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1. MISSION STATEMENT

DG Regional Policy's mission is to develop and pursue actions leading to the strengthening of the European Union's economic, social and territorial cohesion.

In partnership with national and regional actors, the Directorate General for Regional Policy ensures that:

- high quality development strategies and implementation structures are established, delivering EU priorities on the ground, particularly in the least favoured regions reflecting the principle of solidarity;
- delivery is consistent with the principle of sound financial management;
- the policy brings real benefits to, and is understood by, Europe's citizens on the ground and,
- the policy contributes to create the conditions for enlargement of the European Union.

It does this by:

- supporting the development of operational programmes and investments in competitiveness, employment and sustainability in regions,
- promoting adaptation and innovation in the face of globalisation and climate changes,
- stimulating territorial cooperation and macro region strategies,

through the management of its financial instruments - European Regional Development Fund (ERDF), Cohesion Fund (CF), Pre-Accession Assistance (IPA), Regional Development and Cross-Border Cooperation components, Instrument for Structural Policies for Pre-accession (ISPA), European Union Solidarity Fund (EUSF), and contribution of the EU to the International Fund for Ireland.

The Directorate general is also responsible for the coordination of EU policies on urban affairs and on the outermost regions.

2. CHALLENGES FOR 2010

2.1. The challenges ahead of us

The Directorate General for Regional Policy (DG REGIO) has some formidable challenges ahead that can be faced only with the full support, dedication and passion of its staff and of the EU Cohesion Policy's stakeholders.

Firstly, DG REGIO must act in partnership with the Member States so that the 334 operational programmes embedded in national implementing structures and representing a total EU funding of €270 billion, will be executed efficiently in order to deliver the objectives they were set for. It has started well and in 2009 DG REGIO has seen in most Member States an acceleration of the activities that has culminated in the second half of the year in a sharp increase in requests for payments: we must use all the available tools to help keep up and even increase the momentum. 2010 is already mid-way in the programming period 2007-13 and the actions that are at the heart of the priority axis of our programmes will have to be well underway for the programmes to have the desired impact.

Furthermore, in generating this increase of the rate of implementation of the programmes, DG REGIO and its partners must take all necessary steps to improve the quality of the expenditure, forestalling errors, correcting them when they occur, and ensuring that the funds devoted to cohesion policy by the budgetary authorities are used in the most efficient, legal and sustainable ways.

Secondly, in 2010 the EU Member states will have to consolidate the slow recovery from the worst economic and financial crisis in decades, with an unemployment rate set to rise to double digit figures, and high public deficits. In this context it is crucial to exploit all means in order to create all the conditions to ensure the increase of the absorption rate and to concentrate efforts to use all the available flexibility in our funding to adapt the programmes, when necessary, to combat the effects of the crisis and to recover from it. The implementation on the ground of our programmes in 2010 should help in two ways, on the one hand to ensure continuity of funding for vital investments and on the other to create in the longer term stronger, more sustainable, greener, knowledge-based economies. For example around 25% of the funding is earmarked for investment in the RTD and innovation agenda (including eco-innovation) and around 14% to address climate change (direct support to sustainable energy and energy efficiency and indirect support such as investment in clean transport): with DG REGIO's assistance these targets should be maintained.

2010 is the year when the new European Parliament, with a new European Commission and the Spanish and Belgian presidencies, will get to work with the new Treaty. This will be an opportunity for new thinking across the board, a fresh analysis of all EU policies, and improved policy coordination to face the global challenges.

This brings me to the third challenge ahead of us. The whole of DG REGIO must be ready for the debates on the budget review and the multiannual financial framework post 2013, in harmony with Europe 2020. DG REGIO has thoroughly prepared the ground over the past two years. In 2010, all the evidence coming from DG REGIO evaluations, the strategic reporting from Member States, the results of the macroeconomic analyses, and of the global assessment in the forthcoming 5th Cohesion report will be fully

exploited to highlight the advantages of the EU regional development model, and its unique contribution and specific leverage effect for the betterment of the EU.

In parallel, DG REGIO must exploit to the fullest the opportunities offered by the Treaty of Lisbon which introduces the notion of territorial cohesion to complement social and economic cohesion. We have already done preparatory work and now we should work with national, regional and local actors, as well as the Committee of the Regions to define this concept and give it real meaning.

I assure my full personal commitment and that of the staff in DG REGIO to achieve all of this.

Dirk Ahner
Director General

2.2 Rising to the challenges: our priorities for 2010

To meet the challenges identified above, DG REGIO will focus all its activities on the following three multi-annual priorities which will be broken down into more operational priorities for 2010:

- 1) **To achieve sound and effective management of EU resources as the key partner of Member States, their regions, and candidate countries for Cohesion policy: quality of interventions; absorption capacity; good governance.**

Multiannual priorities	Operational priorities 2010
<p>1. To achieve sound and efficient use of EU resources as the key partner of Member States, their regions, and candidate countries for the accomplishment of Cohesion policy:</p> <ul style="list-style-type: none"> - quality of interventions, - absorption capacity, - good governance. 	1.1 To take actions to facilitate the high quality implementation of programmes by national and regional bodies.
	1.2 To take actions together with Member States and candidate countries to ensure a good absorption and use of resources.
	1.3 To support Member States, candidate countries and potential candidate countries in the strengthening of their administrative capacity in targeted areas: strategic planning, project management, audit and evaluation
	1.4 To collaborate actively with Member States to make the best use of the EU Recovery plan and simplification package (finalisation of the modification -presented by the Commission in 2008/2009 - of the General Regulation, ERDF Regulation, modification of the Commission Implementing Regulation, modification of 2007-2013 programmes, if necessary; use of cash flow; major projects, energy-efficiency investments; entrepreneurship)
	1.5 To further implement innovative means of funding, particularly financial engineering allowing leverage of public/private contributions
	1.6 To provide advice and support for the submission of well prepared major projects (transport, energy, telecom and environmental infrastructures) and to carry out the approval procedures efficiently and speedily
	1.7 To check, through effective implementation of DG REGIO strategy in relation to its supervisory activities, that national management and control systems 2007-2013 function effectively, including legality and regularity of expenditure
	1.8 To carry out the closure of 2000/2006 programmes and projects efficiently and effectively, taking proper account of risks of undue payments

Through its active monitoring and advisory activities, DG REGIO will foster **high quality interventions** including the use of measures available in the EU Recovery plan, the recourse to new forms of finance like the financial engineering instruments, the submission of well-defined major projects. Exchange of good practices will also enhance the good governance of the programmes. DG REGIO will take initiatives to help Member States and regions strengthen their administrative capacity at all levels and across several areas including project selection and management, audit monitoring and evaluation, so that they can absorb the funds and spend them on good quality projects, .

The Cohesion policy's "Strategic report 2010 on the implementation of the programmes 2007-2013" (adopted by the Commission on 31 March 2010) has highlighted the

implementation progress of the 455 operational programmes 2007-2013 (out of which 334 managed by DG REGIO) which should reach cruising speed . DG REGIO will help the regions in their exit strategies from the measures adopted for the economic crisis and in making the best use of EU funds for high quality projects and programmes.

As a key partner of EU Member States, their regions and candidate countries DG REGIO has the responsibility to promote actions and launch initiatives which foster the full **absorption of EU funds** available under the Cohesion policy. Financial absorption is not the purpose of Cohesion policy, but it is a necessary condition to obtain the objective of EU support for the growth and structural adjustment of Member States and regions.

Lastly, DG REGIO will also carry out actions linked to its supervisory role under shared management to obtain reasonable assurance on the **legality and regularity** of co-funded expenditure. Following the design and preparation phase for the 2007-2013 programmes, and with the validation of audit strategies and compliance assessments of national/regional management systems, 2010 will be a crucial year to ensure an effective and efficient functioning of management, certifying and audit systems at Member State level. Preliminary audit results for the period 2007-2013 show some improvements but we need a clear confirmation. 2010 is also an opportunity to demonstrate the adequacy of the supervisory role of DG REGIO. The closure process for the programmes 2000-2006 that will begin in 2010 and continue in 2011 and 2012 should confirm the validity of our multiannual control strategy.

2) To demonstrate the added value and efficiency of Cohesion policy and EU regional development model

Multianual priorities	Operational priorities 2010
<p>2. To demonstrate the added-value and efficiency of Cohesion policy and to promote the EU regional development model</p>	2.1 To provide evidence on the preliminary results of Cohesion policy programmes 2007-2013
	2.2 To assess the impact of programmes and projects 2000-2006 through the ex-post evaluations (ERDF and CF) and disseminate the results
	2.3 To communicate the end-results and good practices of programmes, highlight individual projects at local/regional/national level and encourage Member States to do the same
	2.4 By use of the Strategic reports and debate with the other institutions (Art. 30 of Council Regulation 1083/2006), to underline Cohesion policy contribution to the Lisbon strategy and take stock of the use of Cohesion policy measures of the EU recovery plan.
	2.5 To contribute to the reduction of administrative burdens for beneficiaries – and where possible by all means including studies and partnership with the Member States and regions

On 19 April 2010, DG REGIO presented the results of a series of independent **ex post evaluations of the ERDF programmes 2000-2006**. These evaluations will help us show the results of Cohesion policy as a whole and in relation to different sectors and themes. The evaluations identify both strengths and weaknesses of the policy and provide useful insights on how its impact can be enhanced in the current and future programming periods. DG REGIO will pursue in 2010 its efforts to disseminate these results widely. Member States' Strategic Reports and the **Commission's Strategic Report** to the Council (adopted on 31 March 2010) provide a first view of the operation of Cohesion policy in the 2007-2013 period. The conclusions and recommendations stemming from the ex post evaluations, together with the strategic reports, will feed into the discussion

on the main features and design of the future policy, in the context of the Budget review to be presented by the Commission in the third quarter of 2010 and the debate on the new financial framework post 2013.

The benefits of Cohesion policy are also linked to the way it is delivered, i.e. through a system of conditional grants whose allocation is determined by a network of structured relationships and contracts between different levels of government. Evaluations show that the governance of Cohesion policy has **positive spillover effects** on domestic administrative systems. During 2010, DG REGIO will continue its efforts to ensure that Cohesion policy is a more results-oriented policy through strategic reports, evaluations, etc

Finally, during 2010 DG REGIO will study further means for reducing **administrative burdens** for implementing bodies and beneficiaries and debate the findings with Member States. Administrative costs linked to the implementation of the policy should not discourage use of EU funds for the beneficiaries.

3) To contribute to the developments of Cohesion policy - including from 2014 - in the context of Treaty provision on territorial cohesion and of the integrated vision for the Europe 2020

Multiannual priorities	Operational priorities 2010
<p>3. To contribute to the developments of Cohesion policy - including from 2014 - in the context of Treaty provision on territorial cohesion and of the integrated vision for the Europe 2020</p>	3.1 To publish and disseminate the 5 th Cohesion report
	3.2 To enhance the coordination of the contribution of cohesion policy to Europe 2020 in the area of sustainable development and innovation.
	3.3 Preparatory work to define a clear and well justified approach for the Cohesion policy 2014+ dealing with key topics (objectives, strands of actions and architecture, delivery mechanisms; Member States accountability, focus on performance & results - conditionality, monitoring & evaluation), to launch the impact assessment and to debate the new orientations 2014+ inside the Commission
	3.4 To link the Community Strategic Guidelines on Cohesion with the policy priorities of the Commission (in particular low carbon economy and knowledge society)
	3.5 To reinforce coordination with other DGs at horizontal and operational level in order to improve complementarity and synergy of programme objectives and implementation with EU sectoral policies
	3.6 To develop a European Union Strategy for the Danube Region and to facilitate and ensure the implementation of the European Union Strategy for the Baltic Sea Region in accordance with the Conclusions of the European Council of June and October 2009

As mentioned above, our proposals for the future **Cohesion policy post-2013** should be grounded on lessons learnt. These can be taken from evaluation results showing both the success factors of Cohesion policy, valuable experience gained during the early years of the implementation of the 2007-2013 period and on aspects to be improved in future. Several factors will influence the evolution of the current policy and proposals for its future, such as vision for the **Europe 2020** as presented in the Communication on Europe 2020, and the **budgetary review** to be decided by the policy makers.

The achievement of the priorities of the Europe 2020 Strategy also requires a greater cooperation between the EU policies fostering innovation. In 2010, DG REGIO will

finalise cooperation charters with DG RTD and DG ENTR for developing **synergies between EU policies** concerning Cohesion, RTD and Enterprise and Industry and organise joint activities to stimulate the partnership between the stakeholders involved in the regional innovation systems. DG REGIO will also prepare two Commission's communications to be adopted in 2010: the Communication on "*Reinforcing the contribution of Cohesion Policy to the sustainable development of the EU's regions and delivering Europe 2020*" will provide policy guidance on how to align Cohesion Policy objectives in the field of sustainable development with the Europe 2020 vision in terms of promoting a more resource efficient, greener and more competitive economy. The Communication on "*Reinforcing the contribution of Cohesion Policy to the development of a knowledge-based economy and regional innovation and delivering Europe 2020*" will provide policy guidance practical information on how to align and will help aligning Cohesion Policy objectives with the Europe 2020 vision in the field of smart growth in terms of developing regional economies based on knowledge and innovation.

Furthermore, the significance of the territorial dimension of EU strategy and policies - especially Cohesion Policy - is acknowledged by the fact that **territorial cohesion** is enshrined in the new Treaty as an objective of the Union. One of the first visible implications of this is the continuously increasing importance of **strategies at macro-regional level** (Baltic sea, Danube area).

As a strategic step in the preparation process of the future policy, the Commission will adopt and publish its "**5th Report on economic and social cohesion**" in autumn 2010. The report was identified as one of the 34 strategic initiatives of the Commission in its work programme for 2010. It will present progress made on economic, social and territorial cohesion, and the integration of EU priorities, the role of the Funds, the EIB and the other financial instruments, and the effect of other EU and national policies on the progress made, including options on the future of cohesion policy before preparation of legal proposals. Impact assessments of the policy options for the future policy will also be carried out in 2010.

3. GENERAL OBJECTIVES OF COHESION POLICY

The general objectives by policy area included in this chapter and the specific objectives for operational activities included in chapter 4 refer to the legal and multiannual objectives and implementation of the Cohesion policy. Since these permanent objectives are directly linked to the budget allocated to the Cohesion policy, they must be included in the management plan with impact indicators and policy outputs related to the functioning and execution of the main financial instruments, as well as the horizontal activities. These general and specific objectives provide the common and obligatory reference for the accomplishment of the mission of DG REGIO, while strategic and operational priorities included in chapter 2 indicate the focus for actions to be highlighted for the year 2010.

The overall long-term objective of Cohesion policy is set out in Article 174 of the new Treaty:

*"In order to promote its overall harmonious development, the Union shall develop and pursue its actions leading to **the strengthening of its economic, social and territorial cohesion.***

In particular, the Union shall aim at reducing disparities between the levels of development of the various regions and the backwardness of the least favoured regions.

Among the regions concerned, particular attention shall be paid to rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural or demographic handicaps such as the northernmost regions with very low population density and island, cross-border and mountain regions."

Cohesion policy is a development policy aiming at improving the conditions for sustainable growth and jobs, well-being, and quality of the environment in the EU regions and at strengthening the integration of regional economies. In doing so, it allows EU citizens, wherever they live, to contribute to, and benefit, from the shared political project of a European space with a high degree of development, cohesion and solidarity.

This overall objective is served mainly by promoting investments in human, physical and social capital which help mobilising resources in regions where they are underutilised, removing bottlenecks where productivity is already high, improving regions' capacity to adjust to a constantly changing environment, encouraging an innovative business environment, and supporting cooperation and exchanges.

Cohesion policy's general objectives 2007-2013

Cohesion policy in 2007-2013 will pursue the following **general objectives**:

- 1) Stimulate the growth potential and employment of the least-developed Member States and regions (**the "Convergence" objective**);
- 2) Strengthen regions' competitiveness and attractiveness as well as employment by helping them to anticipate economic and social changes (**the "Regional competitiveness and employment" objective**);
- 3) Promote stronger integration of the territory of the EU to support balanced and sustainable development (**the "European territorial cooperation" objective**), by promoting cross-border cooperation and trans-national cooperation;

- 4) Assist candidate countries as well as potential candidate countries in their progressive alignment with the standards and policies of the European Union including cross-border cooperation (through **the Instruments for Pre-Accession Assistance – "IPA/ISPA"**).

DG REGIO and the Commission's strategic medium-term objectives 2010-2014

Cohesion policy will fully contribute to the priorities of the European Commission 2010-2014. Indeed, economic and social cohesion will continue to be a priority for the Commission, fully exploiting the benefits and potential of the Single Market for the whole EU territory and expressing European solidarity for the regions and European citizens.

European Cohesion policy will help to lead regional economies out of the current crisis and to pave the way for a greener and more sustainable growth, focussing on high quality investments.

Impact indicators

The table below highlights some impacts under each of the four general objectives of Cohesion policy. It should be noted that **Cohesion policy is only one of the policies contributing to the impacts** in terms of reduction of the disparities between the levels of development of the various regions and it is difficult to isolate the influence of Cohesion policy from other contributing factors. Ideally, one would measure the impact of Cohesion policy by comparing the situation with the policy to one without – the counterfactual. As this is not possible in practice, models can help us. However, we must be aware that the estimates of impact delivered are to a large extent dependent on the assumptions built into the models. DG REGIO's latest approach to evaluating impact is to evaluate thematically, use more rigorous methods adapted to different intervention areas and build up a picture over time of impact. This is in line with best international practice in evaluation.

In the context of shared management responsibilities for Cohesion policy, the data in the table below relate to activity which is primarily the responsibility of the Member States. Furthermore, there is a time-lag to impacts being observed and possible to evaluate. Such impacts were presented in the final Ex post evaluation reports of the ERDF 2000-2006 programmes¹; they will also be gradually available in the annual implementation reports of the 2007-2013 programmes. However, many of the impacts of Cohesion policy in the 2000-2006 period will continue into the future.

As from 2007, the Cohesion Fund has been brought into the programming process of Cohesion policy. Therefore Operational programmes can now be funded by both the ERDF and the Cohesion Fund under the same set of rules and there will be no more management by project.

¹ The reports were presented to stakeholders on 19 April 2010 in Brussels

POLICY AREA – COHESION POLICY
Impact indicators for the period 2007-2013

1 Convergence: stimulate the growth potential and employment of the least-developed Member States and regions²		
Impact indicators	Latest known result	Target (result)
Additional real GDP growth thanks to the implementation of the period 2007-2013	Estimated overall increase in the level of GDP as compared to a scenario without Cohesion Policy: - in 2006: 0% - in 2009: 1.3% Estimated GDP increased by 11.3% ³ by 2009 due to implementation period 2000-2006 ⁴	Expected overall increase in the level of GDP as compared to a scenario without Cohesion Policy ⁵ : - by 2016 by 12 % - by 2020 by 15.6%
Net jobs created thanks to the implementation of the period 2007-2013	Estimated increase in employment as compared to a scenario without Cohesion Policy - in 2006: 0 - in 2009: 1.3 million Estimated 5.6 million net jobs were created by 2009 due to the implementation period 2000-2006 ⁴	Expected increase in employment as compared to a scenario without Cohesion Policy: - by 2016 by 9.5 million - by 2020 by 11.5 million
Lisbon index ⁶	Index 39 in 2007 for all regions eligible for the Convergence objective	Index 50 for all regions eligible for the Convergence objective

2 Regional competitiveness and employment: strengthen regions' competitiveness and attractiveness as well as employment by helping them to anticipate economic and social changes		
Impact indicators	Latest known result	Target (result)
Jobs created (gross) Expected gross jobs created	730,000 gross jobs created in Objective 2 regions during the 2000-2006 period ⁷ Key examples (from the national strategic reports) : Austria: 2840 jobs committed (2007-2009) Slovenia ⁸ : 1054 jobs created (2007-2009)	775,000 gross jobs to be created in 2007-2013 in 20 MS ⁹ Key examples Austria: 6,920 expected jobs (2007-2013) Slovenia: 33,900 expected jobs (2007-2013)
Lisbon index	Index 69 in 2007 for all regions eligible for the Regional competitiveness objective	Index 80 for all regions eligible for the Regional competitiveness objective

3 European territorial cooperation: promote stronger integration of the EU to support balanced and sustainable development		
Impact indicators	Latest known result	Target (result)
Disparities in GDP on border regions	1.48 (2006) and previously 1.54 (2004)	1.40 in 2013 along the borders between the EU-15 and recently acceded Member States

² The first two indicators are based on estimates produced by the HERMIN model run by DG REGIO. Unless specified otherwise, the three indicators cover all the Member States eligible to the Cohesion Fund (including Spain), Eastern Germany, and Southern Italy.

³ The figures show the cumulated increase in the level of GDP or employment from the beginning of the programming period. Hence, a division with the number of years involved will indicate the average yearly increase in the level of GDP or employment.

⁴ For the period 2000-2006, the indicators cover the Member States eligible to the Cohesion Fund, i.e. the ten Member States who joined in 2004, Spain, Portugal, Ireland, Greece and Eastern Germany, and Southern Italy.

⁵ This model, the current economic downturn affects the baseline situation, but the percentage of increase due to EU Cohesion Policy remains unchanged.

⁶ See Fourth Report on Economic and Social cohesion, May 2007

⁷ Ex-post evaluation 2000-2006 (Work Package 2: Data feasibility study)

⁸ Source: National strategic Reports

⁹ Based on 100 OPs (AT, B, G, C, CZ, DE, FI, FR, EL, HU, IT, MT, NL, PL, PT, RO, SE, SI, SK and UK)

4 Pre-accession: assist candidate countries as well as potential candidate countries in their progressive alignment with the standards and policies of the European Union, including cross-border cooperation

Impact indicators	Latest known result	Target (result)
Improved capacity of candidate countries; monitoring of the recommendations of the reports	Situation of each country as assessed in the 2008 progress reports published in November 2009.	Progress as reported in the annual progress reports of the Commission on candidate countries

4. SPECIFIC OBJECTIVES FOR OPERATIONAL ACTIVITIES

4.1. Management of the European Regional Development Fund and other regional interventions

4.1.1. Description and justification

In accordance with Article 176 of the new (Lisbon) Treaty, Council Regulation (EC) No 1083/2006 and Regulation (EC) No 1080/2006 of the European Parliament and the Council, the European Regional Development Fund (ERDF) aims to **reinforce economic, territorial and social cohesion by redressing the main regional imbalances** through support for the development and structural adjustment of regional economies.

The more **strategic approach** adopted by European Cohesion policy for the 2007-2013 programming period will seek to deliver the key policy objectives of the Union, allocating EU funds (i.e mainly ERDF) and, through co-financing arrangements, national budgetary resources. The programmes target Lisbon-type expenditure in fields such as RTD, innovation, information technologies, renewable energies, human resources and business development.

4.1.2. Evidence from ex-post evaluations

Evidence from the **ex post evaluations 2000-2006** has delivered new insights into the performance of Cohesion policy and it will be used in the 5th Cohesion Report. A debate has already been launched on the findings of the evaluations through hearings, the OPEN DAYS, presentations to the European Parliament and presentations in the Member States. DG REGIO encourages Member States to reflect on any changes they need to make to their current programmes and their management in order to maximise their impact.

The synthesis report of the entire ex post evaluation exercise has been completed and was debated during a major conference on 19 April 2010. The main conclusion of the synthesis report was that the ERDF has delivered not only on its economic objectives - growth and jobs - but it has also delivered social, environmental and territorial cohesion. All reports of the ex post evaluation have been published and debate and discussions are continuing at various events in the Member States.

On **environment and climate change**, the evaluation results show that 86% of ERDF expenditures were concentrated in 7 countries, supporting measures mainly for rehabilitation and planning, as well as environmental infrastructure. Interventions in climate change were more exploratory and smaller than in other fields. The evaluation highlights the fact that investments in environmental infrastructure are often driven by the need to comply with European directives, without necessarily regard to the development needs of regions. The results will be complemented by a similar evaluation of the contribution of the Cohesion Fund in this sector, due in 2011.

The evaluation on **transport** highlights the important role Cohesion Policy has played in the development of the EU transport sector, by facilitating the efficient movement of goods and people between and within Member States, promoting the economic and social development. The evaluation, however, also showed the shortcomings of the interventions: focus on investment is still on roads to the detriment perhaps of the rail sector. The evaluation finds that the links between the analysis of needs, the

development of the strategy and implementation should be improved. These results will be complemented by a similar evaluation of the contribution of the Cohesion Fund in this sector, due in 2011.

The study on **structural change and globalisation** in Objective 2 regions found that clear strategic policy response and early awareness of policy makers enable prompt and effective reaction to structural change. The most effective programmes were found to be in line with the mainstream regional policies rather than pursuing alternative strategies. The study concludes that the ERDF has had a positive effect on policy learning about tackling structural change and globalisation. A specialised workshop was organised to discuss these results with members of the managing authorities and the academia.

Concerning **rural development**, evaluation results show that in the 5 Member States examined (DE, ES, FR, PL SE) 28% of ERDF in Objective 1 funds and 24% in Objective 2 were spent in rural areas. The ERDF supported measures contributing both to the endogenous and exogenous growth of the regions. This flexibility enabled the adaptation to different contexts and consequently to rural areas. The evaluation concludes that no single definition of rural areas can serve all policy purposes: whether an area can be categorised as rural depends on the context and purpose of the analysis. The evaluation was one of several to highlight the important local development aspect to regional policy.

A study on the ERDF and **gender and demographic change** found that the role the ERDF plays in supporting both is more by chance than by policy design. In gender mainstreaming, there are interesting examples of good practice in projects on the ground, but overall more lip service was found by the evaluation than real action. The evaluation found examples where the ERDF was helping regions to tackle demographic change, even though it was not a priority in 2000. A concern has arisen in the debate on the evaluation findings over proliferation of horizontal priorities in the future Cohesion Policy.

The **evaluation of the management and implementation systems** for the ERDF found that the governance mechanisms of Cohesion policy have positive spill-over effects on domestic systems. The EU10 put in place appropriate systems to correctly draw down Cohesion policy resources in the 2004-2006 period and this was a major achievement in itself. A more challenging conclusion is that strategic management of the policy needs to be improved in all Member States, focusing on achievement of results rather than complying with regulatory requirements. The evaluation recommends that the Commission takes a stronger role in promoting better governance and leadership in Member States and regions..

Regarding whether these systems were fit for the purpose of delivering sustainable development, the study concluded that that they were. Although sustainable development was not a priority in 2000 when most of the programmes were designed, the evaluation found evidence of an evolution from the environment only focus to the more integrative three dimensional approach (environmental, social and economic).

As regards **major projects co-financed by the ERDF**, an evaluation found that 51% of the projects exceeded their budget, with an average cost overrun of 21%. Optimism bias (the general tendency that planned time and cost of projects is insufficient) is a widespread phenomenon independent of sectors or geography: while in most projects some sensitivity analysis and risk assessment had been done, results were not used for a risk mitigation strategy. The evaluation also found that there are no publicly available unit cost databases for major infrastructure projects. A database has been constructed under this contract and will be further populated with data on Cohesion Fund projects, to

help Member States and regions in developing their project applications and DG REGIO in examining them.

The evaluations on the INTERREG and Urban Community Initiatives will be available in the first half of 2010 and will also feed reflection on the performance of the territorial co-operation objective and the urban and local dimensions to Cohesion policy

4.1.3. Main policy / operational outputs for 2010

Policy outputs:

- Annual Report on the implementation of Structural Funds in 2009
- Decisions on the indicative allocation by Member State of the commitment appropriations for the Convergence and Regional Competitiveness objectives (following Commission decision COM(2010) 160 final of 16 April 2010; application of point 17 of the Interinstitutional Agreement)
- Modification of the Commission Implementing Regulation (EC) N° 1828/2006
- Commission decisions on the co-financing of ERDF major projects.
- Additional Commission decisions on potential modifications of operational programmes.
- *(common policy outputs: see point 5.2)*

Operational outputs:

- Follow up and facilitate the implementation of recovery package including simplification measures in the context of the EU Recovery plan.
- Enhanced cooperation with national and regional public authorities to promote investment in energy efficiency, low-carbon and renewable energy technologies, infrastructure projects and measures to combat climate change.
- Provide advice and support for the submission of well prepared major projects on the basis of exchanges within Commission services, and with the Member State authorities and JASPERS, for the Member States concerned.
- Proceed to instruction and adoption of Major project applications, with the support of external advice where appropriate.
- Analysis of the national strategic reports (already included in the Commission's Strategic report of 31 March 2010)
- Analysis and approval of the national Annual Implementation reports
- Closure procedures for all 2000-2006 ERDF programmes.
- Reports and dissemination events based on the ex post evaluation of the 2000-2006 ERDF programmes as input to the reflection on Cohesion policy post 2013 (Final report on Ex post evaluation 2000-2006 firstly presented on 19 April 2010)
- Co-ordination with the Member States mainly ensured through 8 meetings of the Co-ordination committee of the Funds (COCOF), focussing in particular on the modifications of the Structural Funds and ERDF Regulations.

2 Improving accessibility and attractiveness of the regions and cities, through development of Research and Technological Development, communication and transport, environmental and social infrastructure.

Result indicators	Latest known result ¹⁸	Target (result)
TRANSPORT		
Time savings for road/rail for selected countries	CZ Rail 20% Road 7% ES Road 3.7 million hours/year saved PL Rail 9% GR Athens metro 70% (vs. car during peak hours) IRL Road 40%	Average speed of interregional road trips: + 13 % (scenario 2030 with EU transport investment for the EU12 recently acceded Member States; increase as % of 2006) ¹⁹ Average speed of interregional rail trips: + 8.8 % (scenario 2030 with EU transport investment for the EU12 recently acceded Member States; increase as % of 2006) ²⁰
Accessibility gain	<ul style="list-style-type: none"> • Additional motorways built with ERDF: 24% of total (2020 km in the EU15) • Kms of rail new/reconstructed: 4000 • Additional high speed rail lines built with ERDF: 13% of total (290 km in IT, ES) • Key examples: • Modal shift to metro from car in Athens 24% • Modal shift to Eco bus line in Funchal 9% • Population served by Linha ECO in PT (urban transport): 80.000 • Population served by Athens metro: 1.065.000/day • Kms of road new/reconstructed: 100.000²¹ 	Km of reconstructed road in 2007-2013: 2,813 in BG, IRL, SK ²² Km of reconstructed rail in 2007-2013: 1,165 in BG, CZ ²³
ENVIRONMENT		
Additional population served by new/renovated: -Water projects	Additional population served by water supply projects: 14 million (in 14 MS) ²⁴	Additional population served by water projects: 9,500,000 (2007-2013) (in CZ, EE, ES, FR, EL, HU, LV, PL, PT, RO, SI, SK)
Additional population served by new/renovated: -Wastewater projects	Additional population served by wastewater projects: 20.4 million (in 14MS) ²⁵	31,500,000 (2007-2013) (in CY, CZ, DE, EE, ES, FR, EL, HU, IRL, LV, LT, PL, PT, RO, SI, SK)
INFORMATION SOCIETY		
Research jobs created	Austria ²⁶ : 115 (2007-2009)	72,700 (2007-2013) (in AT, BE, BG, CZ, CY, DE, EE, ES, FR, FI, HU, IT, IRL, LT, PL, RO, SI, SK, UK)
SOCIAL INFRASTRUCTURES		
Number of benefiting students Number of schools reconstructed	In Slovakia, 130 schools reconstructed	2,360,000 benefiting students (2007-2013) (in BG, DE, EE, EL, ES, FR, HU, IT, LT, MT, PL, SE, SK)

¹⁸ Examples for selected countries where information is available

¹⁹ Source: Fourth Report on Economic and Social Cohesion, May 2007

²⁰ Source: Fourth Report on Economic and Social Cohesion, May 2007

²¹ Source: Ex post evaluation of 2000-2006: Work package 5a: Transport

²² Source: National strategic Reports.

²³ Source: National strategic Reports.

²⁴ Source: Ex post evaluation of 2000-2006: Work package 5a: Environment

²⁵ Source: Ex post evaluation of 2000-2006: Work package 5a: Environment

²⁶ Source: National strategic Reports

3 Developing regional and local potential through encouraging integrated development approach, capacity building, cross border and international cooperation and supporting networking, exchange of experience and cooperation between regions, towns and relevant social, economic and environmental actors.

Result indicators	Latest known result²⁷	Target (result)
Number of networks and cooperation structures created. Number of persons participating in educational activities	12,000 networks and cooperation structures created or supported 550,000 persons participated in educational activities ²⁸	Austria: 1255 cooperation projects foreseen (2007-2013)

4 Supporting cross-border, transnational and interregional cooperation (European territorial cooperation) including cross-border cooperation between Member States and candidate or potential candidate countries.

Result indicators	Latest known result	Target (result)
Number of people getting employment on the other side of the border as a result of a CBC project	5 800 new businesses created 115 000 jobs created or secured (EU27) ²⁹	To be defined

Related outputs and result indicators

It should be noted that the outputs and results in the tables above relate to activity which is primarily the responsibility of the Member States, given the shared management responsibilities of Cohesion policy. It is not a direct measure of the performance of DG REGIO. In addition, there is a time-lag to obtaining such information.

²⁷ Examples for selected countries where information is available.

²⁸ Source: Ex post evaluation of Interreg 2000-2006 initiative financed by the ERDF

²⁹ Interreg ex post evaluation, covering all countries participating in the Interreg initiative.

4.2. Management of the Cohesion Fund

4.2.1. Description and justification

The Cohesion Fund is enshrined in Article 177 paragraph 2 of the (Lisbon) Treaty and Council Regulation (EC) No 1084/2006 with the objective of contributing financially to interventions in the field of the **environment** (and areas related to sustainable development which clearly present environmental benefits), and the **trans-European transport networks**. Member States whose per capita GNP is less than 90 % of the Community average and which have a programme leading to the fulfilment of the conditions of economic convergence as set out in Article 126 of the (Lisbon) Treaty are eligible for assistance from the Cohesion Fund. The Cohesion Fund covers 15 Member States (including all new ones) with Spain phasing out from 2007 onwards. The Cohesion Fund will in particular help the recently acceded Member States to catch up with the current European standards and fulfil the "*acquis communautaire*" in the field of environment as well as completing the trans-European transport networks in their territories.

The Cohesion Fund will contribute to the convergence of less developed Member States and regions through financial participation in the operational programmes of the Convergence objective. Under the 2007-2013 implementation system of Cohesion policy, **Cohesion Fund interventions are integrated into the multi-annual programming of the Structural Funds.**

DG REGIO has launched an ex post evaluation of the Cohesion Fund and ex-ISPA in the 2000-2006 period. The evaluation will start at the beginning of 2010 and will be completed in 2011. Early results will be available in the middle of 2010.

4.2.2. Main policy / operational outputs for 2010

Policy outputs for 2010

- Annual Report on the Cohesion Fund in 2009
 - Decision on the list of Member States eligible for funding from the Cohesion Fund for the period 2007-2013 (Commission decision C(2010) 1618 adopted on 19 March 2010 modifying Decision 2006/596/EC)
 - Commission decisions on the co-financing of Cohesion Fund major projects.
 - Additional Commission decisions on potential modifications of projects.
 - Possible extension of the eligibility end date for certain 2000-2006 projects.
 -
- (common policy outputs: see point 5.2)

Operational outputs:

- Enhanced cooperation with national and regional public authorities to promote investment in energy efficiency, low-carbon and renewable energy technologies, infrastructure projects and measures to combat climate change.
- Provide advice and support for the submission of well prepared major projects on the basis of exchanges within Commission services, and with the Member State authorities and JASPERS, for the Member States concerned.
- Proceed to instruction and adoption of Major project applications, with the support of external advice where appropriate..

- Appraisal of major project applications submitted by the Member States.
- A number of closures of the 2000-2006 Cohesion Fund projects are expected to take place in 2010.
- Numerous modifying decisions relating to projects from the 2000-2006 period are expected to take place, as a consequence of the extension of the eligibility end date beyond 31 December 2010 which will become possible for certain projects.

4.2.3. Specific objective and related indicators (multiannual perspective)

Related outputs and result indicators

The points made in *section 4.1.2* (for ERDF) are equally valid for the Cohesion Fund. The expected outputs and results reported here relate both to the ERDF and the Cohesion Fund. Latest known results from 2000-2006 will only be available when the ex post evaluation of the Cohesion Fund is completed in 2011 (with some early results in mid 2010).

**1 Strengthen the economic and social cohesion of the Community in the interests of promoting sustainable development by:
Developing the trans-European transport networks and in particular priority projects of common interest as identified by Decision No 1692/96/EC³⁰**

Result indicators	Latest known result ³¹	Target (result)
TRANSPORT		
Time savings for road/rail for selected countries	<p>Key examples:</p> <p>Spain: road time savings of nearly 1.2 million hours of travel time per year. 1.8 million additional population served by the new and/or conventional railways. (2000-2006)</p> <p>Portugal: rail time savings are a 20-minute reduction by 100 km, up to 70 minutes in the principal national railway lines.</p> <p>Czech Republic: travel time savings of 23 % of the roads which have received support. (2000-2006)</p>	<p>Average speed of interregional road trips: + 13 % (scenario 2030 with EU transport investment for the EU12 recently acceded Member States; increase as % of 2006)³²</p> <p>Average speed of interregional rail trips: + 8.8 % (scenario 2030 with EU transport investment for the EU12 recently acceded Member States; increase as % of 2006)</p>

**2 Strengthen the economic and social cohesion of the Community in the interests of promoting sustainable development by:
Supporting actions of Member States related to the environment and sustainable development clearly presenting environmental benefits (renewable energy, clean urban transport...).**

Result indicators	Latest known result ³³	Target (result)
ENVIRONMENT		
Additional population served by new/renovated: -Water projects	Length of water supply network: 17,174 km (2000-2006) (in CZ, DE, EL, ES, IT, MT, PL, PT, SK)	Additional population served by water projects: 9,500,000 (2007-2013) (in 12 MS) ³⁴
Additional population served by new/renovated: -Wastewater projects	Length of wastewater network: 9,060 km (2000-2006) (in CZ, DE, EL, ES, PL, PT)	31,500,000 (2007-2013) (in 16 MS) ³⁵
Additional population served with improved urban transport		82 500 000 (2007-2013) (in 6 MS) ³⁶
RENEWABLE ENERGY		
Additional capacity of renewable energy production (MW)	<i>(The first data reported by MS will be received in 2010)</i>	1,950,000 (2007-2013) (for AT, CZ, DE, FR, GR, IT, MT, PL, SK, UK)

³⁰ Transport infrastructures are mainly included in major projects drawing on several sources of financing, including projects in the framework of TEN-T.

³¹ Examples for selected countries where information is available.

³² Source: Fourth Report on Economic and Social Cohesion, May 2007

³³ The 2007-2013 programming period was enlarged compared to previous period to also include new priorities, such as renewable energy, energy efficiency and clean urban transport. Therefore, there are no results expected on these areas for the 2000-2006 period.

³⁴ CZ, EE, ES, FR, EL, HU, LV, PL, PT, RO, SI, SK

³⁵ CY, CZ, DE, EE, ES, FR, EL, HU, IRL, LV, LT, PL, PT, RO, SI, SK

³⁶ CZ, FR, GR, IT, PL, SK

4.3. Management of the Instrument for Pre-Accession Assistance (IPA) and the Instrument for Structural Policies for Pre-accession (ISPA)

4.3.1. Description and justification

IPA

The general policy framework for IPA assistance is contained in the European and Accession Partnerships and takes account of the reports and strategy papers comprising the annual enlargement package presented by the Commission. This package includes a multi-annual indicative financial framework setting out the Commission's intentions for the allocation of funds, broken down by country and by component.

IPA introduces **multi-annual programming** and **decentralised management** by beneficiary countries, establishing therefore a close parallelism with Structural Funds. IPA will also help advance regional co-operation and prepare candidate countries for the management of Cohesion policy by the setting up of management and control authorities to whom the Commission will confer the decentralised management of assistance.

DG REGIO is responsible for the management of the "IPA regional development" component (7 regional development programmes adopted) and the "IPA cross-border cooperation" component (actually 10 IPA-CBC programmes adopted between Member States and candidate or potential candidate countries).

ISPA

The only country that is still an ISPA beneficiary is Croatia (already acceded Member States, including Bulgaria and Romania, that received ISPA funds and for which projects were not finalised upon accession, now manage such projects under the Cohesion Fund Regulation). Six interventions approved under the ISPA instrument will continue to be implemented under the provisions of that instrument until their completion. They focus on the rehabilitation of the **rail infrastructure**, the construction of a regional landfill, and the construction and rehabilitation of **waste water treatment facilities**. They also include **technical assistance** measures to enhance the capacity of beneficiaries at national as well as sub-national level to prepare and implement infrastructure projects.

4.3.2. Main policy / operational outputs for 2010

Policy outputs:

- Annual Report on implementation of ISPA (2009)
- Annual Report on implementation of IPA (2009) (contribution)

Operational outputs:

- 2010 will be the first year when all the necessary pre-requisites for the effective implementation of IPA in the three candidate countries will be in place (in IPA the eligibility of expenditures starts only after conferral of management powers and signature of financing agreements covering each OP).
- Enhanced cooperation with national authorities on the preparation of projects to contribute to the regional development
- Some closures of the 2005-2006 ISPA projects are expected to take place in 2010

4.3.3. *Specific objective and related indicators (multiannual perspective)*

IPA/ISPA

1 To assist candidate countries in building capacity for management of pre-accession assistance aiming to prepare for Structural Funds (for IPA regional component and IPA-cross border cooperation component).		
Result indicators	Latest known result	Target (result)
<p>Satisfactory implementation of 2007-2009 multi-annual operational programmes</p> <p>Extension of multi-annual operational programmes to cover two additional years (2010-2011)</p> <p>Satisfactory functioning of the decentralised implementation system under IPA component III</p>	<p>7 multi-annual operational programmes adopted by the Commission, covering investments in "environment", "transport", and "regional competitiveness"</p> <p>Financing agreements (triggering implementation of programmes) signed with all candidate countries;</p> <p>Conferral of (decentralised) management powers decided by the Commission (November 2008 for HR and July 2009 for MK and TR) regarding the operating structures in candidate countries responsible for the implementation of the programmes.</p>	<p>Successful implementation of programmes measured by the generation and implementation of good quality projects and full use of the financial resources available</p> <p>Extension of 2007-2009 programmes with additional resources covering years 2010 and 2011; financing agreements amended accordingly</p> <p>Satisfactory functioning of the decentralised implementation system under IPA components III proved, including in particular public procurement and sound financial management (as verified by follow-up audits)</p>
<p>Signature of financing agreement with candidate countries for IPA-cross border cooperation (CBC) programmes with Member States</p>	<p>8 Financing Agreements signed. Two financing Agreements will not be signed in the future (for the cross-border programmes Greece-Turkey and Cyprus-Turkey, which are not functional).</p>	<p>Signature of 10 financing agreements for IPA-CBC programmes</p>
<p>Effective functioning of Joint Management Structures in place for the cross-border programmes (Joint Technical Secretariat, Joint Monitoring Committee and National Authority, National Contact Point, Group of Auditors)</p>	<p>All structures already set-up but not all of them fully operational.</p>	<p>Good implementation of the IPA cross-border programmes under shared management system (which is very similar to the ERDF cross-border management system)</p>

2 To assist candidate countries to develop pipeline of mature projects to implement the strategy/priorities agreed in the multi-annual development programmes

A. Enhancing transport infrastructure, in particular interconnection and interoperability with trans-European networks;

B. Improvement of environment infrastructure, to promote compliance with the EU environment acquis, particularly waste management, water supply and urban waste water;

C. Enhancing regional competitiveness and productive environment to achieve social and economic development and creation of sustainable employment.

Result indicators	Latest known result	Target (result)
<p>Rail sector</p> <p><i>Croatia (IPA transport programme):</i></p> <ul style="list-style-type: none"> increased average train speed on the corridor X <p><i>Turkey (IPA transport programme):</i></p> <ul style="list-style-type: none"> completion high speed rail line Ankara/Istanbul extension of electrified rail lines <p>Road sector</p> <p><i>Former Yugoslav Republic of Macedonia</i></p> <ul style="list-style-type: none"> Km of new motorway completed 	<p>70 km/h</p>	<p>103 km/h (by 2014)</p> <p>54 km additional (by 2014)</p> <p>160 km/h (by 2014)</p> <p>27.75 km (by 2014)</p>
<p>Environment:</p> <p><i>Croatia (IPA environment programme):</i></p> <ul style="list-style-type: none"> population served by the new waste management centres population served by the waste water treatment plants <p><i>Turkey (IPA environment programme):</i></p> <ul style="list-style-type: none"> number of municipalities benefiting from drinking water network services; number of municipalities benefiting from improved wastewater services; additional population served by drinking water projects; additional population benefiting from improved wastewater services; additional population receiving integrated solid waste management systems <p><i>Former Yugoslav Republic of Macedonia</i></p> <ul style="list-style-type: none"> population served by waste water treatment plant 	<p>0 (2007)</p> <p>0 (2007)</p> <p>3159 (baseline value 2004)</p> <p>319 (baseline value 2004)</p> <p>0 (baseline value 2004)</p> <p>0 (baseline value 2004)</p> <p>0 (baseline value 2004)</p> <p>0 (2007)</p>	<p>940,000</p> <p>105,000 (direct and indirect effect)</p> <p>3163</p> <p>328</p> <p>387 500</p> <p>1 000 000</p> <p>2 900 000</p> <p>95,000 P.E. (designed capacity)</p>
<p>Regional competitiveness:</p> <p><i>Croatia:</i></p> <ul style="list-style-type: none"> number of implemented projects for business related infrastructure development <p><i>Turkey:</i></p> <ul style="list-style-type: none"> Number of SMEs benefiting from shared facilities and from service facilities established under the IPA funded Regional Competitiveness programme Number of new enterprises established industrial sites 	<p>0</p>	<p>20 (by 2014)</p> <p>400 (additional)</p> <p>300 (additional)</p>

IPA-cross border programmes:		
<i>Programme "Slovenia-Croatia":</i>		
• Number of projects developing joint use of infrastructure	0	5
• Number of projects encouraging and improving the joint protection and management of the environment	0	40
<i>Programme "Bulgaria-Serbia":</i>		
• Assistance for project preparation – Feasibility studies	0	10
• Assistance for project preparation – Preliminary and detailed design work	0	7

3 Provide assistance to the preparation for accession to the EU of Croatia in the area of economic and social cohesion, concerning environment and transport policies		
Result indicators	Latest known result	Target (result)
ENVIRONMENT		
Population connected to water and wastewater networks (Croatia)	Water: 76% (2006)	For the town Karlovac only: 100% of the waste water collected will be biologically and chemically treated and the connection rate to the sewerage system will increase from 75% to 95%-98%. The drinking water component will reduce the current 43% losses to 35% or 2% overall increase in water quality levels from the current 93% to 95%
Population benefitting from new regional waste management centre (in Bikarac)	Wastewater: 40% (2006)	
TRANSPORT		
• Railway average speed (Croatia)	48 km/h (passengers) (2005) 26 km/h (freight) (2005)	Reduction in average passenger journey times of 20-40 minutes from Zagreb to Belgrade (from currently 6h45 to between 6h05 and 6h25) The reduction in average freight times from Zagreb to Belgrade will be about 30 minutes from the current 14h00 to 13h30.

4.4. Management of the Solidarity Fund

4.4.1. Description and justification

The **European Union Solidarity Fund (EUSF)** is an instrument distinct from those of Cohesion policy and was set up in 2002 to grant financial assistance to Member States and to countries negotiating their accession to the EU, in the event of **major natural disasters**. It is based on the subsidiarity principle and assists eligible countries in coping with disasters of such size and impact that they have difficulties facing them with their own means alone. EUSF aid comes in addition to national efforts as an act of European solidarity. The EUSF is not included in the EU budget as such but may be mobilised over and above the normal budget on a case by case basis through an amending budget. The maximum annual drawing right available to the Fund is EUR 1 billion.

Over the past seven years, since its creation in 2002, the EUSF has been mobilised on a total of 21 occasions in the event of major disasters. A "major disaster" within the meaning of the Regulation means any disaster resulting (an ineligible country), in damage estimated at over €3 billion in 2002 prices, or more than 0.6 % of its gross national income (GNI), whichever is the lower.

In exceptional cases, where damage remains below these thresholds, the Fund may be activated for so-called extraordinary regional disasters, if the major part of the population of the region concerned is affected and if there is evidence of serious and lasting repercussions on living conditions and on the economic stability of the region. In all, since 2002, the EUSF granted aid for 10 regional disasters meeting these exceptional criteria.

The proposal for a revised regulation on the Solidarity Fund has been maintained in the Commission's work programme for 2010, and it is envisaged to revive in 2010 the discussion stalled in the Council on an amended regulation.

4.4.2. Main policy / operational outputs for 2010

Policy outputs:

- Annual Report on the Solidarity Fund
- Negotiation on the Proposal for a Regulation of the European Parliament and of the Council establishing the European Union Solidarity Fund (COM(2005)108 Final, 2005/0033 (COD) *(pending proposal)*)

Operational outputs:

- These depend on the number, size and nature of disasters for which Solidarity Fund applications will be received and decided in the course of 2010. By their nature, natural disasters cannot be predicted. Three applications already received at the end of 2009 that will be decided during 2010 concern Greece (fires and floods) and Cyprus (storms).
- Follow up to give to disasters in France (Vendée) and Portugal (Madeira). The French authorities recently submitted an application for the storm Xynthia in France; the Commission will examine this application in 2010.

4.4.3. *Specific objective and related indicators*

To grant assistance to Member States or countries negotiating their accession to the EU in the event of a major natural disaster with serious repercussions on living conditions, the natural environment or the economy for the financing of emergency operations undertaken by the public authorities in support of the affected population.		
Result indicators	Latest known result	Target (result)
Number of population helped in overcoming a crisis situation where their living conditions have been affected	Inhabitants helped by the EUSF interventions in 2009: At least 80 000 people made homeless by the earthquake in Abruzzo. For the Province l'Aquila the agreement signed between the European Commission and Italy lays down the conditions for using the grant in the entire Province, most of the Abruzzo region, and the neighbouring regions. The aid helps to reimburse emergency operations, search and rescue, temporary accommodation project on the epicentre area around L'Aquila, schools in prefabricated buildings, temporary housing project for 17 000 persons and 80.000 people made homeless. The combination of these measures covers 100% of population	100% of population affected and eligible under the EUSF Regulation ³⁷ upon the Member States' request
Size of disaster-stricken area where rehabilitation has been assisted	Aid available for 100% of affected areas (choice of supported operations up to the beneficiary state)	100% of areas affected by the disaster and eligible under the EUSF Regulation upon the Member States' request

³⁷ Council Regulation (EC) No 2012/2002 of 11 November 2002 establishing the European Union Solidarity Fund

5. SPECIFIC OBJECTIVES FOR HORIZONTAL ACTIVITIES

Horizontal activities carried out by DG REGIO cover policy strategy, coordination, evaluation, information and communication, audit activities and administrative support and management. These activities fully support the coordination and delivery of the operational activities of the DG for 2010.

5.1. This year's challenges

In order to address the main challenges identified for the year 2010 (see above in section 2), DG REGIO will pursue its efforts to demonstrate the added value and efficiency of Cohesion policy, on the one hand, and to improve efficiency and quality of its key internal processes on the other. These two multi-annual horizontal priorities will be translated in more specific operational priorities and actions of the DG in 2010, as set out in the tables below.

Multiannual priorities	Operational priorities 2010
<p>4. To improve efficiency and quality of key internal processes</p>	<p>4.1 To strengthen synergies between horizontal, geographical and audits units to improve the supervision of Member States management and control systems</p>
	<p>4.2 To strengthen synergies between geographical units themselves and between horizontal and geographical units through the exchange of thematic expertise and field experience (knowledge management)</p>
	<p>4.3 To develop Human Resources strategic management to meet DG REGIO mid-term goals and missions, and to strengthen the support for career and personal development in order to retain and attract high quality staff</p>
	<p>4.4 To make further progress in the implementation of e-Commission flagship projects aiming to improve efficiency of internal processes and work (post WFS, "mobile office") and to strengthen the cooperation between the business managers and IT responsible.</p>

5.2. Policy Strategy, Co-ordination

Specific objectives

Determine, coordinate and evaluate the **general strategy of DG REGIO's operational activities** and give the necessary impulse and coordination to policy definition, preparation, implementation and review in accordance with the Commission and the DG's priorities so that the overall mission of the DG is coherently planned and fulfilled. In parallel, secure effective and efficient **representation of the DG's interests** and strong involvement in internal Commission deliberations with other institutions, notably the Parliament's REGI Committee, reflecting its increased role as co-legislator after the entry into force of the Lisbon Treaty, and other external fora so that the overall strategy and activities of the DG are reinforced.

Strategic Planning and Programming: Implement the Commission planning and programming process so that DG REGIO delivers its policy objectives contributing to the overall Commission strategy in an effective, timed, efficient and accountable manner.

Main policy outputs in 2010:

- Strategic Report for the structural Funds 2007-2013, adopted by the Commission on 31 March 2010:

The report indicates that EUR 93 billion or 27 % of EU funding has been allocated to projects for investment in jobs and growth in Europe over the last three years (2007-2009). It shows how well Member States aligned their programmes to EU goals of jobs and growth and contributes to an open debate on achievements and challenges of cohesion policy programmes. It also makes a clear link between the implementation of the programmes, and the delivery of the Europe 2020 objectives to improve innovation performance and create a smarter, greener, more socially inclusive economy.

- Two communications on Europe 2020 thematic priorities:
 - Communication on *"Reinforcing the contribution of Cohesion Policy to the sustainable development of the EU's regions and delivering Europe 2020"*.
 - Communication on *"Reinforcing the contribution of Cohesion Policy to the development of a knowledge-based economy and regional innovation and delivering Europe 2020"*.

- 5th Cohesion Report:

The Report will present progress made on economic, social and territorial cohesion, and the integration of EU priorities; the role of the Funds, the EIB and the other financial instruments, and the effect of other EU and national policies on the progress made, including options on the future of cohesion policy before preparation of legal proposals

- Report on the implementation of the Recovery Package
- European Strategy for the Danube Region
- Forum with stakeholders on the implementation process of the EU Baltic Sea strategy

Strategy developments in 2010:

The focus of policy development work in 2010 will be the preparation of the framework for cohesion policy post-2013. This will take into account the Lisbon Treaty and notably the inclusion of territorial cohesion. Policy development will be based on internal analytical work, studies, contacts with academics and experts, and the results of ex-post evaluations. Work on the regulatory framework will be accompanied by an impact assessment. A High Level Expert Group on the future of cohesion policy has been established as an informal platform to support the proposals of the Commission in developing the future directions of Cohesion policy.

Other activities (policy coordination):

- Inter-institutional relations

By increasing its legislative role, the Treaty of Lisbon gives significantly more power to the European Parliament. The Parliament is now on an equal footing with the

Council in the ordinary legislative procedure (ex co-decision procedure). Among the areas to which this extension applies is cohesion policy (1). This extension applies as of 1.12.2009 to the current modification of the general regulation launched by the Commission communication of 22 July 2009 (COM(2009)384), and will be the rule for the regulations of the post 2013 period. This change offers the opportunity for a strengthened, open and constructive cooperation with the Committee on Regional Development and its members. A fruitful dialogue will be of the utmost importance in particular as regards the future of cohesion policy.

In anticipation of this elevated relationship and in conformity with our regulatory and political commitments, several high-level debates will be organised with the other European institutions in 2010 on the effectiveness of cohesion policy. This concerns in particular the strategic report that the Commission has adopted on 31 March 2010 on the contribution of cohesion policy to the goals of the policy and to the Lisbon strategy, where the political debate will involve the Council, the European Parliament, as well as the European Economic and Social Committee and the Committee of the Regions. But it also potentially concerns other subjects linked with cohesion policy implementation and effectiveness, like for instance, the results of the ex post evaluation of the programming period 2000-2006. The Fund-specific Regulations were already in co-decision, but the 'general regulation' was until the entry into force of the Lisbon Treaty under the assent procedure, these legislative acts will from now on fall under the ordinary procedure.

- Macro regional strategies

Danube strategy

In June 2009 the European Council has formally asked the European Commission to prepare a Danube Strategy. DG REGIO coordinates the preparation of the Strategy on behalf of the Commission. The major input phase will take place in the first half of 2010 with a number of conferences, bilateral meetings and a public consultation. It is envisaged to present the final communication and action plan by the end of 2010. The Strategy is envisaged to be adopted under the Hungarian presidency in the first half of 2011. However, its adoption will only mark the start of the implementation phase and not the end of the exercise.

European Union strategy for the Baltic Sea Region

The Commission has adopted the Strategy on 10th June 2009, which has been endorsed by the Council on 29th October 2009. It is expected that the different areas and Flagship Projects start to implement their activities already in 2009. DG REGIO will arrange an annual forum in 2010 to involve the stakeholders in the implementation process of the strategy (EU Institutions, Member States, Regional and Local Authorities and Inter-Governmental and Non-Governmental Bodies and can be open to the public). DG REGIO will continue to be closely involved with the Strategy in a number of ways: work on the implementation arrangements with *successive* presidencies; monitoring, coordination and giving the process impetus; developing the macro-region concept more generally. The first review and update of the action plan will take place during the Polish presidency in 2011.

- Coordination of Outermost regions

In the framework of the Spanish Presidency of the EU Council, main events will take place in 2010 to define - in accordance with the partnership approach - the future of the EU strategy for outermost regions, in particular with 2020 on the horizon. These developments will be supported in particular by specific initiatives related to demographic and migration trends in the outermost regions, growth factors in these regions, and evaluation of the measures to offset their additional costs.

- International relations

Cooperation with third countries is supported by the European Parliament through a pilot project in 2009 with EUR 2 million aimed at enhancing regional and local co-operation through the promotion of EU regional policy on a global scale (pilot project managed by DG REGIO). The European Parliament recently proposed to prolong this initiative to 2010 with a new budget of EUR 1.5 million. In the framework of the prolongation of the pilot project, further study visits and conferences will be launched such as a territorial review in Ukraine.

- Northern Ireland Task Force (NITF)

The NITF, which was created by the President of the Commission in 2007, will continue to monitor the implementation of the European action plan prepared by the region. It is expected that in 2010, the Northern Ireland authorities will come forward with a proposal for a European Conflict Resolution Centre.

Output / Quality indicators (and targets)

- Monthly follow-up of agenda planning (*target: continuous updating of agenda planning*)
- Implementation rate of REGIO initiatives in the CLWP (*target: > 90%*)
- Appropriation by the services and relevant character of ABM/SPP related activities
(Source: satisfaction survey; *target: at least 50% participation of surveyed staff, of which a majority expresses satisfaction on criteria above*)
- Rating of DG REGIO's SPP documents by central services (SG and DG BUDG, Court of Auditors)
(*target: at least good*)
- Organisation of 3 majors events regarding the outermost regions: "Forum for outermost regions"; "The OR at the horizon of 2020"; XVI Conference of OR Presidents (*target: very good feedback*)
- Preparation, participation and follow-up of the REGI Committee meetings (12 foreseen in 2010), OF the COTER and ECOSOC meetings, as well as, whrer concerned, the plenary sessions.
- Contact point between the DG, other DGs and the administration of the other institutions
- Support (mainly coordination) as regards the reports prepared by the other institutions
- Coordination of parliamentary questions
- Meeting with NGOs
- Number of large studies completed
- Number of small studies completed
- Number of seminars/workshops organised
- Number of High level Groups Organised

5.3. Evaluation

Specific objective

1. To provide evidence on the performance of Cohesion policy, through ex post evaluations of the 2000-2006 programming period and synthesis of ongoing evaluations of the 2007-2013 programmes.

2. To enhance evaluation capacity in Member States and regions through methodological guidance and networking so that they will provide credible evidence on the performance of their programmes.

Main policy outputs in 2010

- Synthesis Report of the ex post evaluation of Objectives 1 and 2, 2000-2006
- Ex post evaluation of the INTERREG Community Initiative
- Ex post evaluation of the URBAN Community Initiative

Evaluation plan in 2010:

Evaluation responsibilities in Cohesion policy are shared between the Commission and the Member States, with Member States responsible for ex ante and ongoing evaluation, while the Commission has responsibility for ex post evaluation. Evaluation serves a number of inter-related functions and it operates at different governance levels. It improves programme design; it enhances the quality of implementation; and, thirdly, it provides evidence on the effects of the policy. And it contributes at EU, national and regional levels.

In order to support evaluation at these different levels and to perform these functions, the work of the evaluation unit of DG REGIO has two main elements. The first is designing, managing and using the results of evaluations of Cohesion policy to feed policy debate and ongoing improvements to the implementation of the policy. The second main area of work is to support the building of evaluation capacity across the EU, so that the evaluations undertaken at regional and Member State level are of good quality, and that they provide evidence to demonstrate the effects of Cohesion policy.

In 2010 DG REGIO will deliver most of the ex post evaluations of the 2000-2006 period and will organise events to discuss and debate the findings and their implications for the policy now and in the future. The synthesis report of the ex post evaluation of Objectives 1 and 2, 2000-2006, summarises findings from 16 interlinked and phased evaluations which have been underway for the last two years. The ex post evaluations of the INTERREG and URBAN Community Initiatives will also be finalised. The ex post evaluations of the Cohesion Fund and ISPA started in January 2010 and will deliver their final results in 2011. An innovative evaluation will be launched to explore the longer-term impacts of Cohesion policy, with an examination of a sample of projects supported in the 1994-1999 period. This evaluation will tackle the frequent criticism that evaluations are undertaken too soon after the intervention for impacts to be observed.

Other evaluations which will be launched in 2010, delivering their results in 2011, will look at a number of issues which have significance for debate on the future of the policy: setting quantified objectives in Cohesion policy programmes, counterfactual impact evaluation, local dimension of Cohesion policy and impacts on territories with specific geographical features.

As noted above, DG REGIO carries out a range of activities to support the building of evaluation capacity across the EU in order that Member States' evaluations are of a good quality. In 2010, there will be a significant emphasis on methodological work – building up guidance on how to use methods adapted to different intervention areas and publishing this on the web-based guide – EVALSED (Evaluation of Socio-Economic Development). A new initiative for 2010 is the expert evaluation network which DG

REGIO is putting in place to synthesise evidence available in the Member States on the performance of Cohesion policy.

Output indicators (and targets):

- Four evaluations completed as outlined in the Evaluation Plan in annex 6.3.
- Good or excellent ratings in the quality assessments of completed evaluations
- 27 reports and a synthesis on Cohesion policy support for innovation, with the quality assessed as good or excellent
- 27 reports and a synthesis on the performance of Cohesion policy programmes 2007-2013, with the quality assessed as good or excellent.

5.4. Information and Communication

Specific objective

1. Develop, implement, monitor and adapt the most suitable external communication strategy to establish an effective and regular dialogue with stakeholders, civil society and specific target audiences to increase awareness and ownership of EU Regional policy.
2. Contribution to the DG's internal communication strategy and put in place an improved system of sharing information and knowledge, in particular, through the intranet.

Communication strategy in 2010:

The key messages conveyed by EU cohesion policy in 2010 need to focus on the main strengths and successes of the policy but also address some of its perceived weaknesses. Among the strengths are many of the results of the ex-post evaluations which were published in early 2010 and the success of the European Territorial Cooperation Objective, particularly with the launch of the Baltic Sea Strategy in 2009.

The priorities and actions are mainly addressed to the stakeholders, the general public, and the regional media. In addition, to feed the political debate on Cohesion Policy, a wider audience of decision-makers needs to be targeted, for which the strategy and actions are only partly reflected here. But in this respect, a major effort to support the Commissioner in the different policy fora will continue to be a core task of the DG, including the Information and Communication Unit. Moreover, the arrival of a new Commissioner for Regional Policy in February 2010 will also require the Information and Communication Plan 2010 to be relatively flexible particularly with regard to changing priorities and political circumstances.

In 2010, the main communication priorities for DG REGIO will be built around:

- competitiveness (integrated/multi-sectoral approaches are more complex, but also more effective than purely sectoral/thematic especially in our drive for "innovation for competitiveness"; Cohesion policy is a structural, medium-term policy, not an anti-cyclical mechanism to address short term shocks. It is this characteristic which makes the policy crucial for supporting regional economies to exit stronger from the crisis);

- cohesion (Cohesion policy is a development policy, not an equalisation instrument; Regional convergence at the EU level is occurring; Cohesion policy does contribute to aggregate growth and well-being);
- cooperation (Economic and social development has a distinct territorial/regional dimension: cross-border cooperation, macro-regions strategies, international exchanges).

A number of key events will take place during the year 2010 including a Conference on the Synthesis Report of the Ex Post Evaluation of Objectives 1&2, 2000-2006 (19 April 2010), the Regions for Economic Change conference (20-21 May), and the OPEN DAYS – European Week of Regions and Cities (4-7 October).

Output / Quality indicators (and targets)

1. Density of collaboration between the DG and stakeholders, measured by:

- Number of conferences, seminars and workshops (*target: 25*)
- Number of paper publications and other electronic communication materials (*4 Panorama Magazines in all languages, 1 book of projects in 3 languages, 8 reports and studies, 6 working papers*)

2. Better use of electronic communications, measured by:

- Number of paper publications disseminated in electronic format (*target: 10*)
- Number of multimedia communication tools (*target: 1*)

3. Timely and thorough updating of on-line information on regional policy measured by:

- % of web pages updated or reviewed during the year (*target: 20%*)

4. Number and overall satisfactory level rating of feedback received on the Open Days 2010 (*target: 80%*)

5. Degree of involvement of DG REGIO staff in communication efforts, measured by:

- Degree of involvement of management and staff in the formulation and implementation of the DG's communications strategy (*target: discussions in Directors meetings, inputs received*)
- Number of meetings of Communicator's Network (*target: 2*)

5.5. Legality and regularity of underlying transactions

Specific objective

To seek reasonable assurance that the management and control systems in the Member States and beneficiary countries comply with the requirements of the Community regulations and are functioning effectively, so as to prevent and detect errors and irregularities and assure the legality and regularity of the expenditure declared to the Commission.

Policy output:

- Report on follow-up and impact of the "Action Plan to strengthen the Commission's supervisory role

Audit activities in 2010

Overall the aim of the control activities undertaken by the DG is to promote good governance in relation to the implementation of programmes and projects in order to contribute to the sound financial management of Community funds. The audit work executed leads to recommendations whose implementation can lead to improved administrative capacity, the introduction of good practice into processes for programme and project implementation and better control of the funds.

In the event that deficiencies are identified in the systems, recommendations for remedial actions are made and suspension of payments and financial corrections could be undertaken.

- Assurance on the set-up and functioning of the management and control system for the 2007-2013 period:
 - a) to obtain assurance on the functioning by assessing the reliability of audit work of the audit authority through verification (on the spot audits and re-performance of audit of selected authorities) and conducting system audits, based on risk assessment, where applicable. Testing of operations will be performed only exceptional circumstances;
 - b) to obtain assurance on the functioning through review of audit authorities system audit reports and of annual control reports and annual audit opinions;
 - c) to finalise review of remaining submissions of audit strategy and compliance assessment reports, in a correct and timely way to complement the overall assurance on the set-up.
- Reasonable assurance on the set-up and functioning of the management and control system for IPA:
 - a) ensure compliance with applicable regulations, that management and control systems function effectively and that expenditure declared is legal and regular;
 - b) prepare Croatia, Turkey & FYROM for the introduction of Cohesion Fund and Structural Funds, by giving guidance on Community regulations.
- Assurance on the functioning of the management and control system for 2000-2006. The specific objective of the enquiry is to determine the different Commission audit activities which will lead to the final acceptance of the closure declarations:
 - a) Finalisation of the follow-up of implementation of previous audit recommendations and implementation of specific action plans agreed with Member States; finalisation of financial correction, suspension decisions;
 - b) Preparation for closure:
 - i) DG REGIO will audit Cohesion Fund closure declarations on a sample basis.
 - ii) Beginning in 2010, examination of the winding-up body declarations of Structural funds programmes, in line with closure procedures. A common methodology has been agreed between Structural Funds DGs.
- Continuation of ongoing actions under the Action Plan to strengthen the Commission's supervisory role. The Commission is committed to an integrated audit approach.
- Follow-up of DAS cases by the Commission– cases of errors detected by the Court arising from their annual reports.

- The Structural Funds DGs will also examine the annual summaries sent by Member States based on Article 53b of the Financial Regulation. They will evaluate their contribution to the building of assurance on the effective functioning of national systems, taking them into account in the planning of the Commission's work.
- Report on follow-up and impact of the Action Plan to strengthen the Commission's supervisory role.

The Commission had made a political commitment to the European Parliament in the 2007 discharge procedure by adopting on 5 February 2008 the Action Plan to strengthen the Commission's supervisory role under shared management for structural actions. An impact report will be adopted by the Commission in February 2010.

Output / Quality indicators (and targets)

2007-2013 programming period

- Review of remaining compliance assessment reports and opinions (*target: within 2 months from receipt*)
- Review of remaining audit strategies (*target: within 3 months from receipt*)
- Number of audit missions performed per AA (*target: in accordance with annual mission plan*)
- Review of system audit reports submitted by MS (*target: within 3 months from receipt*)
- Assessment of annual control reports and opinions (*target: within 2 months from receipt*)
- Assessment of annual summaries submitted by MS (*target: before completion of AAR*)
- Interruption and suspension of payments (*target: within established deadlines*)

2000-2006 programming period

- Desk reviews of closure declarations (*target: within 2 months from receipt*)
- Closure audits for high risk programmes (*target: in accordance with annual mission plan*)
- Suspension and financial correction decisions (*target: within 3 months from the Hearing with MS*)

Continuation of ongoing actions under the Action Plan

- Technical meetings with audit authorities (*target: twice per year*)
- Specific targeted training to Member States that request it
- Internal trainings (*target: at least 6 times a year*)
- Follow up of DAS cases (*target: within established deadlines*)

5.6. Administrative and Management Support

Specific objectives

- 1. Human Resources management:** Assist the Director General to develop a human resources policy adapted to DG REGIO's priorities. To this end, its objective towards the DG and all its units will be to offer a quality service; maintain a high level of competence; promote cooperation; favour conformity with relevant rules of the Commission related to human resources policy and management of rooms and furniture.
- 2. Financial management:** Plan, perform, monitor and report on the spending of financial resources so that sound and regular management of them is assured throughout the DG's activities.
- 3. ICT management:** Define, plan, set up, maintain and develop high quality Information Technology (IT) infrastructures, tools and services so that the staff is adequately supported in its work.
- 4. Internal audit:** Provide, as a service to management, an independent, objective assurance and consulting activity designed to add value and improve DG REGIO's

operations. Evaluate and provide advice on how to improve the effectiveness and efficiency of governance, risk management and control processes in DG REGIO.

5. Internal control and risk management: Implement and maintain an effective internal control system so that reasonable assurance can be given that resources assigned to the activities are used according to the principles of sound financial management and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.

6. Document management: Put in place and maintain an effective document management system so that any document connected with the DG's official functions can be electronically filed, stored and retrieved at any moment irrespective of its original form and the document management system in place.

Human Resources management:

Following the conclusions of the Senior Leadership Seminar of 1-2 March 2010, for the development of a long term personnel development strategy, DG REGIO working groups will examine and make proposals for flexible redeployment, learning, development and training policy and selection and recruitment policy.

Output / Quality indicators for (and targets) for Human resources management:

- Talent development programmes and development of senior and middle management leadership programmes (*target: satisfaction survey*)
- Launch of monthly reporting to inform senior management on staff issues in their Directorates and on trends in the field of HR (*target: 31/12/2010*)
- Develop a general mobility policy and further implement the compulsory mobility policy for DG REGIO
- Number of staff occupying the same sensitive functions for more than 5 years (excl. derogations) – (*target 31/12/2010: all transfers validated*)
- Implement an active career management service (*target: 31/12/2010*)
- implement an external personnel budget monitoring system (*target: 30/06/2010*)
- All vacant posts filled within 3 months from publication of vacancy notice
- Rate of vacant posts (*Compare to Commission % 2009*)
- Achievement of EU10 & EU2 targets (*target: 31/12/2010*)
- % of statutory staff leaving the DG before two years of employment in the DG (*target: less than 5%*)
- Increase rate of women recruited as Administrators (*target: At least 5% increase*)
- Positive feedback received from participants in training courses organised by the HR Unit (*target: >80%*)

Financial management:

Output / Quality indicators (and targets) for financial management:

- Participation in the preparation of the work of the high level group on the future of cohesion policy on financial management and control issues
- Coordination of the contribution of DG REGIO to the revision of the financial Regulation
- Decision of Technical Assistance 2010 adopted before April
- Reporting on the implementation of the Budget taking into consideration the different users. Positive feedback by the users
- Quarterly reporting on financial corrections for DG Budget. Absence of material error, positive feedback from DG Budget in the ISC
- Internal accountancy framework implemented taking into account observations of the ECA: Absence of material errors
- 95% of payments made within the regulatory deadlines
- Positive feedback from people trained in financial matters (*target: at least 60%*)
- Respect of the principle of sound financial management. Reduction in number and/or level of risk of the recommendations/suggestions reported by Internal or External Auditors

ICT management:

According to the DG Regional Policy IT "Schema Directeur", the DG has set up 5 top priorities for IT projects in 2010, besides the continuity of day-to-day IT support of DG operations:

- IT objective n°1 for projects in 2010: to build the foundations for adding flexibility to current Information Systems portfolio building a prototype for the new workflow system;
- IT objective n°2 for projects in 2010: To implement a new corporate document management system in the DG, called ARES;
- IT objective n°3 for projects in 2010: To ensure a minimum of evolutive maintenance of all existing systems supporting business workflows and deliver new and necessary functionalities which are critical for the business in production ("adaptive/evolutive maintenance");
- IT objective n°4 for projects in 2010: Subject to actual availability of resources, continue projects launched in 2009 and currently delayed on the improvement of efficiency and quality of internal processes;
- IT objective n°5 in 2010: to perform a feasibility study and high-level impact assessment on the implementation by Member States/Regions of the "clearing house" concept as from 2014 onwards.

Output / Quality indicators (and targets) for ICT management:

- Deliver new and necessary functionalities which are critical for the business in production (*target: Percentage of compliance with delivery dates 80%*)
- Build the foundations for adding flexibility to current Information Systems portfolio building a prototype for the new workflow system (*target date: 31/12/2010*)
- Extend the "mobile office" project started in 2009 in order to build the foundations for improving efficiency of officials when on mission (*Target 31/12/2010: 80% of "mobile people" in geographical and audit units fully equipped, satisfaction survey: >=80% of positive answers*)
- Implementation and support of the new corporate Document Management System of the Commission (ARES) (*target: implantation by 16/09/2010*)
- Information Systems Servers' availability³⁸ (*target: ≥ 98% on opening hours*)
- IT Help Desk Call Answer time (averaged over one year) (*target: > 80% of calls answered in < 30 sec*)
- Incidents' resolution time (average over one year) (*target: > 90% within 4 hours for incidents which remained within the ITIC group and which have been attributed a "normal" (not urgent) level*)³⁹
- Staff satisfaction expressed in the end of year survey on the quality of IT support service (*target: 80% "satisfied" and above comments on average, with results taken into account only if at least 20% of IT users have replied*)⁴⁰

Internal audit:

1. Performance against audit plan
 - Number of audit and advice engagements performed and concluded on time (*target: 80% - taking into account that the IAA Work Plan is always very ambitious in terms of number of assignments, complexity of topics to be covered and ad-hoc tasks*)
2. Quality of the audits and consulting activity
 - Added value of IAA work for Senior Management (*target: qualitative assessment to be made – satisfaction survey and results / lessons from the quality audit and improvement programme*)
 - Number of agreed recommendations / number of issued recommendations (*target: 80%*)
3. IAA overall contribution to DG REGIO risk management, control and governance processes
 - Robust and effective control systems in place (*target: IAA work contributing to an increased efficiency & effectiveness of control systems in place*)
4. IAA staff expertise
 - Continuous development in audit and/or in DG REGIO business (*target: 60% of qualified auditors*)

³⁸ The extraordinary period of December excluded. This period has special service conditions defined in the REGIO/Data Center SLA.

³⁹ This indicator covers ITIC service only in 2010, business IT tools being followed in another way.

⁴⁰ Questions taken into account will be the aggregate result to questions 1.2, 1.3, 2.1, 2.2, 2.3, 4.3, 5.3, 6.3, 7.2, 9.2, 10.2 which are directly linked to service provided.

Internal control

- revamping of IC pages on REGIO intranet (*target: 1half 2010*)
- training courses for newcomers (*target: positive satisfaction survey > 75%*)
- Enhanced work on effectiveness measurement for at least two ICS (*target: sustainability of ICS*)

Document management:

- Successful implementation of ARES (*target: ready by 16/09/2010 and moderate impact on error rate*) and positive feedback about effective implementation in the services (*target: satisfaction survey with > 75% positive assessment*)
- Centralisation of document management (*target: ready by 01/06/2010 and moderate impact on error rate*) and positive feedback about effective implementation in the services
- Error rate detected at ADONIS first check (*target: <10%*)
- Residual error rate at ADONIS second check after contact with originator (*target: < 1%*)