

# Seminar on 2021-2027 programming

5 March 2020



Topics of common interest for all CPR funds

# **AGENDA – *Morning session***

- 1. Introduction**
- 2. Negotiations on the Commission's legislative proposal**
- 3. Partnership Agreement Template**
- 4. Horizontal enabling conditions**
- 5. Horizontal principles**
- 6. Administrative capacity building**
- 7. Programming arrangements and SFC**
- 8. Q&A session**

# WELCOME

Kadri Uustal, Acting Head of Coordination of  
programmes unit DG REGIO



# 1. Introduction

Normunds Popenis  
Deputy Director General DG REGIO



# Introduction

- **More than 280 participants and 200 questions**
- **No agreement on MFF but provisional common understanding on programming parts**
- **Keep the momentum, continue with the preparations (including the programming of the new element: the JTF)!**
- **Ambitious goal: to make sure all programmes are up and running as soon as possible after the relevant legislation is adopted**
- **Need for a broad and effective consultation of partners, including the involvement of civil society, such as environmental partners, non-governmental organisations, and bodies responsible for promoting social inclusion, fundamental rights, rights of persons with disabilities, gender equality and non-discrimination, and social partners**

# 1. Introduction

Beate Gminder  
Director, DG HOME

# Introduction

- **Slow pace of negotiations of HOME Funds proposals. Needs to pick up!**
- **Progress needed on national programmes - financial envelope not yet agreed but priorities are stable**
- **Maximise EU support through programming. Migration and security are cross-cutting. Overcome silo approach and work together**
- **Ensure broad consensus and ownership on needs, priorities and policy responses – talk to your partners**
- **Engage in early discussion with the Commission services**

## 2. Negotiations on the Commission's legislative proposal

Anna Wagner  
Deputy Head of Unit DG REGIO B1



# Negotiations of the Common Provisions Regulation

1. **MFF Negotiations continue**
2. **Provisional common understanding** on the Common Provisions Regulation endorsed by Coreper on 18 December 2019:
  - a) Programming
  - b) Enabling conditions and performance
  - c) Management and control
3. **Trilogue between the co-legislators continues** under the Croatian Presidency:
  - a) forms of support, eligibility, financial instruments,
  - b) financial management
  - c) monitoring, evaluation and communication
4. 14 January – Commission's proposals for the **Just Transition Fund**:
  - a) COM (2020) 22 – JTF Regulation
  - b) COM (2020) 23 – JTF-related amendments to CPR

# Negotiations on the ERDF, CF and Interreg Regulations

1. **Provisional common understanding** endorsed by Coreper on 18 December 2019:
  - a) Some provisions of the ERDF & CF Regulation
  - b) Some provisions of the Interreg Regulation
  
2. **Trilogues** continue during the Croatian Presidency on Interreg Regulation ERDF & CF Regulation

# Negotiations on the ESF+ Regulation

1. **European Parliament** : Amendments adopted on 4.04.2019 at first reading – New EP confirmed the mandate
2. **Council**: Partial mandate on all elements of the ESF+ Regulation except the parts that are bracketed as linked to the MFF discussions – April 2019
3. **One trilogue on 9.12.2019** to discuss organisational matters
4. **5 technical meetings on:**
  - a) General and specific objectives, horizontal principles
  - b) For shared management: innovative actions, eligibility, support to material deprivation,
  - c) For (in)direct management: operational objectives and eligible actions for the Employment and Social Innovation strand and provisions on the Health strand

# Negotiations on the EMFF Regulation

- 1. European Parliament** : Amendments adopted in April 2019 at first reading – New EP confirmed the mandate
- 2. Council:** Partial General Approach on all elements of the EMFF Regulation except the parts that are bracketed as linked to the MFF discussions – June and October 2019
- 3. Three trilogues** since November to discuss:
  - a) Block 1 (architecture of the Fund, programming and monitoring)
  - b) Block 2 (fishing fleet related objectives and conditions)
- 4. Provisional agreement on Block 1** on 04 March 2020
- 5.** Negotiations continue on the other Blocks

# Negotiations on the HOME Funds Regulations (AMF, BMVI, ISF)

1. **European Parliament:** new EP confirmed the negotiation mandates
2. **Council:** partial mandates on all elements of the HOME Funds Regulations except the parts that are bracketed as being linked to the MFF discussions
3. **Technical trilogues:** continue under HR PRES. They are held per fund. For provisions common to all three HOME funds, joint trilogues are held.
4. **Political trilogues:** dates not yet fixed
5. Progress will be presented in detail in the afternoon session

# 3. Partnership Agreement Template

Anna Wagner  
Head of Unit DG REGIO B1

# Partnership Agreement – differences 2014-20 vs 2021-27 1/2

1. The templates for PA and programmes annexed to the CPR
2. More strategic document in structured form
3. No summary of ex ante evaluations
4. No need to include the methodology and mechanisms to ensure consistency in the functioning of the performance framework
5. No additionality
6. With reference to the integrated approach to territorial development, only reference to integrated approach to tackle demographic challenges and/or specific needs of regions and areas
7. No description of the tools aimed at guaranteeing exchange of information

# Partnership Agreement – differences 2014-20 vs 2021-27 2/2

1. Involvement of partners described only at programme level
  - but has to be ensured both at PA and programme level
2. No need to elaborate on arrangement for the partnership principles and no need to list the partners involved
3. Aimed at avoiding overlaps between the content of PA and programmes
  - for example, enabling conditions assessment to be provided only in programmes, not in the PA (MS can include a summary in the PA)
4. Possible amendment only at mid-term review
5. Possibility to submit the PA together with the programme and together with the NRP and NECP



# Partnership Agreement

1. **Remains an obligatory document** for all Member States
  - a) Setting out strategic orientation for programming
  - b) A concise document of ca. 35 pages
  - c) Covering ERDF, ESF+, CF, and EMFF...
  - d) ...**but!** contains elements concerning AMIF, ISF and BMVI as well
2. **Has to be submitted with the first programme at the latest**
  - a) **But!** Interreg programmes can be submitted before the PA
3. **Can be submitted with:**
  - a) One of the programmes
  - b) National Reform Programme or the National Energy and Climate Plan
4. **Can be amended only to take into account the results of the mid-term review of programmes**
5. **Involvement of partners from the beginning of programming!**

# 1. Selection of policy objectives

1. **Covers only ERDF, ESF+, CF and EMFF, obligatory**
2. **Table 1 Selection of policy objectives** – for every policy objective:
  - The relevant programmes
  - The relevant Funds
  - Justification for selection of that policy objective, covering all the relevant Funds and programmes [3 500 characters]
3. **What should be taken into account?**
  - The relevant country-specific recommendations
  - The National Energy and Climate Plans
  - National Reform Programme
  - The principles of the European Pillar of Social Rights
  - Regional challenges, where relevant
  - Other relevant EU and national legislative and strategic documents
4. **Transfers and contribution to InvestEU still under negotiation**

# A practical example for Table 1

Policy objective	Programme(s)	Fund	Justification
Smart Europe	Smart MS (a national programme)  Regional programmes	ERDF	<p>Present a narrative around e.g. the following points:</p> <ul style="list-style-type: none"><li>• Low R&amp;I and capital expenditure in companies</li><li>• Low internationalisation of science</li><li>• Small number of international enterprises and relatively low exports</li><li>• Contribution to CSR on coordination of policies in research and industry and removing obstacles to investment</li><li>• Contribution to NRP measure on science and industry cooperation network</li><li>• Objective of development strategy on creating conditions for innovation and entrepreneurship</li><li>• Objectives of regional innovation strategies</li></ul>

# 2. Policy choices, coordination and complementarity

## 1. Summary of policy choices and the main results expected

- **Covers only ERDF, ESF+, CF and EMFF, obligatory**
- Defined for each policy objective
- Building on the justification in Table 1

## 2. Coordination, demarcation and complementarities between the Funds

- **Covers all 7 Funds, obligatory**
- Between the national and regional programmes
- Between the Funds

## 3. Complementarities and synergies with the other Union instruments

- **Covers all 7 Funds, obligatory**
- Between the Funds and the other Union policies

# Coordination and complementarity – example

Description has to explain how it all can work in practice, i.e.:

## 1. Coordination, demarcation and complementarities between the Funds for PO1

- R&I support – according to the Roadmap for research infrastructures and coordination mechanism for setting up national and regional research agendas (to avoid overlaps)
- Investment in companies on the basis of smart specialisation strategies
- Technological readiness level will differentiate between R&I and support for firms
- The coordination body may set more detailed demarcation

## 2. Complementarity between the Funds and the other Union instruments for PO1

- Use of Seal of Excellence from Horizon Europe in national/regional programmes
- ESF+ will contribute through intervention under PO4
- Role of EAFRD in innovation in agriculture and rural areas

# 4bis. Form of technical assistance

1. **Covers only ERDF, ESF+, CF and EMFF, obligatory**
2. Interreg programmes may use only flat-rate TA
3. For the IJG programmes and EMFF, choosing the TA form:
  - a) TA based on real costs (Article 30(4)) → table 5
  - b) TA based on a flat rate (Article 30(5)) → table 5 bis
4. **This choice will apply for all programmes** (i.e. no mixed TA) and **for the whole programming period**, i.e. **no change** (Article 30(3))!

Flat rate or real costs	Flat rate only
ERDF 3,5%	AMIF 6%
Cohesion Fund 2,5%	ISF 6%
ESF+ 4%; but programmes support for the most deprived 5%	BMVI 6%
EMFF 6%	Interreg CBC 7%
Cohesion IJG allocation below EUR 1 bln 6%	Interreg D, IPA & NDICI CBC 10%
Outermost regions IJG programmes: +1% point	Interreg B & C 8%

# 5. Preliminary financial allocation

1. **Covers only ERDF, ESF+, CF and EMFF, obligatory**
2. **Table 4 Preliminary financial allocation by policy objective** will allow for:
  - Assessment of intervention logic
  - Assessment of the adequacy of financial allocations
  - Architecture of programmes – assessment of adequacy of tools
  - Verification of ERDF thematic concentration requirements
3. It contains a **breakdown of the allocation for each policy objective per Fund**
  - a split by category of region for ERDF and ESF+, where appropriate
4. It contains as well **total resources for technical assistance**:
  - based on real cost or flat rate, based on the Member State's choice
  - technical assistance pursuant to Article 32

# Allocations: setting up 'amount available for programming'

- 1. Results of the MFF will be communicated to Member States – breakdowns by:**
  - fund
  - category of region (ERDF, ESF+)
- 2. Setting up an amount available for programming**
  - minus voluntary contribution to InvestEU (impacts the amount available for programmes)
  - minus transfers between categories of region (shifts in the initial split)
- 3. Proceed with allocation of the amount available for programming**
  - breakdowns by policy objective
  - list of programmes with preliminary allocations



# Transfers between categories of region

1. **Applicable only to ERDF and ESF+**
2. **Decide if you want to transfer**, if your objectives will be better achieved
3. **Decide which transfer option you want to use:**
  - a) transfers from less-developed to transition regions or to more developed are limited to 15%
  - b) transfers from transition to more developed are limited to 15%
  - c) transfers from more developed to less developed and from transition to less developed have no limit
4. Justification would need to present the rationale for the contribution for example:
  - considerations of efficiency (for example: additional funding for R&I in the more developed capital region is needed as 80-90% of R&I activity is focused)
  - considerations of equity (for example: additional funding for access to services in less developed regions is needed as they self-financing possibilities are limited)



# 6. List of programmes

1. **Covers only ERDF, ESF+, CF and EMFF, obligatory**
2. **Table 5 for the TA based on real costs and Table 5 bis for the flat-rate TA**
3. Breakdown of allocation for each programme by:
  - Fund
  - Category of regions (only for ERDF and ESF+)
  - Union contribution + national contribution = total
4. **Table 6 with a list of Interreg programmes**

# 7. Actions to reinforce administrative capacity

1. **Covers only ERDF, ESF+, CF and EMFF, obligatory**
2. **Text field [4 500] to present a general approach to administrative capacity building**, taking into account:
  - Roadmap for capacity building
  - Actions that will complement and support the delivery of the policy choices and the expected results
  - Horizontal actions that go beyond the capacity building at programme level (for examples public procurement, state aid, EIA, anti-fraud/corruption)
  - synergies with the Reform Support Programme at Member State level

# 8. Approach to specific challenges

1. **Covers only ERDF, ESF+, CF and EMFF, where appropriate**
2. **Text field [3 500]** where the Member State may present an integrated approach to address:
  - the demographic challenges
  - the specific needs of regions and areas
  - the use of the territorial development instruments: ITIs, CLLDs, etc.
  - Implementation of the 6% of ERDF resources for sustainable urban development

# 9. Summary of enabling conditions

1. **Covers only ERDF, ESF+, CF and EMFF, optional**
2. **Table per enabling condition presenting a summary of the assessment**
3. For the Commission, the table is only for information. This means that:
  - the Commission will not conduct an assessment of that information
  - that information will not prejudice in any way the assessment of the fulfilment of enabling conditions that will be conducted by the Commission for each programme.

# 4. Horizontal enabling conditions

Anna Wagner  
Head of Unit DG REGIO B1

# Enabling conditions – general introduction 1/2

- 1. Horizontal enabling conditions** – applicable to all CPR Funds and to all specific objectives:
  - public procurement, state aid, Charter of Fundamental Rights, UN Convention on the rights of persons with disabilities
- 2. Thematic enabling conditions** – assigned to the relevant specific objectives
- 3. If a condition is not fulfilled at programme adoption**
  - MS may declare expenditure, but COM will not reimburse it until it is fulfilled.
  - MS may declare expenditure and COM will reimburse it for operations that contribute to the fulfilment of the corresponding enabling condition.
- 4. Once MS considers that the unfulfilled condition has finally been fulfilled:**
  - MS reports to COM and presents a justification
  - 3 months for COM to assess
  - 1 months for MS to respond to COM

# Enabling conditions – general introduction 2/2

## 1. Enabling conditions have to remain fulfilled during the whole period

- Examined by monitoring committee, i.e. MS to inform the committee about any changes that may affect the fulfilment of the condition
- Selected operations have to be consistent with the strategies and planning documents corresponding to the relevant condition

## 2. If COM suspects that an enabling condition becomes unfulfilled during the programming period

- COM will set out its assessment to the MS
- MS has 1 month to reply to COM
- If COM concludes that the condition is indeed unfulfilled, COM will stop reimbursing the relevant declared expenditure



# Horizontal enabling conditions 1/2

- 1. Public procurement – monitoring mechanisms for public contracts under the Funds have to be in place that ensure:**
  - compilation of data on procurement above the EU thresholds
  - that the data covers minimum information
  - monitoring and analysis of data and making them publicly available
  - all information on suspected bid-rigging is communicated to the competent national bodies
  
- 2. State aid – MAs have tools and capacity to verify the State aid rules:**
  - For undertakings in difficulty and undertakings under a recovery requirement
  - Through access to expert advice and guidance on State aid matters

# Horizontal enabling conditions 2/2

- 3. EU Charter of Fundamental Rights – effective mechanisms to comply with the Charter are in place that ensure:**
  - Compliance of programmes and their implementation with the Charter
  - Reporting arrangements to the monitoring committee of the programme regarding cases of non-compliance of operations and complaints
  
- 4. UN Convention on the rights of persons with disabilities – a national framework to ensure its implementation that includes/ensures:**
  - Objectives with measurable goals, data collection and monitoring mechanisms
  - accessibility policy, legislation and standards are properly reflected in the preparation and implementation of programmes
  - Reporting arrangements to the monitoring committee of the programme regarding cases of non-compliance of operations and complaints

# Horizontal enabling conditions and material deprivation under ESF+

- Horizontal enabling conditions are applicable to the specific objective addressing material deprivation (SO (xi) – ESF+ Regulation), irrespective of whether this is included in a programme limited to this specific objective or in a wider ESF+ programme

# 5. Horizontal principles

Maria-Anna Paraskeva  
GD EMPL F1



## Horizontal principles – Art. 6 a CPR

- Respect of fundamental rights in compliance with EU Charter
- Member States and Commission ensure equality between men and women and gender mainstreaming in programming
- Member States and Commission prevent discrimination and take into account accessibility for PD in programming
- Objectives of Funds promote sustainable development in line with SDGs

# 6. Administrative capacity building

Stefan Appel  
Head of Unit DG REGIO E1

# ACB roadmaps and the Partnership Agreement

Member States may develop roadmaps for administrative capacity building (ACB) at programme level or at national level covering all/several programmes

They are self-standing documents – not to be formally adopted by the Commission as part of the PA or the programme

# Administrative capacity building of partners

The code of conduct on partnership will continue to be in force 2021-2027

Capacity building of partners (incl. civil society organisations) **for the effective administration and use of the Funds** can be supported under both types of technical assistance

Capacity building measures for partners can be part of a Roadmap for capacity building

It will be up to MS to ensure that adequate resources are used for this purpose – starting points are different in MS



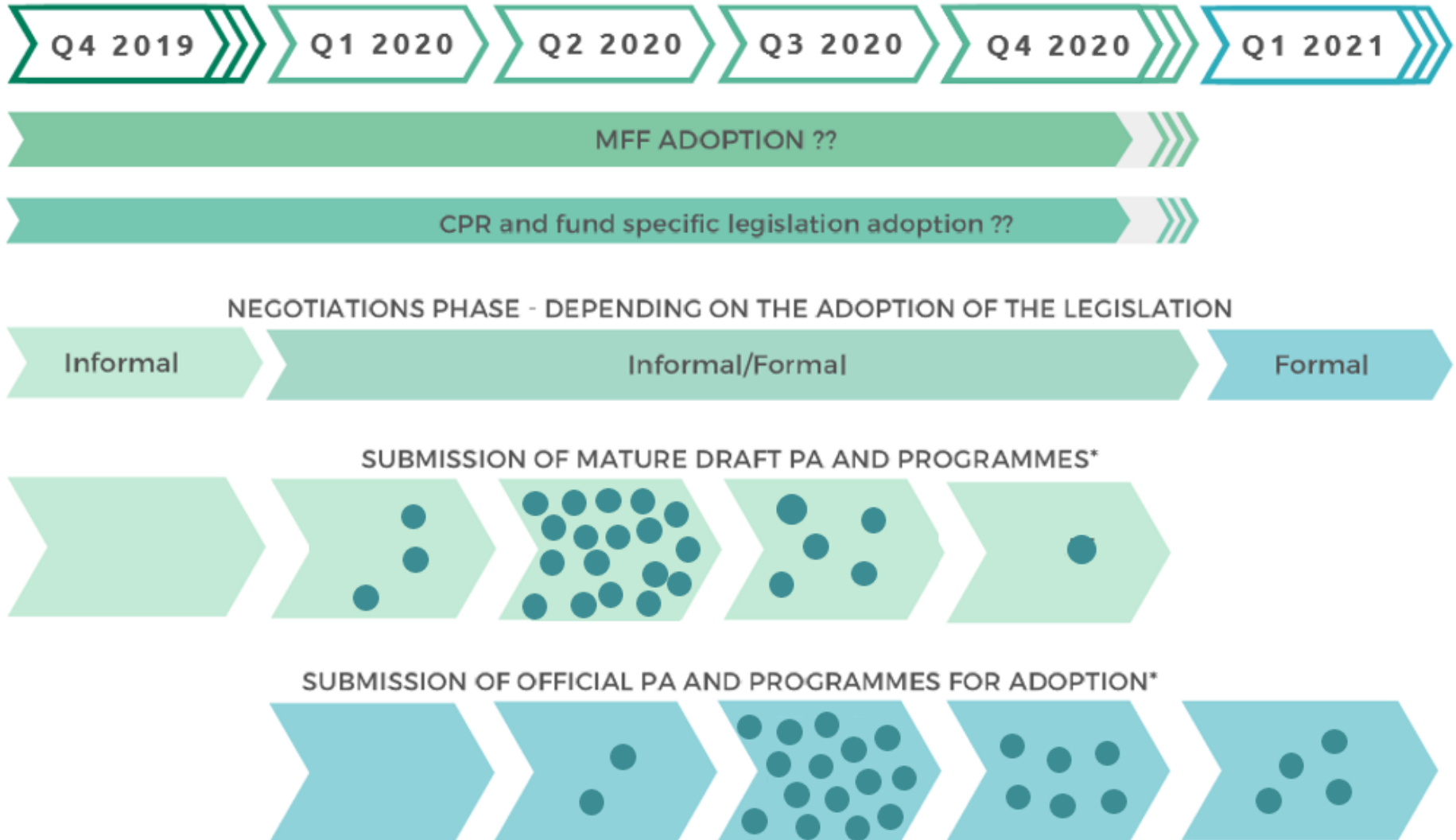
# 7. Programming arrangements and SFC

Kadri Uustal, Acting Head of Coordination  
of programmes unit DG REGIO

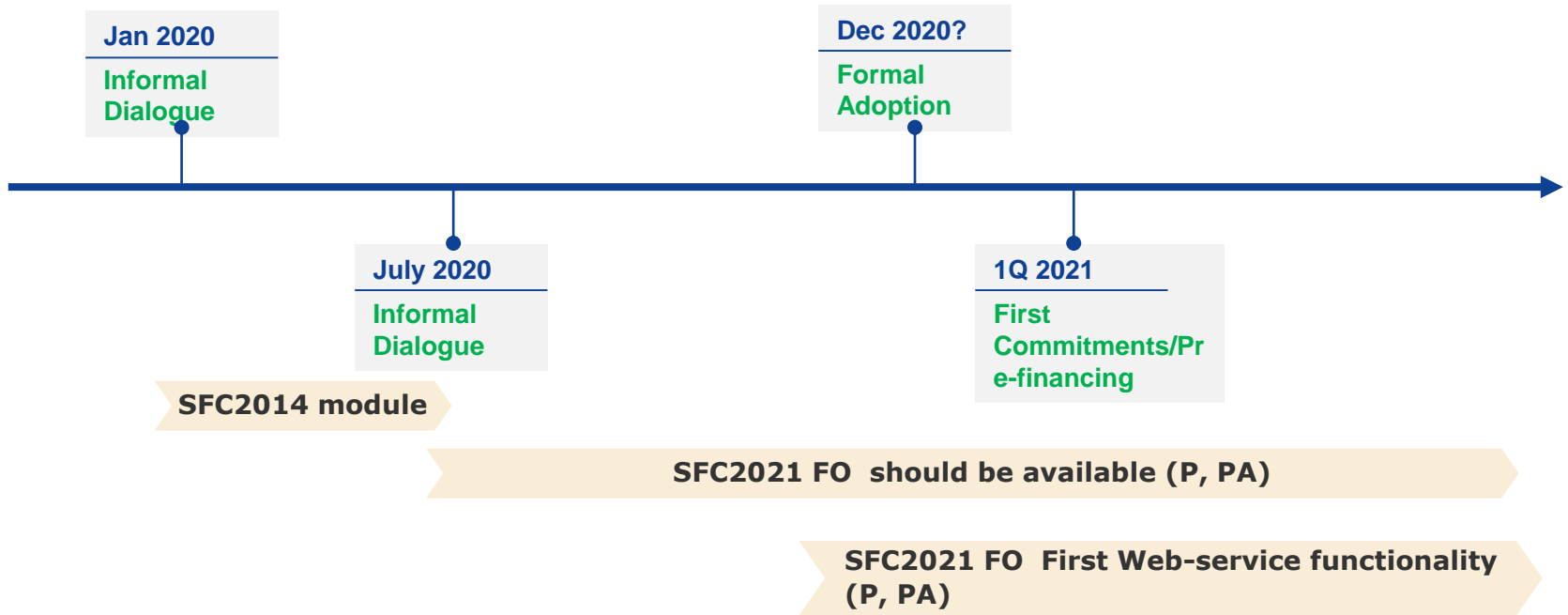


European  
Commission

# Programming negotiations



# SFC2021 Timeline



# SFC2021 planned improvements

- Handling of tables:
  - Export data to Excel
  - Copy-Paste from Excel
- Web Services available early, allowing automatic upload of data (first ones on PA and programmes)
- Improved search with multiple operators and search values
- Smoother user experience when creating print versions

# Q&A session

**Lunch break 12:30 – 13:30**

# Simplified Cost Options

Michael Grosse  
EMPL F1

# Simplified cost options possibilities in CPR

## Relation Member States to beneficiaries (Art.48 Form of grants)

- Same as for 2014-2020 ('real costs', unit costs, lump sums, flat rates, or a combination) → no COM approval
- Mandatory use of SCOs for small operations (up to 200 000 EUR total cost)\* → no COM approval

## Relation Commission to Member States (Art.88 )

- Programme-specific SCOs → COM approval with programme submission or programme amendment (Appendix 1)
- EU-level SCOs → no COM approval (delegated act)
- Flat rates enshrined in the CPR (TA Art. 30(5)) → no Appendix 1

Member States shall reimburse beneficiaries (...). That reimbursement may take any form of support.

\*not applicable to EMFF



# Union contribution based on unit costs, lump sums and flat rates (Article 88)

## Relation Commission to Member States

- Audit – limited at verifying that the conditions for reimbursement by the Commission have been fulfilled.
- Underlying document/invoices of the amounts paid to beneficiaries are not to be audited
- AA assessment of methodology mandatory for Appendix 1

# Appendix 1 to programme (annex V or VI)

## Relation Commission to Member States

- Submitted during programme approval or modification
- Any change in SCOs implies change in Appendix, but methodology can foresee automatic adjustments of amounts (not triggering programme amendment)
- Parts A, B and C need to be fully filled in
- Part A is summary of several B: one SCO, one B
- Estimated proportion / Expected amount
- Once COM decision, SCOs mandatory

# SCOs & public procurement

## Relation Member States to beneficiaries

There are changes to the 2014-2020 programming period:

- SCOs can be used in operations which are fully procured (*except for HOME funds*)
- If the direct costs of the operation include public works contracts or supply or service contracts exceeding in value the thresholds set out in Article 4 of Directive 2014/24/EU or in Article 15 of Directive 2014/25/EU the flat rate of Art.50(1) cannot be used without methodology.

# Article 48(1) – mandatory use of SCOs (1)

## Relation Managing authority to beneficiaries

- SCOs are mandatory for operations where the total cost does not exceed EUR 200 000 even if they are fully procured (*not applicable to the EMFF*)
- Exception for operations which constitute State Aid. But not for de minimis aid.
- This means that the whole operation needs to be implemented by SCOs
- ‘Real costs’ may only be used for ‘basis costs’ to which a flat rate is applied and salaries/allowances paid to participants

# Article 48(1) – mandatory use of SCOs (2)

## Example

- Example: is an operation containing direct staff costs (reimbursed on the basis of ‘real costs’) + indirect costs (reimbursed on the basis of 15% flat rate) + other direct costs (reimbursed on the basis of ‘real costs’) compliant with Art.48(1)?
  - Yes, if total cost of the operation is above EUR 200 000
  - No, in case of an operation where the total cost does not exceed EUR 200 000: the other direct costs should be reimbursed on the basis of SCOs

# For more information on SCOs

- Overview of SCOs adopted by COM available on InfoREGIO [https://ec.europa.eu/regional\\_policy/en/policy/how/improving-investment/simplified-cost-options/](https://ec.europa.eu/regional_policy/en/policy/how/improving-investment/simplified-cost-options/)
- Definitions and guidance on relationship MS/beneficiaries available in Guidance Note on Simplified Cost Options – EGESIF\_14-0017 <http://www.ec.europa.eu/esf/sco>
- ESF page: <http://www.ec.europa.eu/esf/sco>

Thank you!

Michael Grosse  
EMPL F1

[EMPL-SCO-JAP@ec.europa.eu](mailto:EMPL-SCO-JAP@ec.europa.eu)

# Q&A session