	1 547	364	184	**9 069**
Italy	14 535	26 615	-	-	935	**42 085**
Cyprus	222	467	233	55	37	**959**
Latvia	711	2 493	1 359	320	49	**4 612**
Lithuania	1 136	3 464	1 856	437	82	**6 539**
Luxemburg	15	15	-	-	29	**58**
Hungary	5 507	13 360	3 404	802	255	**22 526**
Malta	124	474	216	51	23	**838**
Netherlands	414	506	-	-	373	**1 293**
Austria	394	537	-	-	216	**1 147**
Poland	14 913	47 417	12 145	2 861	560	**75 034**
Portugal	7 497	11 497	4 447	1 048	136	**23 577**
Romania	8 239	17 070	4 628	1 090	367	**30 305**
Slovenia	727	1 538	940	221	74	**3 279**
Slovakia	2 404	8 117	2 110	497	220	**12 852**
Finland	605	888	-	-	160	**1 653**
Sweden	707	863	-	-	351	**1 920**
Technical assistance	*345*	*760*	*129*	-	*31*	***1 265***
Transnational cooperation	*197*	-	-	-	-	***197***
Interregional innovation investments	-	*564*	-	-	-	***564***
European Urban Initiative	-	*564*	-	-	-	***564***
Interregional cooperation	-	-	-	-	*564*	***564***
Total	**98 500**	**217 087**	**48 026**	**11 286**	**8 960**	**372 573**

Programming Highlights, 2021-2027

- Partnership Agreement simpler / amendments gone XX
- Simpler Prog. – more flexible, broader objectives (thematic objectives → policy objectives)
- Concentration at MS / category of region level, not Prog.
- Needs/problems analysis back to Prog. from PA
- Simpler reporting, continuous monitoring
- Major projects, revenue-generating projects gone XX

2. Partnership Agreement

Progress of PAs: 22 of 27 agreed

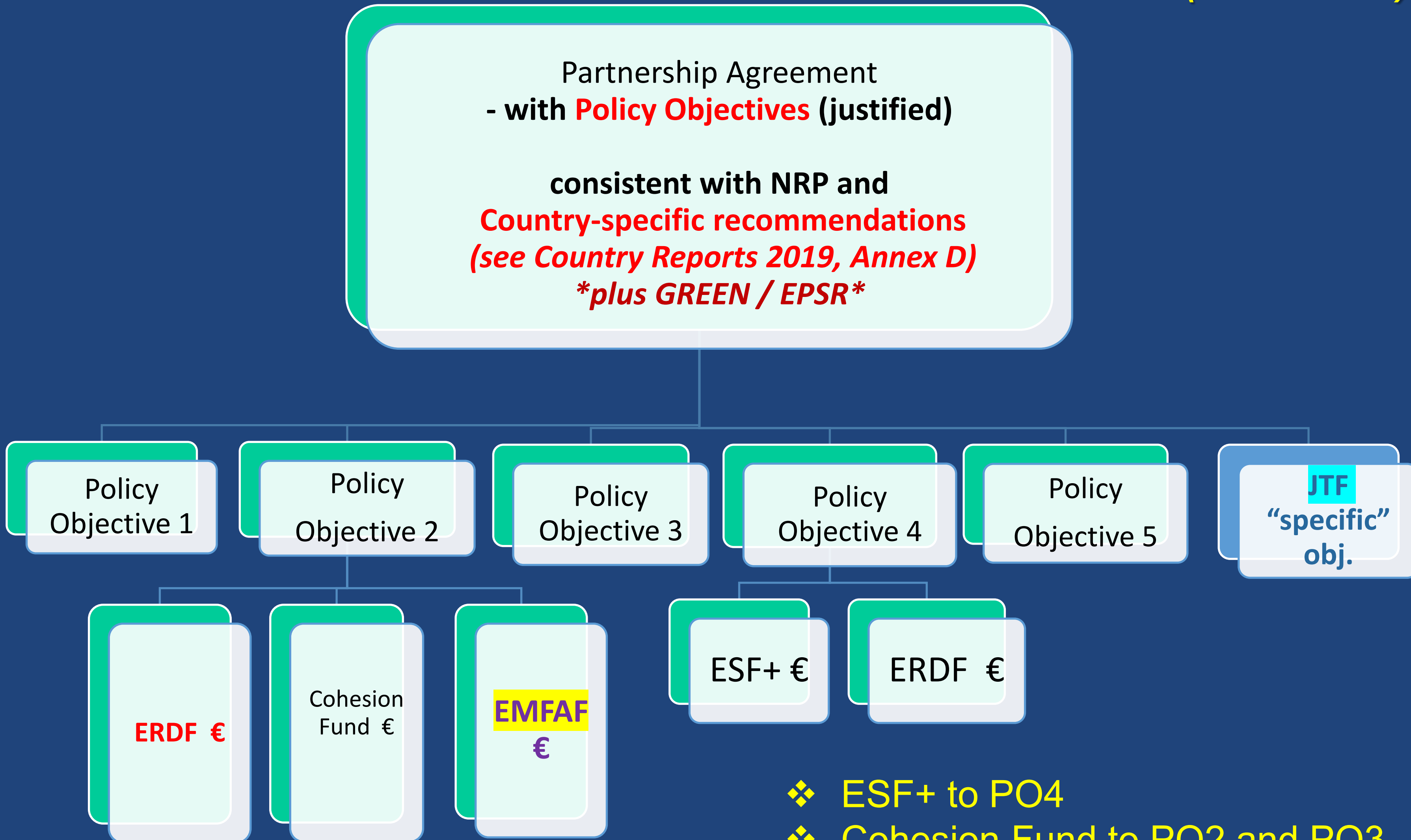
Decision	Country
20 September 2022	Ireland
16 September 2022	Malta
12 September 2022	Slovenia
24 August 2022	Croatia
19 April 2022	Germany
22 April 2022	Lithuania
02 May 2022	Austria
05 May 2022	Finland
13 May 2022	Czechia
25 May 2022	Denmark
25 May 2022	Sweden
02 June 2022	France
24 June 2022	Netherlands
06 July 2022	Bulgaria
8 July 2022	Cyprus
13 July 2022	Poland
14 July 2022	Portugal
18 July 2022	Estonia
18 July 2022	Slovakia
19 July 2022	Italy
25 July 2022	Romania
29 July 2021	Greece

Issues: fund transfers; ENC; TJTP incomplete

+
ES
LV
BE
LU
HU

Partnership Agreement, 2021-2027 (Annex II): 5 Funds

(incl. JTF)
(EAFRD out)



- ESF+ to PO4
- Cohesion Fund to PO2 and PO3

5 Policy Objectives, 2021-2027 (+ JTF "specific" objective)

Policy Objective	Specific Objectives
PO1. More Competitive & Smarter Europe (SMEs, RTDI, e-biz)	RTDI e-business / e-government – benefits of digitalisation SMEs skills for entrepreneurs, transition, smart specialisation Digital connectivity (ICT)
PO2. Greener Europe (Energy, Environment, Climate change)	energy efficiency water management renewable energy circular economy smart energy systems, Urban green infrastructure / reduce pollution climate change / risk prevention Multi-modal urban mobility
PO3. Connected Europe (transport/mobility)	TEN-T Regional, local access to TEN-T
PO4. Social Europe (labour market; skills, education & training; social inclusion, healthcare, poverty)	**Jobseekers, LTU** **instit. and services** **LM participation/ women** adaptation **educ. / training systems** **Disadvan. ET** **Reskilling/skills** **Equal Opps.** Migrants **Marginalised and Roma** **Access to health care /// social protection** **Social integration** **Material deprivation**
PO5. Europe Closer to Citizens (local development, urban dev, territorial aspect)	Urban development, heritage and security and tourism Non-urban area development, heritage and security and tourism
JTF SO: Just Transition Fund	

Investment needs identified for the EU Member States by policy objectives

Investment needs identified for EU Member States - by political objectives

		PL	CZ	SK	HU	HR	SI	RO	BG	IT	MT	PT	ES	EL	CY	EE	LT	LV	AT	DE	FR	FI	SE	DK	IE	BE	NL	LU
1	a smarter Europe ('PO 1')	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
2	a greener, low-carbon Europe('PO 2')	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1					1		
3	a more connected Europe ('PO 3')	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1			1					1		
4	a more social Europe ('PO 4')	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
5	a Europe closer to citizens ('PO 5')	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1					1	1	

Partnership Agreement

Prog. 1
- € ERDF, € by region type
- € Cohesion Fund, € by region type

Prog. 2

Prog. 3
- € ESF, € by region type
- € ERDF, € by region type

Prog. 4

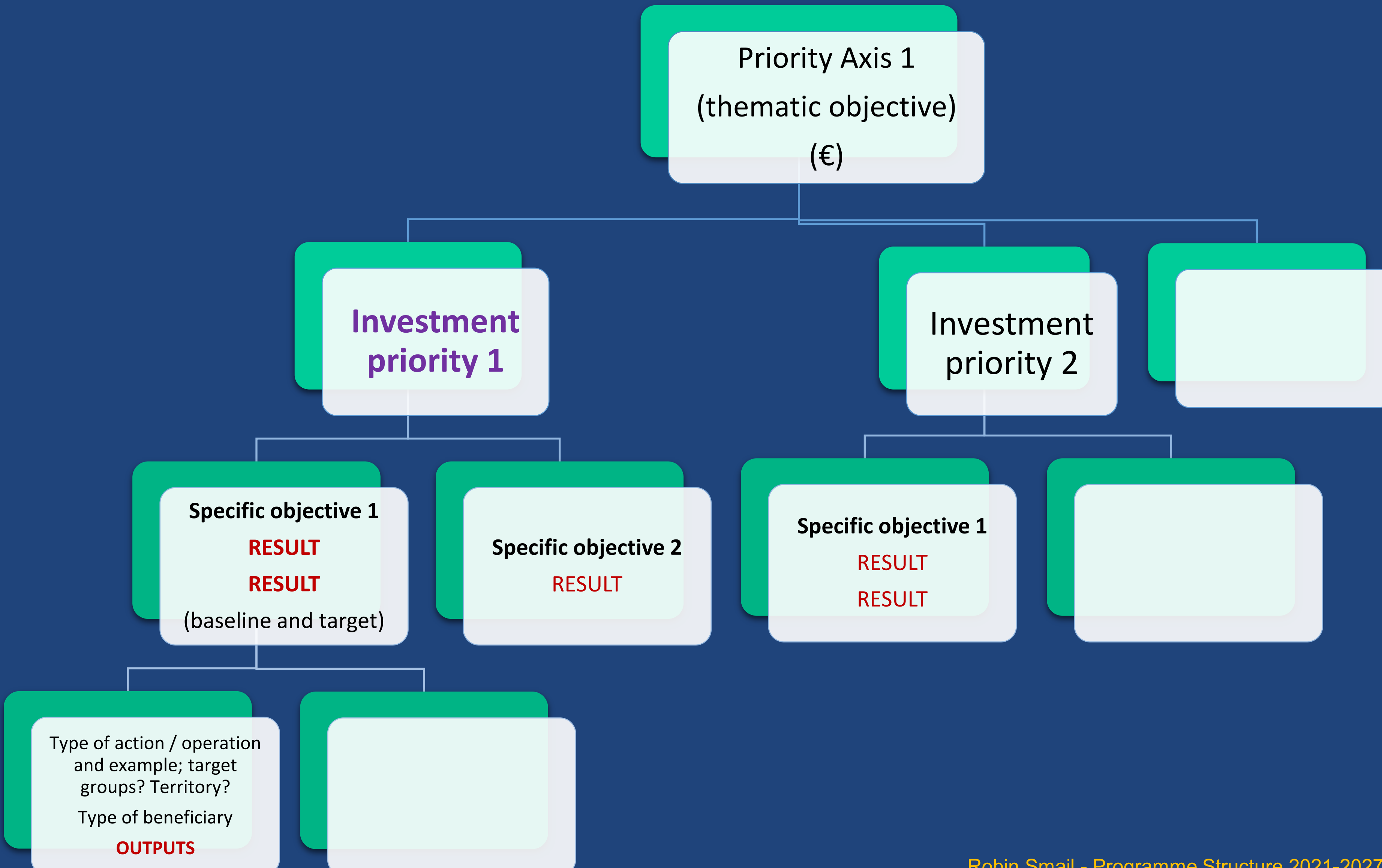
Prog...

Partnership Agreement
(see PA template, Annex II, CPR Annexes)

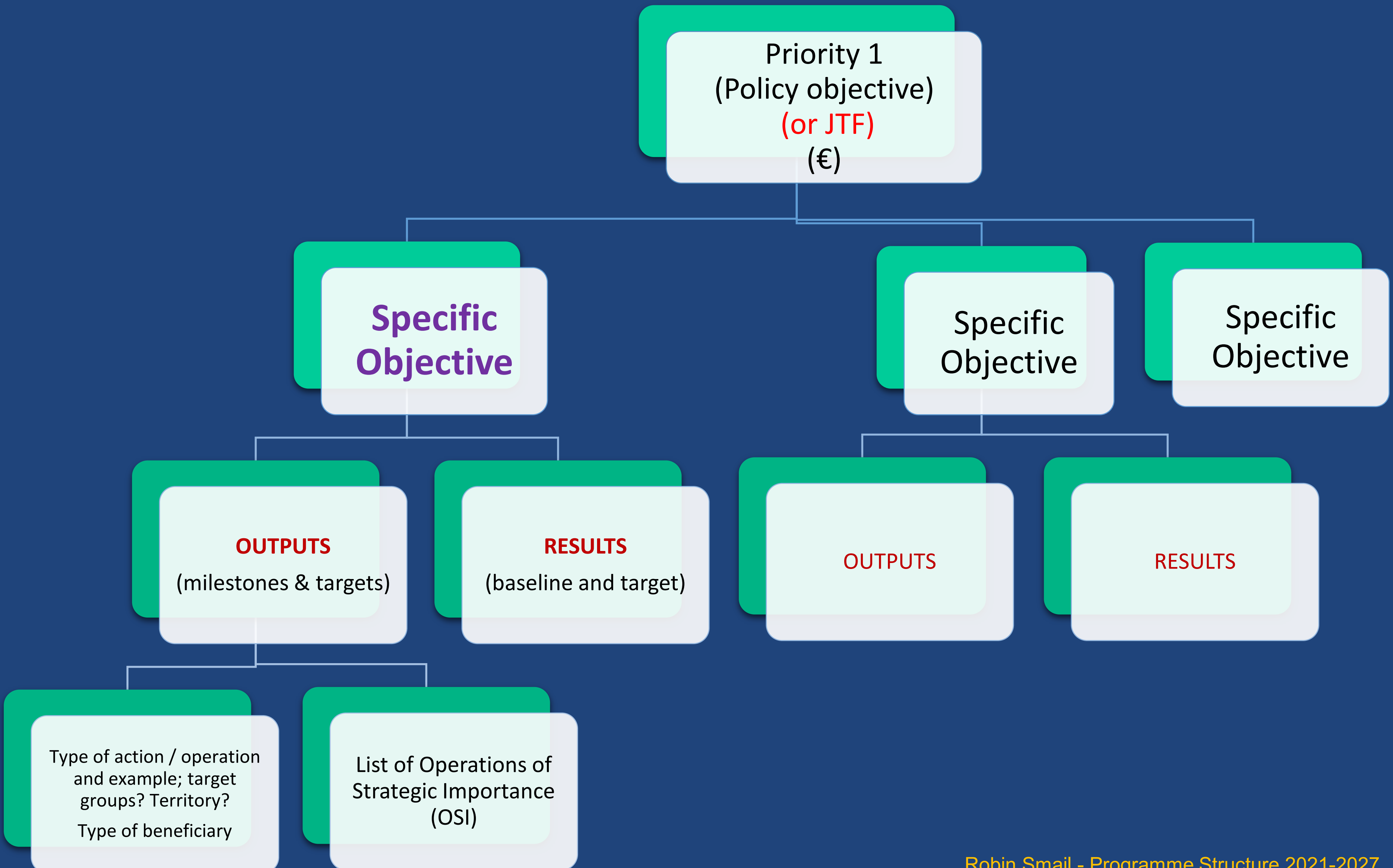
- ✓ Approx. 35 pages, submit with first Prog at the latest, no overlap with Programme content
- ▪ Choice/justification of (5) Policy Objectives; plus "specific objective" for JTF; list Funds and Programmes for each PO
- ▪ outline Policy choices / "results" expected by Fund / complementarities?
  - ✓ .... reflecting regional / sectoral / specific challenges; NRP, CSRs; national plans (esp. National Energy and Climate Plan) etc.
- ▪ Financial Allocations by Policy Objective, with Funds, Transfers to InvestEU / JTF; transfers between regions, Funds; (…Interreg to mainstream progs); thematic concentration compliance
- ▪ List of Programmes, with Funds; Breakdown by category of region
- ▪ Amount for TA and choose TA method
- ✓ Administrative capacity building measures; demographic challenges?; prelim climate contribution %; enabling conditions (optional)
- ▪ Can be amended at Mid-Term Review

3. Programme Structure

OP Intervention Logic, 2014-2020 (Menu of 60 Investment Priorities)



Focus on Specific Objectives, 2021-2027



Menu of 23 ERDF/CF & 13 ESF Specific Objectives

Policy Objective	Specific Objectives
PO1. More Competitive & Smarter Europe (SMEs, RTDI, e-biz)	RTDI
	e-business / e-government – benefits of digitalisation
	SMEs
	skills for entrepreneurs, transition, smart specialisation
	Digital connectivity (ICT)
PO2. Greener Europe (Energy, Environment, Climate change)	energy efficiency
	water management
	renewable energy
	circular economy
	smart energy systems,
	Urban green infrastructure / reduce pollution
	climate change / risk prevention
	Multi-modal urban mobility
PO3. Connected Europe (transport)	TEN-T
	Regional, local access to TEN-T
PO4. Social Europe (labour market; skills, education & training; social inclusion, healthcare, poverty)	Jobseekers, LTU
	instit. and services
	LM participation/ women
	adaptation
	educ. / training systems
	Disadvan. ET
	Reskilling/skills
	Equal Opps
	Migrants
	Marginalised and Roma
	Access to health care /// social protection
	Social integration
	Material deprivation
PO5. Europe Closer to Citizens (local development, urban dev, territorial aspect)	Urban development, heritage and security and tourism
	Non-urban area development, heritage and security and tourism
JTF SO: Just Transition Fund	

4. Conditionality, Concentration, Use of Funding Instruments

Enabling Conditions (ENC), 2021-2027 (Annexes III & IV)

Horizontal: Public Procurement; State Aid; Ch.Fund.Rights; Disability framework

Policy Objective	Specific Objective	Thematic Enabling Condition (by Specific Objective) - examples
1. Smarter Europe (SMEs, RTDI, e-biz)	3 x SO (of 5)	Good governance of SSS; National / regional Broadband Plan
2. Greener Europe (Energy, Environment)	6 x SO (of 8)	National Renovation Strategy in line with Directive (for buildings); National Energy & Climate Plan – incl Directive on Renewable Energy Disaster Risk Plan; Investment Plans in order to respect: UWWT; WS Directives; Waste Directive; Action Framework for urban environment and pollution
3. Connected Europe (ICT, transport)	2 x SO	Transport Planning at appropriate level – multi-modal
4. Social Europe (labour market, training, education, social inclusion)	ESF: 9 x SO (of 13) ERDF: 4 x SO (of 6)	**Labour market policy framework** **Gender equality framework** **Education and training policy framework** **Social inclusion/poverty/Roma inclusion policy frameworks** **Health and long-term care policy framework**
5. Closer to Citizens (territory, urban, local dev)	-	

*MS have to justify in Prog. that ENC fulfilled; confirm as ongoing

Thematic Concentration by TO, 2014-2020

- 2014-2020: higher % of ERDF into “softer” themes in more developed regions :
  - at least 80% on 2 or more of 4 thematic objectives (1-4) in more developed regions (and higher % for low carbon economy)
  - at least 50% in less developed regions
- ESF must be at least 23.1% of MS Funds for Cohesion policy and ESF share of total Funds not lower than 2007-13 share (Art. 92.4, CPR)
  - at least 20% of ESF on social inclusion/poverty in each MS
  - higher % of ESF in to 5 or fewer investment priorities in more developed regions (at least 80%); (at least 60% in less dev. regions)

ie. more flexibility for poorer regions

Thematic Concentration by PO, 2021-2027 (ERDF)

MS	min. % PO1	min. % PO2*	Total
GNI < 75% (of EU27 average, PPS terms, 2014-2016 data) LDR	25% (35%)	30%	55% (65%)
GNI 75-100% TR	40% (45%)	30%	70% (75%)
GNI > 100% MDR	na (60%)	30% (na)	85%

EC proposal figures in brackets (%)

- Calculation at national or reg. category level - indicate in PA;
- * where Cohesion Fund PO2 % spend is over 50%, excess can contribute to ERDF %
- Interreg: min 60% for PO2 & max two other PO

Thematic Concentration, 2021-2027

- measured at MS or “category of region” level, not Programme level
- min. 8% ERDF for sustainable urban development (up from EC proposed 6%)

ESF+: €88bn. agreed at Council

- Priorities in line with CSRs
- At least 25% on social inclusion (5xSO) (including integration of migrants);
- At least 3% on material deprivation SO *(may include deprivation/integration SO, if justified);*
- Where NEET rate above EU average – at least 12.5% on this issue (and for outermost regions)
- Children at risk of poverty (MS above EU ave.): at least 5% on relevant 3xSO

Favoured Methods & Instruments

- Multi-fund Programmes AND multi-fund priorities allowed (except JTF financed priority)
- Territorial dimension strong – ITIs, CLLD, urban development strategies etc.
- Financial Instruments extended - for leverage of private sector capital
- MS may choose to transfer resources to InvestEU facility to include with all other funds (EIB lead)
- Payments based on results and outputs are encouraged, as introduced in OMNIBUS reg. (but JAPs gone X)

5. Programme Objectives and Justification, Financial Allocations; programme template

Programme Structure, 2021-2027 ***(Annex V)***

1. Strategy – Prog. contribution to policy objectives

- Challenges and policy responses: disparities, needs, market failures, CSRs, lessons from past etc. →
- Justification for PO, Priorities, SOs, forms of support

(No justification for financial allocations to priorities XX)

2. Breakdown of Prog by priority and by Specific Objective (SO):

- *types of actions & contrib. to SO; target groups; territorial aspects, interregional aspects, using Financial Instruments..*
- *results, outputs (PF)*
- *type of intervention (categories) and indicative € breakdown*
- *(eg. 182 intervention fields, by PO)*

(new climate change targets ERDF 30% CF 37%, based on coeffs. Annex I)

3. Financing Plan
4. Enabling conditions (ENC) fulfilment
5. Programme authorities
6. Partnership
7. Comms.;// 8. SCOs; etc...

6. Funding Flexibilities

Flexibilities and Fund transfers

- 8% of Priority € can transfer to other Priority (same OP, same Fund, same region category) – no amendment required (Art 24.5)
- Up to 5% of any Fund can transfer to any other instrument (Art 26.1)
- Up to 5% can transfer between Funds (Art 26.1)
- Up to 20% can transfer between Cohesion Policy Funds (plus 25% more if very low unemployment rate) (Art 26.1)
- + Consequent transfer of € by category of region, justified...

Flexibilities and Fund transfers

- ERDF and ESF+ can transfer up to 15% of Fund to JTF (Art 27)
- € transferred to InvestEU by Fund (up to 2% of each Cohesion Policy Fund, plus 3% from 2023 onwards) and category of region (Art 14)
- Where OP amendment – only resources for years remaining can be affected
- Up to 5% can be transferred from LDR to others (add 10% in Cohesion MS, for PO1 and PO2); and vice-versa (from MDR/TR to LDR)- no limit(!) (Art 111)
- *For each of Policy Objectives (+ "specific objective" for JTF) – € from each Fund, respecting Fund thematic concentration rules (Art. 11.1(c))*

2014-2020	2021-2027
Not permitted between Funds. Non-transferability of resources between categories of regions	At approval of partnership agreement or with programme amendment: • Up to 5% of each Fund initial national allocation to other instrument under direct or indirect management (transfer back possible) • Up to 5% of each Fund initial national allocation to another CPR Fund • Up to 20% each Fund initial national allocation between the ERDF, ESF+ or Cohesion Fund (up to 25% for CZ) • Optional transfers from ERDF and ESF+ to Just Transition Fund (JTF) (max 300% of JTF and max 15% of giving Fund), irreversible • Up to 5% of initial allocations from Less developed regions (LDR) to Transition regions (TRR), from LDR to More developed regions (MDR) and from TRR to MDR, up to 10% for Member States with GNI < 90% EU. No limit for other way round.
	Contributions to InvestEU of up to 2% of the initial allocation for ERDF, ESF+, Cohesion Fund and EMFAF – in the PA Possibility to further transfer up to 3% after January 2023 through programme amendment Amounts allocated shall be used for the provisioning of the part of the EU guarantee under the MS compartment and for the

7. Project selection and value-for-money

Large Projects

- Major projects X GONE
- Revenue-generating projects X GONE

- Operations of Strategic Importance (OSI)
  - Appraisal? Revenues?
  - "Flagship projects"

- New Economic Appraisal Vademecum

Project Selection – Criteria

Selection Criteria **(Article 73 CPR):**

- Contribution to SOs
- Consistent with strategies/plans etc. as per ENC
- Maximise finance-activity-objectives link (...cost-benefit)
- Beneficiary is sound
- Horizontal compliance + climate change
- Eligibility of expenditure rules

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