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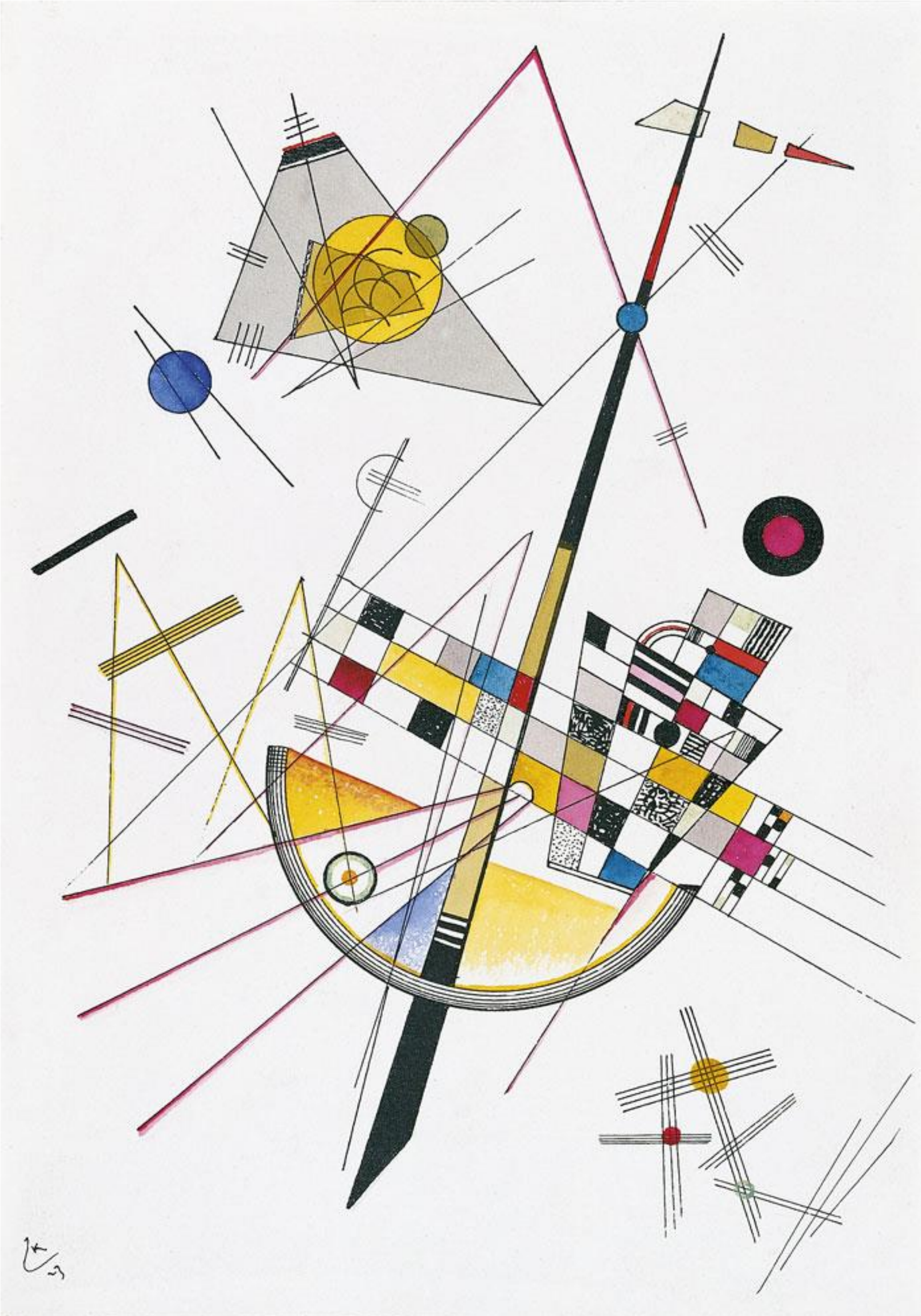

Expert evaluation network on the performance of Cohesion policy 2007-2013

Synthesis of National Reports 2013

January 2014

Regional and Urban Policy

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A report to the European Commission
Directorate-General for Regional and Urban Policy

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Contents

List of abbreviations

AIR	Annual Implementation Report
CBC	Cross-Border Cooperation
EC	European Commission
ERDF	European Regional Development Fund
ESF	European Social Fund
FDI	Foreign Direct Investment
FEI	Financial Engineering Instrument
FTE	Full-Time Equivalent
JASPERS	Joint Assistance to Support Projects in European Regions
JEREMIE	Joint European Resources for Micro to Medium Enterprises
MA	Managing Authority
MW	Megawatt
OP	Operational Programme
RTD	Research and Technological Development
RTDI	Research, Technological Development and Innovation
SME	Small or medium-sized enterprise
TEN-T	Trans-European Transport Network

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Executive Summary

Introduction

The report syntheses the 27 national reports produced by the network of independent evaluation experts on the implementation of the programmes co-financed by the ERDF (European Regional Development Fund) and Cohesion Fund over the 2007-2013 period. It assesses performance over the period on the basis of the latest information available, updating the report produced a year ago. It examines in turn:

- the socio-economic context
- changes in regional disparities across the EU during the crisis
- the scale of support from the two funds in relation to development expenditure
- the extent of changes in the focus of support over the period
- the pace of implementing programmes
- what the programmes have achieved so far
- the evaluations undertaken of Cohesion policy interventions over the period
- the implications of the analysis for policy in the new period.

Socio-economic context

Economic conditions remained depressed in most EU Member States in both 2012 and 2013. The constraints on public finances tightened further as most Governments continued to pursue fiscal consolidation and high levels of unemployment became an increasingly pressing problem. Shortage of funding and fiscal consolidation measures hit government investment, the major element in development expenditure, in particular. In Greece and Spain, government investment was reduced by 60% in real terms between 2008 and 2012 and in Portugal, by close to 50%. In the EU12 countries, the reduction averaged over 20%, in Romania, over 30% and in Bulgaria, over 40%.

According to the latest Commission forecasts, the economic situation over the remainder of the period up to the end of 2015, when all of the ERDF needs to have been spent, is unlikely to improve significantly, with growth being much slower in most cases than before the crisis. With limited prospect for any big improvement in public finances, the shortage of funding is likely to continue to make it difficult to co-finance Cohesion policy programmes, while the pressure for spending to boost output and employment and to support businesses is set to intensify.

Changes in regional disparities in the crisis

As the crisis has gone on, the same disparities in economic performance between regions evident before the crisis have reasserted themselves, reflecting as they do long-standing and deep-rooted differences in their economic structure, historical development and inherent features. The crisis seems not to have led to any fundamental changes in the nature of disparities, which in most countries appear to have widened or remained unchanged, though it may have made it more difficult to overcome them.

Weaker regions in many countries have been hit harder than stronger ones by fiscal consolidation measures, which have led to a reduction both in direct government investment and in transfers to regional and local authorities to carry out development expenditure. They have also led to cuts in public employment, which in a number of countries is especially important in weaker regions, and in social transfers, which tend to go more to regions where unemployment is highest.

At the same time, the general slowdown in growth and high unemployment across countries has led Governments to be primarily concerned with stimulating economic activity and employment wherever possible and less with reducing regional disparities.

The contribution of EU funding to development expenditure

The financial support provided by the ERDF and Cohesion Fund for the 2007-2013 period amounts to some EUR 270.7 billion, the major part (EUR 231.7 billion) going to Convergence regions. In the EU12, funding over the period as a whole represents on average around 40% of government capital expenditure and in Greece, Portugal and the Convergence regions in Spain and Italy, 20-30%. In the remaining two years of the period up to end-2015, because of delays in spending, it represents much more – 57% on average in the EU12, over 80% in Slovakia, Hungary and Malta, 75% in Bulgaria and over 60% in the Czech Republic and Latvia. These figures emphasise the extreme importance of EU funding for development expenditure in the EU12 countries, as well as its significance in the southern EU15 Member States. But given their much higher level compared with that in the period so far, they also highlight the potential difficulties of the countries concerned being able to spend the funding over the next two years.

Changes in the co-financing rate and in the funding available for investment

As noted in last year's report, the EU co-financing rate has been increased for a number of Member States, especially for those in the south of the EU, in order to reduce the national financing required. Since the overall amount of EU funding has remained the same, the result is a reduction in the overall funding for expenditure. The only change that occurred in 2013 was a further increase in the EU co-financing rate for Italy (from 51% - and from 48% initially – to 61%). The effect was to cut the national government contribution to Cohesion policy programmes by 45%. As a result, the total expenditure that can be financed has been reduced by 23% as compared with what was initially planned, or by EUR 9.7 billion. In Portugal, it has been cut by 17%, in Spain, by 10% (or by EUR 4 billion in each case) and in Greece, by 7%. These reductions contributed to the steep decline in public investment noted above.

Shifts in funding between policy areas

Shifts in funding between policy areas amounted to around 4.5% of the total in both 2012 and 2013, bringing the overall shift since the plans were first approved to almost 16%. The largest shifts were made in EU15 countries, especially in Portugal (43% of funding), Greece (36%) and Italy (24%), mostly in 2012 and 2013 in the last two. Shifts in the EU12, averaged 11% of funding, but more in Romania (18%), Bulgaria (24%), Cyprus and Malta (28-29%). The main shifts in both the EU15 and EU12 were to increase the funding allocated to RTD, Social infrastructure, Roads, Energy and 'Other' investment in firms (i.e. not related to ICT or innovation) and to reduce funding on Environmental infrastructure and Innovation support for SMEs as well as Technical assistance.

Although the nature of the shifts differed between countries, there are common features. They reflect the limited demand from SMEs for support for innovation because of the uncertain prospects for market growth, as well as difficulties of finding co-financing, but also a concern to switch funding to expenditure with a more immediate impact on economic activity and jobs. They also reflect the need in some cases to quicken the pace of spending to avoid de-commitments as well as problems in some areas to get projects off the ground (which is a reason for funding being switched from investment in rail to roads).

Progress in implementing programmes

Although there is no simple way of identifying the rate of implementation of programmes and possible difficulties in Member States absorbing the funding which remains to be spent by the end of 2015, Commission payments to Member States from the ERDF and Cohesion Fund to cover expenditure carried out provide some indication. For the ERDF, these show an acceleration in 2013 relative to earlier years, the overall amount paid by the end of 2013 increasing to 62% of the total funding available for the period. This suggests some quickening in the pace of carrying out programmes and a reduction in the delays which have been evident in the past. It is still the case, however, that payments relative to total funding are less for the EU15 countries (the only ones that can be compared) than at the equivalent stage of the previous period, 2000-2006 (68%) when delays in implementation led to the period for completing expenditure on programmes being extended by one year.

Moreover, the countries for which the payments rate increased the most in 2013 were predominantly those which had already claimed and received a relatively large part of the funding available for the period. There was less of an increase for those which had claimed less up to the end of 2012. Accordingly, the delays in implementing programmes in these countries, which seemed serious one year ago, seem even more so now. The countries in question are Malta, the Czech Republic, Bulgaria, Slovakia and, most especially, Romania in the EU12 and Denmark, the UK, Austria, France, Spain and, most especially, Italy in the EU15, though in the last payments increased markedly in 2013 (aided by a cut in the national co-financing rate).

By contrast, there are 9 countries for which ERDF payments – and programmes – seem well advanced (at over 70% of the funding for the period) and for which the increase in the rate was relatively large in 2013. These include four EU12 countries, Poland, Slovenia, Estonia and Lithuania, as well as Greece and Portugal.

The payments rate also increased significantly in 2013 for Cross-border Cooperation programmes, though it remained relatively low on average (at only 58% of funding).

Payments from the Cohesion Fund rose at a similar rate to those from the ERDF but remained lower relative to the funding for the period (at 57% of the latter), especially in EU12 countries and particularly in Slovenia, Cyprus and Hungary as well as in Romania, Bulgaria, Slovakia and the Czech Republic as in the case of the ERDF.

Evidence from data on projects selected

The allocation of funding to projects also provides a possible means of assessing progress in implementing programmes, but one which is difficult to interpret, partly because of some countries over-committing funding to try to ensure that the failure of some projects to be carried out does not cause excessive delays in spending (and non-compliance with the 'n+2 rule). The fact that Greece had allocated 137% of funding to projects by the end of 2012 does not necessarily signify that programmes were more advanced than in Lithuania (the country with the highest payments rate) where the figure was only 91%, or that implementation increased by more in Bulgaria in 2012 because the funding allocated went up from 54% to 95% than in Belgium, where it rose from 98% to 101%. While the data for Czech Republic, Slovakia, Austria, France and Romania support the payments data in suggesting that the implementation of programmes is relatively slow in these countries, for other countries they do not, which makes it difficult to attach much weight to them.

Reasons for delays in implementation

The main causes of the apparent delay in carrying out programmes are the same as described in last year's report – the adverse economic conditions which have limited the availability of co-financing and reduced the demand for funds from businesses, so making it difficult to catch up with the slow start of programmes. In many countries, especially in the EU12, problems of public procurement continue to be a major source of delay, along with prolonged planning procedures and a limited ability to manage projects as well as, in some cases, frequent administrative irregularities and a need for extensive auditing.

Measures taken in response to the delays

The increase in the EU co-financing rate in Italy, Portugal, Greece and the other countries listed above reduced the need for national funding, while there was also a shift in funding in these and other countries to measures quicker to implement. In several EU12 countries too, procedures were simplified, especially for public procurement, in some cases, additional staff were recruited, and in others, loans were negotiated with international banks to ease co-financing problems. More generally, special units were set up to monitor the implementation of more complex projects or of measures proving problematic.

In almost all EU15 countries, Managing Authorities are reported to be confident that ERDF funding will be absorbed by the end of 2015. This is less the case in several EU12 countries, where there is growing concern that funding will remain unspent, especially on Transport, Environmental infrastructure and Energy programmes due to delays in carrying out large-scale projects.

Financial engineering instruments

Shifting funding to financial engineering instruments (FEIs) has been one way of accelerating expenditure and avoiding de-commitments in some countries. There is still a need, however, to spend all the funding involved by the end of 2015. At the end of 2012, over two-thirds of the ERDF paid into FEIs was still to reach final recipients (a sum of around EUR 5.5 billion) and over 95% in Greece, Spain, Bulgaria and Slovakia. While the amount paid out to final recipients increased by well over 50% during 2012, the increase in the amount paid in meant that the funding remaining in FEIs was reduced by only around 5 percentage points. The rate at which funding reaches final recipients, therefore, needs to increase markedly if the end-2015 deadline is to be met, which is likely to be challenging given the unfavourable economic climate which seems set to continue. This is especially so in Greece, Italy, Spain and Bulgaria, where a substantial amount of funding remained undistributed at the end of 2012, though it is reported in Romania, Lithuania, Portugal and the UK too that all funding seems unlikely to reach final recipients by end-2015.

Achievements from expenditure

Despite the delays in implementing programmes, there is growing evidence on the outcome of expenditure, though the deficiencies of the Annual Implementation Reports (AIRs), emphasised in previous reports, often make it difficult to assess their importance and their contribution to meeting policy objectives. This tends to lead to the achievements of Cohesion policy being under-appreciated and under-valued. The main outcomes reported up to the end of 2012 include:

- the direct creation of nearly 594,000 jobs;
- over 21,600 projects of cooperation between businesses and research centres;
- some 61,200 RTD projects which have led to almost 21,000 research jobs being created;
- almost 200,000 projects supporting investment in SMEs resulting in some 262,000 jobs being created in such firms;
- the creation of almost 78,000 new businesses;
- over 5 million additional people being given access to broadband, mostly in disadvantaged areas;
- the construction of nearly 2,550 km of new roads and just over 1,200 km of motorway;
- the upgrading of some 17,000 km of existing roads;
- the addition of around 305 km of new lines to the rail network;
- the upgrading of some 2,369 km of existing railway line;
- the construction of a second Metro line in Sofia together with 13 new stations;
- the provision of an improved supply of drinking water to around 3.3 million people;
- the connection of 5.5 million people to improved wastewater treatment;
- the completion of 2,126 projects to recycle or improve the disposal of solid waste;
- the implementation of flood prevention measures to protect around 4.2 million people;
- an expansion of the capacity to generate electricity from renewables by over 2,430 Megawatts;
- the renovation of 706 public buildings in Lithuania cutting the energy used for heating in the country by over 1%;
- the completion of over 8,600 projects for tourism, directly creating around 11,900 jobs;
- the reclamation of 576 sq. km of polluted land;

- the completion of around 3,800 projects to improve healthcare facilities and over 19,000 projects to build or modernise schools and colleges.

Evaluations of Cohesion policy programmes

There are big differences between Member States in the extent to which evaluations have been carried out on programmes. Overall, 830 evaluations are reported to have been undertaken in the period – 190 in 2013 alone – many more than in the preceding period and far more of them focused on the results and effects of expenditure in particular policy areas. The average number of evaluations per OP (to adjust for differences in the size of countries) was largest in Latvia, the Czech Republic, Cyprus, Poland and, above all, Lithuania and smallest in Germany, the UK, Spain, the Netherlands and, most especially, Luxembourg where no evaluations at all are reported. Relatively few evaluations have been carried out on Cross-Border Cooperation (CBC) programmes (on average only 0.5 per OP).

In 2013, the focus of evaluations shifted from procedures to assessing progress in implementing programmes and the results of interventions. Over a third of evaluations over the period as a whole examined an OP or a priority, the remainder a particular policy area, a transversal issue (4%) or capacity building (11%). A large number were concerned with enterprise support (15%), territorial development (13% – urban regeneration, tourism, cultural activities, social infrastructure and so on) and RTDI (7%) and relatively few with transport (5%), environmental infrastructure (4%) and energy (1%).

An increasing number of evaluations were based on quantitative methods and a small (only 3% over the period) but growing number of these on counterfactual techniques, designed to distinguish the effects of policy from other factors. These were used mainly to assess the effect of enterprise support.

The use of evaluation findings is largely informal, but in some EU12 countries, formal procedures are in place to ensure that recommendations are implemented or considered seriously. The main issues are not so much to do with whether such procedures exist or not but whether enough evaluations of satisfactory quality are carried out, whether they generate greater understanding of the effects of policy in different area and whether they feed through into the design of future programmes. The non-publication of evaluation findings in some countries, the lack of systematic attempts to reconcile conflicting results, or to distinguish those based on sound analysis from those not, and the limited public discussion and scientific debate of evaluations are barriers to these conditions being met.

Evaluations of support for RTDI have generally found that it has increased expenditure on R&D but differ as regards the effect on productivity and profits, though a number have found positive effects on employment and innovation, especially among SMEs. The findings of evaluations of enterprise support are also mixed – e.g. that in Germany, it contributes to regional development and industrial modernisation and in Portugal to employment, but that in Finland and Slovenia, it has little or no effect and in Poland and Latvia, an uncertain one. The few evaluations of FEIs have found positive effects, while the equally few of investment in transport have tended to conclude that it has contributed to regional development, which is also the case for the many more carried out on the various measures covered by Territorial development.

Future challenges

A number of points emerge from the analysis which are relevant for policy in the new programming period. Some are implicit in the above, such as the shift in policy concern in many Member States away from regional disparities, the reduction in which is a central objective of Cohesion policy, or the serious risk that a number of Member States – most especially Romania, Italy, Bulgaria, Malta and the Czech Republic but also potentially others – will fail to absorb the funding available for the 2007-2013 period by the end of 2015. Others are:

- the importance of ensuring that there are no additional sources of delay in starting programmes in the new period on top of those stemming from the inevitable preoccupation of Member States with completing 2007-2013 programmes and spending all the funding available;
- the need for better and more systematic information to assess outcomes of programmes and for a major improvement in physical indicators and their link to policy objectives if a result-oriented Cohesion policy is to become a reality;
- the importance of all Annual Implementation Reports being published along with all evaluations of EU co-financed interventions to allow public discussion and independent examination of them;
- the need for common definitions of indicators to enable the aggregation of the data they generate to be more satisfactory and more meaningful;
- the need for MAs to take more 'ownership' of the data they report and to become more accountable for them;
- the importance of improving the capacity to use infrastructure (R&D facilities especially) as well as using funding to construct it
- the importance of planning investment in environmental infrastructure as part of an overall system or network as well as taking explicit account of the need to cover connection and future maintenance costs, typically by user charges;
- the need for better coordination between policy objectives and funding and ensuring that the former are achievable from the latter, partly to avoid funding being too widely, and thinly, dispersed but also to enable the outcome of policies to be more meaningfully monitored and assessed;
- the importance, in the context of continuing financial constraints, of policies being more evidence-based, which requires the strengthening of monitoring and evaluation systems and more evaluations being carried out using techniques capable of distinguishing the effects of interventions;
- the need to ensure that not only interventions in all policy areas are properly evaluated but also the measures used, particularly FEIs on which very few evaluations have so far been carried out but which are set to increase in importance in the new period;

- the importance of making the data used in evaluations publicly available along with the evaluation themselves, so that the findings can be independently checked and verified;
- the desirability of establishing a means of making the results of evaluations judged to be sound accessible for those across the EU involved in designing development policies.

Résumé

Introduction

Le présent rapport propose une synthèse des 27 rapports nationaux rédigés par le réseau d'experts indépendants chargé d'évaluer la mise en œuvre des programmes cofinancés par le FEDER (Fonds européen de développement régional) et le Fonds de cohésion au cours de la période 2007-2013. Il évalue les résultats enregistrés pendant la période susvisée sur la base des dernières informations disponibles, en mettant ainsi à jour le rapport de l'année dernière. Les questions suivantes sont successivement analysées :

- le contexte socioéconomique ;
- les changements intervenus en ce qui concerne les disparités régionales à l'échelle de l'UE pendant la crise ;
- l'ampleur du soutien apporté par les deux fonds en matière de dépenses de développement ;
- l'étendue des changements au niveau du soutien pendant la période analysée ;
- le rythme de mise en œuvre des programmes ;
- les réalisations enregistrées par les programmes jusqu'à ce jour ;
- les évaluations effectuées pendant la période en question concernant les interventions de la politique de cohésion ;
- les conséquences de l'analyse sur les politiques à venir.

Le contexte socioéconomique

Tant en 2012 qu'en 2013, la situation économique est demeurée morose dans la plupart des États membres de l'UE. Les restrictions en termes de finances publiques ont été renforcées dans la mesure où la majorité des gouvernements ont maintenu l'assainissement budgétaire et les taux de chômage élevés n'ont cessé de constituer un problème urgent. La pénurie de financements et les mesures d'assainissement budgétaire ont affecté de plein fouet les investissements publics, et notamment, les dépenses de développement. En Grèce et en Espagne, les investissements publics ont diminué de 60 % en termes réels entre 2008 et 2012, et de presque 50 % au Portugal. Dans les pays de l'UE12, la baisse a été en moyenne de plus de 20 % (de plus de 30% en Roumanie et de plus de 40 % en Bulgarie).

D'après les dernières prévisions de la Commission, il semble peu probable que la situation économique pour la période restant à courir jusqu'en 2015 (lorsque l'ensemble des fonds du FEDER devra avoir été dépensé) s'améliore de manière significative. Dans la plupart des cas, la croissance est très inférieure à celle existant avant la crise. Les perspectives d'amélioration notable des finances publiques étant limitées, la pénurie de financements risque fort de se poursuivre, ce qui compliquera le cofinancement des programmes de la politique de cohésion, alors même que les pressions sur les dépenses pour donner un coup de fouet à la production et à l'emploi, et pour soutenir les entreprises devraient s'intensifier.

Les changements en ce qui concerne les disparités régionales pendant la crise

Alors que la crise perdure, les disparités en termes de résultats économiques qui existaient entre les régions avant la crise n'ont fait que se consolider, reflétant des différences de longue date, profondément enracinées au niveau de leur structure économique, de leur développement historique et de leurs caractéristiques intrinsèques. La crise ne semble pas avoir entraîné un quelconque changement substantiel de la nature des disparités (qui, dans la plupart des pays, se sont creusées ou sont restées stables) bien qu'elle ait rendu ces disparités plus difficiles à surmonter.

Dans de nombreux pays, les régions les plus faibles ont été plus gravement touchées par les mesures d'assainissement budgétaire que les régions les plus fortes, d'où une baisse des investissements publics directs et des transferts de fonds au profit des autorités régionales et locales destinés aux dépenses de développement. Cette situation a aussi donné lieu à des suppressions d'emplois dans le secteur public (qui, dans un certain nombre de pays, est particulièrement important dans les régions les plus faibles), et à une baisse des transferts sociaux (lesquels tendent à être supérieurs dans les régions où le chômage est le plus élevé).

Pendant ce temps, le ralentissement généralisé de la croissance et les taux de chômage élevés constatés dans l'ensemble des pays ont incité les gouvernements à concentrer leurs efforts sur la stimulation des activités économiques et de l'emploi lorsque cela s'est avéré possible, plutôt que sur la réduction des disparités entre les régions.

La contribution des financements européens aux dépenses de développement

Le soutien financier apporté par le FEDER et par le Fonds de cohésion au cours de la période 2007-2013 a atteint 270,7 milliards d'euros, dont la plupart (231,7 milliards d'euros) a bénéficié aux régions de convergence. Dans l'UE12, le financement total pour la même période représente en moyenne environ 40 % de la dépense de fonds publics, et entre 20 et 30 % en Grèce, au Portugal et dans les régions de convergence de l'Espagne et de l'Italie. Pour les deux années de la période restant à courir (jusqu'à la fin 2015), le chiffre est bien supérieur à cause des retards dans la dépense : 57 % en moyenne dans l'UE12, plus de 80 % en Slovaquie, en Hongrie et à Malte, 75 % en Bulgarie, et plus de 60 % en République tchèque et en Lettonie. Ces chiffres soulignent l'importance décisive du financement de l'UE en matière de dépense de développement dans les pays de l'UE12, ainsi que son poids dans les États membres de l'UE15 du sud. Néanmoins, au vu de leur montant bien plus élevé que celui des financements accordés jusqu'alors pendant la période, ils mettent également en exergue les difficultés potentielles que les pays concernés pourraient rencontrer pour les dépenser au cours des deux années à venir.

Les changements dans le taux de cofinancement et dans les financements alloués à l'investissement

Comme cela avait été évoqué dans le rapport de l'année dernière, le taux de cofinancement de l'UE a été revu à la hausse pour certains États membres, et notamment pour ceux du sud de l'Union, dans le but de réduire les financements nationaux nécessaires. Le montant total du financement européen étant demeuré inchangé, une réduction du financement total des dépenses s'en est suivie. Le seul changement intervenu en 2013 a consisté à une nouvelle augmentation du taux de cofinancement européen au profit de l'Italie, lequel est passé de 51 % (et de 48 %, à l'origine) à 61 %. Cela a entraîné une réduction de la contribution du gouvernement italien aux programmes de la politique de cohésion à hauteur de 45 %. C'est ainsi que la dépense totale susceptible d'être financée a diminué de 23 % par rapport à celle initialement envisagée, soit environ 9,7 milliards d'euros. Au Portugal, une baisse de 17 % a été constatée, de 10 % en Espagne (soit 4 milliards d'euros, dans les deux cas) et de 7 % en Grèce. Ces baisses ont contribué à accentuer le déclin des investissements publics susvisés.

Transferts de financement entre les différents domaines politiques

Les transferts de financement entre les différents domaines politiques ont représenté environ 4,5 % des sommes totales tant en 2012 qu'en 2013, portant les transferts totaux depuis l'adoption des plans à presque 16 %. Les transferts les plus importants sont intervenus dans les pays de l'UE15 et, notamment au Portugal (43 % du financement), en Grèce (36 %) et en Italie (24 %), principalement en 2012 et en 2013 pour ces deux derniers pays. Les transferts dans l'UE12 ont atteint en moyenne 11 % du financement, mais ce taux était plus élevé en Roumanie (18 %), en Bulgarie (24 %), à Chypre et à Malte (28-29 %). Tant dans l'UE12 que dans l'UE15, les principaux transferts ont servi à améliorer les financements alloués à la RDT, aux infrastructures sociales, aux routes, à l'énergie et à d'autres postes d'investissement dans les entreprises (c'est-à-dire, des postes non associés aux TIC ou à l'innovation), ainsi qu'à réduire le financement des infrastructures environnementales, du soutien à l'innovation pour les PME, et de l'assistance technique.

Bien que la nature des transferts varie en fonction des pays, des caractéristiques communes se dégagent. Les transferts reflètent la demande restreinte de soutien de la part des PME en matière d'innovation en raison des perspectives incertaines de croissance des marchés, les difficultés qu'elles rencontrent pour trouver des cofinancements, mais aussi leur souhait de transférer les financements vers des dépenses ayant un impact plus immédiat sur l'activité économique et l'emploi. Dans certains cas, les transferts reflètent également la nécessité d'accélérer le rythme des dépenses afin d'éviter les désengagements, ainsi que les difficultés, dans certains domaines, à faire démarrer les projets (ce qui est la raison pour laquelle les financements destinés à l'investissement ferroviaire ont été transférés au profit des routes).

Les progrès au niveau de la mise en œuvre des programmes

Bien qu'il ne soit pas possible d'identifier aisément le taux de mise en œuvre des programmes et les difficultés éventuelles rencontrées par les États membres pour absorber les financements restant à dépenser d'ici fin 2015, les paiements de la Commission au profit des États membres en provenance du FEDER et du Fonds de cohésion, destinés à couvrir les dépenses déjà effectuées, fournissent certaines indications. En ce qui concerne le FEDER, cette situation met en évidence une accélération en 2013 par rapport aux années antérieures, dans la mesure où le montant total réglé fin 2013 a atteint 62 % des financements totaux disponibles pendant la période. Ceci pourrait être perçu comme une certaine accélération du rythme d'exécution des programmes, et comme une diminution des retards constatés par le passé. Il n'en demeure pas moins que les paiements concernant le financement global sont inférieurs dans les pays de l'UE15 (les seuls susceptibles de faire l'objet d'une comparaison) par rapport à ceux constatés sur la période précédente 2000-2006 (68 %) lors de laquelle la période d'éligibilité des dépenses a dû être prolongée d'une année à cause des retards dans la mise en œuvre.

Par ailleurs, les pays dans lesquels le taux des paiements a augmenté le plus en 2013 ont été, principalement, ceux qui avaient déjà réclamé et perçu une part proportionnellement élevée des financements disponibles pour la période. L'augmentation a été moins importante dans les pays qui avaient réclamé des montants inférieurs jusqu'à fin 2012. Aussi, dans ces pays, les retards dans la mise en œuvre des programmes qui semblaient graves il y a un an, semblent l'être davantage à l'heure actuelle. Les pays en question sont Malte, la République tchèque, la Bulgarie, la Slovaquie et, en particulier la Roumanie au sein de l'UE12, mais aussi le Danemark, le Royaume-Uni, l'Autriche, la France, l'Espagne et en particulier l'Italie au sein de l'UE15, bien que dans ce dernier pays les paiements aient augmenté de manière considérable en 2013 (grâce à la réduction des taux de cofinancement nationaux).

En revanche, dans neuf pays, les paiements du FEDER (et donc les programmes) semblent bien avancés (puisqu'ils représentent 70 % du financement pour la période), avec une augmentation du taux relativement importante en 2013. Il s'agit de quatre pays de l'UE12 (la Pologne, la Slovénie, l'Estonie et la Lituanie) mais aussi de la Grèce et du Portugal.

Le taux de paiement a, lui aussi, augmenté de manière considérable en 2013 concernant les programmes de coopération transfrontalière, bien qu'en moyenne, il soit demeuré relativement faible (seulement 58 % du financement).

Les paiements du Fonds de cohésion ont augmenté dans la même proportion que ceux du FEDER mais sont restés plus modestes en proportion du financement accordé sur la période (57 %), notamment dans les pays de l'UE12, et plus particulièrement en Slovénie, à Chypre et en Hongrie, ainsi qu'en Roumanie, en Bulgarie, en Slovaquie et en République tchèque, tout comme dans le cas du FEDER.

Les données issues de projets choisis

L'attribution de financement en faveur des projets permet également d'évaluer les progrès au niveau de la mise en œuvre des programmes, même si cela reste difficile à interpréter, notamment parce que certains pays surengagent les financements afin de tenter de s'assurer que le défaut d'exécution de certains projets n'entraînera pas de retards excessifs dans la dépense (et donc la violation de la règle n+2). Le fait que la Grèce ait alloué 137 % du financement à des projets fin 2012 n'implique pas forcément que les programmes y étaient plus avancés qu'en Lituanie (où le taux de paiement est le plus élevé), avec seulement 91 %. De la même manière, le fait que les financements alloués en Bulgarie soient passés en 2012 de 54 % à 95 %, ne signifie pas que le taux de mise en œuvre ait davantage augmenté dans ce pays qu'en Belgique, où le pourcentage de financements alloué n'est passé que de 98 % à 101 %. Alors que les données pour la République tchèque, la Slovaquie, l'Autriche, la France et la Roumanie étayent les données sur les paiements, suggérant que la mise en œuvre des programmes s'avère relativement lente dans ces pays, il n'en est pas ainsi pour d'autres pays, ce qui ne permet pas de leur accorder trop d'importance.

Les raisons à l'origine des retards dans la mise en œuvre

Les causes principales des retards apparents dans l'exécution des programmes sont les mêmes que celles décrites dans le rapport de l'année dernière (la situation économique défavorable qui a restreint la disponibilité des cofinancements et a fait reculer la demande de financement de la part des entreprises, d'où la difficulté de rattraper les retards de mise en œuvre des programmes). Dans de nombreux pays, et notamment ceux de l'UE12, les difficultés que rencontrent les marchés publics continuent d'être une source importante de retards, tout comme les longues procédures de planification et les capacités limitées en matière de gestion de projets, ainsi que, dans certains cas, la fréquence des irrégularités administratives et le besoin de réaliser des audits exhaustifs.

Les mesures adoptées face aux retards

L'augmentation du taux de cofinancement de l'UE en Italie, au Portugal, en Grèce et dans les autres pays susvisés, a réduit les besoins en financements publics, alors qu'un transfert des financements est également intervenu dans ces pays ou dans d'autres États membres de l'Union vers des mesures plus rapides à mettre en œuvre. De même, dans plusieurs pays de l'UE12, les procédures ont été simplifiées, en particulier en matière de marchés publics. Dans certains cas, du personnel supplémentaire a été embauché et, dans d'autres, des prêts ont été négociés avec les banques internationales pour pallier aux difficultés de cofinancement. D'une manière plus générale, des unités spéciales ont été créées pour assurer le suivi de la mise en œuvre des projets les plus complexes ou des mesures problématiques.

Dans la plupart des pays de l'UE15, les autorités de gestion ont déclaré être assurées que les financements du FEDER pourront être absorbés d'ici fin 2015. Tel n'est pas le cas de certains pays de l'UE12, où les financements pourraient ne pas être entièrement dépensés, s'agissant notamment des programmes en matière de transports, d'infrastructures environnementales et d'énergie, en raison des retards dans la mise en œuvre des projets de grande échelle.

Les instruments d'ingénierie financière

Dans certains pays, le transfert des financements vers les instruments d'ingénierie financière (IIF) a constitué l'un des moyens permettant d'accélérer les dépenses et d'éviter les désengagements. Néanmoins, il faudra dépenser la totalité des financements accordés d'ici la fin de l'année 2015. Fin 2012, plus des deux tiers des financements du FEDER payés à des IIF n'étaient pas encore parvenus à leurs destinataires finaux (ce qui représente environ 5,5 milliards d'euros), dont plus de 95 % en Grèce, en Espagne, en Bulgarie et en Slovaquie. Alors que les montants payés aux destinataires finaux ont augmenté de plus de 50 % en 2012, de nouveaux transferts ont eu pour conséquence une diminution de seulement environ cinq points de pourcentage du solde des financements dans les IIF. Aussi, le rythme auquel les financements parviennent aux destinataires finaux doit augmenter de manière considérable pour que le délai fixé à fin 2015 puisse être respecté, ce qui risque de s'avérer difficile, au vu du climat économique défavorable qui pourrait perdurer. Tel est notamment le cas en Grèce, en Italie, en Espagne et en Bulgarie, où un montant important des financements n'avait pas encore été distribué fin 2012, bien qu'il semble aussi qu'en Roumanie, en Lituanie, au Portugal ainsi qu'au Royaume-Uni, l'ensemble des financements risque de ne pas atteindre les destinataires finaux d'ici fin 2015.

Les réalisations en matière de dépense

En dépit des retards dans la mise en œuvre des programmes, on dispose de plus en plus de données sur les résultats des dépenses, bien que les lacunes des rapports annuels de mise en œuvre mentionnées dans les rapports précédents ne permettent pas toujours d'évaluer leur importance et leur contribution à la réalisation des objectifs des politiques. Cette situation tend à sous-estimer et à sous-évaluer les succès de la politique de cohésion. Les principaux résultats déclarés jusqu'à la fin de l'année 2012 comportaient les éléments suivants :

- la création directe d'environ 594 000 emplois ;
- plus de 21 600 projets de coopération entre les entreprises et des centres de recherche ;
- environ 61 200 projets RDT, lesquels ont donné lieu à la création de quelque 21 000 emplois dans le secteur de la recherche ;
- environ 200 000 projets d'aide à l'investissement au profit des PME, ayant donné lieu à la création de quelque 262 000 emplois dans ces dernières ;
- la création de presque 78 000 nouvelles entreprises ;
- plus de 5 millions de personnes supplémentaires ont pu bénéficier d'un accès à l'Internet haut débit, principalement dans les régions défavorisées ;
- la construction de quelque 2 550 km de nouvelles routes, et de plus de 1 200 km d'autoroutes ;
- la rénovation d'environ 17 000 km de routes déjà existantes ;
- l'ajout d'environ 305 km de nouvelles lignes au réseau ferroviaire ;
- la rénovation d'environ 2 369 km de lignes ferroviaires déjà existantes ;
- la construction d'une deuxième ligne de métro dans la ville de Sofia, ainsi que de 13 nouvelles stations ;
- la mise à disposition d'un approvisionnement amélioré en eau potable au profit d'environ 3,3 millions de personnes ;
- le raccordement de 5,5 millions de personnes à un système amélioré de traitement des eaux usées ;
- l'achèvement de 2 126 projets de recyclage ou d'amélioration de l'élimination des déchets solides ;
- la mise en œuvre de mesures de prévention des inondations, afin de protéger environ 4,2 millions de personnes ;
- l'expansion des capacités de génération d'électricité à partir de sources renouvelables, à hauteur de plus de 2 430 mégawatts ;
- la rénovation de 706 bâtiments publics en Lituanie, avec une réduction de la consommation énergétique destinée au chauffage dans le pays de plus de 1 % ;
- l'achèvement de plus de 8 600 projets dans le secteur du tourisme, ce qui a donné lieu à la création d'environ 11 900 emplois ;
- l'assainissement de 576 km^2 de terrains pollués ;
- l'achèvement d'environ 3 800 projets visant à améliorer les établissements de santé, et de plus de 19 000 projets de construction ou de modernisation d'écoles et de collèges.

Évaluations des programmes de la politique de cohésion

Il existe de grandes différences entre les États membres au niveau des évaluations qui ont été effectuées. Au total, 830 évaluations de programmes ont été réalisées sur la période (dont

190 pour la seule année 2013), ce qui constitue un nombre bien supérieur à celui enregistré lors de la période précédente. Par ailleurs, un nombre bien plus élevé d'évaluations s'est concentré sur les résultats et les effets de la dépense, notamment pour ce qui est des domaines politiques. Le nombre moyen d'évaluations par PO (afin d'ajuster les différences en fonction de la taille des pays) a été supérieur en Lettonie, en République tchèque, à Chypre, en Pologne et surtout en Lituanie, et plus faible en Allemagne, au Royaume-Uni, en Espagne, aux Pays-Bas et surtout au Luxembourg, où aucune évaluation n'a été signalée. Un nombre relativement faible d'évaluations a été réalisé concernant les programmes de coopération transfrontalière (en moyenne, uniquement 0,5 par PO).

En 2013, les évaluations, qui se concentraient auparavant sur les procédures, ont porté sur les progrès enregistrés dans la mise en œuvre des programmes et sur les résultats des interventions. Plus d'un tiers des évaluations sur la période concernaient un PO ou une priorité, et le reste concernait un domaine politique particulier, une question transversale (4 %) ou le renforcement des capacités (11 %). Nombreuses ont été les évaluations sur les aides aux entreprises (15 %), le développement territorial (13 % : régénération urbaine, tourisme, activités culturelles, infrastructures sociales, etc.) et la RDTI (7 %), alors que peu se sont penchées sur les transports (5 %), les infrastructures environnementales (4 %) ou l'énergie (1 %).

De plus en plus d'évaluations se sont appuyées sur des méthodes quantitatives, et un nombre modeste (uniquement 3 % pendant la période), bien que croissant, a appliqué des techniques contrefactuelles, afin d'opérer une distinction entre les effets des politiques et d'autres facteurs. Ces outils ont été principalement utilisés pour évaluer les effets des aides aux entreprises.

L'utilisation des résultats des évaluations demeure largement informelle, même si dans certains pays de l'UE12 des procédures officielles existent pour s'assurer de l'application des recommandations issues des évaluations et de leur bonne prise en considération. La principale difficulté ne tient pas à l'existence ou à l'absence de telles procédures, mais à la réalisation d'un nombre suffisant d'évaluations de qualité satisfaisante et au fait de savoir si ces dernières permettent de mieux comprendre les effets des politiques sur des domaines divers, et si elles sont prises en compte au moment de définir de nouveaux programmes. La non publication des résultats des évaluations dans certains pays, l'absence de tentatives systématiques pour concilier des résultats contradictoires ou pour identifier les résultats découlant d'une analyse scientifique, ainsi que des débats publics et scientifiques succincts sur les évaluations, ne permettent pas de satisfaire à de telles conditions.

Les évaluations des aides aux activités de RDTI ont conclu, en général, que les dépenses en matière de R&D ont augmenté, mais elles diffèrent concernant les effets sur la productivité et les bienfaits apportés, bien que certaines d'entre elles aient constaté des effets positifs sur l'emploi et l'innovation, en particulier parmi les PME. Les conclusions des évaluations concernant les aides aux entreprises sont, elles aussi, contrastées. C'est ainsi par exemple qu'en Allemagne, ces aides ont contribué au développement régional et à la modernisation de l'industrie, et au Portugal à l'emploi, tandis qu'en Finlande et en Slovénie, elles n'ont eu que peu d'effet, voire aucun, et qu'en Pologne et en Lettonie, leurs effets se sont avérés incertains.

Les rares évaluations consacrées aux IIF ont constaté des résultats positifs, alors que celles (également peu nombreuses) qui ont porté sur les investissements dans les transports, ont conclu, généralement, que lesdits investissements ont contribué au développement régional, ce qui est également le cas des nombreuses évaluations concernant les différentes mesures couvertes par le développement territorial.

Les défis à venir

Différents points pertinents pour la nouvelle période de programmation se dégagent de l'étude en termes de politique. Certains découlent implicitement des développements ci-dessus exposés, comme le changement quant aux préoccupations politiques dans de nombreux États membres au détriment des disparités régionales (dont la réduction constitue l'un des principaux objectifs de la politique de cohésion), ou le risque sérieux que certains États membres (et notamment la Roumanie, l'Italie, la Bulgarie, Malte et la République tchèque, mais aussi potentiellement d'autres pays) ne parviennent pas à absorber les financements disponibles pour la période 2007-2013 d'ici fin 2015. D'autres points à noter sont :

- l'importance d'éviter les sources additionnelles de retards dans les programmes qui démarreront lors de la nouvelle période, lesquels viendraient s'ajouter à la préoccupation inévitable des États membres quant à l'achèvement des programmes de la période 2007-2013 et la dépense des financements disponibles ;
- la nécessité de disposer d'informations de meilleure qualité et plus systématiques, afin d'être en mesure d'apprécier les résultats des programmes, ainsi que d'indicateurs physiques améliorés et de leur rapport avec les objectifs des politiques pour que la politique de cohésion axée sur les résultats devienne une réalité ;
- l'importance de la publication de l'ensemble des rapports annuels de mise en œuvre, ainsi que de toutes les évaluations des interventions cofinancées par l'UE, afin de permettre l'instauration d'un débat public et leur examen indépendant ;
- la nécessité d'adopter des définitions communes concernant les indicateurs, afin que l’agrégation des données qui en résulte soit plus satisfaisante et cohérente ;
- la nécessité que les AG s'approprient davantage les données qu'elles communiquent, et qu'elles en rendent compte ;
- l'importance d'améliorer les capacités en termes d'utilisation des infrastructures (et notamment des installations de R&D), ainsi que d'employer les financements pour les construire ;
- l'importance de la planification des investissements dans les infrastructures environnementales, en tant que partie intégrante d'un système ou d'un réseau d'ensemble, et la prise en compte explicite de la nécessité de couvrir les coûts de raccordement et les futurs coûts d'entretien, en général, avec les redevances réglées par les usagers ;
- la nécessité de mieux coordonner les objectifs politiques et les financements, ainsi que de s'assurer que les premiers sont réalisables grâce aux derniers, pour éviter en partie la dispersion çà et là des financements, mais aussi pour faire en sorte que les résultats des politiques puissent être contrôlés et évalués de manière plus cohérente ;

- l'importance pour les politiques, dans le cadre de restrictions budgétaires toujours d'actualité, de s'appuyer davantage sur les faits, ce qui nécessite le renforcement des systèmes de contrôle et d'évaluation, ainsi que la réalisation de davantage d'évaluations au moyen de techniques susceptibles d'identifier les effets des interventions ;
- la nécessité de s'assurer que non seulement les interventions dans l'ensemble des domaines politiques sont dûment évaluées, mais aussi les mesures utilisées, et notamment les IIF, sur lesquels très peu d'évaluations ont été effectuées jusqu'alors, mais qui sont voués à prendre de l'importance lors de la nouvelle période ;
- l'importance de la mise à disposition du public des données utilisées dans le cadre des évaluations, ainsi que de ces dernières, pour que les conclusions y afférentes puissent être contrôlées et vérifiées de manière indépendante ;
- l'opportunité de mettre en place des moyens permettant de rendre accessibles, à l'échelle européenne, les résultats des évaluations, au profit de l'ensemble des parties prenantes qui participent à la définition des politiques de développement.

Zusammenfassung

Einleitung

Im vorliegenden Bericht werden die 27 Länderberichte, die vom Netzwerk unabhängiger Evaluierungsexperten zum Fortschritt bei der Umsetzung der mit dem EFRE (Europäischer Fonds für regionale Entwicklung) und dem Kohäsionsfonds im Zeitraum von 2007 bis 2013 kofinanzierten Programme vorgelegt wurden, zusammengefasst. Anhand der letzten verfügbaren Informationen werden die im Programmplanungszeitraum erzielten Leistungen bewertet und der im Vorjahr erstellte Synthesebericht aktualisiert. Dabei werden folgende Aspekte untersucht:

- der sozioökonomische Kontext
- Veränderungen der regionalen Unterschiede in der gesamten EU während der Wirtschaftskrise
- der Umfang der Förderung aus den beiden Fonds im Hinblick auf die Entwicklungsausgaben
- das Ausmaß der Veränderungen im Hinblick auf die Schwerpunkte der Förderung im Programmplanungszeitraum
- die Geschwindigkeit der Programmumsetzung
- die bisher im Rahmen der Programme erzielten Ergebnisse
- die durchgeführten Bewertungen der kohäsionspolitischen Interventionen im Programmplanungszeitraum
- die Implikationen der Analyse für die Politik im neuen Programmplanungszeitraum.

Sozioökonomischer Kontext

In den Jahren 2012 und 2013 war die Wirtschaftslage in den meisten EU-Mitgliedstaaten weiter angespannt. Zudem verschärfte sich der Druck auf die öffentlichen Finanzen, da die Mehrzahl der Staaten die Haushaltskonsolidierung fortführte und sich die hohen Arbeitslosenquoten vermehrt zu einem drängenden Problem entwickelten. Die finanziellen Engpässe und die fiskalpolitischen Konsolidierungsmaßnahmen wirkten sich insbesondere auf die staatlichen Anlageinvestitionen aus, die den Großteil der Ausgaben für Entwicklung darstellen. Somit sanken die öffentlichen Investitionen in Griechenland und Spanien im Zeitraum zwischen 2008 und 2012 real um 60 % und in Portugal um annähernd 50 %. Durchschnittlich belief sich der Rückgang in den EU-12-Ländern auf über 20 %, wobei Rumänien und Bulgarien eine Abnahme von jeweils über 30 % und über 40 % verzeichneten.

Den aktuellen Prognosen der Kommission zufolge dürfte sich die konjunkturelle Lage im verbleibenden Programmplanungszeitraum bis Ende 2015, wenn alle EFRE-Fördermittel ausgezahlt sein müssen, nicht erheblich verbessern, da sich das Wachstum im Vergleich zu der Zeit vor der Krise in den meisten Fällen bedeutend verlangsamt hat. Angesichts der begrenzten Aussicht auf eine eindeutig verbesserte Lage der öffentlichen Haushalte dürfte die anhaltende finanzielle Schieflage die Kofinanzierung der kohäsionspolitischen Programme auch in Zukunft belasten. Zudem wird sich der Druck auf die Ausgaben zur Ankurbelung der Produktionsleistung und der Beschäftigung sowie zur Unternehmensförderung erwartungsgemäß verstärken.

Veränderungen der regionalen Unterschiede während der Wirtschaftskrise

Die wirtschaftlichen Ungleichheiten zwischen den Regionen, die vor der Krise bereits offenkundig waren, haben sich in deren Verlauf weiter vertieft und spiegeln die langjährigen und tief verwurzelten regionalen Unterschiede in Bezug auf Wirtschaftsstruktur, historische Entwicklung und inhärente Merkmale wider. Wie es scheint, hat die Wirtschaftskrise die Art der Unterschiede, die sich in den meisten Ländern scheinbar ausgeweitet haben oder gleich blieben, zwar nicht grundlegend verändert, möglicherweise deren Bewältigung jedoch erschwert.

In vielen Ländern wurden die strukturschwächeren Regionen im Vergleich zu stärkeren Regionen härter von fiskalpolitischen Konsolidierungsmaßnahmen getroffen. Sie bedingten eine Abnahme der staatlichen Direktinvestitionen und Transferleistungen an regionale und lokale Gebietskörperschaften und somit eine Verringerung der Entwicklungsausgaben. In der Folge wurden öffentliche Stellen, die insbesondere in den schwächeren Regionen mehrerer Länder bedeutend sind, abgebaut und Sozialleistungen, die tendenziell vor allem an Regionen mit hoher Arbeitslosigkeit gehen, gekürzt.

Gleichzeitig waren – aufgrund des rückläufigen Wachstumstrends und der hohen Arbeitslosigkeit – die Regierungen in den meisten Ländern vorrangig darauf bedacht, die Wirtschaftsaktivität und die Beschäftigung wo immer möglich anzukurbeln und weniger darauf, die regionalen Unterschiede abzubauen.

Der Beitrag der EU-Fördermittel zu den Entwicklungsausgaben

Die durch den EFRE und den Kohäsionsfonds bereitgestellten Mittel belaufen sich für den Programmplanungszeitraum 2007-2013 auf rund 270,7 Mrd. EUR, wobei der Hauptteil (231,7 Mrd. EUR) den Konvergenzregionen zugeht. In der EU-12 belaufen sich die Fördermittel für den Programmplanungszeitraum insgesamt durchschnittlich auf rund 40 % der staatlichen Kapitalausgaben und in Griechenland, Portugal und den Konvergenzregionen Spaniens und Italiens auf 20 bis 30 %. In den verbleibenden zwei Jahren des Programmplanungszeitraums bis Ende 2015 sind die übrigen Mittel im Verhältnis zu staatlichen Kapitalausgaben aufgrund der verzögerten Auszahlung noch höher. In der EU-12 entsprechen sie im Durchschnitt 57 % der staatlichen Kapitalausgaben, in der Slowakei, Ungarn und Malta über 80 %, in Bulgarien 75 %, in der Tschechischen Republik und Lettland über 60 %. Diese Zahlen unterstreichen die entscheidende Bedeutung der EU-Fördermittel für Entwicklungsausgaben in den EU-12-Ländern und den südlichen EU-15-Mitgliedstaaten. Angesichts ihres wesentlich höheren Niveaus im verbleibenden Zeitraum verdeutlichen sie aber auch die potenzielle Schwierigkeit der betroffenen Länder, die Mittel tatsächlich vor 2015 umzusetzen.

Änderungen des Kofinanzierungssatzes und der für Investitionen verfügbaren Fördermittel

Wie im letztjährigen Bericht dargelegt, wurde der EU-Kofinanzierungssatz für eine Reihe von Mitgliedstaaten und insbesondere für die südlichen EU-Länder erhöht, um den nationalen Kofinanzierungsbedarf zu senken. Da der Gesamtbetrag der EU-Fördermittel gleich geblieben ist, hat dies zu einer niedrigeren Ausgabenfinanzierung insgesamt geführt. Die einzige

Änderung in 2013 ware diesbezüglich ein weiteres Anheben des EU-Kofinanzierungssatzes für Italien (von 51 % – und von anfangs 48 % – auf 61 %). Dies hatte eine Senkung des staatlichen Beitrags zu kohäsionspolitischen Programmen in Höhe von 45 % zur Folge. Im Vergleich zur ursprünglichen Planung ging somit die mögliche Ausgabenförderung insgesamt um 23 % bzw. 9,7 Mrd. EUR zurück. In Portugal war der Rückgang 17 %, in Spanien 10 % (oder in beiden Fällen jeweils 4 Mrd. EUR) und in Griechenland 7 %. Diese Kürzungen trugen zum Einbruch der öffentlichen Anlageinvestitionen, wie oben beschrieben, bei.

Verlagerung der Fördermittel auf andere Politikbereiche

Verlagerungen der Fördermittel auf andere Politikbereiche betrafen 2012 und 2013 rund 4,5 % des Betrags insgesamt, wodurch die Gesamtverlagerung seit ursprünglicher Programmplanung 16 % beträgt. Die größten Verlagerungen betrafen die EU-15-Ländern, insbesondere Portugal (43 % der Fördermittel), Griechenland (36%) und Italien (24 %) und wurden hauptsächlich in 2012 durchgeführt und in den letzten beiden Länderen in 2013. Die Verlagerungen in der EU-12 beliefen sich im Durchschnitt auf 11 % der Fördermittel, wobei sich der Anteil jedoch in Rumänien auf 18 %, in Bulgarien auf 24 % und in Zypern und Malta auf 28 % bis 29 % belief. Sowohl in der EU-15 als auch in der EU-12 führten die Verlagerungen zur Stärkung der Förderung von FTE, Sozialinfrastruktur, Transportwesen, Energie und „sonstigen" Investitionen in Unternehmen (d. h. nicht verbunden mit IKT oder Innovation) und zur Reduzierung von Finanzmittel für Umweltinfrastruktur, Innovatiosförderung in KMU sowie für technische Unterstützung.

Obwohl hinsichtlich der Art der Verlagerungen länderspezifische Unterschiede bestanden, gab es übereinstimmende Aspekte. Sie spiegeln die geringe Nachfrage von KMU nach Innovationsförderung wider, die auf die unsicheren Wachstumsaussichten am Markt und die Schwierigkeiten, Kofinanzierung zu finden, zurückzuführen sind. Zudem wurden Fördermittel vermehrt auf Ausgaben verlagern, die einen direkteren Einfluss auf Wirtschaftsaktivität und Beschäftigung haben. In diesem Rahmen wird des Weiteren deutlich, dass Verlagerungen dazu dienten, Ausgaben zu beschleunien um eine Aufhebung der Mittelbindung zu vermeiden und sich von bestimmten Bereichen abzuwenden in denen sich das Starten von Neuprojekten als schwierig erwies (dies erklärt, warum Fördermittel von Schiene auf Straße verlagert wurden).

Fortschritte bei der Durchführung der Programme

Obwohl es nich einfach ist den Umsetzungsgrad der Programme genau zu ermitteln und mögliche Schwierigkeitn in Mitgliedstaaten zu identifizieren, die Fördermittel bis Ende 2015 zu absorbieren, bieten die Zahlungen der Kommission aus dem EFRE und dem Kohäsionsfonds an Mitgliedstaaten zur Abdeckung getätigter Ausgaben einige Anhaltspunkte. Im Fall des EFRE wird für 2013 im Vergleich zu den Vorjahren eine Beschleunigung deutlich. Der Ende 2013 ausgezahlte Gesamtbetrag weist somit einen Anstieg auf 62 % der für den Programmplanungszeitraum verfügbaren Fördermittel insgesamt auf. Dies weist auf eine Beschleunigung in der Durchführung der Programme hin und auf eine Verringerung der angefallenen Verzögerungen. Es bleibt jedoch festzuhalten, dass für die EU-15-Länder (für die als einzige Vergleichswerte vorliegen) Zahlungen im Verhältnis zur Gesamtfinanzierung geringer ausfielen als in der entsprechenden Phase im vorhergehenden

Programmplanungszeitraum 2000-2006 (68 %), in dem aufgrund von Verzögerungen die Umsetzungsfrist der Mittelvergabe für Programme um ein Jahr verlängert wurde.

Darüber hinaus zog der Zahlungsrhythmus 2013 vorrangig bei den Ländern an, die bereits einen relativ großen Teil der für den Programmplanungszeitraum verfügbaren Finanzmittel beantragt und erhalten hatten. In den Ländern, die weniger Fördermittel bis Ende 2012 beansprucht hatten, fiel der Anstieg geringer aus. Dementsprechend erweisen sich die bereits vor einem Jahr erheblichen Verzögerungen bei der Programmumsetzung in diesen Ländern heute als umso bedenklicher. Zu diesen Ländern gehören in der EU-12 Malta, die Tschechische Republik, Bulgarien, die Slowakei und insbesondere Rumänien sowie Dänemark, Großbritannien, Österreich, Frankreich, Spanien und vor allem Italien in der EU-15, wobei in Italien die Zahlungen 2013 merklich anzogen haben (basierend auf der Reduzierung des nationalen Kofinanzierungssatzes).

Dagegen erreichen die EFRE-Zahlungen und – Programme – in neun Ländern ein gutes Niveau (mit über 70 % der Fördermittel für den Programmplanungszeitraum). 2013 wurde hier zudem ein relativ bedeutender Anstieg des Zahlungsrhythmus verzeichnet. Es handelt sich um vier EU-12-Länder, nämlich Polen, Slowenien, Estland und Litauen sowie um Griechenland und Portugal.

Auch für grenzüberschreitende Kooperationsprogramme zog der Zahlungsrhythmus 2013 erheblich an, obwohl er durchschnittlich gesehen auf einem relativ niedrigen Niveau (bei lediglich 58 % der Fördermittel) verblieb.

Der Anstieg der Zahlungen aus dem Kohäsionsfonds entsprach weitgehend dem der EFRE-Auszahlungen, lag jedoch in Bezug auf die Fördermittel für den Programmplanungszeitraum mit 57 % auf einem niedrigeren Stand. Dies war insbesondere in den EU-12-Ländern und vor allem in Slowenien, Zypern und Ungarn sowie für den EFRE in Rumänien, Bulgarien, der Slowakei und der Tschechischen Republik der Fall.

Hinweise aus Daten zur Projektzuweisung

Die Zuweisung von Fördermitteln für Projekte bietet ebenfalls Möglichkeiten, um die bei der Programmumsetzung erzielten Fortschritte zu bewerten. Die Schwierigkeit hierbei besteht jedoch in der Auslegung und zwar zum Teil daher, dass einige Länder Fördermittel überbeanspruchen. Sie versuchen dadurch sicherzustellen, dass der Ausfall von auszuführenden Projekten keine übermäßigen Verzögerungen bei der Inanspruchnahme (und die Nichteinhaltung der „n+2“-Regelung) nach sich zieht. Die Tatsache, dass Griechenland bis Ende 2012 Projektzuweisungen in Höhe von 137 % der Fördermittel getätigt hatte, muss nicht unbedingt bedeuten, dass die Programmumsetzung hier fortgeschrittener war als in Litauen, dem Land mit dem höchsten Zahlungsrhythmus, bei dem diese Zahl lediglich bei 91 % lag. Dass Bulgarien im Jahr 2012 einen Anstieg der zugewiesenen Fördermittel von 54 % auf 95 % verzeichnete, besagt auch nicht, dass die bulgarische Umsetzung von Projekten zügiger voran ging als in Belgien, dessen Projektzuweisungen von 98 % auf 101 % anstiegen. Während die Daten für die Tschechische Republik, die Slowakei, Österreich, Frankreich und Rumänien die Zahlungsangaben stützen und darauf schließen lassen, dass die Programmumsetzung in diesen Ländern relativ langsam erfolgt, trifft dies auf andere Länder nicht zu. Aus diesem Grund kann dem Datenmaterial nur schwer viel Bedeutung beigemessen werden.

Gründe für Umsetzungsverzögerungen

Die wesentlichen Gründe für die augenscheinliche Verzögerung bei der Umsetzung der Programme sind mit denen identisch, die im letztjährigen Bericht erörtert wurden – die negativen wirtschaftlichen Rahmenbedingungen, aufgrund derer nur begrenzt Kofinanzierung verfügbar ist und die Nachfrage nach Fördermitteln seitens Unternehmen zurückgeht. Dies macht es schwierig, die langsame Aufnahme der Programme auszugleichen. Insbesondere in der EU-12 stellen in vielen Ländern Schwierigkeiten bei der öffentlichen Beschaffung eine Hauptquelle für Verzögerungen dar. Dazu kommen langwierige Planungsverfahren und die begrenzte Fähigkeit zur Projektverwaltung sowie in einigen Fällen häufige verwaltungstechnische Unregelmäßigkeiten und die Erfordernis umfangreicher Überprüfungen.

Für Verzögerungen getroffene Abhilfemaßnahmen

Durch die Steigerung des EU-Kofinanzierungsanteils in Italien, Portugal, Griechenland und den anderen vorstehenden Ländern wurde der Bedarf an nationaler Finanzierung reduziert. Gleichzeitig erfolgte in diesen und anderen Ländern eine Verlagerung der Fördermittel auf Maßnahmen, deren Umsetzung kurzfristiger erfolgen konnte. In zahlreichen EU-12-Ländern wurden zudem die Verfahren vereinfacht, insbesondere für die öffentliche Beschaffung. In einigen Fällen wurde zusätzliches Personal eingestellt, während in anderen Darlehen mit internationalen Bankinstituten ausgehandelt wurden, um Probleme bei der Kofinanzierung abzumildern. Generell wurden Spezialeinheiten eingesetzt, um die Umsetzung von komplexeren Projekten oder Maßnahmen, die sich als problematisch erwiesen hatten, zu überwachen.

In der Mehrzahl der EU-15-Länder sind die Verwaltungsbehörden Berichten zu Folge zuversichtlich, dass die EFRE-Fördermittel bis Ende 2015 vollständig in Anspruch genommen werden. In einigen EU-12-Ländern wächst dagegen die Sorge, dass Finanzmittel insbesondere in Bereichen Transportwesen, Umwelt- und Energieinfrastruktur unbeansprucht bleiben, da es bei der Durchführung von Großprojekten zu Verzögerungen kam.

Finanzierungsinstrumente

Eine Verlagerung der Förderung auf Finanzierungsinstrumente stellt eine der Möglichkeiten dar, um Ausgaben zu beschleunigen und eine Aufhebung der Mittelbindung in einigen Ländern zu verhindern. Die zugewiesenen Fördermittel müssen jedoch weiterhin bis Ende 2015 in Anspruch genommen werden. Zum Jahresende 2012 hatten zwei Drittel des in Finanzierungsinstrumente eingezahlten EFRE die Endbegünstigten noch nicht erreicht (was einer Summe von rund 5,5 Mrd. EUR entspricht). In Griechenland, Spanien, Bulgarien und der Slowakei lag der Anteil bei 95 %. Während der an Endbegünstigte ausgezahlte Betrag im Verlauf von 2012 um weit über 50 % zunahm, ließ der Anstieg des eingezahlten Betrags vermuten, dass die Fördermittel, die in Finanzierungsinstrumenten verblieben, um nur rund fünf Prozentpunkte gesenkt wurden. Um die Frist bis Ende 2015 einzuhalten, muss die Geschwindigkeit, mit der Fördermittel Endbegünstigte erreichen, daher merklich erhöht werden. Angesichts des eingetrübten Wirtschaftsklimas, das weiter anhalten dürfte, könnte dies mit Schwierigkeiten verbunden sein. Dies gilt insbesondere für Griechenland, Italien, Spanien und Bulgarien, in denen ein erheblicher Anteil der Fördermittel Ende 2012 noch nicht zugewiesen war. Zudem wird auch aus Rumänien, Litauen, Portugal und Großbritannien gemeldet, dass die gesamten Finanzierungsmittel die Endbegünstigten wahrscheinlich nicht bis Ende 2015 erreichen werden.

Ergebnisse der Ausgaben

Trotz der verzögerten Programmumsetzung zeichnen sich die Ergebnisse der Ausgaben zunehmend ab. Aufgrund der Mängel in den jährlichen Durchführungsberichten, auf die in den vorhergehenden Berichten hingewiesen wurde, ist es jedoch häufig schwierig, deren Bedeutung und Beitrag zur Erfüllung der Politikziele zu beurteilen. Dies hat tendenziell zur Folge, dass die Ergebnisse der Kohäsionspolitik unterschätzt und unterbewertet werden. Unter anderem wurden bis zum Ende des Jahres 2012 die folgenden wichtigsten Ergebnisse gemeldet:

- die direkte Schaffung von rund 594.000 neuen Arbeitsplätzen;
- Förderung von über 21.600 Kooperationsprojekten zwischen Unternehmen und Forschungseinrichtungen;
- rund 61.200 FTE-Projekte, im Rahmen derer fast 21.000 neue Arbeitsplätze in der Forschung geschaffen wurden;
- fast 200.000 Projekte zur Förderung von Investitionen in KMU, infolge derer an die 262.000 neue Arbeitsplätze in diesen Unternehmen geschaffen wurden;
- die Gründung von beinahe 78.000 neuen Unternehmen;
- die Bereitstellung von Breitband-Internetzugang für über weitere 5 Millionen Menschen, insbesondere in benachteiligten Gebieten;
- der Bau von annähernd 2.550 km neuer Straßen und knapp über 1.200 km Autobahn;
- die Ausbesserung von über 17.000 km vorhandener Straßen;
- die Erweiterung des Eisenbahnnetzwerks um ca. 305 km;
- die Erneuerung von rund 2.369 km vorhandener Bahnstrecken;
- der Bau einer zweiten U-Bahnlinie in Sofia mit 13 neuen Stationen
- die Verbesserung der Trinkwasserversorgung für rund 3,3 Millionen Menschen;
- die Verbesserung der Abwasseraufbereitung für 5,5 Millionen Menschen;
- die Fertigstellung von 2.126 Abfallprojekten oder Projekten zur verbesserten Hausmüllbeseitigung;
- die Umsetzung von Hochwasserschutzmaßnahmen zum Schutz von rund 4,2 Millionen Menschen;
- die Erweiterung der Kapazitäten zur Erzeugung von Strom aus erneuerbaren Energien um mehr als 2.430 Megawatt;
- die Sanierung von 706 öffentlichen Gebäuden in Litauen, wodurch in dem Land der Energieverbrauch beim Heizen um über 1 % gesenkt wurde;
- die Fertigstellung von über 8.600 Projekten in der Tourismusbranche, wodurch direkt 11.900 Arbeitsplätze entstanden;
- die Sanierung von 576 Quadratkilometern verschmutzter Böden;

- die Fertigstellung von rund 3.800 Projekten zur Verbesserung der Gesundheitsversorgung und über 19.000 Bau- oder Modernisierungsprojekten im Bereich Schulen und weiterführende Schulen.

Bewertungen von kohäsionspolitischen Programmen

Zwischen den Mitgliedstaaten bestehen hinsichtlich dem Umfang, in dem Programmauswertungen durchgeführt wurden, erhebliche Unterschiede. Insgesamt wurde die Durchführung von 830 Auswertungen im Programmplanungszeitraum – davon 190 allein im Jahr 2013 – gemeldet, was weit über der im vorhergehenden Programmplanungszeitraum gemeldeten Anzahl liegt. Zudem beschäftigten sich weit mehr Auswertungen vorrangig mit den Ergebnissen und Auswirkungen von Ausgaben bezogen auf bestimmte Politikbereiche. Die durchschnittliche Anzahl an Auswertungen pro operationellem Programm (OP) (die entsprechend den länderspezifischen Größenunterschieden anzupassen ist) war am höchsten in Lettland, in der Tschechischen Republik, in Zypern, Polen und insbesondere in Litauen. Geringer fiel die Anzahl in Deutschland, Großbritannien, Spanien, den Niederlanden und vor allem in Luxemburg aus, für das keinerlei Auswertungen gemeldet wurden. In Bezug auf grenzüberschreitende Kooperationsprogramme wurden relativ wenige Beurteilungen (im Schnitt lediglich 0,5 pro OP) durchgeführt.

Im Jahr 2013 war eine Schwerpunktverlagerung festzustellen, im Rahmen derer der Blickpunkt anstatt auf Verfahren vermehrt auf die Beurteilung von Fortschritten bei der Programmumsetzung und Ergebnissen von Methoden gerichtet wurde. Über ein Drittel der Auswertungen im Programmplanungszeitraum insgesamt beschäftigte sich mit einem operationellen Programm oder einer Priorität, während sich die restlichen Beurteilungen mit einem spezifischen Politikbereich, einem Querschnittsthema (4 %) oder dem Kapazitätenaufbau (11 %) befassten. Eine große Anzahl thematisierte die Förderung von Unternehmen (15 %), die territoriale Entwicklung (13 % – urbane Regeneration, Tourismus, kulturelle Aktivitäten, Sozialinfrastruktur usw.) und FTEI (7 %), während relativ wenige Auswertungen das Transportwesen (5 %), die Umweltinfrastruktur (4 %) und Energie (1 %) zum Gegenstand hatten.

Die Auswertungen basierten vermehrt auf quantitativen Methoden, von denen ein kleiner (lediglich 3 % im Programmplanungszeitraum), aber steigender Anteil kontrafaktische Methoden thematisierte, die dazu dienen, die Auswirkungen der Maßnahmen von anderen Faktoren zu trennen. Diese kamen in erster Linie bei der Beurteilung der Auswirkungen der Unternehmensförderung zum Einsatz

Die Nutzung der Bewertungsergebnisse findet weitgehend in einem informellen Rahmen statt. In einigen EU-12-Ländern wird durch formelle Verfahren sichergestellt, dass die Empfehlungen entweder umgesetzt oder eingehend in Betracht gezogen werden. Dabei geht es nicht vorrangig um die Frage, ob solche Verfahren festgelegt wurden, sondern vielmehr, ob ausreichend Bewertungen in zufriedenstellender Qualität vorliegen, ob sie ein besseres Verständnis für die Effekte von politischen Maßnahmen schaffen und ob sie bei der Gestaltung zukünftiger Programme berücksichtigt werden. Die Erfüllung dieser Bedingungen wird durch die Nichtveröffentlichung von Auswertungsergebnissen in einigen Ländern, durch die fehlenden systematischen Versuche, widersprüchliche Ergebnisse in Einklang zu bringen oder eine Unterscheidung zwischen den Ergebnissen zu treffen, die auf einer fundierten Analyse basieren und jenen, denen diese fehlt, sowie durch die begrenzte öffentliche Erörterung und wissenschaftliche Debatte zu den Auswertungen behindert.

Die Bewertungen zur Förderung von FTEI haben allgemein gezeigt, dass in diesem Rahmen erhöhte Ausgaben für Forschung & Entwicklung getätigt wurden, jedoch Unterschiede hinsichtlich der Auswirkungen auf Produktivität und Gewinne bestehen. In einigen Beurteilungen kam man jedoch zu dem Schluss, dass positive Beschäftigungs- und Innovationseffekte, insbesondere bei KMU, ausgelöst wurden. Die Auswertungsergebnisse zur Unternehmensförderung fallen ebenfalls gemischt aus. In Deutschland beispielsweise trägt die Förderung zur regionalen Entwicklung und industriellen Modernisierung und in Portugal zur Beschäftigung bei, während sie in Finnland und Slowenien wenig oder keine Effekte hat und die Auswirkungen in Polen und Lettland ungewiss sind. In den wenigen Beurteilungen von FTEI werden positive Tendenzen beobachtet. Die ebenso geringe Anzahl an Auswertungen zu Investitionen in das Transportwesen verleiten zu der Annahme, dass diese zur regionalen Entwicklung beigetragen haben. Dies gilt auch für viele andere, die zu verschiedenen Maßnahmen im Rahmen der territorialen Entwicklung erfolgten.

Zukünftige Herausforderungen

Aus der Untersuchung kristallisiert sich eine Reihe von Punkten heraus, die für die Politik im neuen Programmplanungszeitraum Relevanz haben. Einige sind im Vorstehenden enthalten, wie beispielsweise die Verlagerung der politischen Schwerpunkte in vielen Mitgliedstaaten, die sich von den regionalen Unterschieden, deren Verringerung ein zentrales Ziel der Kohäsionspolitik darstellt, wegbewegen. Oder auch die ernste Gefahr, dass mehrere Mitgliedstaaten – insbesondere Rumänien, Italien, Bulgarien, Malta und die Tschechische Republik sowie potenziell andere Länder – nicht in der Lage sein werden, die verfügbaren Fördermittel für den Programmplanungszeitraum 2007-2013 bis Ende 2015 vollständig in Anspruch zu nehmen. Weitere Punkte sind wie folgt:

- die Wichtigkeit zu gewährleisten, dass es keine weiteren Ursachen für die verzögerte Aufnahme von Programmen im neuen Zeitraum zusätzlich zu denjenigen gibt, die sich aus der unvermeidbaren Beschäftigung der Mitgliedstaaten mit dem Abschluss der Programme 2007-2013 und der Inanspruchnahme sämtlicher verfügbarer Fördermittel ergeben;
- der Bedarf an besseren, systematischeren Informationen zur Ergebnisbewertung von Programmen und die erforderliche erhebliche Verbesserung von physischen Indikatoren sowie deren Bindung an politische Zielsetzungen, wenn eine ergebnisorientierte Kohäsionspolitik verwirklicht werden soll;
- die Wichtigkeit alle jählichen Durchführungsberichte und sämtliche Auswertungen von EU-kofinanzierten Maßnahmen öffentlich bereitzustellen um öffentliche Diskussionen anzuregen und eine diesbezügliche unabhängige Untersuchung zu ermöglichen;
- der Bedarf an der gemeinsamen Festlegung von Indikatoren, um die Zusammenfassung von in diesem Rahmen generierten Daten zufriedenstellender und ausdrucksstärker zu gestalten;

- der Bedarf einer verstärkten Inhaberschaft von Seiten der Verwaltungsbehörden für die von ihnen bereitgestellte Daten und eine damit verbundene höhere Verantwortung ;
- die Bedeutung der Verbesserung der Kapazität, um Infrastruktur (insbesondere FuE-Anlagen) zu nutzen sowie Fördermittel zu deren Aufbau zu verwenden;
- die Wichtigkeit von Investitionsvorhaben für Umweltinfrastruktur als Teil eines Gesamtsystems oder Netzwerks sowie die ausdrückliche Berücksichtigung, dass Verbindungs- und künftige Wartungskosten, in der Regel durch Nutzungsgebühren, unbedingt abgedeckt werden müssen;
- der Bedarf an besserer Koordinierung von Politikzielen und Fördermitteln und die Gewährleistung, dass die Ersteren durch die Letzteren umgesetzt werden können, um somit einerseits zu verhindern, dass Fördermittel zu weit und zu dünn verstreut werden, aber auch um andererseits eine sinnvollere Überwachung und Bewertung der Ergebnisse der Maßnahmen zu ermöglichen;
- die Bedeutung – im Kontext anhaltender finanzieller Zwänge – von politischen Maßnahmen, die verstärkt evidenzbasiert sind, was eine Verstärkung von Überwachungs- und Bewertungssystemen und die vermehrte Durchführung von Auswertungen erfordert, unter Einsatz von Techniken, im Rahmen derer zwischen den Auswirkungen von Maßnahmen unterschieden werden kann;
- die Erfordernis sicherzustellen, dass nicht nur die Interventionen in sämtlichen Politikbereichen eingehend beurteilt werden, sondern auch die verwendeten Maßnahmen, insbesondere FEI, zu denen bisher äußerst wenige Auswertungen durchgeführt wurden, die jedoch im neuen Programmplanungszeitraum an Bedeutung gewinnen dürften;
- die Wichtigkeit, die in den Auswertungen verwandten Daten zusammen mit der Bewertung selbst öffentlich zugänglich zu machen, so dass die Ergebnisse unabhängig untersucht und überprüft werden können;
- das erstrebenswerte Ziel, ein Medium zu schaffen, über das die als fundiert erachteten Auswertungsergebnisse denjenigen EU-weit zugänglich gemacht werden, die an der Gestaltung von politischen Entwicklungskonzepten beteiligt sind.

1. Introduction

This report, as in previous years, synthesises the main points to come out of the 27 national reports produced by the network of independent evaluation experts on the programmes co-financed by the ERDF (European Regional Development Fund) and Cohesion Fund over the 2007-2013 period and the outcome of the expenditure so far carried out. For the most part, it focuses on the period up to the end of 2012, which is that covered by the Annual Implementation Reports (AIRs) published in mid-2013. The information on the programmes contained in these has been supplemented, where possible, by the findings of evaluations and by interviews with Managing Authorities (MAs). These, however, make up only to a very limited degree for the deficiencies of the AIRs in reporting the outcome of expenditure in a meaningful way and it remains difficult to fully identify and assess what has been achieved and how it relates to policy objectives.

The report is essentially an update of that produced a year ago which summarised developments up to the end of 2011. Like that report, it supplements the material contained in the national reports by figures from DG Regional and Urban Policy on Commission payments to Member States and on shifts in funding between policy areas. It covers in turn:

- the economic context in which programmes are being carried out and the macroeconomic policies being pursued;
- regional developments across the EU and the regional policy being followed in EU Member States and how both have been affected by the macroeconomic situation and the fiscal consolidation measures taken to reduce budget deficits and government debt;
- the scale of financial support for regional development from the ERDF and Cohesion Fund for the 2007-2013 period in relation to national expenditure and the funding remaining to be spent over the rest of the period – i.e. by end-2015;
- the progress made in implementing Cohesion policy programmes across the EU, the extent to which implementation has speeded up since last year's report was prepared and the action taken in Member States to meet expenditure deadlines;
- the outcome of the projects completed up to the end of 2012 in the different policy areas and the achievements made as a result;
- the evaluations undertaken in Member States on Cohesion policy interventions and their findings, focussing on those concerned with the effects of measures on policy objectives;
- the main points to emerge from the above and their implications for the new programming period which has just started.

2. Socio-economic context

Underlying economic situation

While there were signs of some improvement in the economic situation across the EU in the latter part of 2013, growth remains sluggish in most Member States and GDP has continued to decline in a few. In 2012, the last year covered by the latest AIRs, GDP fell in 13 of the 27 EU countries and increased by less than 1% in another 9. Only in the three Baltic States was growth more than 2% (Table 1). In 2013, there were slightly fewer countries in which GDP declined, 9 instead of 13, all of them ones in which there was also a decline in 2012, but the same number, 9, in which growth was less than 1%, all of them except Slovakia, ones in which there was also sluggish growth or a fall in GDP the year before. Again there were only three Member States in which growth exceeded 2%, Latvia and Lithuania as in 2012 but Romania instead of Estonia.

Table 1 Annual growth rates of GDP, 2004-2013 and forecasts for 2014 and 2015

	2004-07 *Average*	2007-08	2008-09	2009-10 *Outturn*	2010-11	2011-12	2012-13 *Estimate*	2013-14 *Forecast*	2014-15
EU27	2.9	0.4	-4.5	2.0	1.7	-0.4	*0.0*	*1.4*	*1.9*
EU15	2.7	0.1	-4.6	2.0	1.5	-0.5	*-0.1*	*1.3*	*1.9*
EU12	5.8	4.6	-3.6	2.2	3.4	1.0	*0.8*	*2.2*	*2.7*
Poland	5.5	5.1	1.6	3.9	4.5	1.9	*1.3*	*2.5*	*2.9*
Sweden	3.6	-0.6	-5.0	6.6	2.9	0.9	*1.1*	*2.8*	*3.5*
Slovakia	8.5	5.8	-4.9	4.4	3.0	1.8	*0.9*	*2.1*	*2.9*
Malta	3.4	3.9	-2.8	3.3	1.7	0.9	*1.8*	*1.9*	*2.0*
Germany	2.5	1.1	-5.1	4.0	3.3	0.7	*0.5*	*1.7*	*1.9*
Austria	3.3	1.4	-3.8	1.8	2.8	0.9	*0.4*	*1.6*	*1.8*
Estonia	8.8	-4.2	-14.1	2.6	9.6	3.9	*1.3*	*3.0*	*3.9*
Belgium	2.4	1.0	-2.8	2.3	1.8	-0.1	*0.1*	*1.1*	*1.4*
Luxembourg	5.6	-0.7	-5.6	3.1	1.9	-0.2	*1.9*	*1.8*	*1.1*
France	2.2	-0.1	-3.1	1.7	2.0	0.0	*0.2*	*0.9*	*1.7*
UK	3.1	-0.8	-5.2	1.7	1.1	0.3	*1.3*	*2.2*	*2.4*
Lithuania	8.5	2.9	-14.8	1.6	6.0	3.7	*3.4*	*3.6*	*3.9*
Bulgaria	6.4	6.2	-5.5	0.4	1.8	0.8	*0.5*	*1.5*	*1.8*
Czech Rep	6.5	3.1	-4.5	2.5	1.8	-1.0	*-1.0*	*1.8*	*2.2*
Romania	6.1	7.3	-6.6	-1.1	2.2	0.7	*2.2*	*2.1*	*2.4*
Denmark	2.5	-0.8	-5.7	1.4	1.1	-0.4	*0.3*	*1.7*	*1.8*
Netherlands	3.1	1.8	-3.7	1.5	0.9	-1.2	*-1.0*	*0.2*	*1.2*
Finland	4.2	0.3	-8.5	3.4	2.7	-0.8	*-0.6*	*0.6*	*1.6*
Ireland	5.5	-2.2	-6.4	-1.1	2.2	0.2	*0.3*	*1.7*	*2.5*
Hungary	2.6	0.9	-6.8	1.1	1.6	-1.7	*0.7*	*1.8*	*2.1*
Latvia	10.4	-2.8	-17.7	-1.3	5.3	5.2	*4.0*	*4.1*	*4.2*
Spain	3.7	0.9	-3.8	-0.2	0.1	-1.6	*-1.3*	*0.5*	*1.7*
Portugal	1.5	0.0	-2.9	1.9	-1.3	-3.2	*-1.8*	*0.8*	*1.5*
Italy	1.6	-1.2	-5.5	1.7	0.5	-2.5	*-1.8*	*0.7*	*1.2*
Slovenia	5.6	3.4	-7.9	1.3	0.7	-2.5	*-2.7*	*-1.0*	*0.7*
Cyprus	4.4	3.6	-1.9	1.3	0.4	-2.4	*-8.7*	*-3.9*	*1.1*
Greece	3.8	-0.2	-3.1	-4.9	-7.1	-6.4	*-4.0*	*0.6*	*2.9*

Note: Countries ordered in terms of growth over the years 2008-2013

Source: Eurostat, National accounts and European Commission, Autumn 2013 forecasts

The context in which programmes have been carried out has, accordingly, been much as it was this time last year when the previous report was prepared. As described below, this has conditioned their implementation. In particular, it has limited the funding available at national level to co-finance programmes because of company profits as well as tax revenue being depressed and government borrowing remaining difficult while at the same time making enterprises reluctant to investment because of doubts about future economic prospects. On the one hand, it has made it more difficult to undertake the projects planned because of financing problems and a reduction in the demand for funds to carry out investment. On the other hand, it has increased the pressure for spending to boost output and employment or to provide support for businesses, as unemployment has risen and remained high in nearly all countries and companies have found it difficult to access credit.

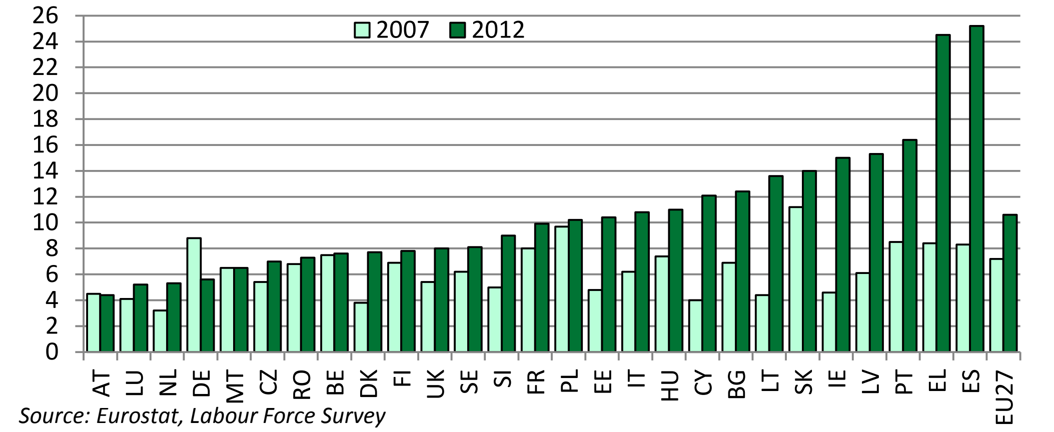
In 2013, therefore, there were 17 Member States in which GDP was lower in real terms than in 2008 when the global recession first hit the EU (all those from the UK down in Table 1) and another two (France and Luxembourg) where it was less than 1% higher. There were only 5 countries in which GDP was more than 2% higher than when the crisis struck – Poland, most notably (where GDP was 14% higher), Sweden (6% higher), Slovakia, Malta (both 5% higher) and Germany (3% higher).

The decline in GDP over the crisis period is most marked in Greece, where the level was some 23% lower in real terms in 2013 than 5 years earlier, though the reduction was also substantial in Cyprus and Slovenia (where the level was 11% lower) and, if to a lesser extent, in Italy, Portugal and Spain (around 7-8% lower). Hungary, Ireland and Latvia also experienced a relatively large fall in GDP (of 5-6% over the 5 years), though, especially in the last, GDP has recovered at least in part from the deep recession in 2008-2009. (This is even more the case in the other two Baltic States, where GDP in 2013 was less than 2% below the 2008 level in Lithuania and almost 2% higher in Estonia.)

Many of the main recipients of Cohesion policy support have, therefore, suffered a particularly severe deterioration in the economic situation over the programming period and a major change in the context in which programmes have been carried out as compared with what was envisaged when the plans for expenditure were initially drawn up.

This is reflected, in particular, in the unemployment figures, which have risen sharply in most Member States to levels considered unacceptable. In 2012, the unemployment rate in the EU averaged 10.6% as against just over 7% in 2007 at the beginning of the period. In 13 of the 27 countries it was over 10% and in another (France), it was around 10% (Figure 1). Of these 13 countries, 8 are EU12 Member States and the other 5 are the three EU15 Cohesion countries (Greece, Spain and Portugal), which have the highest unemployment in the EU, Ireland (a former Cohesion country) and Italy, which has many Convergence regions in the south of the country and which is the largest recipient of Cohesion Policy funding in the EU15 other than Spain.

Figure 1 Unemployment rates in EU Member States, 2007 and 2012 (% of labour force)



Source: Eurostat, Labour Force Survey

Economic prospects over the remainder of the programming period

The latest European Commission forecast (prepared in Autumn 2013) is for an improvement in the economic situation in nearly all countries this year and next. Only in two countries (Cyprus and Slovenia) is GDP predicted to continue to decline in 2014. Greece is forecast to see some growth, even if small, for the first time for 7 years, while some recovery, though slow, is also expected in Spain, Italy and Portugal. At the same time, in the EU12, only the three Baltic States are forecast to have growth of more than 3%, which is well below the rate which was the norm in most of the countries before the onset of the crisis, and in all the others apart from Poland, it is around 2% or less. In the EU15, only Sweden and the UK are predicted to have growth of more than 2%.

While growth is forecast to pick up in 2015, it still is expected to average less than 2% in the EU and less than 3% in the EU12 countries. Again only in the three Baltic States is growth predicted to be higher than 3%, and in the EU15, although growth is forecast to reach 3% in Greece (which would still leave GDP over 20% lower than in 2008), it is expected to be less than 2% in the other three southern countries.

Accordingly, on these forecasts, the economic context in which programmes are carried out over the remaining two years of the period is unlikely to be markedly different from that which has prevailed over the past few years. Unemployment is likely to remain high and, accordingly, expanding employment will remain a priority. With slow growth, however, public finances are unlikely to improve significantly, so that national sources of co-financing will tend to remain limited and, more generally, there will continue to be tight constraints on the funding available for development expenditure in most countries.

The state of Government finances

The constraints on funding government expenditure are a reflection of the relatively large budget deficits which still exist in most Member States despite the fiscal consolidation measures implemented over the past few years. In 2012, there were only 9 countries in which the deficit was below 3% of GDP, the limit specified under the Growth and Stability Pact (Table 2). Most of these countries are those that have experienced economic growth over the crisis period or, in the case of Latvia, over the two years 2011 and 2012. In Finland

and Hungary, however, the deficit was below 3% of GDP despite the reduction in GDP over the latter two years as well as over the crisis period as a whole, emphasising the tightness of fiscal policy (since higher tax rates and/or lower public expenditure compensated for the reduced revenue from taxes and the likely increase in social spending). Fiscal policy seems also to be tight in Italy and Slovenia, where in spite of the substantial reduction in GDP over the crisis period, the budget deficit was kept to 3% of GDP in the former and below 4% in the latter.

As would be expected, budget deficits were relatively large in 2012 in the other countries where GDP has fallen by most over the crisis, though in each case, apart from Cyprus and Spain, they were still lower than at their peak in 2009 when counter-cyclical measures added to the effect of the recession in pushing up the deficit. In a number of cases, they were significantly lower, again reflecting the tightening of budgetary policy over the period and the fiscal consolidation measures introduced.

The high level of government debt which has built up over the crisis period further limits the funding available for expenditure. In 14 of the 27 Member States, accumulated debt exceeded the maximum of 60% of GDP specified, in all of them by a large margin. Three of these countries – Germany, Austria and Hungary – are ones in which the budget deficit was below 3% in 2012, leaving only 6 Member States (Sweden, Finland and Luxembourg in the EU15 and Estonia, Bulgaria and Latvia in the EU12) which on the latest data available has scope for budgetary expansion under the Growth and Stability Pact. In three of the four southern EU15 countries, all except Spain, the figure was over twice the limit specified by the latter (in Greece, 2.5 times).

Table 2 Budget balance and Government debt relative to GDP, 2007-2012

	Budget balance (% GDP)					Government debt (% GDP)				
	2007	2009	2010	2011	2012	2007	2009	2010	2011	2012
EU27	-0.9	-6.9	-6.5	-4.4	-3.9	58.9	74.5	80.0	82.4	85.2
Germany	0.2	-3.1	-4.2	-0.8	0.1	65.2	74.5	82.5	80.0	81.0
Estonia	2.4	-2.0	0.2	1.1	-0.2	3.7	7.1	6.7	6.1	9.8
Sweden	3.6	-0.7	0.3	0.2	-0.2	40.2	42.6	39.4	38.6	38.2
Luxembourg	3.7	-0.7	-0.8	0.1	-0.6	6.7	15.5	19.5	18.7	21.7
Bulgaria	1.2	-4.3	-3.1	-2.0	-0.8	17.2	14.6	16.2	16.3	18.5
Latvia	-0.4	-9.8	-8.1	-3.6	-1.3	9.0	36.9	44.4	41.9	40.6
Finland	5.3	-2.5	-2.5	-0.7	-1.8	35.2	43.5	48.7	49.2	53.6
Hungary	-5.1	-4.6	-4.3	4.3	-2.0	67.0	79.8	82.2	82.1	79.8
Austria	-0.9	-4.1	-4.5	-2.5	-2.5	60.2	69.2	72.3	72.8	74.0
Italy	-1.6	-5.5	-4.5	-3.8	-3.0	103.3	116.4	119.3	120.7	127.0
Romania	-2.9	-9.0	-6.8	-5.6	-3.0	12.8	23.6	30.5	34.7	37.9
Lithuania	-1.0	-9.4	-7.2	-5.5	-3.2	16.8	29.3	37.8	38.3	40.5
Malta	-2.3	-3.7	-3.5	-2.8	-3.3	60.7	66.5	66.8	69.5	71.3
Slovenia	0.0	-6.3	-5.9	-6.3	-3.8	23.1	35.2	38.7	47.1	54.4
Poland	-1.9	-7.5	-7.9	-5.0	-3.9	45.0	50.9	54.9	56.2	55.6
Belgium	-0.1	-5.6	-3.7	-3.7	-4.0	84.0	95.7	95.7	98.0	99.8
Denmark	4.8	-2.7	-2.5	-1.8	-4.1	27.1	40.7	42.7	46.4	45.4

Netherlands	0.2	-5.6	-5.1	-4.3	-4.1	45.3	60.8	63.4	65.7	71.3
Czech Rep	-0.7	-5.8	-4.7	-3.2	-4.4	27.9	34.6	38.4	41.4	46.2
Slovakia	-1.8	-8.0	-7.7	-5.1	-4.5	29.6	35.6	41.0	43.4	52.4
France	-2.7	-7.5	-7.1	-5.3	-4.8	64.2	79.2	82.4	85.8	90.2
UK	-2.8	-11.4	-10.1	-7.7	-6.1	43.7	67.1	78.4	84.3	88.7
Cyprus	3.5	-6.1	-5.3	-6.3	-6.4	58.8	58.5	61.3	71.5	86.6
Portugal	-3.1	-10.2	-9.8	-4.3	-6.4	68.4	83.7	94.0	108.2	124.1
Ireland	0.2	-13.7	-30.6	-13.1	-8.2	24.9	64.4	91.2	104.1	117.4
Greece	-6.5	-15.7	-10.7	-9.5	-9.0	107.4	129.7	148.3	170.3	156.9
Spain	2.0	-11.1	-9.6	-9.6	-10.6	36.3	54.0	61.7	70.5	86.0

Note: Countries are ordered in terms of the budget balance in 2012

Source: Eurostat, Government deficit and debt statistics

Government investment

In most countries, public expenditure has been reduced since 2010 as part of fiscal consolidation measures. In most countries too, public investment has borne the brunt of the reduction. This is understandable since cutbacks in investment – on, for example, the construction of a new road or new school – do not necessarily have the same immediate impact on public services as a reduction in current spending – on, for example, social services or welfare transfers. The longer-term effects, however, on economic development and living standards can be more serious, and although government investment does not consist entirely of expenditure on development much of it does.

The significant reduction in government fixed investment in many Member States noted in last year's report continued in 2012 and on an even larger scale. In the two years 2010-2012, total government expenditure in real terms declined on average across the EU by just over 1% and by almost 5% in the EU12. Over the same period, government spending on fixed investment in real terms was reduced by almost 14% in the EU as a whole and by nearly 17% in the EU12 (Table 3). These reductions, moreover, followed cuts over the previous two years, even if much smaller on average, which occurred despite the use of public investment programmes in 2009 to boost economic activity, especially in the construction industry, to counter the effects of the recession.

Table 3 General Government fixed investment and total expenditure, 2007-2012

	Government fixed capital expenditure					Total Government expenditure		
	% GDP		*% change in real terms*			*% change in real terms*		
	2007	2012	2008-10	2010-12	2008-12	2008-10	2010-12	2008-12
EU27	2.6	2.3	-3.0	-13.5	-16.1	4.9	-1.3	3.6
EU15	2.5	2.2	-3.7	-13.3	-16.5	4.9	-1.3	3.5
EU12	4.4	3.9	-4.4	-16.7	-20.4	-3.7	-4.8	-8.3
Ireland	4.7	1.9	-40.1	-44.0	-66.5	41.9	-33.5	-5.6
Greece	3.4	1.8	-43.4	-30.0	-60.3	-6.5	-9.3	-15.2
Spain	4.0	1.7	-4.6	-57.8	-59.7	7.3	1.5	8.9
Portugal	2.7	1.7	26.5	-57.7	-46.5	13.8	-12.1	0.1
Bulgaria	5.2	3.4	-22.1	-24.6	-41.2	-7.5	-1.5	-8.9
Slovenia	4.2	3.2	-5.7	-29.3	-33.3	4.7	-4.6	-0.2
Romania	6.2	4.7	-20.1	-14.5	-31.7	-5.7	-6.1	-11.4
Czech Rep	4.2	3.2	-9.5	-23.9	-31.1	4.0	2.6	6.7
Lithuania	5.2	3.7	-20.1	-11.5	-29.2	-3.6	-6.2	-9.5
Italy	2.3	1.9	-10.1	-13.3	-22.1	-0.3	-1.7	-2.0

Latvia	5.7	4.2	-37.8	26.1	-21.5	-9.7	-7.1	-16.2
Cyprus	3.0	2.5	22.2	-35.5	-21.2	9.0	-1.6	7.2
Austria	1.1	1.0	-5.3	-6.9	-11.8	4.8	1.5	6.3
UK	1.9	2.2	3.0	-8.6	-5.8	2.1	-2.7	-0.7
Netherlands	3.3	3.3	3.0	-8.6	-5.8	8.7	-2.2	6.3
France	3.3	3.1	-5.3	2.6	-2.9	4.5	2.2	6.8
Finland	2.4	2.6	-6.7	5.8	-1.3	7.1	3.4	10.7
Estonia	5.1	5.4	-36.7	59.4	1.0	-10.2	11.1	-0.2
Germany	1.5	1.5	4.6	-3.2	1.3	7.1	-2.9	4.0
Slovakia	1.9	1.9	31.5	-22.6	1.7	13.7	-0.9	12.6
Hungary	3.7	3.4	10.0	1.2	11.3	-4.4	-2.6	-6.9
Luxembourg	3.3	3.8	18.4	-5.6	11.9	8.3	3.5	12.2
Sweden	3.1	3.5	7.0	4.8	12.1	2.3	3.2	5.6
Poland	4.2	4.6	29.3	-13.2	12.2	11.0	-1.0	9.9
Belgium	1.6	1.8	4.5	11.5	16.5	5.0	6.4	11.7
Denmark	1.9	2.5	10.9	16.3	29.0	7.1	3.8	11.2
Malta	3.7	3.1	-8.9	49.8	36.4	-2.6	6.7	3.9

Note: Figures in real terms are calculated by dividing the current prices figures by the GDP deflator.
Countries are ordered in terms of the reduction in fixed capital expenditure 2008-2012
Source: Eurostat, Government statistics

The reductions were particularly severe in Ireland, Greece, Spain and Portugal, countries in which problems of public finances were especially acute. In 2012, government investment in Ireland was only a around a third of its level in real terms as in 2008 and in Greece and Spain, only around 40%. Although it is arguable that the reduction was compensating to some extent for the large expansion which had occurred in these countries in the years leading up to the crisis, it is, nevertheless, the case that in each of these countries, government investment fell to under 2% of GDP, among the lowest in the EU despite their continuing need for development expenditure. This is also the case in Portugal, where government investment fell to close to half of its level in 2008 over these four years.

There have been severe cuts in government investment over the crisis period in many EU12 countries too, particularly in the least developed ones with the most pressing need for infrastructure. In Bulgaria, therefore, investment in 2012 was over 40% lower in real terms than four years earlier, in Romania and Lithuania, around 30% lower and in Latvia, over 20% lower. In Estonia, Slovakia, Hungary, Poland and Malta, by contrast, there was an increase, even if small in the first two. Moreover, except in Slovakia – where investment is a much smaller proportion of GDP than in other EU12 countries - and contrary to the pattern in most other countries, the increase either occurred despite a reduction in total government expenditure (as in Estonia and, more especially, in Hungary) or was larger than the increase in total expenditure.

Apart from Estonia and Hungary, all the countries in which government investment increased over the crisis period were ones in which total government spending also increased – i.e. where there was less of an attempt at fiscal consolidation. On the other hand, by no means all of the countries in which government investment was reduced also experienced a reduction in total government expenditure. In Spain, the Czech Republic, Cyprus and Austria, government investment was cut back significantly while total spending was expanded, and in Portugal, Slovenia and Italy, total spending remained more or less unchanged (or was reduced only a little), at the same time as significant cut-backs were made to investment. In these countries, especially, though also in Ireland, Greece, Bulgaria, Romania and Lithuania, there was, accordingly, a major shift in the composition of government expenditure away from investment over this period.

As discussed below, many of these countries – the four southern EU15 ones, Ireland, Lithuania and Romania, in particular – are those in which the national co-financing rate imposed on the expenditure funded by the ERDF has been reduced, so leading to a reduction in the overall spending on ERDF programmes.

Changes in regional disparities in the crisis

As noted in previous reports, economic recession in 2008-2009 had a differential effect on regions, with those in which manufacturing is important being affected most by the sharp downturn in world markets. This was especially the case for regions with a high concentration of engineering industries producing machinery and equipment and motor vehicles, which because of the nature of the products are particularly sensitive to cyclical fluctuations in economic activity. By the same token, these industries, or at least the most competitive companies in them, benefited from the recovery in world markets, in Asia especially, from the latter part of 2009 on. Manufacturing regions in Germany and neighbouring countries, therefore, recovered relatively quickly from the recession, in many cases, without suffering a major loss of employment. Indeed, relatively high growth in Germany in 2010 and 2011 (see Table 1 above) led to unemployment coming down to well below its level before the economic downturn.

This was less the case for other manufacturers which were less internationally competitive or more reliant on the EU internal market, which grew very little or in some areas continued to decline. Regions in which the industries concerned were concentrated, therefore, did not enjoy the same stimulus to growth. Indeed, as the crisis has gone on, much the same disparities in economic performance between regions as were evident before the crisis have reasserted themselves, which is only to be expected given that they reflect long-standing and deep-rooted differences in the structure of their economies, their historical development and their inherent features. The crisis, therefore, seems not to have led to any fundamental changes in the nature of the problems facing less developed regions or problem regions in more developed Member States, though it may have made it more difficult to overcome come them.

Accordingly, in many countries there is either little evidence of any significant change in regional disparities since the crisis began (such as Germany, Romania and Slovakia), or disparities seem to have widened. In Spain, for example, disparities in GDP per head between regions widened slightly between 2008 and 2012 (as measured by the coefficient of variation), but the main effects of the crisis have been to reduce income levels right across the country, (GDP per head falling on average by almost 5% in real terms over these four years) and to push up unemployment in all regions. The latter is the most visible sign of regional problems, with unemployment rising to 33% in both Extremadura and the Canary Islands and to close to 35% in Andalucía in 2012.

The widening of disparities, moreover, has extended to areas within regions (such as in the Czech Republic, France, Sweden, Denmark and Finland) because of a decline in industry in particular areas and the greater resilience of metropolitan areas to the crisis and the more opportunities that exist for development. In many cases, these factors have worked in combination. For example, in the South-Eastern region of Finland, growth has occurred in the Etelä-Karjala area over the crisis period because of an increase in people coming from St Petersburg to shop, while in the neighbouring Kymenlaakso area, a number of plants in the wood industry have closed so reducing GDP.

On the other hand, in a few Member States – in particular, Belgium, the Netherlands, Hungary and Portugal – the stronger regions have been affected relatively more than the weaker ones by the crisis and there has, accordingly, been some convergence of GDP per head, if only modest. The convergence, however, has largely been a result of the weaker regions performing less badly than the stronger ones rather than of any lessening of long-term structural weaknesses.

In Belgium, this narrowing of disparities was evident too in 2012, in which for the fifth year in a row, the structurally weak Walloon region achieved a higher rate of growth than the Flemish region in which GDP per head is substantially higher. In Austria too, GDP increased in Burgenland, the Convergence region, by more than in other parts of the country.

Nevertheless, in 2012 as in the previous two years, in most Member States, the weaker regions seem to have been affected most by the slow rate of economic growth or the further downturn in activity. This was the case, in particular in France, the UK, Bulgaria, the Czech Republic and Slovenia, in all of which, as in many other countries, the capital city region performed significantly better than other regions.

The regional impact of macroeconomic policies

As noted above, fiscal consolidation measures continued to be implemented in 2012 in almost all countries, with public investment being cut back in many Member States to a major extent. These cut-backs are reported to have reduced expenditure on regional development, or the transfers made to regional and local authorities to finance expenditure. This was especially the case in the EU15, particularly in Greece, Spain, Portugal, the UK and Ireland and, to a lesser extent, in France and Finland, though also in a number of EU12 countries, such as the Czech Republic and Romania.

On the other hand, in some countries, such measures seem not to have affected the finance for development to a major extent, either because the measures taken were on a smaller scale or there was little budget tightening at all – such as in Germany, Luxembourg, Sweden and Denmark – or because development expenditure was spared any reduction because it is financed predominantly by the ERDF and Cohesion Fund, as in Poland, Slovakia, Lithuania and Slovenia.

The fiscal consolidation measures introduced –in the form mainly of reductions in social transfers (or at least in the levels of benefit paid since increased unemployment pushed up expenditure in some cases) and in government employment as well as cutbacks in public investment and in transfers to the local and regional level – were not in most cases regionally differentiated. Nevertheless, they had differential regional consequences because of differences in the regional location of the expenditure concerned.

In Spain, the funding made available by the Central Government for public investment and for regional development more specifically was cut back by around a third, affecting in particular the weaker regions where deficits were already large, though the need to co-finance Cohesion policy programmes provided some protection against reductions, especially in areas such as R&D,

In other countries too (such as in the UK and France), the capacity of local authorities to finance development expenditure was reduced by cut-backs in central government transfers, which is reported to have hit those in the weaker regions especially. In France, the cut-backs led to a rise in local taxes, though the ability to raise revenue in this way tends to more limited in the weaker regions because of the lower income levels and a smaller tax base. In the UK, as indeed elsewhere, there is some uncertainty about the impact of cut-backs in funding on development expenditure in particular regions because of the lack of data.

By contrast, in the Czech Republic, reform of the revenue equalisation system of government transfers has hit the more prosperous regional authorities, Prague especially, which has cut back public investment heavily.

The reduction in social benefit levels in a number of countries has also tended to hit the weaker regions more than the stronger ones since they typically have a larger number of people in receipt of benefits, many of them unemployed, though it has also hit the more depressed areas in the stronger regions. Accordingly, income levels in both places have been reduced which has directly affected the market for local goods and services, and so the companies concerned, as well as the taxable capacity of the area.

Nevertheless, the overall effect of budgetary tightening has not in all cases been to disadvantage the weaker regions. In Portugal, austerity measures have more severely affected the non-Convergence regions (such as Lisbon, the Algarve and Madeira) because of the greater importance of the construction industry, retailing and tourism, all of which have been hit relatively hard by the measures taken and by the reduction in income levels which they have led to.

Cut-backs in government employment have had a less uniform effect on different regions since countries differ in terms of the way government offices are distributed across the country. In some countries, they tend to be concentrated in the capital city and, therefore, it is the usually the region in which this is located which is hit most, which almost invariably is one of the stronger regions, if not the strongest. In these cases, the effect is accordingly to reduce regional disparities – or, at least, to offset to some extent the factors pushing in the opposite direction.

In other countries, however, government employment tends to be relatively concentrated in the more disadvantaged regions as a deliberate means of supporting them (such as in the UK), or, more usually, it represents a comparatively large share of total employment (such as in Italy) because of the lack of jobs in other sectors. In these cases, therefore, the effect is to widen regional disparities.

Shifts in policy concern away from tackling regional disparities

In most Member States, fiscal consolidation and reducing high levels of unemployment continued to be major pre-occupations of governments across the EU in 2012. The slowdown in growth and the renewed – or continuing – downturn in all Member States without exception meant that unemployment remained high in virtually all countries and in many increased further. Accordingly, reducing unemployment became of even greater policy concern than before, though because of the state of public finances and the pressure from financial markets, lowering budget deficits and cutting government borrowing remained the priority, severely restricting the scope for any expansionary measures. This led to a growing focus on EU funding as a means of stimulating some increase in economic activity and employment and, as indicated below, in many countries, funding has been shifted between areas of expenditure to try to achieve this.

Accordingly, the deployment of funding has in some degree been switched away from tackling long-term structural problems to securing growth and job creation in the short-term. The countries where this has not occurred tend to be those hit less hard by the crisis or which recovered from the recession quickly – Poland and Germany, in particular.

At the same time, the fact that lack of growth and high unemployment has affected all parts of Member States and has not been confined to weaker regions, even if these, as noted above, have in most cases been affected more than others, has led to the focus of policy shifting away from the regional level. In other words, the main concern has become to stimulate growth and get down unemployment wherever this can be done and there is less concern about regional disparities and supporting the development of weaker regions. This is reported to be the case in many Member States, including Greece, Ireland, the UK, France, Denmark, Sweden, Cyprus, Czech Republic, Slovenia, Slovakia, Romania and Lithuania.

3. The contribution of EU funding to development expenditure

The overall financial support provided by the ERDF and Cohesion Fund for the 2007-2013 programming period amounts to some EUR 270.7 billion, of which the Cohesion Fund accounts for just over a quarter (EUR 70 billion). The European Social Fund (ESF) adds a further EUR 76.8 billion (Table 4).

Table 4 Division of EU funding for development between Funds and Objectives, 2007-2013

	Convergence	Competitiveness +Employment	Territorial Cooperation	Total
		Total amounts (EUR billion)		
Structural Funds + Cohesion Fund	284.5	55.0	8.0	347.5
of which: ESF	52.9	23.9		76.8
ERDF	161.6	31.0	8.0	200.6
Cohesion Fund	70.0			70.0
ERDF + Cohesion Fund	231.7	31.0	8.0	270.7
		Allocation between Objectives (% total)		
Structural Funds + Cohesion Fund	81.9	15.8	2.3	100
of which: ESF	68.8	31.2		100

ERDF	80.6	15.5	4.0	100
ERDF + Cohesion Fund	85.6	11.5	3.0	100

Source: DG Regional Policy database

Most of the ERDF (81%) and all of the Cohesion Fund are assigned to the Convergence Objective, which means that around 86% of the total funding they provide goes to this, with just under 12% going to the Competitiveness and Employment Objective, which covers all non-Convergence regions, and 3% to Territorial Cooperation.

The scale of EU funding

Overall the financial resources provided by the ERDF and Cohesion Fund in the 2007-2013 period are equivalent to just 0.3% of total EU27 GDP. For the EU12 countries, however, they are much more significant amounting to around 2.3% of GDP on average and to around 3% in the three Baltic States and slightly more in Hungary. In the EU15, funding is generally much smaller in relation to GDP, though it amounts to 1% in Greece and slightly over 1% in Portugal (Table 5).

Table 5 Allocation of ERDF and Cohesion Fund to Member States, 2007-2013 (average per year)

	Allocation 2007-2013			Funding remaining 2013-2015	
	EUR Million	% GDP	% Govt. capital expenditure	% GDP	% Govt. capital expenditure
EU27	261,975.7	0.30	7.7	0.42	10.6
EU15	112,614.3	0.14	3.7	0.18	4.8
EU12	149,361.4	2.25	40.1	3.23	57.4
Belgium	990.3	0.04	1.3	0.05	1.6
Denmark	254.8	0.02	0.5	0.03	0.9
Germany	16,107.3	0.09	3.0	0.10	3.3
France	8,054.7	0.06	1.5	0.08	2.1
Ireland	375.4	0.03	0.5	0.04	0.6
Italy	20,992.1	0.19	5.3	0.37	10.0
Luxembourg	25.2	0.01	0.2	0.01	0.2
Netherlands	830.0	0.02	0.5	0.02	0.5
Austria	680.1	0.03	0.9	0.06	1.5
Finland	977.4	0.08	2.6	0.07	2.4
Sweden	934.5	0.04	1.0	0.03	0.9
UK	5,392.0	0.04	1.1	0.08	1.9
Greece	15,846.5	1.02	23.1	0.99	22.3
Spain	26,595.9	0.36	7.6	0.48	10.0
Portugal	14,558.2	1.20	30.6	0.98	25.0
Bulgaria	5,488.2	2.17	40.8	3.98	74.7
Czech Republic	22,751.9	2.17	35.0	3.78	60.9
Estonia	3,011.9	2.99	47.2	2.08	32.8
Cyprus	492.7	0.40	9.1	0.56	12.5
Latvia	3,947.3	3.13	47.0	4.19	63.0
Lithuania	5,747.2	2.96	54.6	2.20	40.6
Hungary	21,280.8	3.16	65.1	4.44	91.5
Malta	728.1	1.63	46.6	2.88	82.3
Poland	57,178.2	2.30	40.9	2.65	47.0
Romania	15,391.1	1.77	25.2	3.90	55.5
Slovenia	3,345.3	1.35	27.8	1.83	37.8

Slovakia	9,998.7	2.17	63.4	3.54	103.6

Notes: Figures for allocation refer to the total funding agreed for the period, averaged over the 7 years and expressed as % of GDP and of annual average General Government capital expenditure in years 2007 to 2012; the latter being the sum of gross fixed investment and capital transfers.
General Government capital expenditure figures for Greece and Spain in 2012, for Hungary, Romania and Slovenia in 2011 and for Ireland in 2010 are adjusted because of unusually large capital transfers. The figures included for capital transfers are the averages of the other years in the period 2007-2012.
Figures for funding remaining relate to the total allocation less the amount already received by Member States up to December 2013, expressed as an annual amount over the period up to 2015 and again related to GDP and Government capital expenditure.
Source: DG Regional Policy database and Eurostat, National accounts and Government financial statistics

Funding relative to GDP is less in Spain, the other EU15 country in receipt of the Cohesion Fund, but it is much closer in the Convergence regions there to the relative amount in the other two countries. The same is the case for Italy, where funding is only around 0.2% of GDP overall but around three times higher in the Convergence regions in the south.

The scale of funding is much larger in relation to government capital expenditure (gross fixed capital formation plus capital transfers[1]) in Member States which is a more relevant benchmark. Even if not all such expenditure is for development purposes, a substantial part is and the resulting figures provide a reasonable indication of the importance of funding in this regard.

The amount allocated over the period amounts in total to just under 8% of government capital expenditure in the EU. In the EU12, however, it represents 40% on average and in Hungary and Slovakia, almost two-thirds. In the EU15 Cohesion countries, the figures are significant too, amounting to over 30% in Portugal and 23% in Greece and although the figure for Spain is much lower, for the Convergence regions, it is around 20%, which is also the case in Italy.

The importance of EU funding over the remainder of the 2007-2013 period

Over the remainder of the programming period, i.e. up to the end of 2015 when Member States need to have spent the funding allocated for the period, the ERDF and Cohesion Fund are likely to represent even larger shares of government investment than indicated above. This is because, as described below, Member States have so far claimed and been paid, on average, only just over 60% of the overall funding available for the period as a whole, which means that at the end of 2013, there was almost 40% of funding still to be paid. This amounts on average to around 11% of government expenditure, assuming that the level of the latter will be much the same over the two years 2014-2015 as in the past. In the EU12, however, it amounts to substantially more, to around 57%, emphasising the importance of the funding to development expenditure in these countries over the next two year.

It also draws attention to the potential difficulties of the Member States concerned being able to spend so much funding over this period. These potential difficulties are indicated by the fact that the payments made up to the end of 2013 in the EU12 countries were equivalent to

[1] Capital transfers are included both because of the support to enterprises provided by the ERDF and because investment can be financed through transfers to other agencies which carry out the work.

24% of government capital spending a year over the period, well under half of the implied rate which now needs to be achieved.

For many countries, an even larger proportion of the total funding available for the period than the average remains to be claimed and received, so that the amount outstanding is particularly large in relation to government capital expenditure. In Slovakia, it is over 100%, in Hungary over 90%, in Malta, over 80%, in Bulgaria, around 75% and in the Czech Republic and Latvia, over 60%. The potential difficulty of spending the remaining funding in time seems particularly acute in these countries. In Bulgaria, for example, funding up to the end of 2013 was equivalent to 23% of total government capital spending a year over the period, well short of the 75% which needs to be achieved over the next two years, in Malta, it was 19% as opposed to an implied figure in the future of 83% and in Romania, it was just 10% as against the 55% which the remaining funding requires.

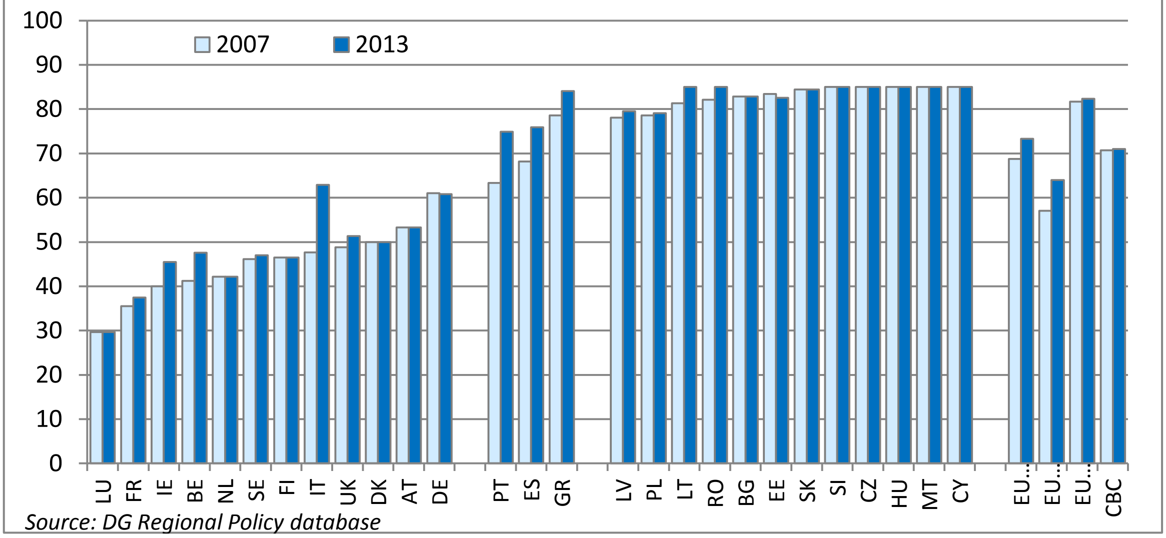
The outstanding funding available represents, of course, a much smaller proportion of government capital expenditure in the EU15 and in both Greece and Portugal, where the proportion is largest, it is broadly in line with the payments already made in relation to past expenditure. In Spain and Italy, however, where there has been more of a delay in claiming payments, funding outstanding in relation to government capital spending is much larger than the implied proportion over the period up to end-2013 – over twice as large in each case. In the Convergence regions in the two countries, the remaining funding represents around 30% of government capital spending (assuming that this is fairly evenly distributed across both countries).

Changes in the co-financing rate and in the funding available for investment

As noted in last year's report, the problems experienced in a number of Member States to co-finance Cohesion policy programmes because of the tight constraints on government budgets in the content of fiscal consolidation led the European Commission to reduce the national co-financing rate and to increase the EU rate. Since this was done without expanding the amount of funding provided, the effect has been to reduce the overall amount of funding going on programmes and, accordingly, the expenditure which could be carried out. At the same time, it can be argued that this expenditure would not have happened anyway in the prevailing financial climate because of the lack of funding available to national governments.

The changes in co-financing rates up to the end of 2012 were described in last year's report, which showed that EU co-financing rates had been increased for 8 EU15 countries, the biggest for Greece, Spain and Portugal, as well as for four EU12 Member States – very small rises for Poland and Latvia and slightly larger ones in Romania and Lithuania. In 2013, the EU rate was increased for only one country, Italy, where it was raised from 51% to 63%, following a rise from 48% before then, giving an overall increase since the start of the period of 15 percentage points (Figure 2). Apart from in Portugal (12 percentage points), the increase in the EU co-financing rate – and the corresponding reduction in the national rate – over the programming period as a whole has been much smaller, the main rises being in Spain (by 8 percentage points), Greece, Ireland and Belgium (all by 6 percentage points).

Figure 2 Average EU co-financing rate for the ERDF and Cohesion Fund in Member States, 2007-2013 (% total expenditure on programmes)

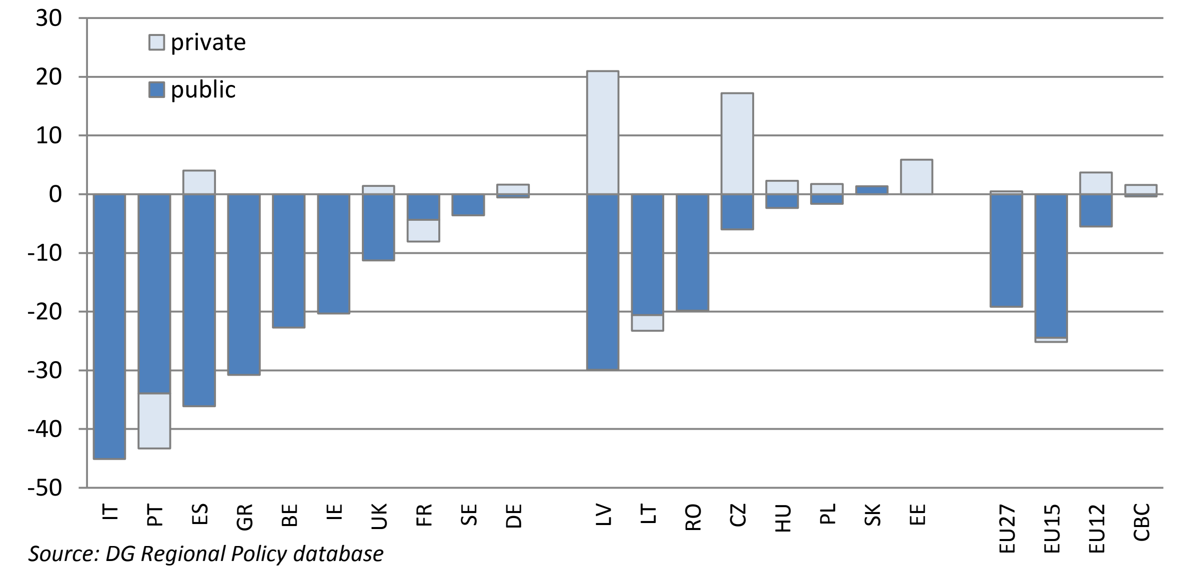


Source: DG Regional Policy database

The result of the increase in the EU co-financing rate over the period has been to reduce the national co-funding required substantially, especially in the southern EU15 countries. Overall, national funding in the EU27 was reduced by 19% up to the end of 2013 (Figure 3). The biggest reduction was in Italy, where the national government contribution to Cohesion policy programmes was cut by 45%. The reduction in Portugal was only slightly smaller, especially if the decline in private co-financing is also taken into account, amounting overall to 43%, while the overall reduction in Spain, where an increase in private co-financing offset to a small extent the cut-back in government funding, was just under a third. In Greece, the proportionate reduction in national funding is similar (at just over 30%).

In the other EU15 countries, there have also been relatively large reductions in national funding over the period in Ireland and Belgium (of around 20%) and smaller ones in the UK (11%) and France (4%). In the UK, this reduction has been offset slightly by an increase in private co-financing, while in France, the reverse has occurred.

Figure 3 Change in national funding for the period 2007-2013 (Change as % total national funding planned in 2007)



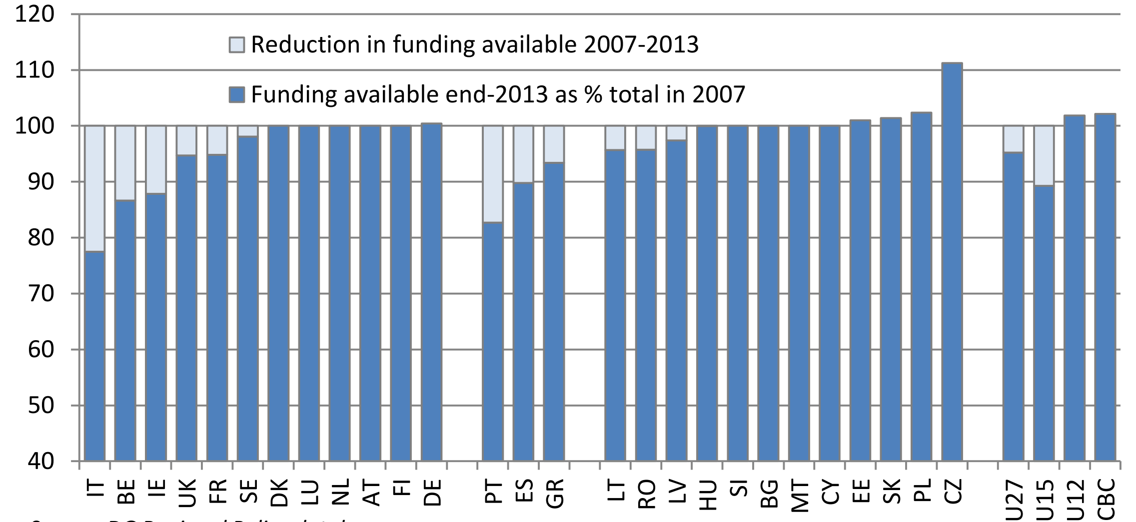
Source: DG Regional Policy database

Note: (1) Countries in the EU12 and the EU15 are ordered in terms of the net change in national government funding for the period 2007-2013; (2) Changes in private funding are limited to OPs for which the private contribution is explicitly reported in the financial data. For most programmes, however, this not the case so that changes in the private contribution are under-recorded here

Reductions in national government funding have been smaller in the EU12, except for Latvia (where it amounts to 30%), Lithuania and Romania (20% in each). Moreover, private co-financing except in Lithuania, has increased to compensate, either partly, as in Latvia (by two-thirds), more or less fully, as in Hungary and Poland, or more than fully, as in the Czech Republic (where the effect is to increase overall national funding by 11% as compared with the initial plans). In Estonia too, where there has been no reduction in government funding, private co-financing has added some 6% to the national funding which was planned.

The overall result of the changes made to EU co-financing rates over the period, and the changes which have occurred in respect of private co-financing, is a reduction of 5% in the funding for Cohesion policy programmes in the EU27 (Figure 4), which means that expenditure on them is likely to be some EUR 18 billion less than initially expected. The reduction is wholly in the EU15, where total funding has been cut back by 11%, most of it occurring in the southern Member States. In Greece, the reduction amounts to 7%, in Spain, to 10% and in Portugal, to 17%, implying in the last two a cut-back in finance for expenditure of around EUR 4 billion in each case. In Italy, the overall reduction is even larger, amounting to 23%, which means some EUR 9.7 billion less being available for spending on programmes. It is evident that reductions in funding in these countries contributed significantly to the marked decline in government investment over the programming period described above.

Figure 4 Changes in total funding (ERDF and Cohesion Fund, public and private) available for co-financed programmes in the 2007-2013 period (% total funding initially planned)



Source: DG Regional Policy database

Elsewhere in the EU15, funding has been reduced by 11-12% in Belgium and Ireland and by 5% in the UK and France, this amounting to a cut of EUR 1.2 billion in the latter.

In the EU12, by contrast, there has been a net increase in the funding made available for programmes over the period, even if small (2%). This is mainly a result of an expansion of funding in the Czech Republic (of around 11%, or EUR 2.7 billion), though there were small increases too in Estonia, Slovakia (by 1% in each) and Poland (by 2% or by EUR 1.7 billion).

On the other hand, there have been small reductions in overall funding in Latvia, Romania and Lithuania (of 4% in the first two and 3%in the last, these in total amounting to a cut-back of almost EUR 1.3 billion in the finance available for expenditure.

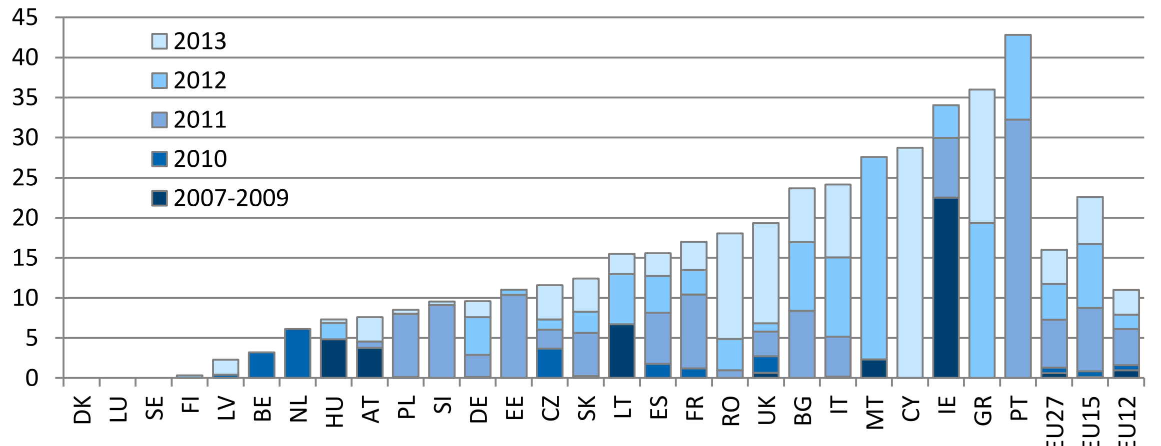
4. Changes in the composition of programmes

Overall shifts in funding between expenditure categories

The division of the ERDF and Cohesion Fund by broad policy area has been discussed in previous reports and, although some changes have been made over the programming period, as indicated below, the general picture has not altered significantly. In sum, much of the funding in the EU12 Member States is allocated to investment in transport, especially roads, and environmental infrastructure, while in the EU15, it goes much more to support of RTDI and business investment generally, especially in the Competitiveness regions, as well as to investment in environmental infrastructure in the Cohesion countries. (Annex 2 includes an overview of the planned division of the ERDF and the Cohesion Fund by broad policy area as at the end of 2012.)

On average, the shifts in funding between expenditure categories – i.e. those that require Commission approval – were slightly smaller in 2012 than in 2011. Overall in the EU27, they involved some 4.5% of total funding as against 6% the previous year. Since then, in 2013, a further shift on much the same scale has occurred, bringing the aggregate change since the plans were first agreed at the beginning of the period to just under 16% at the end of 2013 (Figure 5).

Figure 5 Total amount of funding (ERDF and Cohesion Fund) shifted between expenditure categories (% of total initial funding available for the period 2007-2013



Source: DG Regional Policy database

The main shifts in the division of funding between expenditure categories both over the last two years and over the period as a whole were in the EU15 countries, where funding amounting to 8% of the total was shifted in 2012, following a shift of the same magnitude in 2011, and a further 6% in 2013, so that in total some 23% was shifted between 2007 and 2013. This is largely a result of significant shifts of funding in Portugal, Greece and Italy, countries which have been hit hard by the crisis and where the need for growth and jobs has been particularly pressing. In Portugal, around 43% of funding was shifted over the period, mostly before 2012, though 11% was shifted in the latter year, In Greece, where overall 36% of funding was shifted, it occurred in the last two years of the period. In Italy, where 24% of funding was shifted in total, it also occurred mainly in 2012 and 2013.

Elsewhere in the EU15, there were shifts of 15-20% of funding over the period as a whole in the UK, France and Spain, mainly in 2013 in the first (when almost 13% of funding was shifted) and more in the years before 2012 in the first two, though in each case, some 6-7% was shifted in the last two years. Shifts over the period amounted to less than 10% of the total funding available in the other EU15 countries, though there was a shift of 7% of funding in Germany in 2012 and 2013 taken together.

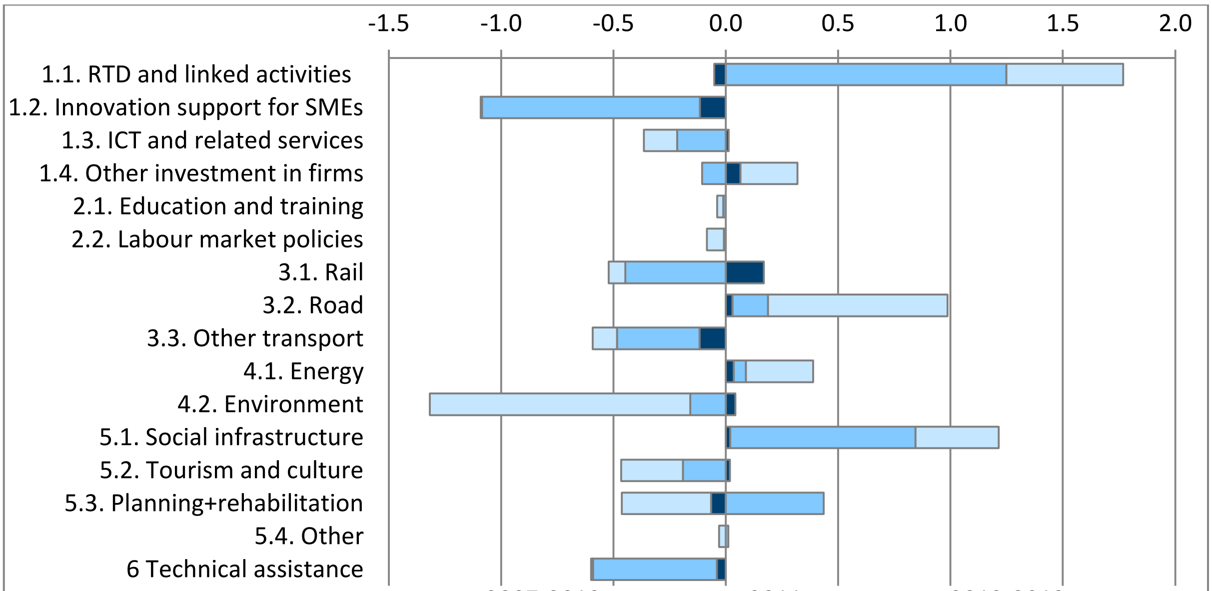
In the EU12, the shifts for the most part have been much smaller – around 11% of funding in total – with just under half occurring in 2012 and 2013. The largest shifts were in Cyprus and Malta (28-29% of the total funding available), with all of this occurring in 2013 in the first and mostly in 2012 in the second. The shift was also relatively large in Bulgaria (24% of funding), most of it also occurring in the last two years of the period (when 15% of funding was moved between categories). In Romania too (where some 18% of funding in total was moved over the period), shifts were concentred in 2012 and 2013, mostly in the last year.

Elsewhere in the EU12, shifts amounted to just over 15% of funding over the period in Lithuania, most of them (9%) occurring in the last two years, and 11-12% of funding in Slovakia, the Czech Republic and Estonia, around half occurring in the 2012 and 2013 in the first two and almost all occurring before then in the last. In the other countries, less than 10% of funding was shifted over the period, in most cases, largely before 2012.

Shifts in funding between policy areas

The shifts in funding which occurred in 2012 and 2013 were for the most part in the same direction as those which were made earlier in the period. In the EU15 countries taken together, further funding was allocated – in declining order of the amounts involved –to RTD, Social infrastructure, Roads, Energy and 'Other' investment in firms (i.e. not related to RTD, ICT or innovation) (Figure 6).In the case of RTD, this increased the overall shift to this area over the period to 1.7% of total funding, or an increase of 12% in relation to the initial allocation (see Annex 3), while for Social infrastructure, it increased the overall shift to 1.2% of total funding, adding around 20% to the amount initially planned. For roads, where the shift was slightly smaller in terms of the amount of funding, it added 10%, most of it in 2012-2013, and to Energy, where it was smaller still, it added 7%, again mostly over the last two years of the period. The funding going to 'Other investment in firms' was also increased but by just 3% in relation to what was initially planned.

Figure 6 Net shifts of funding (ERDF and Cohesion Fund) by broad policy area in the EU15 over the period 2007-2013 (% of total funding for the period)

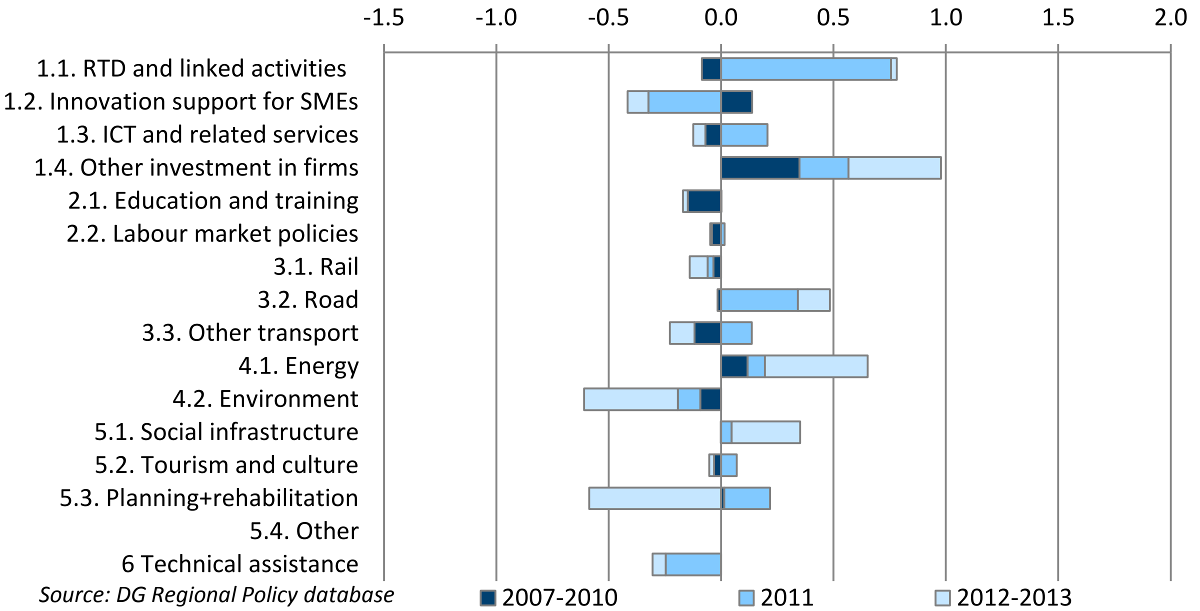


Source: DG Regional Policy database

The main compensating reductions to the allocation of funding over the period were to the Environment (mostly infrastructure), which amounted to 1.3% of total funding, or to 8% of the total initially planned to go to this policy area, and to Innovation support for SMEs, which was reduced by 1.1% of total funding or by just under 9% of the initial allocation, though all of this occurred before 2012. The other areas to which funding was reduced each accounted for a smaller share of total funding, but in most cases, the reduction involved represented a bigger cut-back to the funding initially planned to go to the area. The allocation to Technical assistance was, therefore, reduced by 19%, though all of it before 2012, to Other transport by 12%, to Labour market policies by 11% and to Tourism and culture, ICT and Education and training, by 9-10% in each case. In the case of Planning and rehabilitation (which includes, for example, urban regeneration and the reclamation of contaminated land), the increases in allocation made before 2012 were cancelled out by reductions made in 2012-2013, though not necessarily in the same Member States.

The shifts in funding between the different broad policy areas were similar in the EU12 – again taking the countries together – as in the EU15. There were again increases in the allocation to RTD, Social infrastructure 'Other' investment in firms, Road and Energy and reduction to Innovation support for SMEs, the Environment and Technical assistance, though the scale of the changes were mostly smaller in relation to total funding, if less so in terms of the funding going to particular areas (Figure 7)

Figure 7 Net shifts of funding (ERDF and Cohesion Fund) by broad policy area in the EU12 over the period 2007-2013 (% of total funding for the period)



Source: DG Regional Policy database

The biggest increase in this case was to 'Other investment in firms' – i.e. general support to investment – which amounted to 1% of total funding, though to 29% of the funding initially planned to go to this item, almost half the increase occurring in 2012-2013. The increase to RTD was slightly smaller in terms of total funding but much smaller in terms of the funding going to this area (an increase of 7%). By contrast, the increase in funding to Energy, much of which occurred in 2012-2013, was smaller still in terms of total funding but in this case, the allocation to the policy area was increased by 17%. The increases made to other policy areas were all much smaller in terms of the allocation to the area concerned. In the case of roads, it amounted to only a 2% increase in funding, and for Social infrastructure, an increase of 4%.

The biggest reduction in absolute terms was to the Environment (by 0.6% of total funding), most of it occurring in 2012-2013, though this amounted to only around 3% of the funding allocated to the policy area, while the reduction in the case of Planning and rehabilitation was smaller but represented a cut-back of 12% in allocation and for Technical assistance, one of 9%. Similarly, the reduction to Labour market policy and Education and training was much smaller still in absolute terms, but this amounted to a cut-back of 21% and 40%, respectively. On the other hand, small reductions to ICT and Rail were also small in terms of the allocation to them, funding going to ICT being cut back by 5% and that going to Rail by only around 1.5%.

These shifts reflect, on the one hand, the underlying economic situation and, in particular, the limited demand from SMEs for support for innovation and, in the EU15, for ICT, because of the uncertain prospects for market growth in the next few years as well as the difficulties of finding funding for co-finances. On the other, they reflect the pressure on Member States to stimulate an increase in economic activity and in job creation and, accordingly, to shift resources towards areas of expenditure which have a more immediate effect in this regard. At the time, the figures conceal shifts which have occurred within categories with the same aim in mind which are remain unreported and so are difficult to identify because they do not require Commission approval.

The shifts also reflect the need in a number of cases to quicken the pace of spending in order to avoid possible de-commitments as well as the difficulties experienced in some areas to get projects off the ground. This is a reason in some countries for funding being switched from investment in railways to the construction or improvement of roads.

The shifts, however, were not uniform across countries, although there are widespread tendencies. A number of examples of the shifts which occurred in 2012 and subsequently illustrate this:

- In Greece, funding was shifted from support of innovation, as in many other countries, to provide more general financial support of SMEs. Funding was also shifted away from infrastructure investment in Transport, the Environment and Energy to this area in response to changing economic conditions and the more pressing difficulties of businesses, the aim of being to increase the growth prospects of the economy.
- In Portugal as well as Bulgaria and Romania, there was an increase in the funding allocated to support of business investment.
- In Slovakia and the Czech Republic, unlike in most other countries, there was an increase in the funding to support innovation in SMEs. In the former, there was also shift away from indirect means of support for businesses to more direct means, reflecting the pressing need for credit among firms.
- In Latvia too, funding was shift to support of innovation and high-value-added activities as the access to finance of firms improved.
- In the UK, in many regions, funding was shifted away from enterprise support to Territorial development, which covers a wide range of areas, including tourism, cultural activities, urban renewal, the reclamation of polluted land and, in this case, most especially, social infrastructure.
- In Hungary and Romania, as well as Greece, funding was shifted away from environmental infrastructure and risk prevention to measures to increase energy efficiency in residential buildings.
- In Germany, funding was also shifted to support of Energy, in this case investment in the capacity to generate electricity from renewables as well as to support of innovation.

- Funding for rail was reduced significantly in Portugal, Slovakia and Romania, while it was reduced on investment in Other transport in Greece, Spain and Hungary In Romania, the shift reflected the priority given to road construction (mainly motorways and ring roads), while funding was shifted to public transport vehicles and the modernisation of tramways in Bratislava.

There was also some shift in the form of funding for businesses in some countries because of a lack of demand for the means of financing initially planned:

- In Lithuania, funding was reallocated from the partial financing of interest on loans, for which demand was lower than expected, to investment grants for enterprises.
- In Hungary, funds were reallocated from loan guarantees to venture capital since the demand for the latter was larger.

5. The financial implementation of Cohesion policy

As emphasised in the reports for previous years, there is no simple way of identifying the rate of progress in implementing programmes and the extent to which it is line with plans, or, more relevantly, what is required to absorb the funding available for the 2007-2013 period in the time allowed – i.e. by the end of 2015. The two sources of information which give some indication of this are:

- payments to Member States made by the European Commission (EC) from the ERDF and Cohesion Fund on the basis of certified expenditure;
- allocations of EU funding made by Managing Authorities (MAs) to projects selected for support.

These are examined in turn below.

Payments to Member States from the ERDF and Cohesion Fund

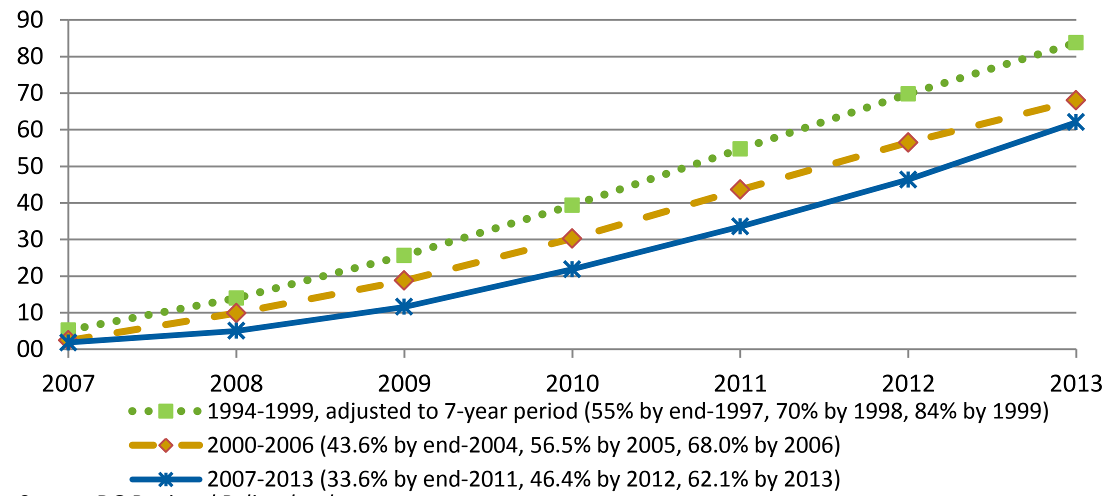
The first source of information is the most up-to-date insofar as it reports the payments made in response to claims from Member States for the expenditure carried out on co-financed programmes on a daily basis. Because, however, the expenditure concerned took place sometime earlier – in some cases, many months before – it does not necessarily reflect the current situation or the current rate at which spending is actually taking place on the ground. Nevertheless, assuming that the lags in this respect remain roughly the same over time, it gives an indication of the rate of implementation as compared with the previous period(s) and, even if not up to date, can signal potential problems of completing programmes on time.

Payments from the ERDF

It is difficult to compare the overall rate of payments from the ERDF and Cohesion Fund to Member States in the 2007-2013 period with the rate in the previous period because of the entry of the Central and Eastern European countries into the EU in the latter part of it. It is possible, however, to compare the rate of payment from the ERDF to EU15 countries for the 2007-2013 period with that at the equivalent stage of the 2000-2006 period and, indeed, with some adjustment, with that in the period before that. This indicates, first, that the rate of implementation is slower in the 2007-2013 period than the preceding one. At the end of

2013, therefore, payments to Member States amounted to 62% of the total funding available for the period as opposed to 68% at the end of 2006, a gap of 6 percentage points or around 10% of total funding (Figure 8). Secondly, it indicates, on the other hand, that there was some catching-up in the rate of payments – presumably reflecting an acceleration in the pace of implementation during 2013, in the sense that the difference with the preceding period was significantly wider at the end of 2012 (11 percentage points).

Figure 8 Time profile of payments from the ERDF to EU15 Member States for 2007-2013 as compared with earlier periods

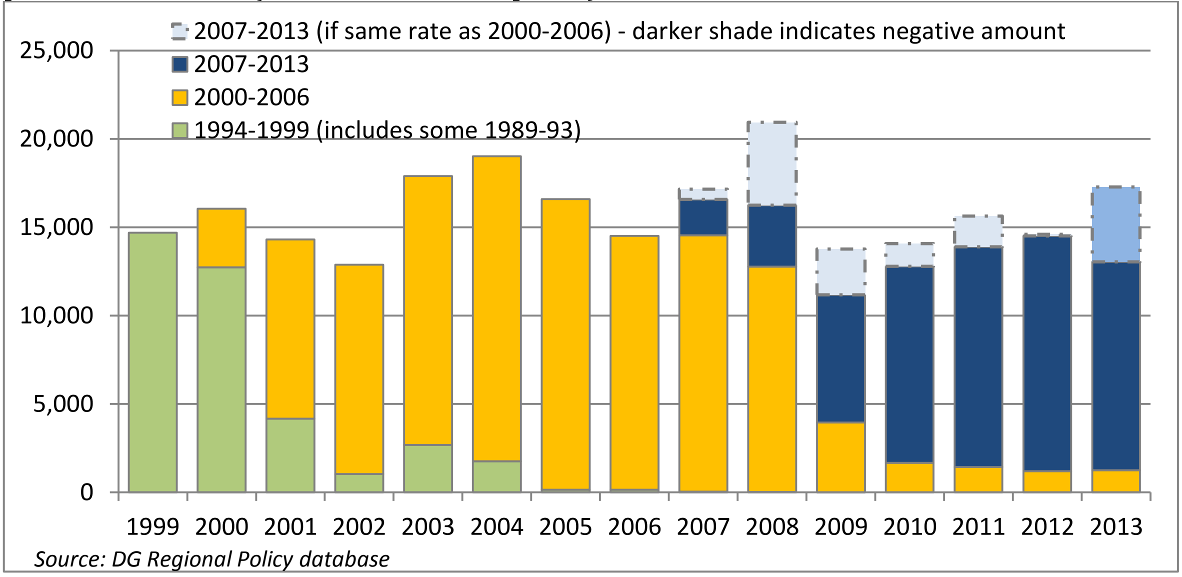


Source: DG Regional Policy database

Such an acceleration is encouraging from the point of the programmes being completed on time and, accordingly, of Member States being able to absorb all the funding available. Nevertheless, it needs to be put into perspective. First, it is still the case that payments amounting to 38% of the funding – well over two-thirds – still need to be claimed and made over the next two years, which implies that the rate of payments needs to continue at a high rate over this period. Secondly, the previous programming period was one in which the end-date for expenditure was extended by an additional year because it was apparent that not all the funding available would be spent by the end of 2008. Accordingly, it is arguably more relevant to compare the rate of payment at the end of 2013 with that in 1999 at the end of the period before (i.e. 1994-1999, adjusted to allow for its shorter time-span). This shows a much larger difference, one of 22 percentage points rather than 6.

This difference in the pace of implementation has its origins in the slow start of the programmes at the beginning of the period which, as indicated in earlier reports, is due at least in part to the focus of Member States on spending the funding available from the preceding period. This, however, did not prevent the overall payments to Member States from the ERDF available to them being much smaller than it would have been had the rate of payment for the 2007-2013 period been the same as for the preceding one. By the end of 2012, therefore, the overall amount involved was some EUR 11 billion, which is significant at a time when public finances were in a very weak condition. The acceleration in payments during 2013, however, reduced this amount to EUR 6.8 billion (Figure 9).

Figure 9 Payments from the ERDF to EU15 Member States under successive programming periods, 1999-2013 (EUR million at 2013 prices)

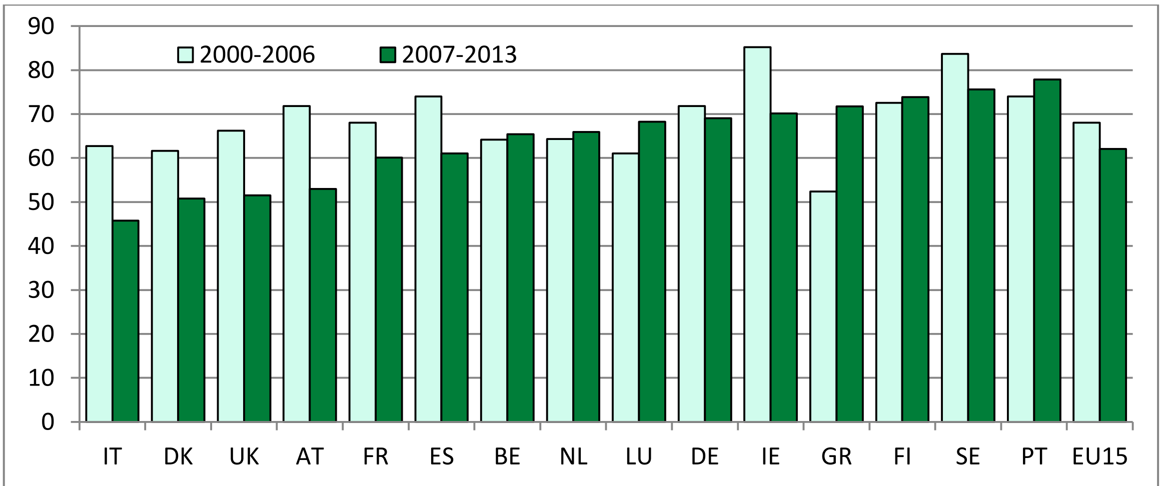


Source: DG Regional Policy database

Differences in the rate of ERDF payments between EU15 Member States

The rate of payments from the ERDF for the 2007-2013 period as compared with the preceding one differs markedly between Member States, as does the change in the rate of payment between 2012 and 2013. For Italy, only around 46% of the funding available for the period had been paid at the end of 2013 as against 63% at the same point in the previous period (Figure 10). For Denmark, the UK and Austria, where only around 51-53% of funding has been paid, the difference with the period before was also substantial large (as much as 19 percentage points for Austria). Although the proportion paid in Spain and Ireland by the end of 2013 was larger, it was still well below what it was in the preceding period. Only in Greece was the proportion paid much larger than in 2006.

Figure 10 Payments from the ERDF to EU15 countries relative to the total amount available for the period at the end of year 7, 2000-2006 and 2007-2013 (%)



Source: DG Regional Policy database

In practice, however, two of the countries in which payments at the end of 2013 were most lagging behind those at the end of 2006, Spain and Italy, made the biggest contribution to closing the gap in the payment rate during 2013 – in the case of Italy, aided by the reduction in the national co-financing rate and by the cut-back in expenditure which this implied. These were each responsible for around a quarter of the overall catch-up, along with Portugal, while the increased rate of payments in Greece accounted for almost 15% (the rate of increase in the payments rate is indicated in Figure 11).

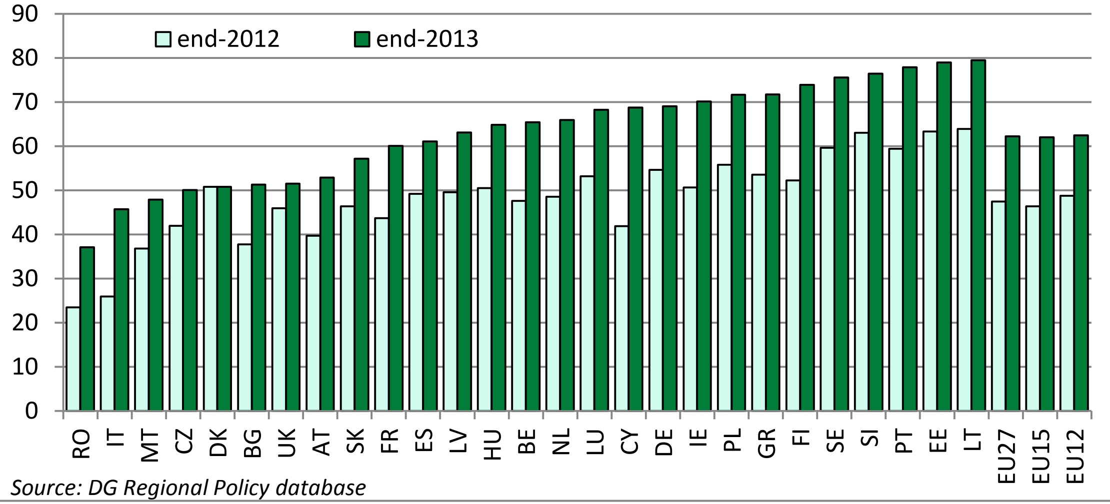
The rate of ERDF payments in EU15 and EU12 countries

At the end of 2013, there was hardly any difference in payments relative to the funding available in the EU15 and EU12 (in both the rate was around 62%). Although the increase for Italy in the payments rate during 2013 was one of the largest (at over 20 percentage points), there was not in general across countries much relationship between the rate of increase in the year and the payments rate at the beginning of the year. In other words, there was no clear tendency for the countries most lagging behind in terms of payment to have raised the rate of payment – or the rate of implementation of programmes – by most, though for some of them (Cyprus, France and Belgium, in particular) payments increased significantly.

On the other hand, payments increased by much less than average in Malta and the Czech Republic and by slightly less than average in Romania and Bulgaria. In Romania, therefore, payments remained at less than 40% of funding at the end of 2013 and in Malta, at less than 50%, while in the Czech Republic and Bulgaria, they were only slightly above 50%.

It was still the case, however, that three of the four countries in which the payments rate was highest were EU12 countries (Lithuania, Estonia and Slovenia, in each of which, payments were close to 80% of funding).

Figure 11 Payments from the ERDF relative to the funding available for the 2007-2013 period at the end of 2012 and 2013 (%)



Source: DG Regional Policy database

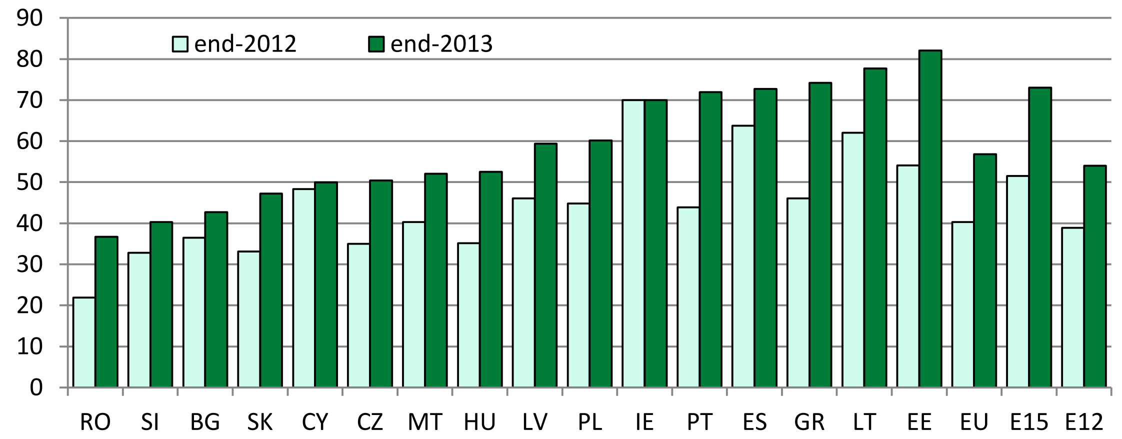
Payments under the Cross-border cooperation Objective

As in the case of the ERDF under the Convergence and Competitiveness Objectives, there was also an increase in payments relative to the funding available to Cross-border Cooperation programmes. At the end of 2013, payments amounted to just over 58% of the funding for the 2007-2013 period, less than for the other two Objectives taken together (for which payments rates were similar - 62% for Convergence and 63.5% for Competitiveness) – but a significant increase over the rate at the end of 2012 (40%).

Payments from the Cohesion Fund

At the end of 2013, as at the end of 2012, payments from the Cohesion Fund to the 15 Member States eligible for support were smaller relative to the funding available than in respect of the ERDF. This reflects perhaps the larger size of the projects involved and the longer time required to get them underway, though the substantial differences between countries in the rate of payments suggests that this is not a general explanation. Payments up to the end of 2013, therefore, amounted overall to 57% of the total funding available for the period and were significantly larger for the three EU15 countries on average (73%) than for the 12 EU12 countries (54%). While for the three EU15 countries, the payment rate was very similar, there were large variation for the EU12 countries, the figure ranging from over 80% in Estonia and just under 80% in Lithuania to only 43% in Bulgaria, 40% in Slovenia and just 37% in Romania (Figure 12). The increase on average during 2013 (at around 17 percentage points), was similar to the increase in ERDF payments, though it was much smaller in the EU12 (15 percentage points) than in the EU15 (just under 22 percentage points). Moreover, the increase was particularly small in four of the countries with payment rates below average – Slovenia, Bulgaria, Cyprus and Malta (less than 8 percentage points in the first three).

Figure 12 Payments from the Cohesion Fund relative to the total available for the 2007-2013 period, end-2012 and end-2013 (%)



Source: DG Regional Policy database

Overall payments relative to funding for the period

Taking the ERDF and Cohesion Fund together, the total payments rate at end-2013 was around 61% of the funding available for the programming period. It was below 50% in Romania (37% of funding), Italy (46%), Bulgaria (48%) and Malta (49.5%) and only marginally above 50% in the Czech Republic. In three of these 5 countries – the last three – in which the payments rate was also below the EU average in 2012, the increase in the rate in 2013 was also less than average, and significantly so (around 4 percentage points less) (Figure 13). In Romania, the increase was around the average (though almost 1 percentage below), and Italy was the only one in which the rate increased by more than average (assisted perhaps, as noted above, by the significant reduction in the national co-financing rate).

Of the 7 other countries in which the payments rate was below average at the end of 2013, only one – France – increased payments relative to the funding available by more than average. In four – Denmark, the UK, Austria and Slovakia – the increase was less than average, most especially in the UK (in which the payments rate rose by under 6 percentage points) and Denmark (where there was no increase at all).

Figure 13 Payments of ERDF and Cohesion Fund at end-2013 and change in rate of payment in 2013 relative to 2012

Change 2012-2013	***Payment rates (% total funding)***		
	Low	**Around average**	**High**
Below average increase	Slovakia (53.3) Austria (52.9) UK (51.5) Denmark (50.8) Czech Republic (50.2) Malta (49.5) Bulgaria (47.7)	Spain (62.6) Latvia (61.7) Slovenia (61.2)	
Increase around average	Cyprus (60.6) Hungary (59.8) Romania (36.9)		Lithuania (78.8) Sweden (75.6) Germany (69.1) Luxembourg (68.2) Poland (67.1)
Above average increase	France (60.1) Italy (45.8)	Netherlands (65.9) Belgium (65.4)	Estonia (80.2) Portugal (76.6) Finland (73.9) Greece (72.3) Ireland (70.1)

Note: The EU average payments rate is 60.8%. 'Around average' is defined as less than 6 percentage points above this. 'Low' is below the average and 'high' is over 6 percentage points above average. The average increase is 15.1 percentage points. 'Around average is defined as within 1 percentage point either way of this.
Source: DG Regional Policy database and authors' calculations

Similarly, in the case of the 5 countries in which the payments rate was only a little above average (less than 6 percentage points), the increase in 2013 was less than average in three and above average in the two – Belgium and the Netherlands – where the rate was furthest above the average. At the same time, of the 10 countries in which payments relative to funding was significantly above the EU average at the end of 2013, the increase was around the average or above in all of them In all of these 10 countries too, the payments rate was also above average at the end of 2012, as it was in Belgium and the Netherlands (though by only around 2-3 percentage points).

The strong conclusion which can be drawn from this is that the countries in which payments were lagging behind at the end of 2013 are also, for the most part, ones in which this was equally the case a year earlier and for the great majority of the countries, the increase in the payments rate in 2013 was less than average. There is no sign, therefore, of any catching-up in the rate of payments among these countries. The main increase in payments which occurred during the year was, accordingly, among those countries where the payments rate was already relatively high. Consequently, there was a widening gap between Member States in payments relative to funding which suggests a widening gap too in the rate of implementation of programmes, with the countries in which the delays appeared to be the longest at the end of 2012 having even longer delays at the end of 2013.

Evidence from data on projects selected

The second source of data available which can be used to assess the rate of implementation of programmes is the allocation of funding to projects. This gives a more immediate indication of the pace at which programmes are being carried out but the latest data relate to the end of 2012, so from this perspective are more out of date than the payments figures. Moreover, interpreting the figures is far from straight-forward because there is not a common definition of the terms 'projects selected' across Member States, in the sense that it can cover different degrees of commitment to projects on the part of the national authorities concerned. It is not necessarily the case, therefore, that contracts have been signed for the projects concerned, still less that they are actually underway. This is particularly the case of enterprise support, where the actual expenditure of the funding provided depends on its take-up and not just on a decision to introduce a particular measure.

Moreover, the term covers the different stages of carrying out projects from the initial selection of contractors or recipients of funding to the project being undertaken and completed. It is difficult, accordingly, to identify the progress being made in this respect from the figures concerned. This is all the more so since the figures can decline as well as increase over time as, for example, projects are cancelled or funding is withdrawn because of implementation difficulties, such as planning permission being refused, contractors going out of business or enterprises not taking up the funding provided. Because of the possibilities of this happening, the figures for funding allocated to projects selected can exceed 100% as Member States make allowances for some of the projects selected not being undertaken in practice and to guard against the risk of de-commitment (i.e. of infringing the n+2 rule).

According to the figures reported by Member States at the end of 2012, there were five in which the funding allocated was more than 100% of the total available for the period (Table 6).

Table 6 Allocation of the ERDF and Cohesion Fund to selected projects at the end of 2009, 2010, 2011 and 2012 (% funding available for 2007-2013 period)

	end-2009	end-2010	end-2011	end-2012
EU27	23	54	72	88
EU15	20	53	76	93
EU12	26	55	69	84
CBC	38	57	77	91
Greece	26	72	108	137
Cyprus	50	108	118	118
Ireland	34	112	126	107
Sweden	42	73	92	105
Belgium	79	97	98	101
Luxembourg	44	48	89	98
Netherlands	53	77	90	98
Bulgaria	10	35	54	95
Portugal	27	64	84	93
Latvia	39	73	85	93
Estonia	56	73	86	92
Hungary	26	59	76	91
Denmark	8	65	78	91
Finland	39	53	71	91

Lithuania	42	66	79	91
Italy	6	31	55	90
Malta	56	70	71	88
Poland	17	58	69	85
UK	34	58	72	83
Germany	29	57	73	83
Spain	14	52	74	81
Slovenia	43	55	72	81
Romania	17	35	63	79
France	20	35	62	76
Austria	33	51	66	76
Slovakia	42	55	69	75
Czech Republic	40	49	64	73

Note: Countries are ordered in terms of the share of allocation to projects end-2012
CBC stands for Cross Border Cooperation
Source: DG Regional Policy database

For Cyprus, the figure was significantly above 100% (118%) and in Greece, even more so (138%). In Greece, the figure was also well above 100% at the end of 2011, so that funding became even more over-committed during 2012, which raises the question of whether the rate of programme implementation increased between the two years and if so by how much. The same applies to Cyprus, where the funding allocated to projects which had been selected was also well over 100% at the end of 2011 as well as a year later, but in this case, it remained the same between the two years, which might indicate that nothing changed or that funding was withdrawn from some projects and allocated to some new ones. In this case too, projects selected already absorbed over 100% of funding at the end of 2011, so it is difficult to assess the progress made in programme implementation over these three years. This is also the case for Ireland, where the funding allocated to projects declined from 126% to 107% during 2012, which could be interpreted as significant progress being made in implementation rather than any retrenchment insofar as the reduction reflects a choice being made between potential projects to finance.

For other countries too, the figures cannot easily be interpreted, such as for Belgium, where there was a relatively small increase during 2012 in the proportion of funding absorbed by projects selected, but the fact that the proportion was already 98% at the beginning of the years would seem to limit the extent of any increase (though not necessarily). Moreover, the figure was already at 97% at the end of 2010, which on the face of it, implies little progress being made in programme implementation over these three years, though whether this is the reality or not is impossible to say simply from the figures themselves.

Similarly, in stark contrast to Belgium or Ireland, the funding allocated to projects increased considerably in Bulgaria during 2012, from 54% to 95%, but whether this can be taken as evidence of a major increase in programme implementation is equally impossible to know. While it certainly suggests that there was some progress in the year, how much is unclear. Indeed, the figures for projects selected indicate that Bulgaria had one of the highest rates of programme implementation at the end of 2012, which is entirely out of line with the figures for payments examined above. This also applies to Cyprus, for which the payments rate is marginally below the EU average, but which has the second highest funding allocation rate.

On the other hand, the allocation rate for Germany and Poland was only around the EU average at the end of 2012 while the payments rates were both well above average.

At the same time, there are a number of countries where the two sets of data are in line with each other, such as the Czech Republic, Slovakia, Austria, France and, of course Romania. In these cases, therefore, the figures for the allocation of funding to projects tends to support the payments data, but when they do not, as in the case of Bulgaria, it is difficult to know whether they should qualify, or even override, the implications for implementation of the latter. The fact that, as emphasised above, it is unclear from the changes shown by the allocation of funding data between adjacent years whether the rate of implementation has risen a lot, a little or not at all suggests that the data are of limited use in many Member States as a guide to progress in carrying out programmes.

The reasons for delays in programme implementation

The evidence above suggests that the implementation of the programmes is delayed in a number of countries. According to the country reports, the reasons for this are much the same as set out in the last year's report. In addition to the slow start of programmes, due to a large extent to the overlap with the previous programming period, these reasons are:

- the adverse economic conditions, which remain a significant factor, making it difficult for businesses and public authorities alike to find the co-financing required; in some cases these problems led either to projects being reduced in size or postponed (e.g. in the UK);
- the persistence of public procurement problems, especially in Convergence regions and particularly in the EU12, combined with time-consuming selection and approval procedures (as in Malta) complex and planning procedures (as in Slovenia) and the limited administrative capacity of recipients or those managing projects (as in Romania and Malta or Poland in respect of railways). In many cases, procurement decisions are still routinely challenged in court by competitors causing further delays;
- irregularities, financial corrections and extensive audits of expenditure, which were a major reason for delay in 2012 in a number of countries (such as in the Czech Republic and Romania);
- increased prices, which have led to reductions in quality in some cases, as attempts have been made to lower the costs of construction projects, or to the cancellation of projects as well as to delays in implementation (as in Poland and Latvia).

Administrative problems are a particular source of delay in countries where the implementation of programmes seems to be especially slow (see Box).

Reasons for delay in countries where payments rates were particularly low at end-2012

In Romania, a key problem is the limited reliability of the management and control systems. Irregularities in the management and control of public procurement seem to be systemic across all OPs. The weak administrative capacity of authorities and beneficiaries and the overregulated and excessive bureaucracy add to the problem. During 2012, the Commission requested the submission of payments claims to be suspended until adequate measures to tackle systemic problems in four OPs were taken. In three OPs, the suspension was still in force at the end of 2012.

In Bulgaria, although programme implementation accelerated in 2012 the main problems causing delay remained largely unresolved. These relate to the low quality of project proposals, the lack of capacity in municipalities to manage infrastructure projects, difficulties in co-financing expenditure, problems stemming from changes in the political environment and lengthy public procurement procedures.

In Malta, lengthy public procurement procedures are also a major cause of delay, including lengthy project selection processes and bottlenecks resulting from centralisation and complex planning procedures. In addition, payments for revenue-generating projects were delayed in 2012 because of difficulties in interpreting state aid rules (Article 55).

In the Czech Republic, delays in 2012 were due to the suspension of programme implementation (in respect of the regional OPs for North West and Central Bohemia) because of suspicion of corruption in public tendering or doubts about the eligibility of expenditure.

In Austria, the main bottleneck lies mostly in administrative and financial control problems. System audits revealed deficiencies in management and control systems and irregularities in the certified statements of expenditure. Annual control reports were not produced on time by the audit authority because it is under-staffed.

Measures taken in response to the delays

The increase in EU co-financing rates in a number of countries in 2012 and 2013, as in 2011, and the counterpart reduction in the national co-financing rate and, indeed, in expenditure, led to less of a need to find both matching funding and the enterprises to take up funding, so effectively easing the problems for public authorities to absorb the ERDF available to them. This was the case, in particular, in the southern EU15 countries

As in 2011, a number of Member States shifted funding in 2012 to measures which are quicker to implement, often in a way which did not require formal procedures (e.g. in Greece, Portugal, Germany, Belgium, Bulgaria, the Czech Republic and Hungary).

In a number of cases too, funding was shifted to Financial Engineering Instruments (FEIs) – as in the Walloon region of Belgium and Spain – to postpone the need for expenditure and to avoid de-commitment.

Administrative measures were also undertaken in a number of countries, including:

- closer monitoring of projects and research into finding solutions to problems encountered (e.g. in Belgium, the Netherlands and Estonia)
- reducing the administrative burden by simplifying procedures, particularly in public procurement (e.g. in Bulgaria, Hungary, Latvia, Lithuania and Slovenia);
- improving the capacity of MAs to administer funds, by recruiting additional staff or by providing additional training and consultancy on public procurement rules (e.g. in Austria, Bulgaria, the Czech Republic and Malta);
- increasing transparency and strengthening control (e.g. in Bulgaria and Latvia);
- forming *ad hoc* project units or targeted support to follow the implementation of more complex projects or measures which were not particularly effective (e.g. in Germany, Bulgaria, the Czech Republic, Hungary, Lithuania, Malta and Slovenia);

- finding additional funding – such as through loans from international banks –to resolve the problem of insufficient co-financing (e.g. in Estonia, Hungary, Slovenia and Cyprus).

Many of these measures are much the same as undertaken in the past and in a number of countries raise doubts about their effectiveness in speeding up programme implementation (as in the Czech Republic, Slovakia and Belgium).

How likely is it that all the expenditure planned will be carried out by end-2015?

In almost all EU15 countries, Managing Authorities are reported to be confident that the funding from the ERDF still available for expenditure will be spent before the end of 2015 as required. More concerns are reported in the EU12 countries, where it is considered that there is an increasing risk that funding will remain unspent. This is most likely to be the case for Transport, Environmental infrastructure and energy programmes due to the delays in carrying out large-scale projects (such as in Romania, the Czech Republic and Slovenia). On the other hand, for other programmes in the Czech Republic as well as in Bulgaria, it is expected that all of the funding will be absorbed, despite the low apparent implementation rate according to the payments figures.

Concerns about funding being fully absorbed are also expressed for some Belgian and German programmes.

Financial engineering instruments

Question-mark over the absorption of funding

Financial engineering instruments (FEIs), in the form of loans, guarantees, venture capital funds and so on, are a potential means of increasing the amount of assistance given to measures of enterprise support, urban renewal or energy efficiency from a given amount of funding. Unlike other forms of enterprise support, they are repayable, and may have even yield a rate of return, so giving the possibility of using the same funds multiple times to support interventions. They are, accordingly, particularly attractive in an era of limited budgets when it is especially important to increase the efficiency of the funding available, which is a primary reason why the use of the ERDF to co-finance them has been encouraged and why the extent of its use for this purpose is being increased in the new programming period.

From the perspective of Member States, they are also attractive since they represent a convenient means of accelerating the expenditure co-financed by the Structural Funds and complying with the n+2 or n+3 rule. This is because funding is counted as being spent once it is paid into FEIs rather than when it reaches final recipients and is actually used for investment. Nevertheless, the funding going to FEIs still has to reach final beneficiaries by the end of 2015 for it to be covered by the Structural Funds. It is, therefore, important to examine the amount of funding involved and the rate at which it is being run down in order to identify the countries where there are potential difficulties of it being distributed to final recipients in the time which remains.

In practice, although the overall amount of the ERDF paid into FEIs up to the end of 2012 is small in relation to the total sum available to Member States for the 2007-2013 period (just over EUR 8 billion out of a total of just over EUR 200 billion), a significant sum remained in the funds concerned at that time which was still to reach final recipients. According to the figures reported by Member States, the sum involved totalled almost EUR 5.5 billion or just over 67% of the total amount of the ERDF which had gone to co-finance FEIs up to that time (Table 7 – it should be noted that a very small amount of the ESF – around EUR 250 million – is also allocated for this purpose.). Less than a third of the total amount paid into FEIs had, therefore, reached final recipients at the end of 2012.

In 18 of the 24 countries for which data are available, the funding still to reach final beneficiaries amounted to over 50% of the total paid to FEIs and in four countries (Greece, Spain, Bulgaria and Slovakia – in the last of which nothing had been paid out of the FEIs by the end of 2012), over 95%. (Note that this includes very small amounts of the ESF since the data are not available to exclude this from the figures for the Structural Funds for individual countries.) Moreover, this might well be an under-estimate of the sum remaining to be distributed, since there is evidence that for some Member States, the amount reported to have been paid to final beneficiaries includes some private funding. This is a possible reason why the amount for Slovenia exceeds the total amount of the Structural Funds paid into FEIs, implying that a negative sum remains to be paid out. It is also a possible reason why the total amount of funding paid out to final recipients at the end of 2012 is in some countries (those shaded in the table – Portugal being the most prominent example) less than the figure reported at the end of 2011. The latter, therefore, might have included some private financing which was excluded from the figure reported one year later.

If these countries are excluded from the total to give a more realistic indication of the situation, the figures imply that the amount of the Structural Funds (almost all of it from the ERDF) paid to final recipients from FEIs to support investment was some EUR 654 million more at the end of 2012 than a year earlier (EUR 1,993 million minus EUR 1,299 million). The amount paid out, therefore, increased by well over 50% over the year.

Table 7 Structural Funds paid to FEIs and amounts still to reach final beneficiaries up to end-2011 and end-2012

	EUR million						% of total SF in FEIs still to be paid	
	Paid to FEIs		Paid to final recipients		Still to be paid			
	End-2011	End-2012	End-2011	End-2012	End-2011	End-2012	End-2011	End-2012
Slovakia	85.0	85.0	0.0	0.0	85.0	85.0	100.0	100.0
Spain	383.6	358.2	55.1	10.3	328.5	347.9	85.6	97.1
Bulgaria	197.2	330.1	1.1	11.5	196.1	318.6	99.4	96.5
Greece	1008.9	1247.1	7.4	46.1	1001.5	1201.0	99.3	96.3
Italy	1049.3	1583.7	254.0	316.3	795.3	1267.4	75.8	80.0
Romania	86.0	86.0	2.1	18.5	83.9	67.5	97.5	78.4
Austria	8.4	10.3	0.0	2.8	8.4	7.5	100.0	72.7
France	116.2	112.7	46.1	36.4	70.1	76.3	60.3	67.7

UK	548.6	588.0	152.3	208.8	396.3	379.2	72.2	64.5
Poland	907.2	1042.0	169.8	378.1	737.4	663.9	81.3	63.7
Portugal	208.6	282.3	439.2	107.2	-230.6	175.1		62.0
Belgium	107.0	127.0	40.6	53.9	66.4	73.0	62.1	57.5
Latvia	186.4	201.6	87.5	89.9	98.9	111.7	53.0	55.4
Lithuania	410.7	398.3	127.7	183.8	282.9	214.5	68.9	53.9
Cyprus	17.0	17.0	2.1	7.9	14.9	9.1	87.4	53.4
Malta	8.5	8.5	1.3	4.0	7.2	4.5	84.2	53.3
Germany	848.3	862.1	482.8	410.6	365.4	451.5	43.1	52.4
Sweden	70.7	64.1	20.7	31.9	50.0	32.2	70.7	50.3
Denmark	7.0	10.3	3.8	6.2	3.2	4.1	46.3	39.7
Hungary	338.3	433.7	182.9	288.1	155.4	145.6	45.9	33.6
Finland	42.9	32.7	26.0	22.2	16.9	10.4	39.4	31.9
Czech Rep.	221.0	258.1	158.3	197.6	62.7	60.5	28.4	23.4
Estonia	122.7	124.7	87.8	107.5	34.9	17.1	28.4	13.7
Netherlands	11.0	11.1	15.1	9.8	-4.1	1.3		11.6
Slovenia	87.5	89.9	181.6	149.1	-94.0	-59.1		
EU - SF	7077.7	8364.6	2545.3	2698.7	4532.4	5665.9	64.0	67.7
EU - ESF	207.6	252.8	59.9	53.8	147.7	199.0	71.2	78.7
EU – ERDF	6870.1	8111.8	2485.4	2644.9	4384.7	5466.9	63.8	67.4
EU - SF adj*	5379.7	6615.6	1299.4	1953.0	4080.3	4662.6	75.8	70.5

Note: Shaded figures show instances where the amount at the end of 2012 was less than that at the end of 2012. Negative figures for the amount of Structural Funds still to reach final beneficiaries indicate that the amount already paid to them is larger than the amount paid to FEIs, implying an error in the figures, probably arising from the inclusion of private sector funding in the amount paid to beneficiaries.

** EU - SF adj figures exclude the countries for which the amount paid out to final recipients was smaller at the end of 2012 than at the end of 2011 - i.e. they exclude the countries for which there are shaded figures in Columns 3 and 4*

Source: Figures for end-2012 taken from 'Summary of data on the progress made in financing and implementing financial engineering instruments co-financed by Structural Funds', *DG Regional Policy, September 2013, Annex 1. Figures for end-2011 based on data provided by DG Regional Policy for the 2012 Synthesis Report.*

At the same time, however, the amount of the Structural Funds paid into FEI also increased during 2012, though there is some uncertainty about how much because, as in the case of the figures for the amounts paid out, there are a number of countries in which the sum paid in was less at the end of 2012 than a year earlier (the shaded ones in the table). How far this reflects funding previously paid to FEIs being withdrawn as opposed to reporting errors is difficult to say. If it is assumed that the figures for the two years are reliable, then there was an overall increase in the ERDF paid to the FEIs of EUR 1,236 million in 2012 (or EUR 1,242 million for the countries for which the amount paid out from FEIs at the end of 2012 is reported to be either larger than or the same as the amount paid out at the end of the previous year).

The implication is some 70.5% of the ERDF paid into FEIs was still to reach final recipients at the end of 2012, if the countries for which there are obvious errors in the figures for the amounts paid out (the shaded ones in the table) are excluded. This is only just over 5 percentage points less than at the end of 2011 and implies that there needs to be a major increase in the rate at which funding reaches final recipients over the remaining three years of the period if the FEIs are to be fully depleted. For a number of countries – Greece, Italy, Spain and Bulgaria, in particular, where a substantial amount of funding remained undistributed at the end of 2012 – this is likely to be extremely challenging, especially if the economic climate does not turn out to be significantly more favourable to investment in 2014 and 2015 than implied by the latest Commission forecasts (see above).

This risk is that under pressure to ensure that all the funding is paid out of FEIs in time, the conditions attached to investments will be relaxed, that less stringent requirements will be imposed on recipients to demonstrate that they are likely to generate a rate of return on the funding received, as well, as of course, ensuring that the provision of public funding can be justified in terms of the externalities or social benefits involved

Evidence on FEIs from the country reports

The increase in funding going to FEIs in 2012 is reported in a number of cases (such as in Belgium) to be primarily motivated by the fact that this was a convenient means of complying with the n+2 rule rather than by the proven success of such instruments.

The implementation of FEIs encountered continuing difficulties in several countries because of either the risk aversion of private investors (such as. in Bulgaria and Latvia), or the inability to meet market expectations (such as in Cyprus or Romania). Delays in setting them up, difficulties in finding good quality projects to fund and issues relating to the institutions responsible for their management, as well as the adverse financial climate, also affected their implementation in some countries (such as in Romania, Portugal and the UK).

As a result of these difficulties, some of the instruments in use in several Member State were abandoned and the resources freed up were reallocated to different (or new) instruments (such as in Bulgaria and Cyprus).

Despite some progress in distributing the funding put into them, it is reported in a number of Member States (such as Romania, Lithuania, Portugal and the UK), that funding seems unlikely to reach final recipients by end-2015. On the other hand, in other countries, all the funding has either already reached final recipients (as in the Netherlands) or the authorities are confident it will do so in time (such as in Greece, Austria, Estonia, Slovenia and Slovakia). In the case of Greece and Slovakia, where none, or hardly any, of the funding had been distributed to final recipients at the end of 2012, it is hard to know what this confidence is based on.

6. Achievements by broad policy area

Despite the significant delays in many countries in the implementation of programmes, there is growing evidence available on the outcome of the expenditure carried out up to the end of 2012. This shows that significant achievements have been made across the EU by the projects completed and the measures supported with the financial help of the ERDF and Cohesion Fund. The main achievements are set out below in the various policy areas after reviewing the jobs created as a direct result of the expenditure undertaken.

At the same time, however, attention is drawn to the unsatisfactory nature of the Annual Implementation Reports (AIRs), which are the main source of information on the programmes concerned and are intended to provide a means of assessing the progress made in pursuing the policy objectives which the programmes were designed to achieve (See Box). The deficiencies of the AIRs limit the extent to which this is possible, which tends to mean that the outcome from the support provided is often understated and not sufficiently appreciated.

Deficiencies of the AIRs and of the data on indicators they contain

This section is based largely on the Annual Implementation Reports. This is inevitable since they are the only source of information which covers all the Operational Programmes across the EU which give details of the projects and measures which the ERDF and Cohesion Fund has co-financed in Member States and of what the outcome so far has been. In most cases, however, these details are not sufficient to assess what the programmes have achieved in any meaningful way. The outcomes are rarely put into context or related to policy objectives so that their contribution to, say, strengthening the competitiveness of enterprises or improving transport links, can be judged. Moreover, except in very broad and general terms, the information contained in the reports tends to give little indication of how the expenditure carried out helps to attain ultimate policy goals relating to sustainable regional development or the quality of life in a region.

The data on the core indicators which are reported, and which are intended to be capable of being aggregated across both regions and countries, are equally unsatisfactory. In the first place, they vary in terms of coverage across both regions and countries, which means that the aggregate figures, at the country level in some cases and at the EU level more generally, do not necessarily give a reliable indication of overall outcomes. In the case of job creation, in particular, therefore, the indicator is applied to differing extents to policy areas (such as support for new technology or innovation) in which it is not really relevant – or at least does not reflect the primary objective of expenditure. At the same time, in some countries it is not applied to areas in which it seems to be relevant.

Secondly, the definitions used for the indicators concerned and the methods applied to calculating them are not always uniform and also vary in a number of cases between regions and countries, which adds a further element of uncertainty over the comparability of the data reported and the meaningfulness of aggregation.

Thirdly, the data collected from final beneficiaries on the outcome of projects are subject to varying degrees of verification by Managing Authorities at both the regional level and at the central level when they are reported to DG Regional Policy. Accordingly, the data concerned can differ significantly in terms of the extent to which they accurately reflect actual outcomes.

In addition to these three broad sources of non-comparability, the data reported, as noted elsewhere (see Box on the tables), in some cases relate to estimates or projections of outcome rather than to actual figures, though it is often difficult to identify when. The data are also subject to reporting errors, either simple mistakes in transcription or in the units of measurement used (metres instead of kilometres, for example), though there has been a distinct improvement in this since the last report was prepared as a result of efforts made within DG Regional Policy to clean up the data.

Total jobs created

Nearly 594,000 jobs in full-time equivalent terms are reported to have been created across the EU up to the end of 2012 as a direct result of the interventions co-financed by the ERDF, mainly in the form of enterprise support (Table 8). Although this figure takes no account of the jobs which were possibly displaced by the projects carried out and while it involves certain measurement problems (which are described in the Box), it equally leaves out of account the jobs indirectly created, especially over the longer-term, by the funding provided in areas – e.g. transport or RTDI – where job creation is not the immediate objective. Despite the limitations of the figure, it gives an indication of the scale of the contribution made by the ERDF to offsetting the effects of the depressed economic situation on employment. To put it into perspective, it amounts to 0.3% of total employment in the EU at the beginning of the programming period, which may seem small but it is equivalent to almost 20% of the 3.3 million job lost over the period up to 2012. This is also the case for the EU15 and EU12 taken separately, so that in both cases, it can be said to have reduced net job losses significantly even if there is some uncertainty about the precise extent.

Table 8 Estimates of gross, full-time equivalent jobs created by ERDF and Cohesion Fund in 2007-2013 programmes up to end-2012

	All programmes			Convergence			Competitiveness		
	Up to end-2012	Change, 2011-2012	*% target*	Up to end-2012	Change, 2011-2012	*% target*	Up to end-2012	Change, 2011-2012	*% target*
BG	1,371	615	*65*	1,371	615	*65*			
CZ	14,999	5,314	*51*	14,972	5,289	*51*	27	25	*32*
EE	6,883	3,120		6,883	3,120				
CY	1,846	1,419					1,846	1,419	
LV	1,632	1,632		1,632	1,632				
LT	2,277	1,769	*92*	2,277	1,769	*92*			
HU	79,196	48,580	*75*	79,196	48,580	*75*			
MT	186	77	*13*	186	77	*13*			
PL	43,083	17,425	*29*	43,083	17,425	*29*			
RO	8,151	3,791	*25*	8,151	3,791	*25*			
SI	2,488	773	*59*	2,488	773	*59*			
SK	2,671	2,299	*15*	2,602	2,249	*15*	69	50	*35*
GR	21,044	20,596	*68*	21,044	20,596	*68*			
ES	57,705	14,015	*34*	46,436	13,529	*34*	11,269	486	*33*
PT	2,640	1,430	*11*	1,237	1,031	*6*	1,403	399	*48*
BE	18,740	3,566	*69*	4,519	2,345	*70*	14,221	1,222	*68*
DK									
DE	88,353	14,851	*57*	33,310	5,571	*32*	55,043	9,280	*83*
IE	4,582	727	*84*				4,582	727	*84*
FR	26,855	8,975	*51*	1,517	664	*57*	25,338	8,311	*51*
IT	47,029	22,914	*30*	34,021	15,799	*31*	13,008	7,115	*29*
LU	163	50	*8*				163	50	*8*
NL	12,361	4,775	*100*				12,361	4,775	*100*
AT	5,365	2,222	*78*	659	367	*129*	4,706	1,855	*74*
FI	20,910	5,438	*55*				20,910	5,438	*55*
SE	35,728	8,516	*107*				35,728	8,516	*107*

UK	87,696	30,376	*38*	14,421	6,072	*27*	73,275	24,304	*42*
EU15	**429,171**	**138,449**	***45***	**157,164**	**65,973**	***34***	**272,007**	**72,477**	***55***
EU12	**164,783**	**86,813**	***36***	**162,841**	**85,320**	***36***	**1,942**	**1,493**	***34***
EU27	**593,954**	**225,263**	***43***	**320,005**	**151,293**	***35***	**273,949**	**73,970**	***55***

Note: The table does not include data for Denmark for which estimates are not available.
Source: DG Regional Policy database ("aggregate jobs" corrected to eliminate double counting across codes 01-06-09-35) and authors' calculations.

The jobs created amounted on average to 43% of the targets set in the different countries when the plans were drawn up at the beginning of the programming period, which is roughly in line with the expenditure carried out up to the end of 2012, though there are wide divergences between outcomes and targets across Member States. If the overall target were to be achieved, and if jobs continued to be created at the same rate in countries for which no targets have been set, it suggests that around 1.4 million jobs could be directly created by the ERDF by the end of the programming period. More than half the jobs – some 320,000 – were created in Convergence regions, just over half of these in turn in EU12 Member States. A substantial number (close to 130,000) were also created in the four Southern EU15 countries where the need for jobs was particularly pressing.

Achievements by broad policy area

Enterprise support and RTDI (including ICT and access of SMEs to finance)

A wide range of measures have been implemented across the EU to support enterprises and RTDI. These include aid to investment in SMEs, research activities and the introduction of ICT to help firms overcome constraints on accessing credit from the financial market as well as to innovate and to take advantage of technological advances in methods of production. They also include aid to services to provide technical advice, guidance and financial assistance to business start-ups and to firms to encourage cooperation with both other enterprises and research centres as well as exporting and the formation and expansion of clusters. The physical indicators for the most part relate to the number of projects, which tell us nothing about the output produced by the support provided. The one exception is in the case of projects designed to support collaboration between enterprises and research centres where this represents the objective of the support, though the tangible results of such projects would clearly be of interest.

The only widely used indicator of results is the number of jobs created, though job creation, at least in the short-term, is in many cases not the primary purpose of the measures supported, which is rather to stimulate innovation, strengthen the competitiveness of firms or to help bring about a shift to a more dynamic structure of economic activity. Indicators relating, for example, to productivity growth, new products developed or the expansion of export markets would be more relevant but these are used in only a limited number of OPs.

Nevertheless, the indicators available show that a substantial number of projects have been undertaken with ERDF support and that these have had tangible results in terms of collaborative ventures supported and new businesses formed as well as jobs directly created. The main outcomes up to the end of 2012 are set out below.

Support for RTDI

- Over 21,600 projects were co-financed across the EU to support cooperation between businesses and research centres (see Table 9). These were mainly in Competitiveness regions in the EU15 reflecting the significant share of funding allocated to this in the OPs concerned.
- Some 61,200 RTD projects were carried out, again most of them in Competitiveness regions.
- These led to almost 21,000 research jobs being created in FTE terms, split broadly half and half between Convergence and Competitiveness regions, with more jobs being generated per project in the former than the latter.

Enterprise support

- In total, close to 200,000 projects were co-financed across the EU to support investment in SMEs, around a third of them being completed in 2012.
- These directly resulted in some 262,000 jobs being created in SMEs, most of them (75%) in Convergence regions.
- Support helped to create almost 78,000 new businesses in the EU, in this case most of them in the Competitiveness regions.

Support for ICT infrastructure and services

- Over 5 million additional people across the EU were given access to broadband – more than half of them in 2012 - as a result of the projects co-financed. Many of these were in disadvantaged areas, mostly in EU15 countries, the number being split fairly evenly between Convergence and Competitiveness regions in the EU as a whole.
- Many projects were also carried out in both the EU12 and EU15 to increase the use of ICT in SMEs as well as to extend the digitalisation of public services. The results, however, are diverse and cannot easily be aggregated across regions or countries (see Box).

Examples of specific achievements in respect of enterprise support and RTDI

Spain: 5,839 large projects were co-financed up to the end of 2012 to support the R&D carried out in the public sector, these representing a significant proportion of the projects initiated under the National RTDI Plan. Major support was also given to computerisation in public administration, education, healthcare and legal services as well as to the spread of ICT in SMEs.

Greece: Approval was given to 1,304 out of 2,665 applications from SMEs for funding under the JEREMIE-type FEI scheme, mainly in the form of loans, so helping firms to overcome the tight borrowing limits imposed by the financial market. Almost 730,000 additional people were given access to broadband, most of them in Macedonia and Thrace region, which is one of the least developed in the country, so reducing the digital divide.

Portugal: Up to mid-2013, some 9,458 companies had been supported by business aid schemes co-financed by the ERDF, while the number of firms receiving help to start up new business increased to 952, 448 of them in high tech or knowledge intensive sectors.

Belgium: FEIs (risk capital, loan-guarantees, micro credits and 'mixed products'), co-financed by the ERDF helped 571 new businesses to start up and 671 to expand up to the end of 2012, over 10 times the number assisted by investment grants.

France: The ERDF provided support to the 71 '*Pôles de compétitivité*' which were set up to bring together clusters of businesses, research laboratories and universities, each specialising in a particular broad sector of activity. According to an evaluation in 2012, they had been responsible up to then for over 2,500 innovations since they were established.

Bulgaria: Under the JEREMIE FEI, some 1,388 SMEs had received low-interest loans by the end of 2012, helping to mitigate the squeeze on credit.

Czech Republic: The ERDF co-financed 53 new Centres for Technology Transfer, Centres of Excellence and Science and Technology Parks.

Malta: The First Loan Portfolio Guarantee scheme, co-financed by the ERDF, provided funding to 533 SMEs by mid-2013, by which time around 95% of the credit available had been committed, so alleviating difficulties of borrowing on the financial market.

Romania: Projects supported by the ERDF resulted in over 560,000 people using e-Governance, e-Health and e-Learning online systems by the end of 2012 and to 253 R&D laboratories been constructed or renovated.

Slovenia: The ERDF co-financed 8 Centres of Excellence, 7 Competence Centres and 17 Economic Development Centres up to the end of 2012.

Table 9 - Core indicators – Enterprise support and RTDI (total), outcomes up to end-2012

	Research cooperation projects			Research jobs created			Start-ups supported			Additional population with broadband access (thousands)		
	To end-2012	Change 2011-12	% target	To end-2012	Change 2011-12	% target	To end-2012	Change, 2011-12	% target	To end-2012	Change, 2011-12	% target
BG	0	0		68	68	62				0	0	
CZ	45	29	29	1,508	1,061	58	6	6	30			
EE												
CY	210	46		536	110							
LV	46	46	92	0	0		535	114	652	0	0	
LT	22	14		202	69		301	133				
HU	406	94	123	4,163	2,213		1,285	416		70	20	
MT	28	15	280				12	9	30			
PL	532	250	26	1,148	856	20	1,355	408	62	818	778	66
RO	39	7	20	617	272	123	60	18	200	0	0	
SI							14	6	67	65	25	216
SK	244	27	22	3	3	1	91	89	35			
GR	59	58	20	354	348	26	2,400	2,005	57	807	807	662
ES	5,612	950	39				5,719	311	58	1,316	894	86
PT	472	60	35	1	1	2	917	64	96	34	0	15
BE	49	9	25	358	15	128	1,896	701	74	0	0	
DK							3,527	74	392			
DE	2,319	716	238	1,428	814	56	6,555	154	82	0	0	
IE				901	95	89	92	1	59	153	0	105
FR	3,604	1,818	70	3,014	487	52	625	565	34	836	270	30
IT	1,557	588	57	2,185	669	60	3,723	2,078	47	945	283	82
LU	12	0	240	117	54	59						
NL	363	-36	77				4,998	1,002	418			
AT	539	148	262	414	273	48	59	12	19	0	0	
FI												
SE	201	88	76	461	-173	106	14,582	3,152	80	5	2	45
UK	5,263	2,050	252	3,277	537	7	29,048	7,956	97	0	0	
EU15	**20,050**	**6,449**	**62**	**12,510**	**3,120**	**50**	**74,141**	**18,075**	**86**	**4,097**	**2,257**	**58**

EU12	**1,572**	**528**	**28**	**8,245**	**4,652**	**36**	**3,659**	**1,199**	**79**	**953**	**824**	**69**
EU27	**21,622**	**6,977**	**57**	**20,755**	**7,772**	**45**	**77,800**	**19,274**	**86**	**5,050**	**3,081**	**60**

Note: the negative change in research jobs in Sweden is the result of a revision of the 2012 figure for Norra Mellansverige.
Source: DG Regional Policy and authors' calculations.

Note on the core indicators data and targets

The tables included in the text are based on the latest figures for the indicators reported by Member States and recorded in the DG Regional Policy database, which relate to the situation up to the end of 2012. Figures in the first column of the tables are the sum of the data for the indicator concerned across all OPs in each country and refer to the total over the programming period up to end-2012. Figures in the second column indicate the change between end-2011 and end-2012. Since data for the indicators are recorded in many cases only when projects are fully completed, the change does not necessarily show the outcome in 2012 *per se* but that of projects which were finished during the year and, in some cases, only those for which administrative procedures had been concluded. It should also be noted that the indicators as reported do not always cover all the outcomes of relevant projects or measures since in some cases Member States do not apply the indicators concerned to some areas, even though it might seem appropriate to do so, or they choose not to include outcomes of particular projects (such as seemingly of a high-speed rail line in Spain).

It should be noted too that it is not always clear whether the figures reported relate to projects which have been completed and, accordingly, to actual outcomes or whether they relate to those which are still being carried out, or even which are still at the planning stage, and, therefore, to expected or forecast outcomes rather than actual ones. In some cases as well, since actual outturn might not be reported to Managing Authorities until administrative procedures have been finalised, the outcome figures are estimated ones produced perhaps at the beginning of the project to justify expenditure.

Figures in the '% target' column relate to outcomes in relation to the targets set, calculated by including only the OPs for which data for both outcomes and targets are available. Accordingly, the figures shown cannot always be compared directly with those in the first column, since the outcome figure might include OPs for which there are no targets. Zeros in both columns indicate that there are targets but no outcomes reported. A zero in the '% target' column where there is a positive figure in the outcome column indicates that the latter was less than 0.5% of the target at the end of 2012. EU12, EU15 and EU27 totals are calculated in the same way as the country totals.

It should be noted, in addition to the uncertainty in some cases about whether the outcome figures refer to the actual or estimated outturn, that the data for targets are of questionable meaningfulness in many cases because they have been set either with too little thought about their achievability – and independently perhaps from the funding allocated to the areas in question – or deliberately low to ensure that they would be achieved. The figures for outcomes in relation to targets should, therefore, be interpreted with a great deal of caution and cannot necessarily be used to judge performance (even if there is little else to go on).

The commentary in the AIRs on the data reported and their relationship with targets does not tend to help in this regard, since it rarely attempts to explain why outcomes in some cases fall well short of targets or exceed them significantly or, indeed, to give an indication of progress and of how far the outturn is in line with – or diverges from – what was planned.

Transport

Transport projects tend to be slower to produce tangible output and, even more so, results because of their scale and complexity and, accordingly, the time it typically takes to carry them out from initial planning to final completion. Moreover, individual projects often involve a number of sub-projects, such as the construction of a particular stretch of road, a junction or a bridge, and in many cases it is not until the project as a whole is completed and is in full operation that data are reported on what has been produced. While the lengthy duration of projects tends to apply more to the construction of new routes or facilities (stations, ports or airports, in particular), improvements in existing infrastructure can also take a long time to complete if they involve an extensive or substantial upgrading – such as the conversion of a single lane road to a dual carriageway or the electrification of a long stretch of railway line.

The indicators used to measure outcomes relate mostly to output (km of roads or railway line constructed or improved) and only to a very limited extent to results, such as savings in journey time, increases in the number of journeys or passengers, reductions in accidents and so on. Moreover, it is often difficult to assess the importance and potential impact on accessibility of the projects concerned or how they fit into the overall strategy on transport in the country concerned because of the limited amount of information given on such aspects in the AIRs.

In the case of investment in railways, as noted above, funding initially planned to co-finance the construction of new lines has in a number of countries – Poland in particular – been diverted to other areas, especially to road-building because of the difficulties experienced in carrying out projects and the long delays which have accordingly resulted. Less investment has, therefore, gone into the rail network than was planned at the start of the programming period. Nevertheless, there were still some significant outcomes, especially in the form of improvements in existing lines, as indicated below.

The main outcomes of the projects co-financed by both the ERDF and Cohesion Fund up to the end of 2012 are summarised below.

New and improved roads

- Nearly 2,550 km of new roads were constructed, almost all of them in Convergence regions and 1,351 km of them in the EU12 (in Poland, Hungary and the Czech Republic in particular) (Table 10).
- Just over 1,200 km of motorway were added to TEN-T routes, over 500 km of them in Poland. Most of these were completed during 2012 (800 km), which suggests that many more may be added in the three subsequent years of the programming period bringing the number of km closer to the overall target for the period of over 4,000 km.
- Some 17,000 km of roads were improved, again nearly all of them in Convergence regions and most of them in the EU12, in much the same countries in which new road construction was largest. In this case, the completion of projects has been much more evenly spread across the programming period and the output at the end of 2012 was far closer to the overall target (of just over 25,000 km).

New and improved railways

- Around 305 km of new lines were added to the rail network across the EU, most of them in Convergence regions in Germany. (A further 586 km of high speed line was constructed in Spain, in Castilla-la-Mancha, but this is not recorded in the DG Regional Policy database even though it is included in the AIR for the region as being co-financed by the Cohesion Fund; it is uncertain, however, to what extent it was financed from the funding for the 2007-2013 period as opposed to earlier ones.)

Many large projects are still to be completed both in the EU12 (e.g. in Bulgaria, the Czech Republic and Hungary) and the EU15 (e.g. in Portugal, France and Italy).

- Some 2,369 km of railway line were improved, almost all of them in Convergence regions; mostly in the EU15 and in Italy, in particular.
- Almost 1,500 km of railway line in the TEN-T network was either improved or newly constructed, mostly the former, again mainly in Convergence regions in the EU15, especially in Italy.

Other transport projects

Many other projects designed to improve the transport system were carried out across the EU up to the end of 2012, including in respect of urban transport, ports and airports, though their diverse nature makes it difficult to aggregate the outcomes (see Box for a few examples).

Examples of specific achievements from Transport investment

Portugal: The roads constructed as a result of ERDF and Cohesion Fund support include the last section of the Internal Regional Belt (i.e. the ring-road) in Lisbon, which carries an average of 50,000 vehicles a day and which has reduced the traffic on the main roads in the capital by 40%, so improving the urban environment.

Bulgaria: EU funding co-financed the construction of the second Metro line in Sofia together with 13 new stations, two on the first line and 11 on the second line. The line has relieved traffic congestion in the city and made it easier to move around it.

Estonia: Improvements in the rail network co-financed by the EU led to a 31% reduction in travel time up to the end of 2012, the aim being to reduce it further, by 45% by the end of 2015.

Hungary: EU funding co-financed a section of the M0 motorway around Budapest helping to reduce congestion in the city, while improvements in the rail network led to a 47 minute reduction in the average duration of journeys on TEN-T lines.

Poland: EU funding helped to redevelop and modernise the Wroclaw airport through the construction of a new terminal fitted with modern facilities, including an automated luggage control system.

Romania: Some 124 km of new motorway was constructed with EU support up to the end of 2012 and an additional 387 km are expected to be completed by the end of 2015. When finished, the road will link the Black Sea Coast and major cities across the country, including Bucharest, Sibiu and Arad, with Hungary and the main cities in Central Europe.

Table 10 - Core indicators – Transport outcomes up to end-2012

	Km of new roads (total)			Km of new TEN-T roads			Km of improved roads			Km of new railways (total)			Km of improved railways			Km of TEN-T railways		
	To end-2012	Change 2011-12	% target	To end-2012	Change 2011-12	% target	To end-2012	Change 2011-12	% target	To end-2012	Change 2011-12	% target	To end-2012	Change 2011-12	% target	To end-2012	Change 2011-12	% target
BG	82	82	33	82	82	33	501	340	39	18	2	50	158	158	19	176	0	22
CZ	230	120	94	71	71	59	1,025	319	71				240	60	53			
EE	62	44					171	13										
CY	1	1																
LV	0	0		0	0		437	159		0	0					0	0	
LT							1,369	79	115				1	0	1			
HU	344	46	54	60	7	35	1,720	317	74	0	0		159	43	54	0	0	
MT							9	9	47									
PL	516	161	12	516	515	23	5,365	1,682	75	2	2		128	128	46	54	54	
RO	11	0	5				800	492	62									
SI	55	3	32	52	0	101	1	1	5	0	0		65	22	41	0	0	
SK	50	7	29	20	0	27	975	626	89				53	11	32	53	11	25
GR	173			173	52	17	259	259	37	0	0		43	43	284	160	51	80
ES	461	261	52	138	7	94	1,549	-	39	0	0		77	76	406	97	4	
PT	228	148	78	89	84	64	2,453	595	82	41	3	19	163	155	223	41	3	19
DE	236	75	31	0	0		283	42	15	216	0	491	152	85		130	0	518
IE							33	0	100									
FR	28	0											314	94	68	57	57	1
IT	49	1	50	0	0		22	12	5	26	0	46	815	47	103	728	0	
SE	9	0					8	3		2	1		1	1				
UK	12	0		6	0		10	0		0	0		0	0		0	0	
EU15	**1,197**	**484**	**53**	**406**	**143**	**31**	**4,617**	**911**	**52**	**285**	**4**	**89**	**1,565**	**501**	**106**	**1,212**	**114**	**78**
EU12	**1,351**	**464**	**22**	**802**	**675**	**28**	**12,374**	**4,038**	**74**	**20**	**4**	**50**	**804**	**422**	**33**	**282**	**65**	**22**
EU27	**2,548**	**949**	**29**	**1,208**	**817**	**29**	**16,990**	**4,949**	**67**	**305**	**7**	**85**	**2,369**	**923**	**59**	**1,495**	**180**	**40**

Note: This table reports the data recorded in the DG Regional Policy database, corrected so far as possible for misreporting. It is assumed that the figures for new TEN-T roads are included in total new roads (i.e. in the first column) but it is not always clear that this is the case. For Poland the figure for new TEN-T roads was used to replace the figure for total new roads which was smaller. For Slovenia, the total km of new roads is the sum of TEN-T roads (motorways) and new (ordinary) roads. For Greece, where the total km of new roads was reported as zero, the figure for new TEN-T roads has been taken and the 6,611 km of improved roads reported for Macedonia and Thrace has been excluded as being implausible. The change 2011-2012 in improved roads does not include the reduction recorded for Spain (of 7,546 km in Castilla La Mancha). TEN-T railways include both new and improved lines. It is not clear whether or not the figures reported for new construction include or exclude new TEN-T lines. It is assumed in the table that they do. Countries where no transport projects were completed with EU funding are excluded.

Source: DG Regional Policy database and authors' calculations.

The environment and energy

Delays have been experienced in many countries in carrying out projects involving investment in environmental infrastructure as a result in particular of planning difficulties and problems of finding the funding for co-financing. Projects for improving the supply and quality of drinking water and wastewater treatment which were completed up to the end of 2012 were mainly located in the Convergence regions in the EU15, in Spain especially. In the EU12, there was more focus on the disposal and treatment of solid waste.

In the case of energy, much more funding went to improving efficiency in the EU12 than in the EU15, especially in apartment blocks and public buildings. In both groups of countries, significant investment was made in increasing the capacity to generate electricity from renewables. As in respect of environmental projects, however, delays left the outcomes produced by the end of 2012 well short of the targets set at the beginning of the programming period. Nevertheless in both broad policy areas, notable achievements were recorded up to this date.

Environmental infrastructure

- Around 3.3 million people across the EU were provided with an improved supply of drinking water through the projects co-financed by the ERDF and Cohesion Fund, though this is well short of the overall target for the period of around 15.7 million. Most of the people concerned (around 2.7 million) were in Convergence regions, particularly in the EU15, 1.7 million of them in Spain (Table 11).
- An additional 5.5 million people were connected to improved wastewater treatment facilities, again mostly in Convergence regions of the EU15, around 2.2 million of them in Spain and another 1.1 million in Italy.
- Some 2,126 projects were carried out to recycle both municipal and industrial waste, to increase waste storage facilities and landfill capacity and to close sub-standard sites, almost all of them in Convergence regions and many in the EU12.
- Projects to implement flood prevention measures co-financed by the ERDF resulted in increased protection for around 4.2 million people across the EU in both Convergence and Competitiveness regions.

Increasing renewable energy supply and energy efficiency

- Overall, investment co-financed by the ERDF resulted in the capacity to generate electricity from renewables expanding by just over 2,430 Megawatts (MW). Most of the additional capacity was in the EU15, though the increase during 2012 was almost as large in the EU12 (just under 570 MW) as in the EU15 (just under 610 MW). The extent of the increase in both cases suggests that the overall expansion in capacity might be close to the target of around 7,600 MW by the end of 2015.
- Projects supported to increase the energy efficiency of buildings resulted in heating costs in the social housing renovated in Latvia being reduced by 46%, while in Lithuania, 706 public buildings were renovated with cuts in energy consumption equivalent to just over 1% of the total energy used for heating in the country.

Examples of achievements from investment in environmental infrastructure and energy

Portugal: Some 239 wastewater treatment plants were constructed up to the end of 2012 with the support of EU funding together with around 1,425 km of main drainage pipelines, serving around 820,000 people, and 640 km of mains water supply, bringing improving drinking water to over 273,000 people.

Italy: Projects co-financed by the ERDF resulted in wastewater treatment being improved for over 1 million people, around 13% of the total population in Convergence regions and nearly 40% of that in Sicily and Basilicata where most of the investment was carried out.

Austria: Projects supported led to generating capacity in 55 plants using biofuels being increased by 89 MW or by 20%, resulting in a potential reduction in greenhouse gas emissions equivalent to the CO_2 produced by around 33,000 cars.

Malta: The South Sewage Treatment Plant built with the aid of EU funding, which is capable of treating 80% of the sewage generated on the island, led to the status of coastal waters in the south of the country being raised from Class 3 to Class 1 and to Malta becoming the first Mediterranean country to treat all wastewater before it is discharged into the sea.

Slovakia: EU funding co-financed the construction or modernisation of 89 differentiated waste collection facilities, increasing the amount of waste recovered by 15,699 tons a year.

Table 11 - Core indicators – The environment and energy, outcomes up to end-2012

	Additional population served by water projects (000s)			Additional population served by wastewater projects (000s)			Additional capacity of renewable energy production (MW)		
	Up to end-2012	Change 2011-12	% target	Up to end-2012	Change 2011-12	% target	Up to end-2012	Change 2011-12	% target
BG				185.9	3.5	*12*			
CZ	32.0	0	*640*	46	0	*62*	11.4	2.5	*9*
EE							5.9	5.9	
LV	223.5	118.7	*12*				20.5	20.5	*27*
LT				47.3	33.8		173.0	134.0	
HU				24.4			0	0	
PL	68.2	30.2	*28*	250.4	112.8	*20*	245.3	154.1	*23*
RO							275.2	176	*138*
SI	79.4	9.1	*113*	38.6	8.3	*64*	120.0	14.0	*34*
SK	1.4	1.4	*15*	1.9	1.4	*1*	72.5	60.9	*74*
GR	450.3	450.3	*23*	206.5	206.5	*15*	105.9	49.3	*68*
ES	1,707.7	243.5	*17*	2,281.0	224.3	*26*			
PT	273.2	70.5	*65*	820.4	598.1	*40*	0	0	
DE				166.9	25.5	*46*	118.3	23.1	*39*
IE				27	8				
FR	422.9	3.5	*69*	375.2	-4.8	*20*	280.1	-	*30*
IT				1,063.4	203.6	*41*	632.8	250.8	*23*
LU							0	-	
AT							99.0	12.0	*95*
FI									
SE							271.0	271.0	
EU15	**2,854.1**	**767.8**	***22***	**4,940.4**	**1,261.2**	***29***	**1,507.1**	**606.1**	***28***
EU12	**404.5**	**159.4**	***17***	**594.4**	**159.8**	***15***	**923.8**	**568.0**	***39***
EU27	**3,258.6**	**927.2**	***21***	**5,534.8**	**1,421.0**	***27***	**2,430.9**	**1,174.2**	***32***

Note: figures on additional population served by wastewater projects in Hungary and figures on population served by water and wastewater projects in the Czech Republic were corrected on the basis of country reports. Countries where no outcomes are reported are excluded from the table.
Source: DG Regional Policy database and authors' calculations.

Territorial development

Projects carried out under the broad heading of 'Territorial development' cover a range of different types, including those intended to attract and cater for tourists, to support cultural activities and local amenities, to rehabilitate contaminated land and to renovate buildings and local areas as well as to construct or modernise healthcare and social facilities, such as hospitals, clinics and community centres. Although they are often small, they can have a significant effect in improving the quality of life in local communities. Because of their nature, however, the outcome of the investment carried out is in many cases difficult to capture through physical indicators – such as an increase in the attractiveness of a town or a district of a city or an improvement in local facilities. Most of the indicators used in practice relate to the number of projects carried out, which of course convey nothing about the output or the results of the expenditure concerned.

The main outcomes up to the end of 2012, insofar as they can be identified and aggregated across countries, are summarised below.

- Over 8,600 projects co-financed by the ERDF were carried out across the EU in support of tourism, most of them (around 75%) in Convergence regions. There is little evidence, however, on the results of these projects, in terms, for instance, of the increased number of visitors attracted (Table 12).
- There is evidence on the number of jobs directly created as a result of the projects – some 11,928 in total, almost all of them in Convergence regions and mostly in the EU12.
- Some 576 sq. km of polluted land was rehabilitated, most of it in Convergence regions and around two-thirds in three countries, Hungary, Spain and Italy.
- Around 3,800 projects were co-financed across the EU to expand or to improve healthcare facilities, most of them in Convergence regions and many (around 60%) in the EU15.
- The ERDF gave support to some 19,043 projects involving investment in education facilities, to build new schools or colleges or to modernise and re-equip existing ones. These were almost entirely in Convergence regions, mainly in the EU15.

Examples of achievements in respect of territorial development

Italy: In the south of the country, the ERDF co-financed the upgrading of 80% of all primary and secondary schools in Convergence regions in terms of ICT and science teaching.

Portugal: Under the Schools Modernisation Programme, co-financed by the ERDF, some 867 schools and facilities in schools were either newly built, expanded or renovated.

France: A branch of the Louvre museum was opened in Lens, in the Nord-Pas-de-Calais, with the support of the ERDF.

Austria: In Vienna, the ERDF helped to finance the regeneration of around 28,500 square metres of public space.

Hungary: Some 136 nurseries and primary and secondary schools housing over 12,000 children were renovated with ERDF support.

Romania: The ERDF co-financed the renovation of much of Alba Iulia in Transylvania, including the citadel, making the city one of the most attractive tourist centres in the region. As a result, the citadel museum recorded a significant increase in the number of visitors, from 21,900 in 2010 to over 45,000 in the first 9 months of 2013 alone.

Slovenia: Some 146 projects were carried out to improve tourist facilities, including the renovation of 20 cultural heritage sites. Although there is not necessarily a causal link, the number of overnight stays increased from 7.6 million in 2007 to 9.5 million in 2012 and over 457,000 people visited the renovated sites.

Slovakia: The ERDF co-financed the expansion and modernisation of healthcare facilities, the number of hospital beds being increased by 2,022 and 664,541 patients being treated in modernised facilities.

Table 12- Core indicators – Territorial development, outcomes up to end-2012

	No. of jobs created in tourism			Area of land rehabilitated (sq. km)		
	To end-2012	Change 2011-12	% target	To end-2012	Change 2011-12	% target
CZ	1,092	337	*67*	42.4	15.3	*12*
LV				0	0	
LT	461	375	*92*			
HU	3,324	826	*52*	181.3	171.5	*28*
MT				0.1	0.1	*37*
PL	1,947	937	*43*	31.6	4.2	*117*
RO				0	0	
SI	840	222	*84*	0.2	0	*3*
SK	404	404	*10*	0.4	0.2	*30*
GR	0	0		26.7	26.7	*37*
ES				98.1	1.1	*45*
PT	166	113	*7*	6.5	2.1	*43*
BE				5.2	0.8	*1*
DE	1,347	419	*129*	76.1	6.4	*80*
FR	349	243	*67*	0.9	0.7	*5*
IT	1,050	351	*76*	103.4	35.0	*24*
LU				1	0	*67*
NL				1.9	0.9	*95*
SE	429	44		0	0	
UK	520	299	*124*	0.2	0.1	*5*
EU15	**3,861**	**1,469**	***42***	**320**	**73.8**	***18***
EU12	**8,067**	**3,100**	***45***	**256**	**191.4**	***25***
EU27	**11,928**	**4,570**	***44***	**575.9**	**265.1**	***21***

Note: Countries where there were no outcomes in these broad areas largely because no projects were carried out are excluded.

Source: DG Regional Policy database and authors' calculations.

7. Wider effects of Cohesion policy

As yet, there is very little tangible evidence available on the wider effects of the expenditure so far undertaken on furthering economic, social and territorial cohesion which is the ultimate objective. This is not too surprising given the length of time it takes for the effects of this kind to become evident, especially where the regional disparities which policy is aimed at reducing are long-standing and deep-seated. For example, the construction of a new transport link or of an urban metro line might have a fairly immediate impact on travel times or on congestion in the city concerned once it comes into service but it is likely to be a number of years before the effect of this shows up in regional growth or in increased business activity in the city in question. Moreover, it is likely to be even longer before the effects show up in the data, given the often lengthy lags in the production of statistics[2].

Equally, evaluations undertaken to assess what has been achieved with the expenditure carried out so far for the most part do not examine these longer-term and wider effects but focus on the short-term, and more direct, outcomes of interventions in order to determine whether or not measures are achieving their immediate objectives. This is partly because of the lack of data on the wider effects concerned but more fundamentally because of the acute difficulties of disentangling the effects of the intervention being examined from those of the large number of other factors at work at the same time. Nevertheless, if the measures concerned are part of a wider strategy for strengthening regional development, it might be reasonably assumed that the achievement of their immediate objectives implies that the pursuit of the longer-term goals is being furthered too.

In a number of Member States, specifically Germany, Poland, Hungary, Lithuania, Latvia, Slovenia and Bulgaria, the effects on these ultimate objectives of policy are examined by the use of macroeconomic models which incorporate the links between the interventions supported by Cohesion policy and these objectives. The reliability of the estimates produced by the model, however, is dependent on the evidence being available to identify the effect (or at least the likely effect) of the immediate objectives being achieved on the ultimate objectives of GDP, employment and so on. Accordingly, the use of macroeconomic models does not overcome the need to analyse the wider effects of interventions but it does enable these effects to be broken down between the immediate outcome (e.g. increased expenditure on in R&D in SMEs as a result of support) and the consequences of this outcome on wider policy goals (i.e. the effect of increased R&D in SMEs on the GDP of a particular region). At present, there tends to be limited evidence on the latter (R&D expenditure being a particular case in point, though also outcomes in other areas, such as a new transport link) but more evidence – if in too many cases insufficient evidence – on the former (though see the next section).

The results of the macroeconomic model simulations are in general that GDP and employment are both higher than they otherwise would be in the countries concerned as a result of Cohesion policy funding. This, however, tends to be mainly because of its 'demand-side' effect in increasing expenditure and less because of the longer-term – and more

[2] As an illustration, EU-wide statistics on regional GDP and employment for 2011 are due to be published by the European Statistical Office (Eurostat) in February 2014, three years after the year to which they refer. Although data from national statistical offices might be available sooner, they are still likely to be published only two years or so after the event.

permanent – 'supply-side' effects of strengthening competitiveness or the growth potential of economies. These effects are estimated to be relatively small in Poland and Lithuania, in particular, though this is a consequence of the assumptions built into the model about the links between specific interventions and changes in GDP, employment and so on, which as noted above, there is limited evidence about.

Expert views

Given the limited extent of hard evidence on the effect of Cohesion policy programmes carried out in the 2007-2013 period on ultimate objectives, the national evaluation experts were asked to give their views, based on whatever evidence was available. The picture that emerges is a mixed one.

Cohesion policy is regarded as having contributed to a reduction in disparities of GDP per head and employment between regions in Austria, Germany, Denmark and Portugal. In other countries, mainly the smaller ones – specifically, Cyprus, Slovenia, Estonia, Latvia, Lithuania and Luxembourg – but also in larger ones (in France, Romania, Greece and the Czech Republic) or in countries where development policy is entirely decentralised (i.e. in Belgium), reducing regional disparities is not seen as the primary objective of Cohesion policy programmes. Instead, their main aim is to strengthen the development of the economy as a whole, such as through support of enterprises and of RTDI, which are to a large extent concentrated in the most developed parts of the country or region. The expenditure carried out has, therefore, been directed, only to a limited extent and in some cases not all, at reducing regional disparities.

In a number of countries, the view of the experts is that EU interventions have had a more visible effect on living standards and the quality of life in particular places than on economic development as such, though it may be in a longer-term perspective this might follow (through, for example, more investment and more businesses being attracted).

In Cyprus, for instance, improved waste management and the treatment of wastewater is considered to have made a significant contribution to improving the quality of life in the local communities concerned.

In the Czech Republic too, upgrading environmental infrastructure is seen as a major achievement of Cohesion policy which has important effects on the quality of life in the areas where it has occurred.

In Ireland, urban regeneration initiatives have also helped to improve the environment and the quality of life in the towns and cities where they have been undertaken.

In Hungary, the support provided meant that basic health care became accessible for over 300,000 people with obvious improvements in their quality of life.

8. Evaluations of Cohesion policy programmes

As indicated in previous reports, there are differences in the strategies adopted in Member States in relation to evaluating Cohesion policy programmes and, in particular, to the importance attached to evaluations and the number and types carried out. This means that programmes have been evaluated to very different extents and in many cases, interventions in some policy areas have not been evaluated at all.

Previous reports have also pointed to a number of general tendencies which are apparent over the period. These include, in particular, an increasing focus on specific policy areas and issues instead of evaluations covering all of an OP, a growing interest in the results and effects of interventions rather than in procedures and a widening, if still limited, use of counterfactual techniques for doing this.

Over the past year, the overall picture has not changed. The more advanced implementation of programmes, however, and the larger number of evaluations carried out on them make it possible to produce a meaningful overview of the state of play over the period and to draw conclusions which are relevant for the new period.

The scale of evaluation activity

Over the past three years, the national experts who are part of the independent Evaluation Network have attempted to collect summary information on all the evaluations carried out in the EU27 countries on programmes co-financed by the ERDF and Cohesion Fund. Up to the latter part of 2013 (i.e. up to the time when they finalised their country reports), they identified 830 evaluations of any significance, other than ex ante assessments (including those of environmental impact) and evaluations of communication strategy, both of which are excluded from the analysis below. While these 830 evaluations do not include all those which were carried out, since in some cases the results were not published or it was difficult to find details, they are almost certainly representative of the evaluation activity over the period.

Of the total evaluations carried out over the period, 190 were produced since the last report was prepared (i.e. in 2013 and the latter part of 2012). Many of these were undertaken in Italy, Greece, the Czech Republic, Hungary, Lithuania and Poland (Table 13). In addition, there was a significant increase in relation to previous years in Slovakia, Belgium, Spain and Estonia, as well as in Italy and Greece. On the other hand, the number of evaluations undertaken fell significantly in Poland, France, Sweden and Finland (to zero in the last two). While in some countries, therefore, evaluation activity was stepped up in 2013 as programmes advanced and more projects were completed, in others, it declined.

In all countries, the focus over the past year has been increasingly on the new programming period and a number of evaluations have been carried out to prepare for this. In only a few countries, however, are there plans to carry out a significant number of new evaluations over the remainder of the period and, except for Poland, there are no plans at present to undertake ex-post evaluations.

Over the programming period as a whole, four countries, Poland, Italy, France and the Czech Republic, account for over half of the evaluations produced, in the first three, in part reflecting the large amount of funding allocated to ERDF and Cohesion Fund programmes and the relatively large number of OPs. Indeed, the number of evaluations per OP in both Italy and France is slightly smaller than average (excluding evaluations of Cross-border Cooperation programmes). Moreover, the large number of evaluations in Poland and the Czech Republic is partly due to the policy in both countries of carrying out many small evaluations instead of fewer larger ones and the number of policy areas and issues examined does not differ too much from that in other countries[3].

Table 13 Evaluation reports in 2013 and over the period 2007-2013 and indicators of evaluation activity

	Evaluations produced				2010-2013		
	2013		2010-2013		Funding of OPs per evaluation*	Evaluations per OP	Evaluations per priority
	No.	%	*No.*	%	*EUR mn*	*Average No.*	*Average No.*
Poland	16	8.4	250	30.1	277.3	12.5	1.5
Italy	40	21.1	85	10.2	412.5	3.0	0.6
Czech Rep	25	13.2	82	9.9	326.4	5.9	1.0
France	4	2.1	72	8.7	245.8	2.3	0.4
Lithuania	13	6.8	36	4.3	177.9	18.0	3.6
Hungary	17	8.9	32	3.9	782.8	2.5	0.4
Portugal	8	4.2	27	3.3	617.8	2.7	0.3
Austria	4	2.1	24	2.9	53.2	2.7	0.9
Slovakia	8	4.2	23	2.8	514.6	2.6	0.5
Germany	5	2.6	22	2.7	1071.4	1.2	0.3
UK	4	2.1	20	2.4	487.1	1.3	0.3
Greece	10	5.3	16	1.9	1177.6	1.6	0.2
Romania	5	2.6	16	1.9	1141.8	3.2	0.7
Sweden	0	0	16	1.9	124.2	2.0	0.6
Bulgaria	6	3.2	14	1.7	473.2	2.8	0.6
Latvia	2	1.1	10	1.2	436.2	5.0	0.8
Finland	0	0	9	1.1	233.7	1.8	0.4
Estonia	3	1.6	8	1	425.4	4.0	0.5
Belgium	3	1.6	7	0.8	285.8	1.8	0.4
Spain	3	1.6	7	0.8	5011.1	0.3	0.1
Cyprus	2	1.1	6	0.7	96.6	6.0	0.9
Ireland	1	0.5	4	0.5	206.1	2.0	0.5
Slovenia	1	0.5	4	0.5	983.9	2.0	0.3
Denmark	1	0.5	3	0.4	137.2	3.0	1.5
Malta	0	0	2	0.2	428.3	2.0	0.3
Netherlands	0	0	2	0.2	896.6	0.5	0.1
Luxembourg	0	0	0	0	0.0	0.0	0.0
Total MS	181	95.3	797	96	432.3	3.2	0.6
CBC	9	4.7	33	4	331.1	0.5	0.1
Total	190	100	830	100	428.3	2.6	0.5

** The total amount (EU plus national) of funding on programmes relative to the total number of evaluations - i.e. the average amount of expenditure on OPs per evaluation carried out.*
Source: Evaluation network of independent experts

Nevertheless, with this qualification, the scale of evaluation activity can be compared reasonably well across countries if related to the amount of funding going to programmes, the number of OPs and priorities – the last partly because of the need in the new programming period to evaluate the pursuit of the policy objectives specified under each priority[4]. Evaluation activity over the period has, therefore, been relatively low in relation to the number of OPs in Germany, the UK, Spain, the Netherlands and, most especially, Luxembourg where no evaluation at all of the programme is reported. By contrast, it has been relatively high in these terms in Latvia, Cyprus, the Czech Republic, Poland and Lithuania, especially the last where there has been an average of 18 evaluations per OP and 3.6 per priority, much more than in any other country. On the other hand, in relation to the

[3] For example, a large number of evaluations were undertaken on detailed implementation issues, which in other countries tended to be included in mid-term or on-going evaluations of OPs or policy areas.
[4] In Regulation 1303/2013 the art. 56 states: "At least once during the programming period, an evaluation shall assess how support from the ESI Funds has contributed to the objectives for each priority."

amount of funding, which was comparatively small in each case, activity was higher in Cyprus than Lithuania as well as in Denmark, Sweden and, above all in Austria, where on average funding per evaluation was much smaller than anywhere else.

The number of evaluations has been particularly small in the case of Cross-Border Cooperation (CBC) programmes, for which on average only 0.5 per OP have been carried out. Although in relation to the small amount of funding, the number is larger than average than for the other ERDF-financed programmes, the experimental nature of the interventions concerned might have been expected to encourage more.

It is worth noting that in almost all countries – the only exceptions being Poland the Czech Republic, Lithuania and Denmark – there have been on average less than one evaluation per priority, which implies that there will need to be a major change in this respect in the new programming period. The number of priorities, however, should also be less given the concern to concentrate funding on a more limited number of policy objectives than in the past.

The characteristics of the evaluations carried out

The types of evaluation

Over the past year, the focus of evaluations shifted from procedures and more to the results of interventions and their effects in relation to policy objectives (36% of the total) as well as to assessing progress in the implementation of programmes or measures (38%) with only 25% being concerned with processes and procedures as such (25%) (Table 14). This contrasts with some 44% of evaluations being addressed to examining processes and procedures over the period as a whole and only 22% to assessing results. Such a switch in focus is understandable given an initial concern to ensure that programmes are being properly and effectively managed coupled with the limited evidence of results in the early stages of the implementation of programmes.

Table 14 Division of evaluation of Cohesion policy programmes in the 2007-2013 period by type

	2013		2007-2013	
	No.	%	*No.*	%
Process-oriented	48	25.3	352	42.4
Progress-oriented	73	38.4	296	35.7
Result-oriented	69	36.3	182	21.9
Total	190	100	830	100

Source: Evaluation network of independent experts

The increasing focus on results was a particular feature of evaluation activity in Hungary, Portugal, Poland, Belgium and the UK. In Bulgaria, Estonia, France, Germany, Greece and Italy, on the other hand, the concern was more with assessing progress in carrying out programmes, which was in many cases essentially an extension, or refinement, of monitoring activity, rather than with attempting to assess the effectiveness of policy.

In general, over the period as a whole, there was greater concentration of evaluations in Convergence OPs on processes and procedures, while in Competitiveness and CBC OPs, more importance was given to examining progress in carrying out programmes. This is understandable given the greater concern in the former on capacity building and the more limited experience of managing Cohesion policy funding. It might imply, however, that there is a shortage of knowledge about the effects of the various kinds of intervention in the different policy areas which could adversely affect the design of programmes for the new period.

The policy areas covered

In 2013, around a third of the evaluations covered more than one policy area, in many cases because they were concerned to assess a particular OP or priority, while RTDI, Enterprise support and Territorial development accounted for most of those focussing on a single policy area (40% of all evaluations) (Table 15). Evaluations of other policy areas, except for Capacity-building (aimed at assessing the contribution of particular measures policies to strengthening administrative capabilities), each accounted for less than 6% of the total carried out.

Table 15 Division of evaluations of Cohesion policy programmes in the 2007-2013 period by policy area covered

	2013		2007-2013	
	No.	%	*No.*	%
1. RTDI	23	12.1	59	7.1
2. Enterprise support and ICT	28	14.7	128	15.4
3. Human resources	7	3.7	26	3.1
4. Transport	6	3.2	38	4.6
5. Environment	11	5.8	33	4.0
6. Energy	3	1.6	16	1.9
7. Territorial development	24	12.6	105	12.7
8. Capacity-building	16	8.4	87	10.5
9. Multi-area	63	33.2	305	36.7
10. Transversal aspects	9	4.7	33	4.0
Total	190	100	830	100

Source: Evaluation network of independent experts

The division in 2013 is very similar to that for the whole period, though a smaller proportion of evaluations were concerned with RTDI and a slightly larger proportion covered more than one area, if still less than 40%. The majority of evaluations, therefore, were directed towards examining a particular policy area, even if in many cases a relatively broad one. At the same time, they were not evenly spread across the different areas nor do they closely reflect the scale of expenditure in these various areas. Transport, the environment and energy, which together were responsible for a large part of expenditure in the Convergence regions especially – which in turn accounted for the bulk of funding – therefore, made up only just over 10% of the total number of evaluations carried out.

Nevertheless, at the country and regional level, there is more of a relationship between the policy areas evaluated and the division of expenditure between them, though differences in the national approach to evaluation are also evident:

- In the EU15, non-Cohesion countries, there was a relative concentration of evaluations on RTDI and Enterprise support, which accounted for much of expenditure, though in Sweden and the UK, these were undertaken in many cases as part of wider-ranging evaluations covering an OP or a priority area.

- In countries where investment in infrastructure was important, such as Bulgaria, Lithuania, Slovenia and Spain, there were more evaluations of expenditure on Transport and the Environment than elsewhere, while in Greece, Romania, Cyprus and Malta, these areas tended to be combined with others.
- In the EU 12 countries, there was more of a focus on Capacity-building, which was hardly examined at all in other countries.
- Evaluations of Cross-border cooperation OPs in nearly all cases (90%) covered a number of policy areas, which was also the case for a many evaluations of Competitiveness OPs (47%), where the amount of funding involved tended to be relatively small, encouraging a more general approach.

The evaluation methods used

More evaluations in 2013 were based on the use of quantitative methods than in earlier years[5], in line with the increasing focus on the results and effects of intervention. Just over half, therefore, made use of such methods either alone or combined with qualitative ones, which in practice represented most of them (around 40% of the total) (Table 16).

The use of counterfactual techniques, designed to distinguish the effects of policy intervention from other factors, was limited, however, to just 11 evaluations, or 6% of the total. Nevertheless, this was a larger proportion than over the period as a whole (3%) and indicates that the method is coming to be used more frequently. Its main application has been to assess the effect of enterprise support measures, where it is particularly appropriate and where the data required are more likely to be available. Counterfactual methods, however, have been applied only in 7 countries and extensively only in Hungary and Italy. (In Italy, moreover, 7 of the 8 of them were concerned with interventions in the 2000-2006 period, unlike in the other countries where they were applied mainly to the 2007-2013 period.)

Table 16 Division of evaluations of Cohesion policy programmes for the 2007-2013 period by main method used

	2013		2007-2013	
	No.	%	*No.*	%
Counterfactual	11	5.8	27	3.3
Other quantitative	10	5.3	46	5.5
Quantitative+qualitative	75	39.5	227	27.3
Qualitative	94	49.5	530	63.9
Total	190	100	830	100

Note: Counterfactual includes counterfactual combined with qualitative methods
Source: Evaluation network of independent experts

The use of other quantitative methods in 2013 was more in line with the extent of their use over the earlier part of the period. Such methods include the deployment of macroeconomic models to estimate the impact of funding, which is done regularly in a number of EU12 (Poland, Hungary, Lithuania, Latvia and Bulgaria, in particular), though the results obtained depend very much on the assumptions embodied in the models, as indicated earlier.

Most of the evaluations in practice involved qualitative methods, involving interviews with, or surveys of, recipients of funding, in many cases combined with analysis of monitoring data

[5] Evaluation methods are classified as: a) Counterfactual (quasi-experimental methods); b) Other quantitative (cost benefit analysis, econometric or statistical methods applied to outputs or results, macroeconomic models); c) Qualitative (interviews, surveys, analysis of indicators and monitoring data).

or other statistics. This is not too dissimilar from evaluations carried out in previous periods. Nevertheless, the 2007-2013 period has seen not only an increase in the use of quantitative methods but many more evaluations of specific policy areas or particular measures which has enabled the analysis to become more focused.

The quality of evaluations and attitudes towards them

In the 2007-2013 period too, Member States were given the freedom to tailor evaluations to their own needs and were encouraged to carry out evaluations on an on-going basis rather than at fixed points in time and to focus these on particular parts of programmes rather than whole OPs. They were also encouraged to draw up an evaluation strategy setting out their plans in this regard. The results have been mixed. As is evident from above, the scale of evaluation activity has varied markedly across countries and while in many cases the strategies drawn up have been complied with, in some they have not or have been modified over the period, in part because of the pressure on public finances and a concern to cut back on spending. These differences reflect the varying degree of commitment to evaluations and belief in the usefulness of the results produced, which is reflected in turn in the use to which the findings are put and the extent to which they feed into policy-making, which varies markedly between countries, as noted below.

One widespread feature of the evaluations carried out, however, is the relatively low quality of many of them, especially those intended to assess the results of Cohesion policy interventions and their effects. This is reflected both in the comparatively small number of evaluations which the national experts have been able to identify as exhibiting good practice and in the results of a peer review process which has been carried out on a selected number of what were considered to be among the better evaluations[6]. The main sources of the unsatisfactory nature of many of the evaluations reviewed can be divided into two broad categories:

- *input factors*, including misleading definitions of the evaluation questions, inadequate preparation of the work and limited involvement of stakeholders, poor design of evaluations due in part to a failure to define the logic of the intervention and the underlying theory of change, lack of suitable data and a failure to process those available satisfactorily, unsatisfactory application of the methodology, failure to test the findings fully and excessive trust placed on the view of funding-recipients;

- *process factors*, unclear and incomplete terms of reference (which are important to determine the evaluation questions and the methods to be used), inadequate financing, insufficient independence of the evaluators and a tendency to deliver the results looked for, limited capacity of those commissioning the evaluation to check and interpret the results, to monitor the evaluation process and to give suitable guidance to evaluators, lack of open public debate on the results and a failure to encourage outside scrutiny.

[6] Over the past three years, over 20 selected evaluations were reviewed by a panel of leading evaluation experts, half using counterfactual methods and half using theory based ones.

Use of evaluation results

According to most of the national reports, the use of evaluation findings is predominantly informal. In some EU12 countries, however, formal procedures are in place to ensure that the evaluation recommendations are implemented or at least seriously considered In Latvia, Lithuania and Bulgaria, therefore, a specific 'implementation plan' for recommendations has been established, while in several other EU12 countries, a system has been set up to coordinate and to centralise recommendations.

The shifts in funding – or reprogramming – described in the section above were in many cases the result of evaluations, though in a number of countries (such as Italy, Greece and Portugal), the sometimes substantial changes made had little or nothing to do with evaluations but more to do with a concern to speed up the absorption of funds.

The fact that the use of the evaluation findings tends to be informal is not in itself a problem so long as they lead to increased understanding of the effects of particular measures and to ideas for policy improvement which can then feed into the decision-making process. The main issue then concerns whether or not sufficient evaluations of satisfactory quality are being carried out to generate this greater understanding and, if so, whether or not there are barriers to this influencing policy and the design of future programmes. Three points in particular have emerged from examination of evaluation activities over the past 4 years:

- The 'monopolistic' position of MAs in the selection of the evaluations and in the use made of results, which explains in large part the focus on processes and procedures and the often limited diffusion of the results. In a number of cases, therefore, evaluations have not been published (as frequently in Austria, Greece, the Czech Republic and Bulgaria) and the findings, as well as how they were derived, have been kept confidential, so that they are far from being a means for ensuring accountability or a basis for open discussion on the effects of interventions.

- The fragmentation of the knowledge produced by the various evaluations, which often produce conflicting results, and the lack of any systematic attempt to reconcile these or to distinguish those based on sound analysis from those that are not. This has made it difficult to draw general conclusions and to give coherent guidance to policy-makers. The increasing number of evaluations of particular interventions in different policy areas is necessary to increase understanding about the effectiveness of the various measures in different contexts but it is not enough in itself to ensure that this is the case.

- Related to this, the limited public discussion of evaluations and their findings, which, in addition to hampering scientific debate and deliberation, reduces the accountability of those responsible for the interventions concerned. The publication of evaluations and raising awareness of their existence are important steps to changing this as is providing open access to monitoring data and other relevant information, so that the findings can be independently checked and verified.

Main findings of evaluations

The concern here is to present an overview of the results of the evaluations carried out over the programming period in the different broad policy areas. It should be emphasised that no attempt is made to assess the reliability of the results concerned but simply to summarise what they are. It should also be emphasised, as indicated above, that the number of evaluations undertaken differs considerably between the areas concerned, so that in some cases, such as transport, the environment and energy, the evaluation are so few that it is difficult to identify general results. It should be noted that the evaluations considered include some which were not carried out on Cohesion policy interventions but on those which were similar to the latter and for which, accordingly, the results are relevant.

RTDI – positive effects on research activity

A large number of evaluations have carried out on ERDF support for RTDI, especially in Competitiveness regions, and nearly all have concluded that the effects have been positive.

Counterfactual evaluations, mainly of the 2000-2006 period, have been undertaken in Italy, Finland, Germany, Spain and Hungary. They have generally found that support has increased the R&D expenditure of companies, but the findings are more variable as regards the effect on productivity and profits. An Italian evaluation[7], for example, concluded that while the short-term effects of subsidies to RTDI on company performance were positive, the long term effects were limited. In a number of evaluations, the effects on SMEs were found to be larger than on bigger firms.

A number of evaluations have found that support has positive effects on employment in R&D activities (as in Ireland[8]), the capacity of SMEs to innovate (as in in Germany, Italy, Portugal, Slovenia and the UK[9]) and the development of innovation clusters (as in Hungary[10]).

Other evaluations have focused on other aspects of RTDI support, such as problems of implementation and the responsiveness of the national and regional innovation systems. Problems identified concern delays in implementing support measures (such as in Bulgaria, Germany, Hungary and Latvia), the lack of strategic concentration of support (as in Poland and Slovakia) and limited capacity to involve SMEs in the measure (such as in Belgium, Sweden and Portugal).

The limited efficiency and capacity of the agencies or centres in place to support RTDI were found in some cases to limit the potential effects of intervention support. This was especially the case in Convergence regions in Italy but less so in Competitiveness regions. In France, evaluation of the 'techno-poles'[11] concluded that these centres were effective in increasing R&D activity but pointed to the need to increase their focus on innovations with commercial application instead of research.

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[7] M. L. Maitino, M. Mariani, F. Mealli, (2012) "Valutazione di impatto delle politiche regionali di sostegno alla R&S per le piccole e medie imprese in Toscana (2002-2004)". IRPET. See also D. Fantino and G. Cannone (2013) "Evaluating the efficacy of European regional funds for R&D", Bank of Italy.

[8] PA Consulting Group, (2011) Ten Years On: Confirming Impacts from Research Investment in the PRTLI 2000-2006.

[9] Themenspezifische Evaluation der Forschungs-, Entwicklungs- und Innovationsförderung. Europäische Strukturfonds Sachsen-Anhalt 2007 – 2013. (2011); Portuguese NSRF strategic evaluation – NSRF contribution to businesses innovation and internationalization (2013); MKProject (2012) Evaluation of measures for promoting research and development in business sector and in institutions of knowledge.

[10] KMPG (2013): Értékelés komplex vállalati technológiafejlesztés kis- és középvállalkozások számára kiirt konstrukciókról (Evaluation for measures for Complex Technology Upgrade for SMEs).

[11] Technopolis (2012) Evaluation of the France Pôles de compétitivité policy.

Enterprise support and ICT –positive effects on SMEs

Many evaluations have also been carried out on support of enterprises and ICT. A number of counterfactual evaluations have been undertaken, again mostly on the 2000-2006 period, but their results are not always easy to interpret:

- in Germany, various evaluations have found that assistance to enterprises contributes to regional development and the modernisation of industry, especially in the Eastern regions[12];
- in Portugal, grants have been found to increase employment and the survival rate of companies[13];
- in Italy, investment subsidies seem to have a significant effect only on SMEs and then not in all cases[14];
- in Estonia, one evaluation found that support had no significant effect on the exports of firms[15], while another reported positive effects of support for innovation on company performance[16];
- in Hungary[17], financial support was found to increase the investment of firms significantly but to have less effect on value-added and profits;
- in Finland[18] and Slovenia[19], support to enterprises was found to have little or no effect, while in Poland[20] and Latvia[21], the effect was uncertain but not clearly positive.

The few evaluations which have been carried out on FEIs concluded that these had positive effects (in the UK, Germany and Italy, in particular).

In general, evaluations of enterprise support undertaken using other methods than counterfactual have found positive results (as in the Czech Republic, the UK, Germany, Italy, Denmark and Lithuania). They have also, however, pointed to critical elements in policy delivery, such as the importance of taking account of the specific needs of SMEs and their

[12] See: F.-J. Bade, Prognos AG und NIW - Niedersächsisches Institut für Wirtschaftsforschung. 2010. Endbericht zum Gutachten Erfolgskontrolle der einzelbetrieblichen Förderung von Unternehmen aus der GRW und dem EFRE in den Jahren 1998-2008: Wachstums- und Beschäftigungswirkungen für Niedersachsen. GEFRA und IAB (2010), Ex post evaluation of Cohesion Policy programmes 2000-2006 financed by the European Regional Development Fund; Work Package 6c: Enterprise Support - an exploratory study using counterfactual methods on available data from Germany, Münster, Nürnberg. Prognos AG. 2011a. Stand und Perspektiven der EFRE Förderung in Bayern - Zwischenevaluation des Operationellen Programms des EFRE im Ziel RWB Bayern 2007-2013.

[13] Counterfactual analysis of the impacts of support schemes to businesses in POE/PRIME 2000-2006 (May 2013)

[14] Among several evaluations see for instance: ERDF OP Campania Ex post evaluation of aid schemes for enterprises 2000-2006; ERDF OP Sicily Evaluation of supporting enterprise policy; M. Mariani, F. Mealli, E. Pirani Gli effetti dei programmi di aiuti rimborsabili sulla crescita e la sopravvivenza delle PMI. Un disegno valutativo longitudinale applicato al caso della Toscana. 2012 IRPET; D.Bondonio, A. Martini Counterfactual Impact Evaluation Of Cohesion Policy: Impact And Cost-Effectiveness of Investment Subsidies In Italy. 2012. DG Regio.

[15] Riigi ettevõtlustoetuste mõju Eesti majanduse konkurentsivõimele Kas riik toetab oma ettevõtteid parimal viisil? (Impact assessment of enterprise support measures) 2010.

[16] Ettevõtlus- ja innovatsioonipoliitika vahehindamine, 2012, K. Jaaksoo, M. Kitsing, K. Lember, T. Rebane (Mid-term evaluation of Enterprise and Innovation Policy, 2012).

[17] Agenda Consulting, Expanzió Humán Tanácsadó, KTI (2010): A Kis és Középvállalkozások technológia-fejlesztési beruházás támogatásának értékelése. Utólagos (ex post) értékelés.

[18] Pietarinen M. 2012. Yritystukiselvitys (An investigation on enterprise support). Ministry of Labour and the Economy. Innovation 7/2012.

[19] Evaluation of measures for promoting entrepreneurship and competitiveness in Slovenia in the period 2004-2009 (2012).

[20] Evaluation of direct and indirect support to the SME sector in ROP and a recommendations on the support of SMEs in the future financial perspective 2014-2020 (2013).

[21] Evaluation of the impact of entrepreneurship and innovation support programmes and recommendations for improving the support system (April 2013).

behaviour (as in Bulgaria and Belgium), endemic delays in implementation (as in the Czech Republic, Denmark and Greece) and the need for more effective indicators (as in Latvia and Slovakia).

While a wide range of evaluations have been carried out in this policy area, they have also produced a wide range of findings, which require to be examined in more depth in order to try to come to general conclusions on the effects of support.

Transport – provisional and partial results

Few evaluations have been carried out on transport and those that have mainly been concerned with roads and urban transport (such as in Poland, Hungary, Slovenia and France). They have generally concluded that projects have had positive results and contributed to regional development.

- in Greece, the construction of the Athens metro was found to reduce road traffic in the city significantly and to boost employment and tourism;
- in Lithuania[22], investment in roads was also found to increase employment;
- in Germany and Slovenia[23], ERDF support for developing urban transport was found to increase the competitiveness of the regions concerned.

Evaluations have, however, also highlighted problems relating to support, such as the limited financial sustainability of some projects and the lengthy delays in implementation due to inadequate preparation of projects preparation (in Hungary); the excessively complicated management and control regulations (in Bulgaria) and the weak capacity for decision-making and coordinating projects (in Italy).

Environment –need for better implementation

Very few evaluations have been undertaken on support for the environment, except in Spain and Bulgaria. Moreover, those that have been carried out have in many cases focused on very specific issues[24], so that identifying general conclusions is difficult.

- In Spain[25], the initial results of investment in mains water supply and the purification of wastewater were found to be positive.
- in Bulgaria[26] improvements in the capacity of MAs (simplification of procedures and cooperation with recipients of funding) were found to speed up the implementation of the Environment OP, though the regulatory framework is still too weak to prevent problems arising.

[22] E2004-2006 m. ES struktūrinės paramos poveikio Lietuvos transporto sektoriui įvertinimas (Evaluation of 2004–2006 EU Structural Assistance Impact on Lithuanian Transport Sector - January 2010).
[23] GEFRA (2012) Evaluation der Förderung der Verkehrsinfrastruktur und Mobilität durch den EFRE Themenspezifische Bewertungsstudie im Rahmen des Dienstleistungsauftrags Bewertung und Externe Begleitung des Einsatzes des EFRE 2007-2013 in Mecklenburg-Vorpommern; OIKOS (2010) Mid-term evaluation of the Operational Programme 'Environmental and Transport Infrastructure Development' of Slovenia.
[24] For instance, the possibility of using the ERDF to support investment in public lighting or the possible extension of intervention to activities that moderate emissions in the Czech Republic, analysis of the effect of intervention on fish migration in France; the selection of a technology for wastewater treatment in Hungary and best practice among nature conservation projects in Poland.
[25] See Counterfactual thematic evaluations of the environment focusing on water management.
[26] Annual Report on the Absorption of EU Funds in the Republic of Bulgaria in 2011, Committee on European Affairs and Oversight of the European Funds at the National Assembly (January 2012).

- In Hungary[27], the new sewerage systems helped to comply with EU Directives, though weak points were found in the management of projects.

Some evaluations highlighted problems to do with fragmented planning and poor implementation procedures.

- In Italy[28], the inadequate separation of solid waste in Convergence regions was linked to the inefficiency of municipalities and the ineffectiveness of regional strategies in this regard.
- In Lithuania[29], it was concluded that the strategic objectives relating to water management were unlikely to be achieved due to inconsistent planning and the weak financial position of water companies.
- In Ireland[30], national and ERDF resources devoted to improving the environment were considered too be small to have a significant effect.
- In Poland, Bulgaria and Italy[31] it was concluded that coordination between MAs and Government Ministries and Agencies needed to be improved to increase the effects.
- In Bulgaria and Lithuania, it was concluded that the monitoring system needed to be upgraded and in Bulgaria and Italy, that the capacity of local authorities to manage projects needed to be improved.

Energy – positive but modest contribution to meeting policy goals

There have been hardly any evaluations of support for investment in energy and those that have been undertaken have mostly focused on examining procedures or progress in implementing measures rather than on the effects of intervention. The quantitative analysis carried out has mainly been based on monitoring data (in Germany and Italy) or interviews with stakeholders (in Estonia[32]), though there was a more rigorous attempt to assess the impact of policy in Portugal.

In general, ERDF co-financed projects are found to have contributed to energy-saving objectives. In Italy[33], the projects in the 2000-2006 period are held to have reduced regional disparities in the use of renewables and reinforced the effect of national subsidies. An evaluation of the support provided to electricity generation from solar, geothermal and biomass in the 2007-2013 period, however, found that this was subject to significant

[27] Deloitte (2010): Szennyvízberuházások technológiai rendszerválasztásának értékelése (Evaluation of the choice of technology system of waste water investments).
[28] ESPER, Nomisma, PROFIN Service, OIKOS Progetti (2012) Valutazione ex–post 2000-2006 in materia di Ciclo Integrato dei rifiuti Puglia (Ex post evaluation of Urban Waste management in 2000-2006 in Puglia).
[29] Ongoing evaluation of the measure "Renovation and development of the water supply and sewage management systems" (December 2012).
[30] Central Expenditure Evaluation Unit, Department of Finance (2010) "Mid-Term Evaluation of the Border Midland and Western Regional Operational Programme", Dublin; Central Expenditure Evaluation Unit, Department of Finance (2011) Southern and Eastern Regional Operational Programme Mid-Term Evaluation, Dublin.
[31] See: Poland, Complementarity of activities aiming at environment protection within the OP I&E with projects implemented by other axes of the OP I&E, 16 ROPs, RDP and OP FISH; Bulgaria – Mid-term evaluation; Italy, On-going evaluation of the Tuscany ERDF OP.
[32] ÅF-Consulting AS (2012) "Mid-term evaluation of the Energy Technology Program.
[33] Ex post evaluation measure 2.2 of SPD ERDF 2000-2006 Trento on Energy (2011); Independent evaluation of interventions in energy area of ERDF OP Marche 2007/2013 (2011); Evaluation of energy policies in favour of enterprises (2013).

'deadweight' loss, partly because of the high level of national subsidies. In Portugal[34], co-financed projects were found to have helped in the pursuit of the '20-20-20' targets, reducing energy consumption, greenhouse gas emissions and generating both social and economic benefits. Nevertheless, the investment concerned was relatively small in scale (amounting to only 2% of funding).

Territorial Development –support for differing types of project

Many more evaluations have been carried out on the range of measures covered by Territorial development, though the wide variety of types of intervention makes it difficult to generalise the findings. Overall, most evaluations have found positive effects on local or regional development, though the findings of some are less positive. In Hungary[35], for example, evaluation of support for urban initiatives concluded the some of the interventions were not sustainable, while in Italy[36], a number of evaluations of the impact of aid to local and urban found little evidence of significant effects. Some qualitative evaluations, however, identified positive effects in terms of mobilising local resources.

A large number of evaluations of support for urban development as well as for tourism and cultural activities, however, have found significant benefits for the regional or local economy and for employment (as in Germany, Belgium, Portugal, Finland Sweden, Poland and Lithuania). In Lithuania[37], for example, urban development measures were found to have led to higher GDP growth and lower unemployment in both the short and longer-term. In Portugal[38], it was concluded that investment in local facilities improved the attractiveness of the area, the quality of social services and living conditions.

Evaluations have highlighted the importance of links between investment in transport, cultural facilities and tourism (as in Denmark and Greece) and of the involvement of local authorities and local people to increase the chances of projects being sustainable (as in Belgium, Italy and Hungary). A number have also stressed the need for tourism to be environmentally friendly and for projects to be properly planned to ensure this (as in the Czech Republic[39]).

Capacity and institution building –implementation problems

In the new programming period, capacity-building has come to be seen as a major objective in itself and an important element of any development strategy[40], whereas in the 2007-2013 period, it was mainly regarded as an implementation issue.

Several evaluations of administrative and institutional capacity were carried out over the period in both the EU12 (in Romania, Poland, the Czech Republic, Bulgaria, Hungary and Lithuania) and the EU15 (in Germany, the UK, France, Italy, the Netherlands and Finland),

[34] NSRF contribution to the increase of energy efficiency in urban context (2013). This evaluation was mostly based on energy consumption data obtained from beneficiaries.
[35] Pannon Elemző, Hétfa, Revita (2013) "Városhálózati hatásértékelés" (Impact Assessment of the Urban Network).
[36] Nucleo di valutazione e verifica degli investimenti pubblici "Evaluation research on urban development policy in 2000-2006" (POR FESR Sardegna).
[37] Evaluation of EU structural assistance impact on local and urban development, 2013.
[38] Evaluation of investments in proximity facilities, 2013.
[39] Analysis of support targeting in tourism sector in the NUTS II region South-West (2011).
[40] "Element for a common strategic framework 2014 to 2020". Commission Staff working document, 2012.

though often as part of evaluations of programmes. Many of these focused on absorption issues, some of the findings being:

- in Romania[41], time-consuming procedures and the limited capacity of both MAs and recipients to manage funding delayed absorption;
- in Bulgaria[42], public bodies needed to be reorganised, legislation to be amended and IT services for recipients to be improved to quicken the implementation of programmes;
- in the Czech Republic[43], the administrative capacity of both MAs and recipients needed to be strengthened to increase the pace of implementation;
- in Hungary and Romania[44], a lack of coordination between regional and central authorities was a recurrent problem In absorbing funding;
- in Poland[45], Bulgaria and Romania[46], problems surrounding public procurement procedures were a major factor delaying absorption and there was an urgent need for simplification.

The monitoring system was another major focus of evaluations, a general finding being that there was a widespread need for indicators and the data relating to them to be improved and become more timely. In Romania, for example, the indicators needed to be more clearly defined, measurement to be more consistent and reporting to be improved. It was also found that a lack of adequate information and the limited number of studies undertaken made it difficult to set targets.

9. Concluding points

A number of points emerge from the above synthesis which are relevant for policy in the new programming period as well as more generally. They are listed below. Many of them are the same which were indicated in previous reports since there has been little change in the context in which Cohesion policy programmes have been carried out and the issues which have arisen in earlier years for the most part continue to be evident. In some cases, the changes which have been introduced in the new programming period should resolve some of these issues – indeed, they were in a number of cases designed to do so – though it remains to be seen how these changes are implemented in practice.

The underlying context

- Regions have not been affected uniformly by economic developments over the crisis period. While in most countries, weaker regions have been affected by most, this is

[41] Evaluation of the absorption capacity of the OP TA, 2012. Romania.
[42] Committee on European Affairs and Oversight of the European Funds, "Annual Report on the Absorption of EU Funds in the Republic of Bulgaria in 2011"; Ecorys, (2013) "OP Technical Assistance Mid-term Evaluation".
[43] Many studies have been carried out on these topics, see for instance "Evaluation of the implementation system in ROP Moravia Silesia" (March 2011) and "Study on corruption risk within the implementation systems of CP" (June 2011).
[44] Ernst & Young (2010) Az ÚMFT projekt kiválasztási eljárásainak értékelése. Utólagos (ex-post) értékelés (Ex-post evaluation of project selection procedures); Mid-term evaluation of Structural Funds programmes "A formative evaluation of Structural Instruments in Romania" (2010).
[45] Agrotec-Polinvest, (2011) "Evaluation of the problems associated with the implementation of public procurement and other ways of selecting contractors for projects implemented by the Structural Funds in the cultural sector in the framework of the priority XI IE OP".
[46] Ecorys (2012) Evaluation of the absorption capacity of the OP TA.

not universally the case (specifically in Portugal, Hungary, Belgium, Austria, Finland and Malta). Overall, however, regional disparities have widened in most countries since the global recession hit and have continued to do so.

- Government expenditure has been reduced in nearly all Member States as part of fiscal consolidation measures to cut budget deficits and bring down government debt levels. Government spending on investment, in particular, has been cut back severely. This is especially so in Greece, Spain and Portugal but also in Bulgaria, Romania and Lithuania, countries where the need for improvements in infrastructure is most pressing.
- Fiscal consolidation and a growing shortage of national funds for public expenditure has led in the EU12 countries in particular to the ERDF and the Cohesion Fund being virtually the only sources of finance for expenditure on development.
- In many Member States, the crisis has led to a shift in the focus of policy towards stimulating national growth and reducing unemployment generally and away from regional development and tackling long-term structural problems. The countries where this has not occurred tend to be those hit less hard by the crisis or which recovered relatively quickly from the initial economic recession.
- The constraints on public finances have resulting in a number of Member States experiencing difficulty co-financing Cohesion policy programmes, which has led to the EU increasing its co-financing rate to reduce the need for national co-financing. Since the EU funds available have remained unchanged the result has been a reduction in overall funding. This has been substantial in the southern EU15 countries especially and is reflected in the large-scale decline in public investment.

The changing focus of policy

- The increasing policy concern with the lack of economic growth and high and rising levels of unemployment has been accompanied by funds being shifted away from longer-term programmes – or those which have an impact only in the long-term, such as investment in new infrastructure – to measures which have a more direct impact on economic activity and jobs.
- At the same time, funding in general has been shifted away from measures which proved slow to implement or where demand for support was lower than initially planned, largely because of the depressed nature of the economy and the limited prospects for future growth (e.g. support for innovation) and where co-financing was proving difficult (e.g. for local authorities in respect of environmental infrastructure).
- Funding has also in some countries been transferred into FEIs, the main purpose in a number of cases being to ensure compliance with the 'n+2' rule and avoid de-commitments.

Delays in implementation and problems of absorption

- The figures for payments from the ERDF and Cohesion Fund to Member States suggest that was an acceleration in the rate of implementing programmes in 2013. This mainly occurred, however, in countries where implementation was already relatively advanced. In the countries in which it was lagging behind, delays seem to have lengthened rather than shortened over the past year.

- There is a real danger in the countries concerned - Romania, Italy, Bulgaria, Malta and the Czech Republic – of funding not being absorbed by the end of 2015. While they are all countries where there is a pressing need for funding, only in Italy – partly because of the reduction in the national co-financing rate – was there any sign of a marked increase in the rate of absorption in 2013.
- The substantial amount of funding in FEIs at the end of 2012 and the limited transfer of funding from them to final recipients during the year suggest that there is a serious possibility in a number of countries that a significant sum of funding will remain unused in FEIs at the end of 2015 and, accordingly, will be lost to the Member States concerned.
- The figures on 'projects selected' can give a misleading indication of the rate of programme implementation because of the very different extents to which Member States over-commit funding to increase the chances of them avoiding delays in expenditure and de-commitments.
- The beginning of the new programming period is likely to be occupied to a major extent by Member States ensuring that as much as possible of the funding from the 2007-2013 period is spent rather than getting the new programmes underway.
- While it is probably too late to prevent the task of spending the funding which remains for the present period from interfering with the process of starting the programmes for the next period, efforts need to be made to try to ensure that there are not additional sources of delay. These include encouraging Member States to complete the strategic programming documents for the new period as soon as possible, to establish a pipeline of projects which are ready to be launched and to ensure that there are enough personnel with the requisite expertise to manage both the completion of the 2007-2013 programmes and the launch of those for 2014-2020.
- The late start of the programmes for the 2007-2013 period continues to be a major reason for the widespread delay in carrying out programmes; the adverse economic conditions by reducing co-financing possibilities and by depressing demand for funding from SMEs with no pressing reason to invest have made it difficult for programmes to catch up.
- A longer-term problem concerns the difficulties surrounding public procurement, especially in EU12 countries, which stem from procedures being inadequately defined and regulated but also from undue weight being given to price in relation to the quality of bids in the selection of projects. This can lead to contracts being awarded to firms which are not competent to do the work or to prices being set too low for the project to be carried out.

Achievements from the expenditure carried out

- Despite the delays, a substantial number of projects co-financed by the ERDF and Cohesion Fund were completed by the end of 2012 and there is a growing amount of evidence on outcomes. This demonstrates that a great deal has been produced from the expenditure carried out, even if interpreting its significance is problematic because of the deficiencies of the AIRs.

- A great many new jobs were directly created across the EU by the projects undertaken. Though the figure should be treated with caution because of the problems of inconsistent definitions, a total of some 593,954 full-time equivalent jobs are reported to have been directly created by ERDF support across the EU as a whole up to the end of 2012 helping to offset the substantial job losses caused by the crisis.
- Other outcomes of the support provided include:
    - 21,622 cooperation projects between research centres and business and the creation of 20,755 new research jobs as a result
    - 77,800 new business start-ups
    - 5.1 million people being given access to broadband
    - the construction of 2,548 km of new roads, mainly in Convergence regions, and the improvement of a further 16,990 km
    - upgrading of 1,495 km of railway lines on the TEN-T system
    - the provision of an improved supply of drinking water to 3.26 million people
    - the connection of 5.53 million to improved wastewater treatment facilities, most of them in the EU12.
- Although a great many projects were carried out in the broad area of territorial development, such as investment in tourism, cultural activities, local amenities and social infrastructure as well as in urban regeneration, the outcomes are particularly difficult to assess because of a lack of output and result indicators that extend beyond simply the number of projects carried out.

The need for better information to assess outcomes

- While the above outcomes can be derived from the information in the AIRs, the lack of relevant content and their generally poor quality seriously limits the possibility of making a meaningful assessment of what has been achieved with the funding spent and of the progress made towards attaining the objectives initially set.
- There is an urgent need in the new programming period to ensure that AIRs (or whatever means are introduced to allow outside examination of progress in implementing programmes) become fit for purpose and enable the programmes being carried out to be properly monitored in terms of the rate of expenditure on them, the outcome of this and how it relates to what was intended.
- There is a parallel need in this regard to ensure that all AIRs are published and accessible on line to anyone who wants to look at them. This is not the case at present in all countries (see Box) which reduces both the transparency of policy developments and the accountability of those responsible for the way that public money is spent.

The state of publication of the Annual Implementation Reports (AIRs)

AIRs for all OPs are published in 11 Member States: **Denmark, Germany, Ireland, Portugal, Estonia, Latvia, Lithuania, Malta, Slovenia, the Czech Republic** and **Slovakia.**

For two countries, **Greece** and **Cyprus**, it has not proved possible to obtain information.

AIRs are not published for any of the OPs in four Member States: **Belgium, Sweden, Hungary** and **Austria** (though in the last, AIRS for 2007, 2008 and 2009 for Steiermark are published on a restricted access website). In **France** AIRs are only published for four of the 31 programmes: Massif Central, Loire, Réunion and Guyane but for the last two just for 2009 and 2011 respectively.

In the other 9 countries, there is partial publication as follows:

- **Finland**: The AIRs for Aland are not published. For the other regions they are published but for two regions, Pohjois-Suomen and Länsi-Suomen, the latest AIRs published are for 2011.
- **Bulgaria**: The AIRs are published though for the OPs for Transport and the Environment, the latest ones are for 2011.
- **Italy**: The AIRs for the Lazio region are not published; the latest AIR published for Campania and the OP for *Inter-Cultural and Natural Attractions and Tourism* are for 2010, and for the OPs for *Research and Competitiveness* and *Security for Development – Convergence Objective* as well as those for the Calabria, Basilicata and Trento regions, they are for 2011. For the other OPs, the AIRs for 2012 are published.
- **Spain**: The AIRs for Murcia, Melilla, Ceuta, Galicia, Andalucía, Navarra, La Rioja, Cataluña, Aragón, Castilla y León, Valenciana and for Technical Assistance are for 2011.
- **UK**: The latest AIRs published for most OPs are for 2011. For the Highlands and Islands and Lowlands and Uplands regions of Scotland they are for 2010. Only for West Wales and the Valleys, East Wales, London and Northern Ireland are they for 2012. No AIRs are published for Gibraltar.
- **Luxembourg**: The latest AIR available is for 2011.
- **Netherlands**: All AIRs for 2012 are published, except that for the South region, for which the latest AIR is for 2011.
- **Poland**: All AIRs for 2012 are published except those for the OP for the Development of Eastern Poland and for the Mazowieckie, Opolskie, Podlaskie and Warmińsko-Mazurskie regions, for which the latest AIRs available are for 2011.
- **Romania**: The AIR for the Transport OP is not published. All other AIRs are published but the latest ones available for the OPs for Competitiveness, the Environment and Technical Assistance are for 2011.

- There is equally need for a major improvement in the indicators monitored and their link to policy objectives if a result-oriented Cohesion policy, which is a central aim in the new programming period, is to become a reality.
- Aggregation of data over programmes at national or EU level will only produce meaningful results if the definition of indicators and the rules for reporting the data are not only clear and precise but the same everywhere. They need to be uniformly adopted across all countries and applied to all measures and projects for which they are relevant, which means that they need to be centrally imposed. Given the present state of play on both counts, it is likely that aggregation of the data produced for the core indicators will still prove problematic in the new programming period, even if perhaps less so.
- To achieve the improvements in the data required to enable them to be used more effectively to assess the achievements of programmes, there is a need for MAs to take more 'ownership' of the data they report and to become more accountable for them. This means, in practice, that the data, along with the AIRs which should contain an informative commentary on them to assist their interpretation, should be publicly available and more open to outside scrutiny.

The need for better use of resources

- While it is important to give due attention to the longer-term and to the need for investment to reduce deficiencies in infrastructure, it is also important not to neglect the importance of strengthening the capacity to use the infrastructure concerned effectively – such as in relation to investment in RTDI especially.
- It is also important to ensure that the investment is planned and assessed as part of an overall system – such as in transport or for environmental infrastructure – though also that connection and future maintenance costs, and the charges falling on users, are properly taken into account and allowed for.
- There is a need for better coordination and integration between policies and funding as well as for more precise definitions of policy goals and of what it is intended to achieve from the financial resources made available. This is partly to avoid funding being too widely, and thinly, dispersed which tends to prevent a critical mass from being achieved and to work against significant structural change being brought about. But it is also to enable the outcome of policies to be more meaningfully monitored and their effectiveness to be more satisfactorily assessed.

The need to strengthen monitoring and evaluation

- The development of evidence-based policies, which is especially important in the context of continuing constraints on public finances, requires the strengthening of monitoring and evaluation systems so as better to assess the outcomes and results of interventions.
- It should be emphasised that while evaluation activity in the 2007-2013 period has been limited in many countries and although there are deficiencies in many of the evaluations carried out, it is still the case that as compared with the previous period, the number of evaluations has increased significantly and many more of them have attempted to assess the results and effects of interventions in particular policy areas
- A distinct feature has been the large number of evaluations carried out in many EU12 countries, which in most cases, had only limited experience of undertaking them before, together with the importance attached in many of the countries to the findings. This is in sharp contrast to the situation in some EU15 countries, where evaluation activity has been reduced, in part because of the pressure on public finances, and plays little role in policy-making.
- There is a growing use of more satisfactory techniques in evaluations to identify the effects of interventions – counterfactual methods in particular – and to distinguish these from the effects of other factors.
- This, together with the more general concern to assess the results of policy measures and their contribution to furthering the pursuit of policy objectives is likely to lead to an increasing stock of knowledge about the effectiveness of particular types of intervention which is especially important given the continuing constraints on public finances.
- The progress made over the 2007-2013 programming period provides a basis for the increased use of evaluations in the new period, when they need to be carried out, as a minimum, for all the priorities of each programme. This should help to ensure a more

uniform and complete coverage of interventions and, accordingly, increased understanding of their effects.

The steps required for evaluations to be effective

- In itself the obligation on Member States to carry out evaluations is not enough if the aim is to maximise their potential to improve the policies implemented and their effectiveness in achieving objectives. Other changes need to take place at the same time, including:
    - increasing the accountability of those responsible for interventions by opening up the decision-making process, the reasons for the measures implemented and their outcome – including any evaluation findings –to public debate and independent scrutiny;
    - establishing an effective system of data collection to generate the data required to evaluate interventions satisfactorily as well as to assess progress in their implementation;
    - ensuring enough time and resources are devoted to evaluations at various stages of programme implementation;
    - assuring the independence of evaluators employed and ensuring that those responsible for their appointment have the competence to select the most suitable ones, to define appropriate terms of reference and to judge the results produced;
    - encouraging the use of suitable evaluation techniques capable of answering the evaluation questions which need to be considered and, where relevant, of distinguishing the effects of interventions from other causes;
    - ensuring not only that all priorities are subject to evaluation but equally, if not more importantly, that the various forms of intervention are also properly evaluated. This applies in particular to FEIs, on which so far very few evaluations have been carried out, but for which the need to assess their effectiveness as well as their appropriateness is particularly urgent given their newness and increased application in the new period as well as their reported use as a means of accelerating absorption 'artificially' and avoiding de-commitments.
    - publishing the data used in evaluations, as well as the evaluation themselves, so that the findings can be independently checked and verified;
    - establishing an effective means of collecting together the evaluations judged to have produced reasonably reliable results and making them accessible for those across the EU involved in designing development policies.
- The need for evaluations to use more appropriate methods, capable of isolating the results of interventions and of assessing their effectiveness, means not only more counterfactual studies but also more field studies which take account of the overall effects of programmes in particular regions.

Annex 1: EU co-financing rates, 2007 and 2013

The average co-financing rate for the ERDF and Cohesion Fund in Member States for the period 2007-2013 (% total expenditure on programmes)

	EU Co-financing rate (ERDF and Cohesion Fund)		
	2007	December 2013	%-point change
EU27	69	73	4.6
EU15	57	64	6.9
EU12	82	82	0.7
CBC	71	71	0.3
Lithuania	81	85	3.7
Hungary	85	85	0.0
Malta	85	85	0.0
Slovenia	85	85	0.0
Czech Republic	85	85	0.0
Cyprus	85	85	0.0
Romania	82	85	2.9
Slovakia	84	84	0.0
Greece	79	84	5.6
Bulgaria	83	83	0.0
Estonia	83	83	-0.8
Latvia	78	80	1.4
Poland	79	79	0.5
Spain	68	76	7.7
Portugal	63	75	11.5
Italy	48	63	15.3
Germany	61	61	-0.2
Austria	53	53	0.0
UK	49	51	2.5
Denmark	50	50	0.0
Belgium	41	48	6.4
Sweden	46	47	0.9
Finland	46	46	0.0
Ireland	40	46	5.5
Netherlands	42	42	0.0
France	35	37	1.9
Luxembourg	30	30	0.0

Note: countries are ordered in terms of the co-financing rate in 2013

Source: DG Regional Policy database

Annex 2: Distribution of EU funding between policy areas

Planned distribution of ERDF and Cohesion Fund between broad policy areas in EU12 Member States, 2007-2013

% Total allocation

	BG	CZ	EE	CY	LV	LT	HU	MT	PL	RO	SI	SK	EU12	EU27
1. Enterprise support	**13.6**	**22.9**	**25.9**	**25.7**	**22.3**	**23.0**	**21.4**	**15.5**	**24.9**	**15.5**	**30.4**	**23.5**	**22.7**	**29.7**
11 RTDI and linked activities	3.7	11.8	13.8	6.4	10.1	7.7	3.9	8.2	14.0	4.2	9.3	8.1	9.8	12.2
12 Innovation support for SMEs	3.1	5.5	6.8	1.7	6.4	9.8	5.3	3.3	4.7	3.5	17.2	4.7	5.6	8.5
13 Other investment in firms	6.7	2.4	2.8	14.1	1.5	2.8	9.6	0.6	3.1	6.6	3.6	0.9	4.1	5.6
14 ICT and related services	0.1	3.2	2.5	3.6	4.3	2.7	2.7	3.4	3.2	1.1	0.3	9.8	3.2	3.3
2. Human resources		**1.0**			**0.4**	**0.3**	**1.2**			**0.2**		**0.2**	**0.8**	**0.9**
21 Education and training		0.7					0.9					0.2	0.4	0.4
22 Labour market policies		0.3			0.4	0.3	0.3			0.2			0.4	0.5
3. Transport	**35.2**	**33.5**	**23.0**	**10.4**	**28.9**	**26.6**	**24.2**	**21.6**	**40.7**	**34.4**	**28.0**	**33.6**	**33.2**	**27.9**
31 Road	18.4	17.1	9.6	6.7	12.2	11.8	14.7	14.6	27.5	20.4	12.2	19.4	19.8	15.1
32 Rail	5.7	12.1	6.2	0.0	6.5	9.9	8.1	0.0	9.7	11.5	13.4	10.9	9.4	8.6
33 Other	11.1	4.2	7.2	3.6	10.2	5.0	1.4	7.0	3.4	2.5	2.4	3.3	3.9	4.1
4. Environment and energy	**32.5**	**24.2**	**25.6**	**39.6**	**23.3**	**24.9**	**30.5**	**36.7**	**19.7**	**32.9**	**28.0**	**20.4**	**24.4**	**22.4**
41 Energy infrastructure	5.8	6.0	1.0	1.9	3.2	8.7	3.2	12.5	4.1	4.4	4.8	1.7	4.3	4.4
42 Environment and risk prevention	26.7	18.2	24.7	37.7	20.1	16.2	27.3	24.2	15.6	28.5	23.2	18.7	20.0	18.0
5. Territorial development	**11.9**	**15.0**	**23.5**	**20.5**	**22.6**	**23.6**	**18.7**	**24.8**	**11.7**	**13.9**	**11.7**	**18.8**	**15.4**	**16.0**
51 Tourism and culture	3.0	5.3	5.8	2.4	2.1	4.0	4.0	14.0	3.5	4.3	4.6	3.4	4.5	4.4
52 Planning and rehabilitation	2.8	4.3	0.5	16.0	6.7	4.4	3.2	0.9	1.8	5.8	1.7	3.5	3.1	3.9
53 Social Infrastructure	6.0	5.4	17.2	2.1	13.8	15.3	11.5	10.0	6.4	3.8	5.5	11.9	7.7	7.5
54 Other														0.2
6. Technical assistance	**6.8**	**3.5**	**2.0**	**3.8**	**2.4**	**1.6**	**3.9**	**1.4**	**3.0**	**3.2**	**1.8**	**3.5**	**3.6**	**3.1**

Note: Allocations of funding as at end-2012

Source: DG Regional Policy database

Planned distribution of ERDF and Cohesion Fund between broad policy areas in EU15 Member States, 2007-2013

% Total allocation

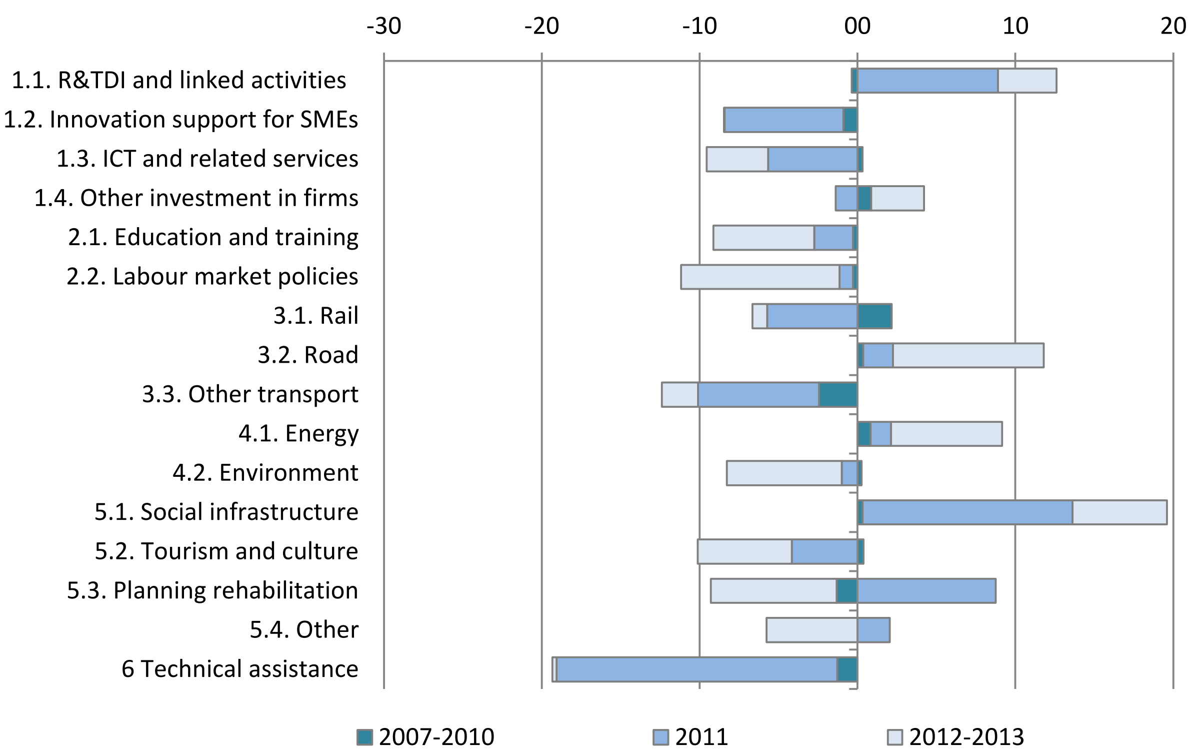
	BE	DK	DE	IE	FR	IT	LU	NL	AT	FI	SE	UK	GR	ES	PT	EU15
1. Enterprise support	**58.2**	**83.3**	**50.4**	**56.1**	**42.8**	**37.7**	**69.0**	**48.8**	**80.1**	**74.6**	**71.5**	**58.2**	**26.3**	**33.2**	**37.0**	**39.4**
11 RTDI and linked activities	18.4	31.7	17.4	41.3	19.1	19.1	53.0	16.3	33.7	27.0	23.3	20.0	4.9	12.4	18.9	15.6
12 Innovation support for SMEs	14.4	47.3	13.9	4.1	14.1	10.9	13.0	25.6	27.2	31.1	33.4	25.1	13.8	8.3	9.6	12.5
13 Other investment in firms	24.9	1.1	17.8	10.7	5.2	1.7		3.2	18.4	10.2	11.0	11.6	3.0	8.8	6.7	7.7
14 ICT and related services	0.5	3.2	1.3		4.3	5.9	3.0	3.7	0.8	6.3	3.8	1.5	4.6	3.8	1.8	3.6
2. Human resources	**0.8**		**3.2**		**0.9**	**0.8**		**6.4**	**3.4**	**0.8**		**2.8**			**1.3**	**1.1**
21 Education and training	0.5		1.8		0.4	0.1		1.9	1.4	0.3		0.6			0.2	0.4
22 Labour market policies	0.3		1.3		0.5	0.7		4.5	2.0	0.5		2.3			1.1	0.7
3. Transport	**5.6**		**19.4**	**21.4**	**11.0**	**20.3**		**4.2**	**0.9**	**3.8**	**6.8**	**7.3**	**30.2**	**29.2**	**10.8**	**20.5**
31 Road	1.4		12.3	16.9	2.0	4.0		0.6		1.4	0.9	2.4	21.3	8.2	5.5	8.5
32 Rail			4.8	4.5	2.6	10.7		0.1		1.0	1.2	1.6	4.8	15.2	2.5	7.6
33 Other	4.2		2.4		6.5	5.5		3.6	0.9	1.4	4.6	3.2	4.0	5.8	2.8	4.4
4. Environment and energy	**10.5**		**12.2**	**9.6**	**23.1**	**20.4**	**24.0**	**14.8**	**6.0**	**7.9**	**8.1**	**13.3**	**24.6**	**24.1**	**17.4**	**19.7**
41 Energy infrastructure	3.1		4.0	4.1	8.2	8.9	9.0	7.6	4.6	4.6	6.6	6.6	4.8	1.6	1.0	4.5
42 Environment and risk prevention	7.4		8.3	5.5	14.8	11.6	15.0	7.2	1.4	3.3	1.5	6.7	19.8	22.5	16.4	15.1
5. Territorial development	**23.0**	**12.9**	**12.5**	**12.0**	**19.1**	**17.7**	**3.0**	**21.7**	**7.0**	**8.7**	**9.7**	**15.8**	**15.7**	**12.6**	**30.5**	**17.0**
51 Tourism and culture	6.3	9.6	3.2	1.1	5.3	6.7		6.6	3.7	8.3	5.0	3.3	4.1	2.7	4.0	4.2
52 Planning and rehabilitation	14.9		6.0	6.0	4.9	4.7	3.0	13.3	3.2	0.2	1.5	8.0	3.2	4.4	5.9	5.0
53 Social Infrastructure	1.7	3.2	3.3	4.9	5.4	6.3		1.7	0.1	0.2	3.2	4.5	8.3	4.6	20.0	7.2
54 Other					3.5									0.9	0.6	0.6
6. Technical assistance	**1.9**	**3.8**	**2.3**	**0.9**	**3.2**	**3.1**	**4.0**	**4.1**	**2.7**	**4.2**	**4.0**	**2.5**	**3.2**	**0.8**	**2.9**	**2.4**

Note: Allocations of funding as at end-2012

Source: DG Regional Policy database

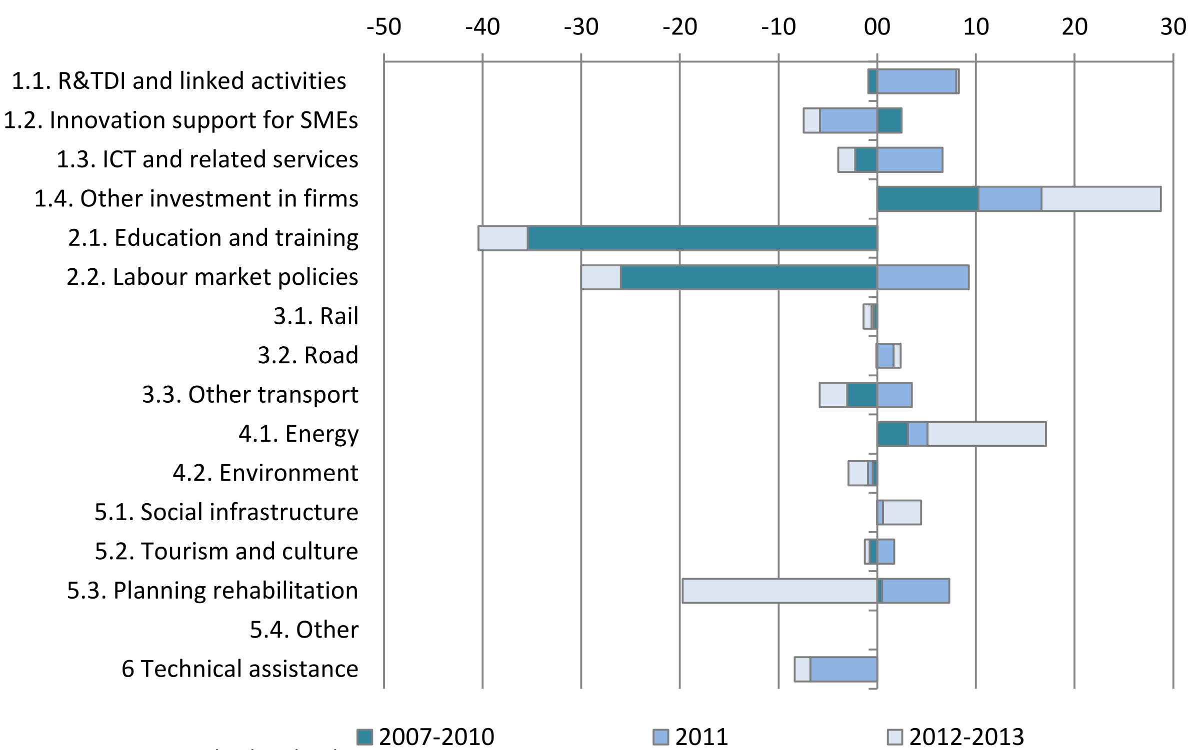
Annex 3: Shift of funding between policy areas

Net shifts of funding (ERDF and Cohesion Fund) by broad policy area, % of initially planned distribution to these for the 2007-2013 period, EU15



Source: DG Regional Policy database

Net shifts of funding (ERDF and Cohesion Fund) by broad policy area, % of initially planned distribution to these for the 2007-2013 period, EU12



Source: DG Regional Policy database

Annex 4: ERDF and Cohesion Fund payments relative to total available for 2007-2013

Payments as % of total amount decided

	ERDF				Cohesion Fund				ERDF + Cohesion Fund			
	2010	2011	2012	2013	2010	2011	2012	2013	2010	2011	2012	2013
EU27	22	35	47	62	20	28	41	57	22	33	46	61
EU15	22	34	46	62	26	36	51	73	23	34	47	63
EU12	23	36	49	62	19	27	39	54	22	32	45	59
Estonia	41	50	63	79	24	28	54	82	34	41	60	80
Lithuania	37	49	64	79	31	47	62	78	35	48	63	79
Portugal	23	36	59	78	17	20	44	72	22	32	56	77
Sweden	28	48	60	76					28	48	60	76
Finland	28	42	52	74					28	42	52	74
Greece	26	40	54	72	16	29	46	74	24	37	52	72
Ireland	30	36	51	70					30	36	51	70
Germany	28	42	55	69					28	42	55	69
Luxembourg	18	46	53	68					18	46	53	68
Poland	25	41	56	72	19	31	45	60	23	37	51	67
Netherlands	19	40	49	66					19	40	49	66
Belgium	27	32	48	65					27	32	48	65
Spain	21	33	49	61	44	57	64	73	24	36	51	63
Latvia	23	33	50	63	24	32	46	59	23	33	48	62
Slovenia	26	46	63	76	24	27	33	40	25	38	50	61
Cyprus	27	35	42	69	28	44	48	50	28	39	45	61
France	23	37	44	60					23	37	44	60
Hungary	23	39	50	65	21	30	35	52	22	36	44	60
Slovakia	19	31	46	57	21	24	33	47	20	28	41	53
Austria	23	35	40	53					23	35	40	53
UK	25	37	46	51					25	37	46	51
Denmark	17	42	51	51					17	42	51	51
Czech Republic	22	32	42	50	19	19	35	50	21	27	39	50
Malta	16	26	37	48	22	31	40	52	18	28	38	50
Bulgaria	20	26	38	51	11	23	36	43	16	24	37	48
Italy	14	19	26	46					14	19	26	46
Romania	12	17	23	37	14	15	22	37	13	16	23	37

Source: DG Regional Policy database

Note: Countries are ordered in terms of their payments rate (ERDF + Cohesion Fund) at end 2013

Annex 5: Allocations of ERDF and Cohesion Fund for 2007-2013 period by broad policy area

Allocation to projects in EU12 Member States at end-2012

% planned funding for each policy area

	BG	CZ	EE	CY	LV	LT	HU	MT	PL	RO	SI	SK	EU12	EU27
1. Enterprise support	**88**	**86**	**95**	**99**	**90**	**85**	**81**	**81**	**84**	**61**	**80**	**76**	**82**	**85**
11 RTDI and linked activities	50	99	84	123	95	92	40	80	87	53	47	64	83	86
12 Innovation support for SMEs	96	56	82	80	101	72	72	102	78	65	101	58	74	75
13 Other investment in firms	101	98	191	93	56	83	108	100	84	59	64	215	93	96
14 ICT and related services	500	80	79	90	72	115	58	60	84	92	75	83	81	87
2. Human resources		**71**			**18**	**74**	**1**		**123**				**37**	**47**
21 Education and training		83											44	43
22 Labour market policies		38			18	74	2		116				24	50
3. Transport	**79**	**81**	**93**	**264**	**107**	**90**	**105**	**100**	**86**	**80**	**67**	**63**	**85**	**92**
31 Road	69	93	110	341	137	121	94	98	96	99	115	64	95	103
32 Rail	109	77	86		106	62	115		55	53	21	67	69	76
33 Other	81	46	77	120	72	71	155	102	98	52	76	38	79	85
4. Environment and energy	**98**	**46**	**86**	**88**	**86**	**104**	**82**	**79**	**83**	**98**	**84**	**71**	**81**	**85**
41 Energy infrastructure	54	51	100	55	110	117	53	43	79	53	48	97	69	71
42 Environment and risk prevention	107	44	85	90	82	97	86	97	85	105	92	69	83	88
5. Territorial development	**91**	**79**	**96**	**123**	**86**	**85**	**106**	**96**	**92**	**60**	**108**	**98**	**90**	**93**
51 Tourism and culture	99	79	84	87	41	94	119	100	93	101	145	80	95	96
52 Planning and rehabilitation	81	76	8	133	98	111	110	97	107		45	90	78	88
53 Social Infrastructure	91	82	102	97	88	75	100	90	88	104	97	105	92	95
54 Other														80
6. Technical assistance	**171**	**65**	**63**	**119**	**85**	**51**	**99**	**100**	**66**	**55**	**101**	**92**	**81**	**80**
Total	**95**	**73**	**92**	**118**	**93**	**91**	**91**	**88**	**85**	**79**	**81**	**75**	**84**	**88**

Source: DG Regional Policy database

Allocation to projects in EU15 Member States at end-2012

% planned funding for each policy area

	BE	DK	DE	IE	FR	IT	LU	NL	AT	FI	SE	UK	GR	ES	PT	EU15
1. Enterprise support	**99**	**99**	**85**	**102**	**78**	**86**	**95**	**105**	**77**	**86**	**100**	**82**	**123**	**68**	**97**	**87**
11 RTDI and linked activities	108	65	84	97	83	86	96	116	75	72	101	79	142	73	108	89
12 Innovation support for SMEs	84	106	83	88	72	84	107	111	50	92	104	71	58	64	86	75
13 Other investment in firms	100	822	91	129	69	118		87	122	125	106	114	363	56	80	98
14 ICT and related services	100	79	54		83	83	24	31		53	57	58	143	94	114	95
2. Human resources	**130**		**38**		**79**	**17**		**56**	**39**	**154**		**85**	**692**		**42**	**52**
21 Education and training	137		26		78	10		74	0	277		155			29	42
22 Labour market policies	119		56		79	18		48	66	77		68	692		44	57
3. Transport	**142**		**83**	**119**	**67**	**131**		**69**	**16**	**168**	**239**	**92**	**128**	**96**	**91**	**106**
31 Road	229		87	101	65	172		301		146	231	173	129	159	98	128
32 Rail			75	190	80	126		236		152	95	79	148	61	95	90
33 Other	112		75		62	110		26	16	204	280	36	95	99	73	92
4. Environment and energy	**96**		**78**	**98**	**78**	**69**	**125**	**60**	**101**	**66**	**28**	**67**	**166**	**77**	**84**	**92**
41 Energy infrastructure	57		78	105	81	56	293	72	97	33	16	63	140	33	49	73
42 Environment and risk prevention	112		78	93	77	79	23	48	115	112	80	70	172	80	86	97
5. Territorial development	**97**	**48**	**91**	**118**	**77**	**82**	**26**	**130**	**68**	**123**	**143**	**99**	**140**	**91**	**100**	**98**
51 Tourism and culture	151	65	103	128	90	74		177	52	109	150	103	135	102	101	99
52 Planning and rehabilitation	82		97	107	82	92	26	117	90	230	183	84	139	93	97	98
53 Social Infrastructure	21	0	68	130	75	82		49	4	690	115	123	142	79	101	98
54 Other					55								82	104	90	80
6. Technical assistance	**100**	**68**	**69**	**73**	**72**	**82**	**55**	**89**	**74**	**76**	**1**	**58**	**108**	**61**	**66**	**78**
Total	**101**	**91**	**83**	**107**	**76**	**90**	**98**	**98**	**76**	**91**	**105**	**83**	**137**	**81**	**93**	**93**

Source: DG Regional Policy database

Allocations of ERDF and Cohesion Fund for 2007-2013 period to projects by broad policy area in EU12 Member States - difference between end-2012 and end-2011

Percentage point difference

	BG	CZ	EE	CY	LV	LT	HU	MT	PL	RO	SI	SK	EU12	EU27
1. Enterprise support	**38**	**11**	**9**	**16**	**11**	**9**	**16**	**2**	**16**	**4**	**1**	**17**	**14**	**14**
11 RTDI and linked activities	22	12	11	33	21	14	9	4	14	-19	1	7	12	15
12 Innovation support for SMEs	58	16	10	59	2	-4	29	2	25	55	2	-5	21	19
13 Other investment in firms	-17	1	-7	-18	-8	12	10	0	16	-15	0	-101	5	0
14 ICT and related services	500	4	11	-16	5	40	22	0	12	15	5	36	18	22
2. Human resources	**-83**	**26**			**0**	**10**	**0**		**-840**	**0**		**0**	**6**	**-1**
21 Education and training	-83	35					0					0	8	-8
22 Labour market policies		2			0	10	0		28	0			2	4
3. Transport	**15**	**4**	**7**	**41**	**9**	**19**	**19**	**36**	**18**	**22**	**14**	**9**	**15**	**16**
31 Road	5	-4	15	6	20	11	12	31	15	1	16	9	11	14
32 Rail	43	15	0		0	24	19		16	44	6	10	19	17
33 Other	16	5	1	39	1	28	85	46	46	28	47	17	29	22
4. Environment and energy	**59**	**11**	**3**	**-5**	**12**	**8**	**11**	**14**	**15**	**17**	**12**	**-12**	**14**	**15**
41 Energy infrastructure	28	9	3	-33	27	10	-27	9	20	34	-5	19	14	14
42 Environment and risk prevention	66	12	3	-3	10	6	15	16	14	16	16	-15	14	16
5. Territorial development	**24**	**15**	**4**	**-34**	**0**	**10**	**17**	**17**	**13**	**14**	**13**	**9**	**13**	**18**
51 Tourism and culture	45	12	4	50	0	11	36	35	13	25	19	19	19	21
52 Planning and rehabilitation	-6	17	0	-127	4	22	16	-4	19	0	-3	1	11	20
53 Social Infrastructure	28	16	4	-9	-3	7	11	-5	12	28	14	8	12	15
54 Other														35
6. Technical assistance	**120**	**5**	**13**	**0**	**6**	**13**	**14**	**0**	**20**	**22**	**0**	**4**	**23**	**21**
Total	**41**	**9**	**6**	**0**	**8**	**12**	**15**	**17**	**17**	**17**	**9**	**6**	**15**	**16**

Source: DG Regional Policy database

Allocations of ERDF and Cohesion Fund for 2007-2013 period to projects by broad policy area in EU15 Member States - difference between end-2012 and end-2011

Percentage point difference

	BE	DK	DE	IE	FR	IT	LU	NL	AT	FI	SE	UK	GR	ES	PT	EU15
1. Enterprise support	**2**	**14**	**7**	**-43**	**8**	**33**	**12**	**10**	**9**	**20**	**12**	**10**	**-4**	**15**	**9**	**14**
11 RTDI and linked activities	9	3	5	-66	-4	34	16	8	4	13	16	16	37	16	15	17
12 Innovation support for SMEs	-2	16	12	3	19	45	-4	12	6	25	12	8	18	17	4	17
13 Other investment in firms	0	249	5	20	7	-56		12	24	30	7	-15	-98	13	-9	-4
14 ICT and related services	-1	16	11		26	29	8	3	-14	14	4	9	64	9	34	28
2. Human resources	**-43**		**-19**		**16**	**2**		**0**	**12**	**24**		**18**	**617**		**-15**	**-5**
21 Education and training	-12		-33		18	5		-2	0	48		3			-11	-23
22 Labour market policies	-92		1		14	1		1	21	8		25	617		-17	6
3. Transport	**9**		**15**	**1**	**15**	**57**		**9**	**0**	**24**	**33**	**32**	**26**	**-7**	**17**	**18**
31 Road	26		16	0	1	92		75		45	15	77	25	5	28	25
32 Rail			13	6	5	57		0		0	-3	4	34	-16	16	12
33 Other	4		15		25	32		-2	0	20	47	9	25	-4	0	14
4. Environment and energy	**-4**		**8**	**12**	**16**	**23**	**1**	**5**	**7**	**8**	**3**	**0**	**45**	**8**	**10**	**17**
41 Energy infrastructure	8		1	-13	14	25	2	4	4	3	1	-15	18	-16	14	15
42 Environment and risk prevention	-8		11	29	17	22	0	6	17	14	8	13	52	9	9	19
5. Territorial development	**5**	**8**	**23**	**9**	**26**	**30**	**0**	**9**	**19**	**23**	**23**	**12**	**55**	**20**	**6**	**24**
51 Tourism and culture	16	11	33	1	30	22		12	9	15	34	-9	41	24	5	24
52 Planning and rehabilitation	1		30	15	29	43	0	9	32	132	16	9	41	26	10	28
53 Social Infrastructure	2	0	3	2	7	27		0	0	261	9	28	65	8	5	20
54 Other					39								55	37	9	35
6. Technical assistance	**0**	**11**	**7**	**42**	**15**	**23**	**24**	**2**	**11**	**16**	**-2**	**14**	**17**	**14**	**14**	**17**
Total	**2**	**13**	**10**	**-19**	**15**	**35**	**10**	**8**	**10**	**19**	**13**	**11**	**29**	**7**	**10**	**17**

Source: DG Regional Policy database