

Programming and Programme structure, 2021-2027

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EIPA Open Seminar

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1. Financial Framework
2. Programming: Partnership Agreement
3. Programming: Programme structure
4. Conditionality, concentration, use of funding instruments
5. Programme objectives and justification, financial allocations
6. Programme performance
7. Funding flexibilities

New Regulations

1. Financial Framework

Cohesion Policy and Budgets

2014-2020

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



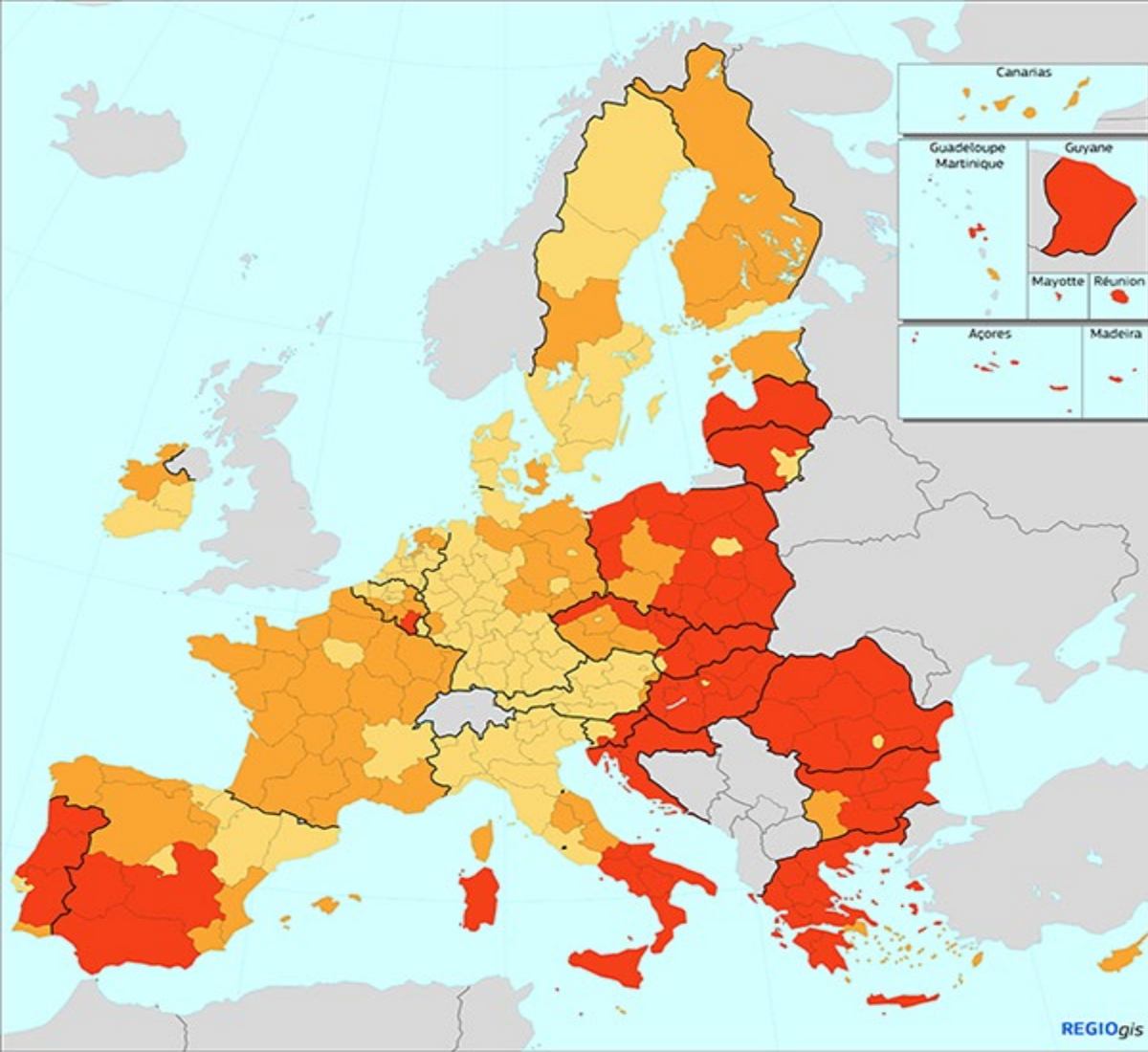
2021-2027*

- €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



Investment for jobs and growth goal (ERDF and ESF+) eligibility, 2021-2027

Categories of regions



























- Less developed regions (GDP/head (PPS) less than 75% of the EU-27 average)
- Transition regions (GDP/head (PPS) between 75% and 100% of the EU-27 average)
- More developed regions (GDP/head (PPS) above 100% of the EU-27 average)

GDP/head: average 2015-2016-2017

0 500 km

© EuroGeographics Association for the administrative boundaries

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

Recovery Plan for Europe: EU budget

	Resources	Specific instruments
Multiannual Financial Framework (MFF)	<p>€1074 bn. (30% to climate actions) 2021-2027</p>	<ul style="list-style-type: none"> ■ <i>Structural and Cohesion Funds*</i> ■ Connecting Europe Facility (CEF) ■ Rural Development Programmes ■ Horizon Europe ■ RescEU for health emergencies response infrastructure ■ Just Transition Fund ■ Invest EU (loans, guarantees)
Next Generation EU (NGEU)	<p>€10bn</p> <p>€750bn (€390bn grants/guarantees and €360bn loans)</p>	<ul style="list-style-type: none"> ■ *REACT-EU (grants) top-up for Cohesion in 2021-2022, within 2014-2020 framework and programmes ■ Recovery and Resilience Facility (RRF) (2021-2023) linked to National Reform Programmes

New Regulations

2. Programming: Partnership Agreement

Programming Highlights, 2021-2027

- Partnership Agreement simpler / amendments gone X
- Simpler Prog. – more flexible, broader 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 X

Partnership Agreement, 2014-2020

Partnership Agreement
consistent with **Europe 2020**
headline targets, NRP and
Country-specific
recommendations
(on basis of disparities, needs,
challenges, potential)

Thematic
objective 1

Thematic
Objective 2

Thematic
Objective x

ERDF – €
and
results
expected

Cohesion
Fund – €
and results
expected

ERDF – €
and results
expected

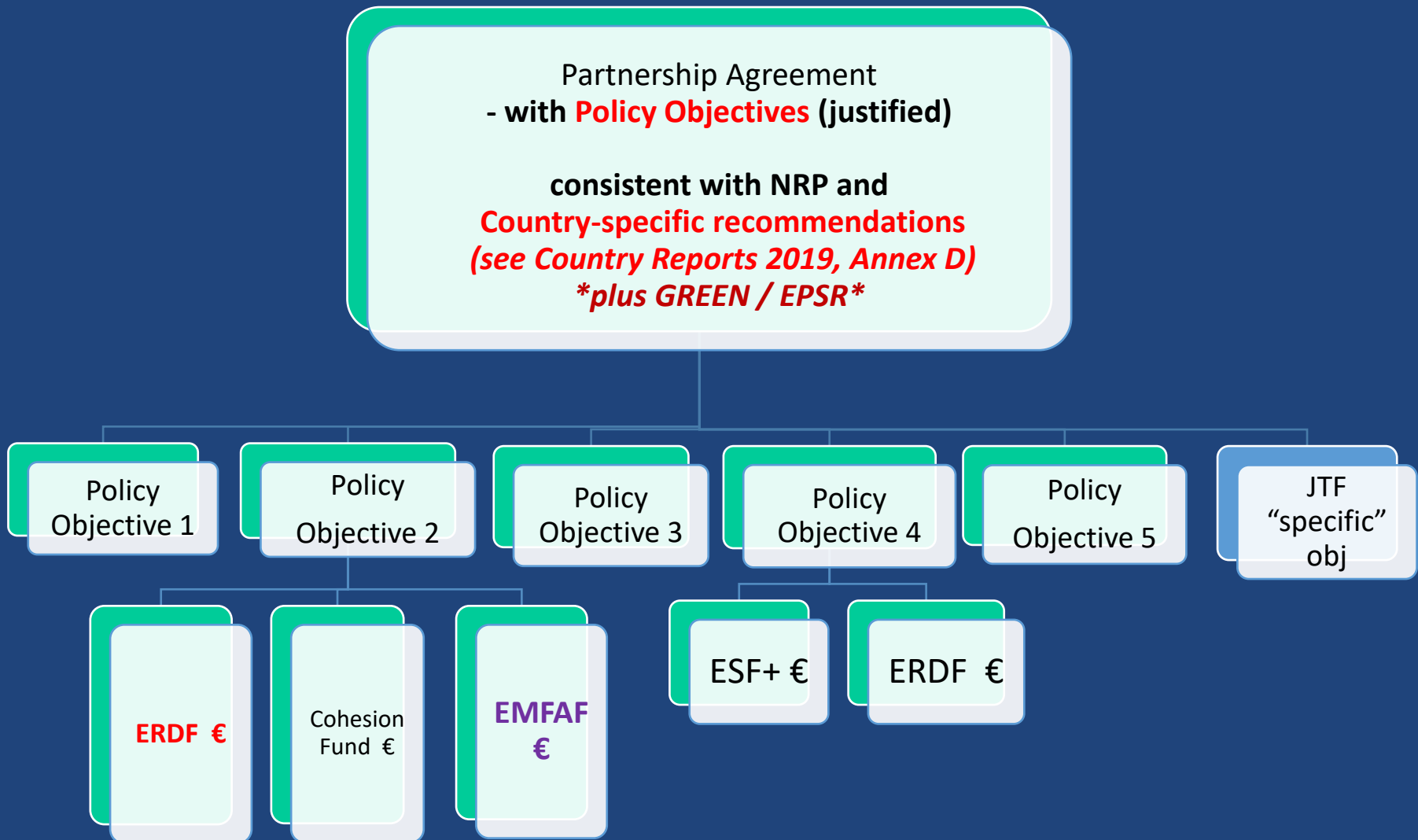
ESF

ERDF

11 TO, plus REACT, 2014-2020

Thematic Objective	Fund
1. Strengthening RTD and innovation	ERDF
2. Enhancing ICT access, use quality	ERDF, EAFRD
3. Enhancing competitiveness of SMEs	ERDF
4. Shift to low-carbon economy	ERDF, CF, EAFRD
5. Promote climate change adaptation and risk prevention	ERDF, CF, EAFRD
6. Protecting the environment and sustainable use of resources	ERDF, CF, EAFRD
7. Promoting sustainable transport and removing bottlenecks in network infrastructures	ERDF, CF
8. Promoting employment and labour mobility	ESF, ERDF
9. Promote social inclusion and combat poverty	ESF, ERDF, EAFRD
10. Investing in education, skills, lifelong learning	ESF, ERDF
11. Enhancing institutional capacity and efficient public administration	ESF, ERDF, CF
12. Crisis Repair: REACT	REACT

Partnership Agreement, 2021-2027 (Annex II)



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 (ICT, 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				

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...

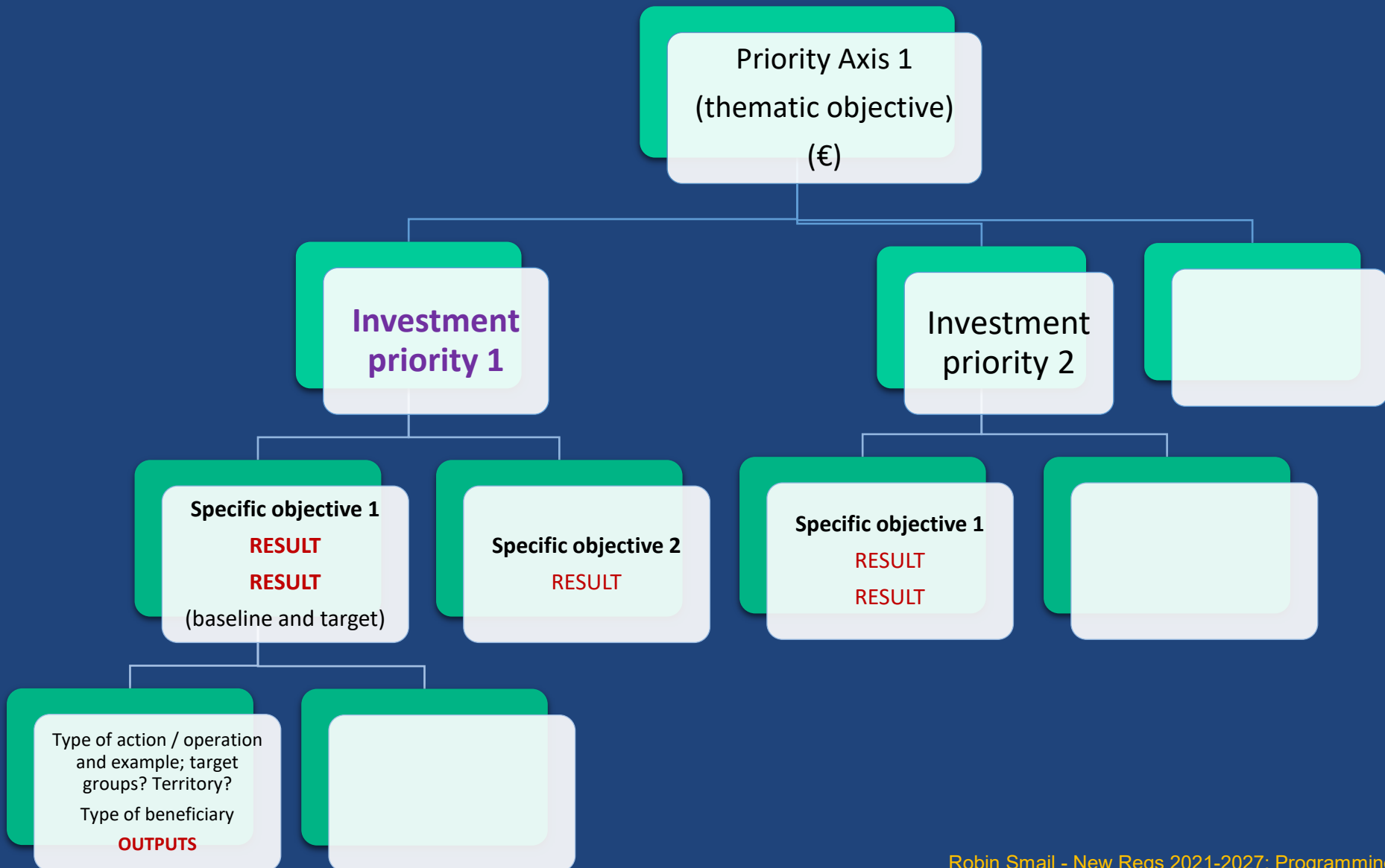
Partnership Agreement

(see PA template, Annex II, CPR Annexes)

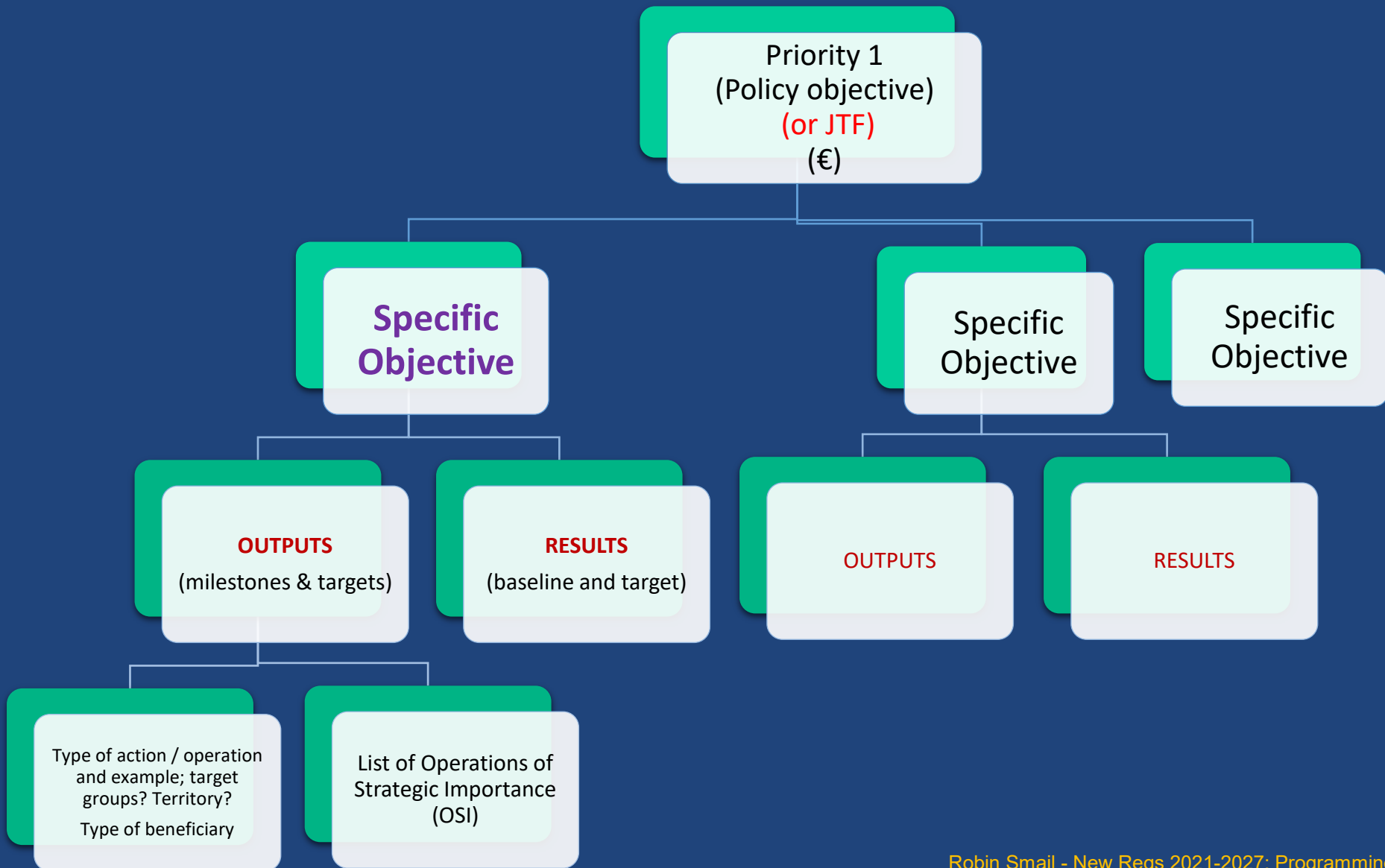
- ✓ Approx. 35 pages, submit with first Prog at the latest, no overlap with Programme content
- Choice/justification of (5) Policy Objectives; plus “specific objective” for JTF; list Funds and Programmes for each PO
- Policy choices / “results” expected by Fund / complementarities?
 - ✓ reflecting regional / sectoral / specific challenges; NRP, CSRs; national plans (esp. National Energy and Climate Plan) etc.
- Financial Allocations by PO, with Funds, Transfers to InvestEU / JTF; transfers between regions, Funds; 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. Programming: 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	
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PO3. Connected Europe (ICT, transport)	TEN-T			
	Regional, local access to TEN-T			
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	educ. / training systems		Disadvan. ET	Reskilling/skills
	Equal Opps	Migrants	Marginalised and Roma	
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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	Robin Smail - New Regs 2021-2027: Programming			

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 %

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 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*
(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...

New Regulations

PROGRAMME TEMPLATE

Annex V CPR

6. From Priorities to Programme Performance

Performance – progress and success

- Programme **Management** and Admin. Capacities
- Clear **objectives**? **Priorities** identified; financial **allocations**
- Projects make up Programmes. Using a sound *project pipeline*?
 - Hitting target groups? Publicity and Information?
 - Stakeholders involved? Good project managers ?
- **Selecting best projects?** →
- **Measuring progress and success?**
 - Monitoring systems; use of indicators
 - Evaluating programmes and activities

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

Large Projects

- Major projects X GONE
- Revenue-generating projects X GONE
- Operations of Strategic Importance (OSI)
 - Appraisal? Revenues?
 - “Flagship projects”
- New Economic Appraisal Vademecum (date?)

New Regulations

7. 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))*



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	<div>2014-2020</div>	<div>2021-2027</div>	
	<div>Not permitted between Funds.</div> <div>Non-transferability of resources between categories of regions</div>	<div>At approval of partnership agreement or with programme amendment:</div> <ul style="list-style-type: none"> 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. 	
		<div>Contributions to InvestEU of up to 2% of the initial allocation for ERDF, ESF+, Cohesion Fund and EMFAF – in the PA</div> <div>Possibility to further transfer up to 3% after January 2023 through programme amendment</div> <div>Amounts allocated shall be used for the provisioning of the part of the EU guarantee under the MS compartment and for the</div>	

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