A cohesion policy budget for post 2020

INTERREG Annual meeting

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#CohesionPolicy #EUinmyRegion
A modern, dynamic policy

Modern investment
- Focus on transition to smart, low-carbon economy
- Strong conditions & link to European Semester
- Performance data in real time

Simple, flexible, dynamic
- 7 funds, 1 regulation (50% shorter)
- 77 key administrative simplifications
- Faster implementation (return to n+2)
- Responsive to emerging needs

For all regions
- Focus on the poorest regions and Member States
- Investing in all regions to address new challenges
Key legal instruments

Common Provisions Regulation (CPR)
- Covers 7 funds, i.e. ERDF, CF, ESF+, EMFF, AMIF, ISF and BMVI
- Delivery elements are here

Also: ESF+ regulation

ERDF/CF regulation
- Single regulation for both funds
- Policy priorities are here (specific objectives, thematic concentration requirements, etc)

ETC regulation
- Territorial co-operation including external assistance
- New interregional innovation instrument

**ECBM:** Off-the-shelf legal instrument to simplify cross-border projects
Policy objectives

11 objectives simplified and consolidated to 5:

1. A smarter Europe (innovative & smart economic transformation)
2. A greener, low-carbon Europe (including energy transition, the circular economy, climate adaptation and risk management)
3. A more connected Europe (mobility and ICT connectivity)
4. A more social Europe (the European Pillar of Social Rights)
5. A Europe closer to citizens (sustainable development of urban, rural and coastal areas and local initiatives)

2 horizontal objectives:

- Administrative capacity building
- Co-operation between regions and across borders (embeds co-operation in mainstream)
## Programming

### What's in?
- Simplified, more focused and strategic programming
- A shorter menu of policy objectives
- Performance-oriented: Mid-term review in 2025
- Simpler rules for thematic concentration

### What's out?
- No more changes of the PA during period
- Eliminated overlaps between PA and programmes (e.g. enabling conditions only in programmes)
- No ex-ante evaluation
More flexible

- New transfer possibility: Member State may request the transfer of up to 5% of programme resources to another EU instrument.
- Simpler reprogramming: up to 5% of a priority (3% of programme) without Commission decision.
- "5+2" Programming:
  - 5 years programmed initially
  - 2026-27 allocations programmed after mid-term review in 2024-25
  - Technical adjustment fed in (modifying allocations from 2025)
Simpler reimbursement

What's in?

- SCOs (simplified cost options). Unit costs, fixed rates, lump sums.
- "Financing not linked to costs" (= based on conditions or milestones)

What's out?

Less reimbursement of eligible costs = less paperwork, receipts, invoices

NB: The measures on this slide are potentially the biggest simplifications. Study suggests could save 25% of administrative costs.
Eligibility

What's in?

- Separate and clear rules on durability and relocation
- For operations below 5 MLN EUR of total costs, VAT eligible. In all other cases VAT is ineligible.

What's out?

- Specific rules on revenue generating operations
- Appraisal and adoption of major projects
Simpler management, control and monitoring

- No designation procedure: roll-over of existing systems
- Fewer layers of control: Certifying Authorities replaced by an accounting function (which will not duplicate controls)
- Now: administrative verification of 100% of payment claims. Post-2020: risk-based sample
- More proportionate system for low error rate programmes: reliance on national systems, no system audit, audit sample of max. 30 operations
- Clarity on document retention period for beneficiaries (5 years from end of year of last reimbursement)
- No Annual Implementation Reports
Continued concentration on the poorest regions

<table>
<thead>
<tr>
<th></th>
<th>2021-2027</th>
<th>2014-2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cohesion Fund</td>
<td>13%</td>
<td>22%</td>
</tr>
<tr>
<td>ERDF Less developed regions</td>
<td>62%</td>
<td>53%</td>
</tr>
<tr>
<td>ERDF Transition</td>
<td>14%</td>
<td>10%</td>
</tr>
<tr>
<td>ERDF More developed</td>
<td>11%</td>
<td>15%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Share CF + ERDF less developed</td>
<td>75%</td>
<td>74%</td>
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</table>
New regional eligibility map 2021-2027
## ETC allocations (current prices)

<table>
<thead>
<tr>
<th>ETC</th>
<th>2021-2027</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current prices, MM eur</td>
<td>EU</td>
</tr>
<tr>
<td>Cross-border</td>
<td>5,004</td>
</tr>
<tr>
<td>Transnational*</td>
<td>2,987</td>
</tr>
<tr>
<td>IPA transfer</td>
<td></td>
</tr>
<tr>
<td>ENI transfer</td>
<td></td>
</tr>
<tr>
<td>Outermost</td>
<td>304</td>
</tr>
<tr>
<td>Interregional</td>
<td></td>
</tr>
<tr>
<td>of which Interregional cooperation</td>
<td>113</td>
</tr>
<tr>
<td>of which Interregional innovation investments</td>
<td>1,093</td>
</tr>
<tr>
<td>Total</td>
<td>9,501</td>
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</tbody>
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* including maritime cooperation for 2021-2027
Timeline

02/05 2018
Multiannual Financial Framework “Beyond 2020” package

29/05 2018
Legislative proposals for
- CPR
- ERDF / CF
- Interreg
- ECBC

Legislative negotiations with Council and Parliament

09/05 2019
European summit in Sibiu (Romania)
Thank you for your attention