



THE USE OF NEW PROVISIONS DURING THE PROGRAMMING PHASE OF THE EUROPEAN STRUCTURAL AND INVESTMENT FUNDS

FINAL REPORT

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ABSTRACT

The analysis of all the 28 Partnership Agreements and of 292 operational and co-operation programmes for the 2014-2020 period financed by the European Regional Development Fund, the Cohesion Fund and the European Social Fund, completed with a survey of managing authorities and interviews at European, national and regional levels, revealed that the new regulatory framework has significantly altered the Member States' approach to programming.

The new provisions required programmers to link strategic thinking and result-based management, and relate strategic thinking with the objectives and the means of the Europe 2020 strategy.

The new programming approach succeeded to make the strategy behind the allocation of resources, the links between means and results more specific and transparent than before. However, the presentation of programmes became rather complicated. The wide range of needs addressed suggests an apparent demand for integrated territorial approach. At the same time, the scope for applying the integrated instruments in all sectors and types of areas has not yet been exhausted.

Implementation-related new provisions were among the less controversial elements of the nineteen new provisions analyzed, and in general, Member States did comply with new requirements in this area. This provides a good basis for further developing implementation capacity.

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EXECUTIVE SUMMARY

The Task

This report summarises the results of a **study** undertaken, between October 2014 and February 2016, for the European Commission's services (Directorate General for Regional and Urban Policy - DG REGIO, also involving DG EMPL and DG AGRI). Its mission was to examine the integration of a **set of 19 new provisions** of the reformed legal framework **for Cohesion Policy** in the programming phase for 2014-2020.

The study follows up on the outcomes of the **comprehensive reform debate** on Cohesion Policy conducted since 2008. As a result of the debate, while keeping the policy's original treaty mandate – to strengthen the EU's **economic, social and territorial cohesion**, as well as reducing disparities between regions, and the backwardness of the least favoured territories – Cohesion Policy has been established as the EU's main investment policy to support the achievement of European objectives, as described in the **Europe 2020 strategy** for smart, sustainable and inclusive growth.

The new provisions, the uptake of which has been assessed, can be grouped into three categories:

- Provisions related to the **contents of the programming documents and their result-orientation**, including links to Europe 2020 strategy, thematic concentration, building priority axes in programmes, the intervention logic and results, planned use of financial instruments, co-financing rates and major projects, as well as horizontal principles.
- New, integrated approaches to **territorial development** including the use of new Cohesion Policy instruments of integrated territorial investments (ITIs), community-led local development (CLLD) and sustainable urban development (SUD). In addition, the study analysed the priorities of European territorial co-operation and macro-regional strategies, as well as specific approaches towards regions affected by poverty and with permanent geographic or demographic handicaps;
- New rules regarding the **efficiency of programme management**: co-ordination of ESI Funds with other European and national funding instruments; e strengthening of capacities of programme authorities and beneficiaries, reduction of the administrative burden, and the use of electronic government solutions in cohesion policy.

The study covered the **analysis of all 28 Partnership Agreements and 292 Programmes**, financed by the ERDF and the Cohesion Fund, including 75 European territorial co-operation programmes as well as 92 multi-fund operational programmes co-financed by the European Social Fund. Of these, 245 were adopted by the study's cut-off date, the remaining ones were processed in their latest available version. Beyond documentary analysis, the work has also covered the **assessment of the**

programming process (through a web-survey involving a representative number of Managing Authorities and interviews at European, national and/or regional levels).¹

The study has been monitored by a steering group composed of members from different Commission services. The draft final report has been shared with Member States and takes account of comments made in this context.

The findings will **feed into the Commission's assessment** of the outcome of programming negotiations and into further reflections on the future of the policy.

General observations

The study shows that the new provisions have significantly **altered the approach to programming**. Most prominently, **the focus on results** has required programmers to link strategic thinking, result-based management and place-based policy making. Programmers were encouraged to think in terms of a hierarchy of objectives and measuring results. The new regulations relate strategic thinking with the objectives and the means (i.e. the Country-Specific Recommendations - CSRs) of the Europe 2020 strategy in line with territorial needs. Elements of result-based management appear in the compulsory definition of the specific objectives as results to which the investment priorities contribute, and they are also present in the consistent requirements of defining and using indicators and the performance framework. Place-based policy is apparent – *inter alia*² – in the provisions of the integrated approach to territorial development.

In view of the above, the structure of programming documents has also been substantially changed for 2014-2020. The new programming approach makes the **strategy** behind the allocation of resources more specific, **more transparent** and provides a consistent structure. The links between means (priority axes, investment categories and actions) on the one hand, and results on the other, are more specific than before. Priority axes and investment priorities play a parallel role here, but it is only the priority axes that have clearly identified financial allocations. On the other hand, the presentation of programmes became **rather complicated**, due to multi-priority and multi-region axes. It remains to be seen whether in practice this makes the contribution of Cohesion Policy to Union priorities more evident and better measurable.

1 – Provisions related to the contents of programming documents and the focus on results

Strategic programming and link with Europe 2020 strategy. The study found **considerable alignment** between the priorities of Partnership Agreements and Cohesion Policy programmes on the one hand, and the priorities of the Europe 2020 strategy on the other. **Explicit references to Europe 2020** strategy headline targets or

¹ For this purpose, 292 survey questionnaires were sent out to Managing Authorities, of which 51% were returned in a completed form. Overall, authorities from 26 MS responded, EE and LT authorities did not (See also Annex 4.20). Also, 41 interviews were conducted, covering all MS except HU and CY where no partners were available

² The place-based approach also results from the overall intervention logic of the programmes, which are not only designed to reflect EU strategies but also territorial needs.

country-specific recommendations were **included in 43% of programmes representing 58% of Cohesion Policy budget**. The highest number of explicit references to Europe 2020 was found in the programmes the field of research and innovation and low carbon economy. In Partnership Agreements, the number of references to Europe 2020 is higher than the number of references to other strategic documents, Operational and co-operation programmes are more policy-oriented and include references both to Europe 2020 strategy and to other European and national policy documents, national reform programmes, national and regional strategies. Regional strategies were the most frequent starting points for programming, followed by national strategies and European policies.

Thematic concentration. The results of the study show a **substantial degree of concentration** of ERDF and the Cohesion Fund on thematic objectives. Altogether, 56% of ERDF budget was allocated to three thematic objectives which received the highest funding:

- TO 1 strengthening research, technological development and innovation (22%);
- TO 3 enhancing the competitiveness of SMEs (17%);
- TO 4 supporting the shift towards a low-carbon economy (17%).

In line with its Treaty objectives, Cohesion Fund allocations are strongly concentrated on TO 7 (transport and network infrastructures) and TO 6 (environment).

The allocations of more developed regions are focused, first of all, on research and innovation, followed by SME support and low carbon economy. Less developed regions allocated the highest amounts of their ERDF and CF funding to four thematic objectives: research and innovation, network infrastructure, SME support and low carbon economy.

Overall, the “menu approach” of thematic objectives and investment priorities made allocation and programming more transparent and programmes more apt to analysis and scrutiny. Thematic concentration received more attention during programming, concentration requirements were several times exceeded, channelling more funds to investment fields central to the Europe 2020 strategy.

Result orientation. The definitions of **results and specific objectives** used in the programmes were mostly consistent with investment priorities. The results were also rather well defined in terms of methodology: only 1% of the references can be considered as problematic (i.e. not reflecting genuine results or specific objectives). On the other hand, the definitions of actions and selection criteria were in many cases too broadly defined. OPs used a broad range (several hundred types) of specific objectives, expected results, actions and selection principles. However, they used these types in a rather concentrated manner: one quarter of them account for three quarters of the references. Interestingly, as survey results show, the dialogue with partners appears to have focussed on the definition of actions. Conversely, the dialogue with the EC was, apparently centred on improving the overall level of the intervention logic (objectives and results). Overall, the transition from action-based programming to a result-based one seems to have proved challenging for Member States; the major challenge was, in particular, the identification of result indicators.

Building of priority axes. Half of the ERDF budget, 41% of ESF funding (in programmes jointly financed with ERDF) and 21% of the Cohesion Fund are disbursed through **combined priority axes**. Under the Investment for Growth and Jobs goal,

complex priority axes represent 29% of the total number of 1.283 priority axes representing 43% of its budget. Among them, only fifteen priority axes combine ESF and ERDF funding, giving a prevailing picture of mono-fund approach at priority axes level in the new programming period.³ More frequently, combined priority axes covered different categories of regions (8% of priority axes) or multiple thematic objectives (14%). Under the ETC goal, combined options only represent 11% of the priority axes. In many cases, the Commission considered that further justification for the combination axes was needed as this risked undermining the clarity of the intervention logic. Still, the alternative of using integrated territorial instruments instead of such axes was – as survey results show – in general not considered by Member States as an appropriate substitution.

Financial instruments. The new regulatory framework supports the use of financial instruments (FI) in multiple policy areas. As programme data show, financial instruments are indeed planned to be used under at least nine, and possibly under all eleven thematic objectives. With the exception of only four Member States, all EU countries stated their intention to make use of such instruments. According to the OPs, financial instruments will account for 9.5% of the ERDF, 2.7% of the Cohesion Fund and 1.3% of the ESF allocations included in multifund programmes covered by the study. The average allocation to FIs is 7.2%⁴. This compares to 5% of ERDF allocation to FI in the previous period. More than half of support through financial instruments is to be provided in the form of loans and equivalent instruments, and one quarter through support to venture capital and equity. The most frequent justification for using financial instruments, according to the relevant programmes and ex-ante evaluations, was to support potentially profitable projects with financing needs not met by the market, and to complement the funds available for grants. Speeding up the deployment of EU assistance, and increasing the number of enterprises (or other project beneficiaries) benefitting from refundable assistance, were also the reasons behind the use of financial instruments. Overall, the new provisions on financial instruments enjoyed a cautious reception by Member States – despite the possibility of reaching higher leverage of EU funds.

Major projects. They are planned across almost all thematic objectives, but their use is fairly concentrated on one or two investment priorities for each thematic objective, except for promoting sustainable transport and removing bottlenecks in key network infrastructures that relies heavily on major projects in most investment priorities. 13% of the planned projects are phased ones, continuations of those having successfully implemented their first phase in the previous programming period. The phasing of major projects should contribute to the launch of operational programmes for 2014-2020.

Use of co-financing rates. Data show that there is variation in the co-financing rates especially in more developed regions, transition regions, EU-15 Member States and co-operation programmes. At the same time, the Cohesion Fund and EU-13 programmes mostly apply maximum rates. Altogether, one third of the programmes foresee to use

³ Only 8% of the total of ERDF+ESF+CF allocations of the programmes analysed correspond to multifund priority axes. The share of ESF allocations in ESF multifund priority axes is only 6,5% of the total ESF allocations to these programmes.

⁴ These figures reflect the intentions of use of financial instruments, based on the the contents of the programmes. The actual uptake of FI will depend, inter alia, on the results of mandatory ex ante assessments.

modulation. In almost two-thirds of these cases the reason is the importance of the priority axis for the delivery of the Europe 2020 strategy.

Horizontal principles. They received lot of attention in the programming documents. In particular, horizontal principles of sustainable development, social inclusion and non-discrimination principles have been included in the highest number of programmes (in 80-90% of programmes), while accessibility, climate change and demography seem to receive comparatively less attention. Mainstreaming is the most popular method to promote horizontal principles, mentioned in about 2/3 of PAs and programmes.

2 – Integrated approach to territorial development

Integrated approaches enable the **combination of resources** from different funds and can reinforce the **territorial dimension** of Cohesion Policy.

As data show, the **territorial approach has received considerable attention** in programmes. Every Member State has identified territories where integrated territorial approaches needed to be applied, as well as specific challenges and development needs that are to be addressed by territorial instruments. Sixty percent of the managing authorities reported that their programme was primarily responding to regional and local needs, and only 11% said that it did not consider them. Purely sectoral OPs are therefore rare. In over 70% of the cases the territorial analysis was also prepared at the local level, reflecting a strong bottom-up element. In financial terms:

- Altogether 20 MS (94 programmes, including 2 ETC programmes) are using **integrated territorial investments (ITI)**. The amount allocated to ITI is € 14.77 billion, with 68% going to urban ITIs, and 87% coming from the ERDF.
- The total amount allocated to **sustainable urban development (SUD)** is € 15.47 billion. 14,2 billion (92,5%) of the total amount for SUD is to be financed by the ERDF and 1,27 billion (7,5%) by the ESF (in multi-fund programmes). About half of that amount is delivered through ITIs.
- The allocations to **community-led local development (CLLD)** – from the Cohesion Policy funds, not counting EAFRD or EMFF, is € 1.496 billion. The share of ERDF and ESF from this amount is 81% and 19%, respectively. This corresponds to around 0.6% of the ERDF budget and only 0.43% of the total Cohesion Policy budget for the 28 Member States.

This means that, at EU level, SUD is responsible for ca. 8% of the ERDF, which is almost **50% more than the regulatory requirement**, and € 6.2 billion of ERDF and ESF (included in multi-fund programmes) are invested into integrated instruments on a voluntary basis, irrespective of any regulatory obligation. Given that ITI was not compulsory, and there was no additional financial incentive – e.g. for using a specific priority axis - the amount invested into it is also considerable.

Compared to the other two new territorial instruments, the investment in CLLD seems rather low – even though CLLD had a precursor and there also was an extra financial incentive to use CLLD – if a specific priority axis was designed. Its use is also rather concentrated: the top 3 countries are responsible for almost half of the funds for CLLD. The 13 priority axes entirely dedicated to CLLD account for 65% of the allocated resources. Both facts suggest that the expansion of CLLD stays rather limited in cohesion

policy funds. (At the same time ca. € 4 bn were allocated to CLLD from EAFRD, which is not included in the numbers above.)

The **arguments** motivating Member States for or against the use of territorial instruments were explored both through the survey and interviews. On the **positive** side the most frequently mentioned aspects were their ability to address complex, cross-sectoral challenges and needs in a territorial context, and the possibility to involve stakeholders from the sub-national level. Those who decided **against** them claimed that they were not appropriate to their programmes – e.g. because they targeted objectives that were served by predominantly sectoral policies (especially TOs on R&D, ITC and SME development). Some respondents also perceived the new tools as being complicated.⁵ Further reservations, in case of Member States with limited EU allocations were related to a perceived danger of “dispersing” scarce resources into smaller programmes.

As regards the integrated nature of interventions under these instruments programme data reflect that:

- ITIs and SUD are **focused mainly on urban areas**, followed by urban-rural and rural areas. CLLD in turn is most present in **rural areas**, and fisheries areas. At the same time, in almost 50% of programmes where CLLD has been selected it will be available to urban areas as well. Areas with permanent natural handicaps, or those affected by poverty or with sizeable vulnerable groups, are less emphasised.
- In terms of needs to be addressed and actions planned, both integrated instruments in general, as well as CLLD in particular, focus on **SME development, employment, social inclusion and the environment**. For ITI and SUD, the list of priority investment areas includes also connectivity, research & development, and education. For CLLD, natural and cultural heritage, education and urban-rural linkages are also important⁶.

The above suggests that under all three territorially integrated instruments there is a wide range of needs to be addressed, which suggests a demand for **integrated approach**. At the same time, the scope for applying the integrated instruments in all sectors and types of areas has not yet been exhausted.

In addition, the study found that:

- Areas for **European territorial co-operation** have been identified in programming documents, with environmental protection, transport, SME as well as research and development selected most frequently as priorities. Programmes contain also many references to macro-regional and sea-basin strategies – among them mainly to the Strategy for the Baltic Sea Region and the Danube Strategy. Nevertheless, due to procedural differences⁷, synergies between mainstream OPs and ETC, as well as ESIF

⁵ Note: Opinions on this point are divided in Member States. Around half of the managing authorities of those programmes where the territorial instruments are used, did not report any major difficulty in deploying them.

⁶ For details, please refer to sections 3.8.4 and 3.9.2 of the study

⁷ The programming schedules for the “mainstream” OPs and those for territorial co-operation differed. Macro-regional and sea-basin strategies are drafted in a process separate from cohesion policy programming. A co-financing by ESIF to such strategies is not a priori guaranteed by regulatory provisions (see also Chapter 3.12).

programmes and macro-regional and sea-basin strategies proved difficult to achieve in the programming process. There are question marks reported by interview partners to what extent "mainstream programmes" will in practice be able to contribute to transnational co-operation and macro-regional strategies. In this area therefore, good co-ordination during implementation will be of particular importance.

- Specific integrated approaches towards **poor regions and vulnerable groups** appear in slightly more than half of the Member States. The most frequent types of territories among poor regions are those with socially marginalised communities, urban-rural areas, and areas with permanent geographical or demographic handicaps. The social groups to be most frequently targeted in ERDF/ CF programmes (including multi-fund OPs) are the unemployed, the young, disabled people and minorities. The range of planned actions reflects a rather sectoral approach. Human services, such as employment, education and social and antidiscrimination policy are at the top of Member States' intervention lists, other policy areas necessary for a more integrated approach (e.g.: SME promotion) are less present. During the negotiations, DG Employment was pushing for a target-group-based approach when addressing the needs of the poor. On this point though, there was resistance from some Member States preferring a territorially based approach.⁸
- The regions with **permanent geographical handicaps** are generally identified in PAs and OPs, although the number of OPs addressing those regions is rather low. On the other hand, there is coherence between needs identified and actions planned, and planned actions cover a wide range of policy areas, which suggests an integrated approach. Overall, there were very few difficulties mentioned by Member States in the application of the provisions targeted at regions with permanent handicaps. This is most likely thanks to the considerable experience countries concerned have already accumulated. The main issue which hinders implementation according to MAs is apparently the lack of accurate data and indicators specific to these areas.

Overall, with respect to the above three points, it appears that in certain cases not all relevant objectives, regions and target groups are addressed by Member States, and, even where these specific territorial aspects appear, programmes do not contain specific (financial) commitments. This may be related to methodological problems (e.g. in programming ETC), the scarcity of resources – e.g. in more developed Member States, where funding has to be concentrated on an even more limited number of areas – or the perception that a problem – e.g. poverty – is not territorially defined. In any case, the implementation of programme elements related to territorial co-operation and macro-regional strategies, regions affected by poverty, vulnerable groups and areas with permanent handicaps, should be closely monitored.

Another important aspect in relation to integrated territorial approaches is the **sharing of tasks** between the programme authorities and beneficiaries of assistance at regional and local levels. For all instruments, it appears that the willingness of programme

⁸ See section 3.13.6 of the study

authorities to delegate functions – unless it's compulsory, as in the case of SUD – is limited.

The key **challenges** (difficulties) related to territorial instruments are, apparently, **related to programming**: establishing a coherent framework for addressing different kinds of territorial challenges, reconciling with each other territorial approaches and sectoral policies, and the preparation of good quality territorial development strategies. Difficulties with understanding and applying the regulation – although they did appear in interviews – seem to be secondary.

3 – Expected effectiveness of programme management

New provisions related to management – funds co-ordination; capacity building, the reduction of the burden, horizontal principles or electronic administration – are, again, not entirely “new”. They have been the subject of continuous discussion between the Commission and Member States in recent years. Nevertheless, the programming templates required Member States to provide **substantially more specific details** on these aspects than in previous periods. In general, Member States did comply with these requirements, which provides a good basis for developing implementation capacity. Implementation-related new provisions were among the less controversial elements of the negotiations between the Commission and Member States.

Coordination between the ESI Funds, other funding and EIB: At the level of programming documents, Member States paid considerable attention to the co-ordination of funds and policies. Co-ordination was the strongest among the ESI Funds themselves, followed by other EU instruments like Horizon 2020, LIFE, COSME and CEF, and then national funds and the EIB. As regards methods of co-ordination, the efforts are focused on programming, in particular through a synergetic use of funds via joint strategies, multi-fund programmes etc., as well as on institutional arrangements, such as the use of the co-ordination body in the sense of Art. 123(8). Co-ordination during implementation was mentioned less often, which may indicate some weaknesses. Surveys and interviews confirmed the view that overall co-ordination improved, especially in the programming phase.

Administrative capacity building. New provisions in this field include the requirements to assess gaps in administrative capacities of authorities and beneficiaries and to describe main actions to reinforce administrative capacities. Member States fulfilled these requirements, but the quality of the action plans was assessed in the study as rather weak. The areas in which programme authorities had the most urgent capacity building needs included project selection, monitoring and evaluation (including results-oriented management), as well as financial control, public procurement and state aid. As regards capacity building of beneficiaries, Member States' needs were fairly evenly spread between project generation, public procurement, financial management and monitoring. As regards possible difficulties in capacity building, interviewed authorities cited the complexity and exceedingly technical nature of management rules, especially with respect to state aids and public procurement, followed by financial instruments.

Reducing administrative burden on beneficiaries. Programming documents contain a lot of information regarding the administrative burden on beneficiaries, and planned actions to reduce it. In about half of the cases, this information is based on a detailed

needs assessments. The most important actions to reduce the administrative burden include the increased use of simplified cost options and e-cohesion, as well as simplification of application, procurement and payment procedures and a reduction of archiving requirements.

E-cohesion. New provisions in this area include a requirement for electronic exchange of information between programme authorities and beneficiaries. An analysis of data from Partnership Agreements indicates clear progress in all Member States and with respect to all stages of the programme cycle. Full electronic administration and electronic access for beneficiaries to the IT management systems is envisaged all over the EU. Steps towards the integration of other national IT systems and the elimination of the paper trail – as suggested by the EC's relevant e-cohesion guidelines – are also envisaged.

Overall, Member States are **optimistic** about prospects to improve funds' management in the new period. Still, the level of detail regarding planned actions in programmes could be deeper. Plans to reduce the administrative burden, for instance, were, in many cases, not based on thorough needs assessments.

The **implementation** of the management-related new provisions will be key for the overall success of the new regulatory framework. It is too early to judge, to what extent Member States' capacity building plans in the PAs and programmes shall be realised. Continued attention – and co-operation between the Commission and programme authorities, and among programme authorities – will be required especially in the areas of funds co-ordination, and results-oriented management, as synergetic programming alone may not be sufficient to ensure a close co-operation among ESI and other EU funds and may lead to working in silos with losing out on real synergy effects by combined or coordinated investments.⁹

4 - The Negotiation Process

The negotiation process was examined through the survey and the interviews with national EU funds coordinating bodies, managing authorities and the Commission officials.

In about two-thirds of the cases, **the Partnership Agreement and the operational programmes were prepared in parallel**. More frequently it was the Partnership Agreement that provided the strategic framework which programmes followed. In the **ESF** – in some contrast to the ERDF and CF – it was rather the operational programmes where strategic issues were settled. According to interviews, co-ordination on the side of Member States differed according to governance traditions, prevailing policy, as well as administrative capacity. There is no dominant method or approach that could be said to be "typical". On the Commission's side, negotiations are reported to have been more strongly co-ordinated than in previous planning periods. There was a new matrix structure established between functional and geographical units, which co-operated and discussed the status of programming several times during the negotiations. In general,

⁹ In this respect, mention should be made of a parallel study commissioned by DG REGIO with regard to the implementation of new provisions on ex ante conditionalities. Such conditionalities are important to ensure that the use of ESIF funds takes place in an appropriate policy, strategic, regulatory and institutional environment.

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Commission officials assessed the process as resource intensive, but useful. Reinforced co-ordination within the Commission has also resulted in a more unified approach towards the Member States. These factors have apparently helped the Commission to negotiate effectively, as survey data have demonstrated.

The most frequently mentioned factor that influenced the negotiations overall – as Managing Authorities reported – was the **informal dialogue** with the European Commission. Specifically, it was reported to have had the biggest impact on the definition of specific objectives, the selection of actions and the use of indicators. It was also cited as the most important element of the negotiations and with regard to the co-ordination of funds. The feedback from MAs also underscores the importance of **partnership** with domestic stakeholders, especially in the areas of selecting objectives and actions, the use of Integrated Territorial Investments and Community-led Local Development, as well as efforts to reduce the administrative burden on beneficiaries.

On average, for about half of the issues that were addressed during programming, managing authorities did not report major differences of opinion. Where there was disagreement, in almost two thirds of the cases (29% overall), a compromise solution was found, somewhere “half way” between the negotiating positions of the EU and the Member State. For the remaining open questions, it seems to have been the Commission that has carried the day, twice as often as the Member State. Overall, this would indicate both a general tendency towards flexibility and seeking consensus, as well as a relatively strong position of the EC during the negotiations.

Areas with apparently the **largest initial differences** are the use of indicators, the selection of actions to be supported and the definition of specific objectives, but also the use of combination axes. The areas with the **highest degree of consensus** from the beginning include co-ordination with transnational actions and ETC, and the co-ordination among funds and with EU policies.

The Commission seems to have been the most flexible towards Member State’s proposals with respect to the use of combination axes; as well as the use of Integrated Territorial Instruments and Community-led Local Development. Conversely, Member States needed to adjust their positions above all in relation to the use of indicators, the definition of objectives, and the selection of thematic objectives.

Overall, perhaps most importantly, on the basis of the new regulatory framework, Member States made a **significant step towards reinforcing the result-orientation** of Cohesion Policy, on the basis of the Union’s strategy for smart sustainable and inclusive growth. The actual achievement of results and any future progress into this direction will, of course, depend on the experience from implementation. The study attached contains more details and further **specific conclusions** with respect to each of the 19 new provisions addressed.

1 BACKGROUND

As a result of a **wide-ranging debate** lasting several years, the EU's cohesion policy has undergone a **major reform** for the period 2014-2020.

- On the one hand, it has **retained its original treaty mandate** to strengthen the EU's economic, social and territorial cohesion, as well as reducing disparities between regions, and the backwardness of the least favoured territories. (European Union, 2009, p. Art. 174)
- On the other hand, it has been **established as the EU's main investment policy** to support the achievement of European objectives, as described in the Europe 2020 strategy for smart, sustainable and inclusive growth.

In other words, cohesion policy's twin objectives of solidarity and development have found a **new, sustainable balance**.

The **reform debate** addressed all aspects of policy, and all stages of programme design and delivery. Some of its key outcomes that found their way into the new regulatory framework are:

- The identification of **eleven thematic objectives** on the basis of Europe 2020 in order to maximise the impact of ESI investments, and to provide a basis for the concentration of funds on a limited number of priorities in all Member States (Member States) and regions;
- An increased **focus on measureable results**, in all programmes, from the initial design stage on. Each programme is required to establish a clear intervention logic, a set specific objectives, and to determine clearly the results expected – in line with needs identified in the area addressed;
- An increased use of **financial instruments** in SME promotion, to provide better access to funding and reduce aid dependency; but also in other areas, such as energy efficiency, information and communication technology, transport and R&D support;
- The introduction – or further development – of **new ways of implementing the policy to tackle territorial challenges** including integrated territorial investments, community-led local development and multi-fund programmes combining ERDF, ESF and the Cohesion Fund;
- **Improved co-ordination of the ESI funds** through common regulatory provisions and a Common Strategic Framework to provide strategic direction – in order to achieve synergies and avoid overlaps with each other as well as with EU and national instruments and policies; helping to promote horizontal principles;
- Renewed efforts for an **effective and efficient implementation of programmes on the ground, *inter alia***, through the reinforcement of administrative capacity, simplification and the reduction of the administrative burden on beneficiaries – including “e-cohesion”.

Parallel studies examined the uptake of **other important new regulatory provisions**, regarding

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- the use of **ex ante conditionalities**, designed to ensure that the existence of an effectiveness of EU investment is not undermined by unsound policies, regulatory, administrative or institutional bottlenecks;
- the **performance framework**, defined for each programme priority¹⁰, to monitor progress towards achieving objectives and targets and in order to promote and reward good performance;
- **partnership and multi-level governance**, strengthened in particular through the introduction of the European Code of Conduct on Partnership¹¹.

In **October 2014**, the European Commission launched a **series of studies examining the application of new regulatory provisions** for 2014-2020. The overall purpose of the work was **to develop an evidence-base** on how these new provisions were used in the new Partnership Agreements and programmes financed by the European Regional Development Fund (ERDF) and the Cohesion Fund (CF), including multi-fund programmes.

This report covers the results of a detailed examination of **19 groups new provisions**, related to:

- 1 - strategic programming
- 2 - thematic concentration
- 3 - the building of priority axes
- 4 - result-orientation ('Intervention logic')
- 5 - the planned use of financial instruments
- 6 - the planned use of major projects
- 7 - the use of co-financing rates
- Integrated approaches to territorial development, including
 - 8 - the analysis of territorial challenges in programming documents;
 - 9 - community-led local development (CLLD);
 - 10 - integrated territorial investments – ITI;
 - 11 - actions for sustainable urban development;
 - 12 - macro-regional and sea-basin strategies;
 - 13 - the specific needs of geographical areas most affected by poverty; and with populations at the highest risk of discrimination and social exclusion;
 - 14 - regions which suffer from severe and permanent natural or demographic handicaps;
- 15 - the coordination between the ESI funds and other Union and national funding instruments and with the European Investment Bank
- 16 - administrative capacity building
- 17 - actions to reduce administrative burden on beneficiaries

¹⁰ Except for technical assistance and programmes dedicated to financial instruments in favour of SME as set out in Art. 39 of the CPR).

¹¹ Commission Delegated Regulation (EU) N°204/2014 of 7 January 2014 on the European code of conduct on partnership in the framework of the European Structural and Investment Funds

- 18 - horizontal principles and policy objectives
- 19 - the efficient implementation of the ESI Funds (e-cohesion).

The **specific objectives** of the analysis were to deliver:

- (1) A synthesis of **how the new provisions are reflected** in all Partnership Agreements, operational programmes financed by the ERDF and the CF, including multi-fund programmes, and ETC programmes financed by the ERDF;
- (2) An assessment of how the new provisions have been used during the **programming phase**;
- (3) **Conclusions on strengths and weaknesses** with regard to the application of the new provisions during the programming phase, as well as first conclusions on their **value**.

The 1st objective was addressed through **desk studies** of

- the 28 Partnership Agreements,
- 217 Operational Programmes financed by the ERDF and the CF, including the 92 multi-fund programmes co-financed by the ESF, as well as the 75 Co-operation Programmes financed by the ERDF¹².
- Desk studies also covered the relevant parts of the Commission's formal observations on all Partnership Agreements and relating programmes.

The 2nd and 3rd objectives were examined using

- the outcome of the desk studies;
- the relevant parts of *ex ante* evaluations carried out for each programme¹³;
- an **on-line survey** covering all Managing Authorities¹⁴; and
- a total of 41 **interviews** of the main relevant actors at Union level (geographical desks in DG REGIO and DG EMPL and competence centres in DG REGIO etc.) and at national level (through a selection of coordinating ministries/services/bodies in the Member States and Managing authorities).¹⁵

In addition, results from documentary analysis were also subjected to deeper statistical analysis. (See annex 4. for details)

¹² At the time of conducting the analysis, 13 OPs and 33 ETC programmes were not yet finally adopted. Therefore, the last available versions at that time (July 30th, 2015) were examined.

¹³ in accordance with Article 55 of the CPR (Regulation of the EP and the Council No. 1303/2013).

¹⁴ Overall, 292 survey questionnaires were sent out to Managing Authorities, of which 51% were returned in a completed form. Overall, authorities from 26 MEMBER STATES responded, EE and LT authorities did not (See also Annex 4.20).

¹⁵ The process covered all Member States, except Hungary and Cyprus (where no interviews could be organised). See also Annex 4.21)

The findings are to **feed into the Commission's assessment** of the outcome of programming negotiations and into further reflections on the future of the policy. They may also contribute to improving the implementation of these new provisions during the implementation phase of the 2014-2020 programmes.

Providing an overview of the outcomes of the research

- Chapter 2 summarises results regarding the negotiation process overall;
- Chapter 3 reviews the application of each of the 19 new provisions examined. At the end of the Chapter, we also provide a tabular overview of the application of the new provisions during the programming phase, as well as key findings.

2 THE NEGOTIATION PROCESS

The negotiation process was examined through the **survey and the interviews**. Research questions addressed both horizontal and provision-specific angles. In this Chapter, we concentrate on horizontal lessons. In Chapter 3, we will review findings specific to each policy area.

The overall process

In about two-thirds of the cases, the **Partnership Agreement and the operational programmes were prepared in parallel**. More frequently it was the partnership agreement that provided the strategic framework which programmes followed. It was only in about 10% of the cases where the preparation of programmes was done bottom-up and PAs were therefore an aggregation of programmes data and orientations. (See also Chapter 3.1 on Strategic Programming).

At the same time, officials from DG Employment pointed out that in the case of the **ESF** – in some contrast to the ERDF and CF – **it was rather the operational programmes where strategic issues were settled**. To them, the real policy questions came onto the table only with the selection of investment priorities, and that is where the DG has focussed their efforts.

According to interviews, **co-ordination on the side of Member States differed** according to governance traditions, prevailing policy, as well as administrative capacity. There is no dominant method or approach that could be said to be “typical”. In some cases it was one ministry – or the office of the prime minister – that dominated the discussions, while sector ministries and regions were following the lead. Elsewhere, despite a centralised government tradition, co-ordination between PA and OP writers proved weak, due to limits in administrative capacity. In federal systems, like Belgium or Germany, as well as in France, it was the regions that took the lead. In Belgium, this even led to the preparation of a bi-lingual Partnership Agreement. Conversely, in Italy, the government wished to co-ordinate more strongly despite the large weight of regional OPs. Accordingly, the Italian Partnership Agreement is a rather more detailed document.

On the Commission’s side, negotiations are reported to have been **more strongly co-ordinated** than in previous planning periods. There was a new matrix structure established between functional and geographical units, which co-operated and discussed the status of programming several times during the negotiations. In general, Commission officials assessed the process as resource intensive, but useful. At the same time, there were complaints about excessive bureaucracy, and delays. Reinforced co-ordination within the Commission has also resulted in a **more unified approach towards the Member States**. These factors have apparently helped the Commission to negotiate effectively (as survey data will demonstrate further below). At the same time, at least one Country Unit remarked that this centralised approval resulted in quite rigid negotiating mandates, which in some cases did not allow finding solutions that would have been tailored to national needs.

Factors influencing the content of programmes

In order to assess the overall impact of the negotiation process on the content of programmes, the **survey** asked Managing Authorities where and why the content of the final programming documents was significantly different from the initial position (intentions) of the Member States. Where such changes have occurred, these were deemed to be the effect of negotiations. Conversely, where the outcome of programming was the same as the Member State's starting position, the negotiations, apparently, have not made a major impact.

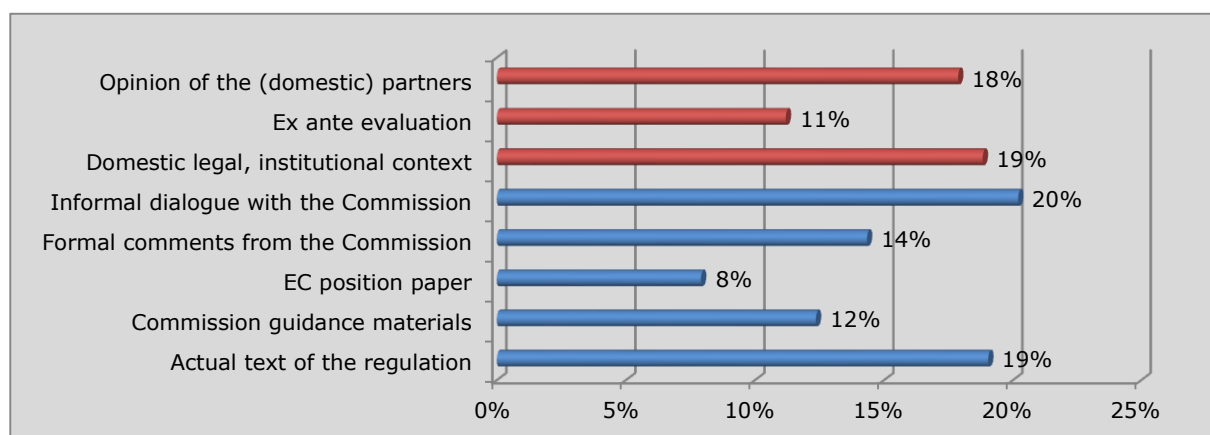
The **list of factors** that survey respondents could choose from, in order to explain the reasons and motivations behind an eventual change of Member State positions, included:

- The text of the regulations
- Commission guidance materials
- Informal dialogue with the Commission
- The EC position paper issued at the beginning of the negotiations
- Formal observations by the Commission on draft programming documents
- Opinion of the (domestic) partners
- Domestic legal, institutional or methodological context
- Ex ante evaluations.

For each of the 19 policy areas that the survey addressed, MAs could select up to 3 factors, or choose none, if they considered that the negotiations did not make a significant impact on their choices in that particular policy area.

According to results, the **most important factors** that influenced the outcome of the negotiations were the **informal dialogue** with the Commission, and the provisions of the **new regulations** on the one hand, and the **national legal-institutional context** and the opinion of **partners** consulted during programming, on the other.

Figure 1 - Factors influencing the outcome of programming (overall)



(Percentage of respondents indicating the role of a given negotiation factor, across the 19 policy areas, on average)

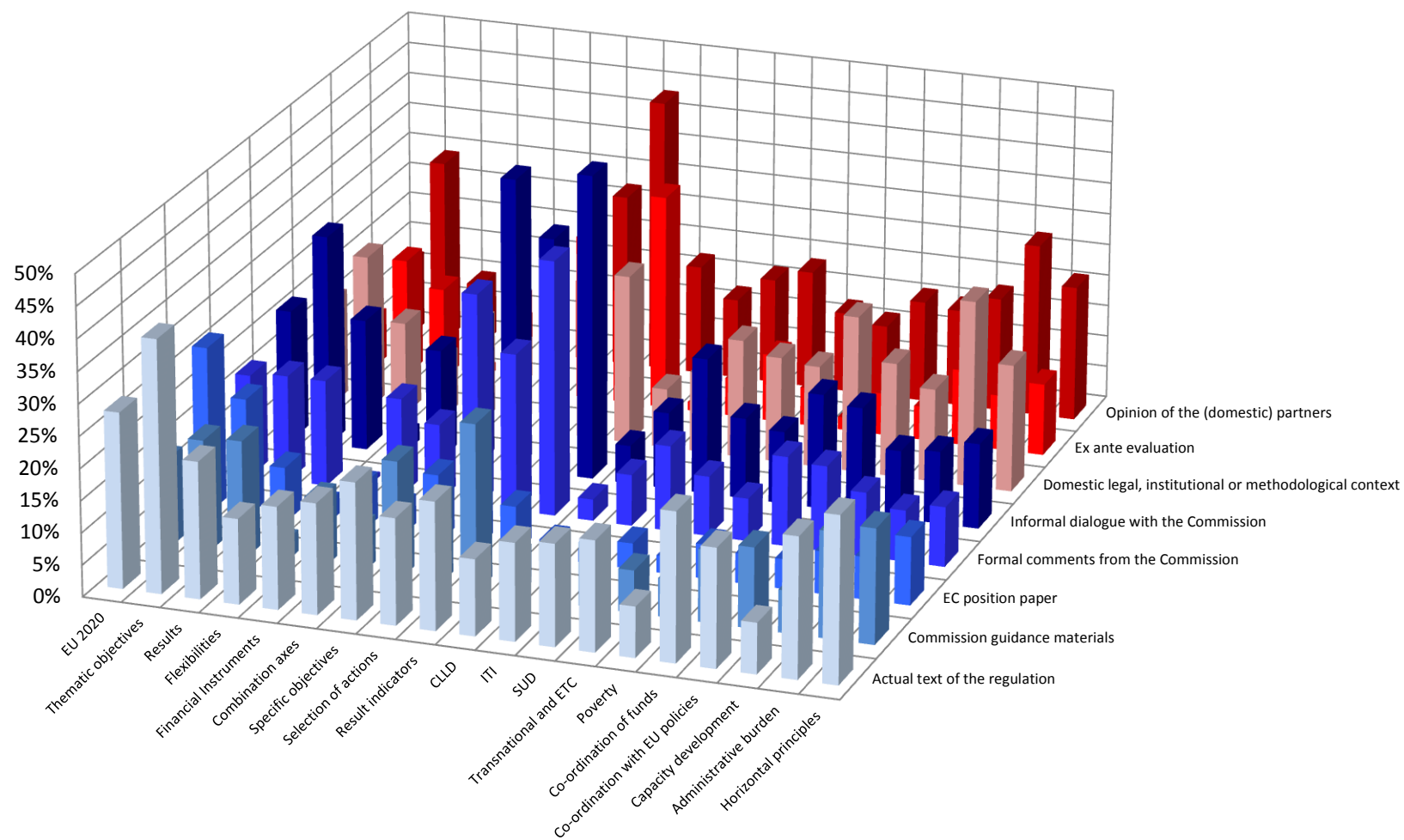
The **significance of the individual factors was**, of course, different according to area (provision):

- The **informal dialogue** – taking place during 2013 between the European Commission and each Member State, following the handover of the official positions from the European Commission for the programming negotiations at the end of 2012, and providing an additional forum to discuss programming priorities – was the most frequently mentioned negotiation factor overall. Specifically, it was reported to have had the biggest impact on the definition of specific objectives, the selection of actions and the use of indicators. It was also cited as the most important element of the negotiations with regard to the co-ordination of funds
- The **text of regulations** was the most important point of reference for Member States with regard to 8 out of the 19 aspects listed. Among them, those most frequently mentioned were strategic programming (Europe 2020); the selection of thematic objectives; results and actions, as well as the use of indicators.
- The **Commission's guidance materials** were most often consulted with regard to the use of indicators, as well as the definition of objectives and results.
- The EC's initial **position paper** impacted above all on the references to Europe 2020, and the selection of thematic objectives.
- **Formal EC Observations** had a major influence – just like the informal dialogue – on the identification of specific objectives, actions and indicators.
- The **domestic legal, institutional and methodological context** was reported to have been key for the co-ordination among funds, the approach to sustainable urban development, combating poverty, as well as measures to ease the administrative burden on beneficiaries.
- **Ex-ante evaluations** were mentioned as influential with respect to indicators, the definition of objectives, as well the selection of thematic objectives.
- **The opinion of partners** in programming was most important with regard to selecting objectives, actions, the use of integrated territorial investments and community-led local development, as well as efforts to reduce the administrative burden on beneficiaries.

These results are graphically presented in Figure 2 overleaf.

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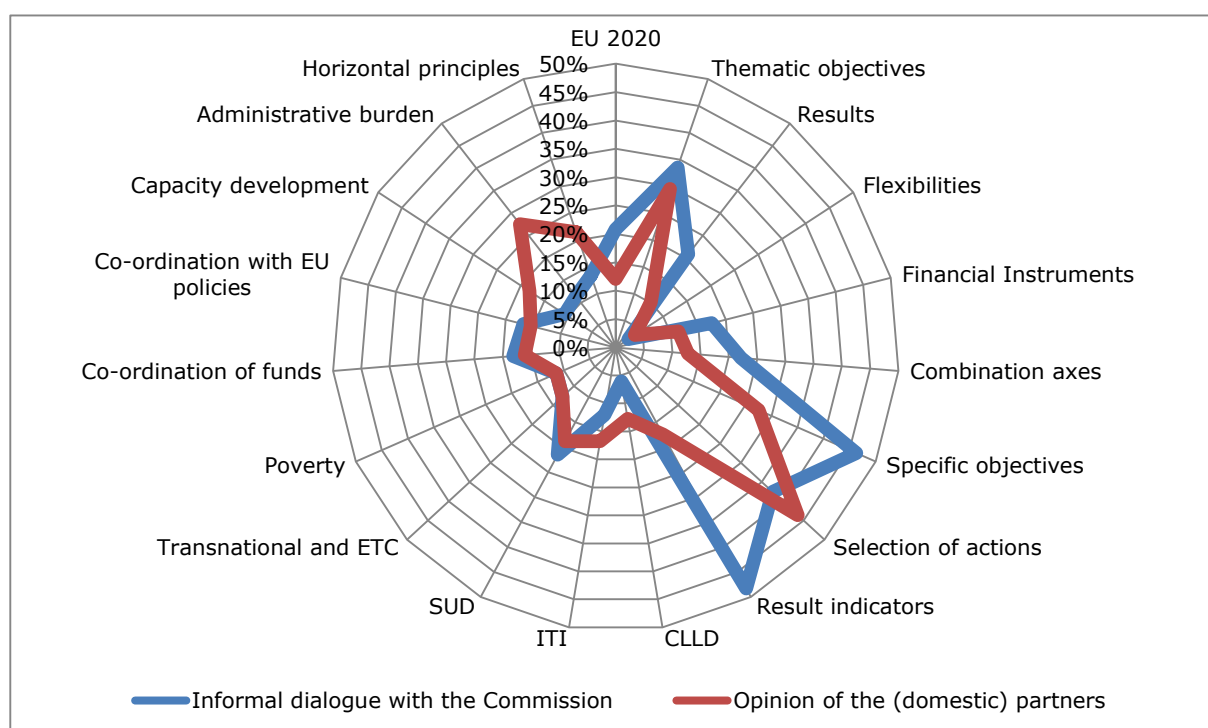
Figure 2 - Significance of negotiation factors by policy area (summary)



Still using the same data, it is interesting also to **compare the influence of the informal dialogue** with the EC on the one hand, **and the exchanges with domestic partners** on the other. As Figure 3 demonstrates, both types of discussions focussed predominantly on the content of programmes (rather than, say, technical management issues). Thereby, the talks with the Commission had a relatively larger impact with respect to the choice of objectives and results, while in exchanges with domestic partners the selection of actions was emphasised. To put it differently, the Commission apparently showed interest towards policy aspects, while domestic partners concentrated somewhat more on what could be financed out of the programmes.

Also, the opinion of the domestic partners weighed significantly with respect to the administrative burden on beneficiaries.

Figure 3 - Significance of the informal dialogue with the EC vs. the opinion of domestic partners



Impact of Exchanges with the Commission

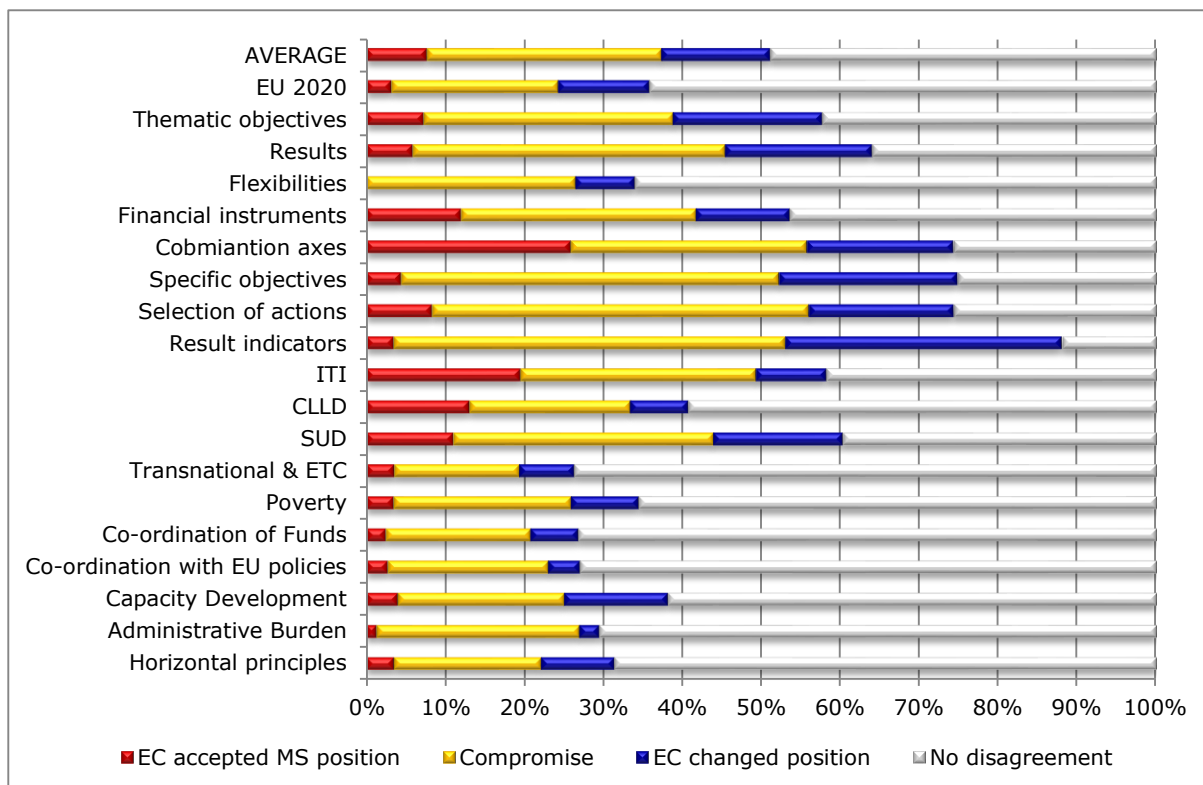
Another survey question was posed to managing authorities in order to identify **how the exchanges with the Commission, specifically, have influenced** Member States' choices.

For each policy area, respondents could indicate, whether the positions of the Member States and the EC coincided from the beginning, or whether the Member States or the EC have changed their initial views, reaching an intermediate arrangement, or resulting in a totally new approach. In other words, results indicate, whose position (that of the Commission or that of the Member State) seems to have prevailed in a given area – as seen through the eyes of the managing authorities responding.

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On average, **for about half of the issues that were addressed** during programming, managing authorities did **not** report **major differences** of opinion. Where there was disagreement, in almost two thirds of the cases (29% overall), a **compromise solution** was found, somewhere “half way” between the negotiating positions of the EU and the Member State. For the remaining open issues, **it seems to have been the Commission that has carried the day**, twice as often as the Member State. Overall, this would indicate both a **general tendency towards flexibility** and seeking consensus, as well as a relatively **strong position of the EC** during the negotiations.

Figure 4 - Impact of exchanges with the Commission¹⁶



As regards individual areas, based on the survey responses by MA,

- The **Commission** seems to have been **most flexible** towards Member State's proposals **with respect to the use of combination axes**; as well as the use of Integrated **Territorial Instruments** and community-led local development.
- Conversely, **Member States needed to adjust their positions above all** in relation to the use of **indicators**, the definition of **objectives**, and the selection of **thematic objectives**.
- Areas with apparently the **largest initial differences** are the use of **indicators**, the selection of **actions** to be supported and the definition of **specific objectives**, but also the use of **combination axes**.

¹⁶ For a more detailed explanation of the graph pls. see the first two paragraphs of this subchapter.

- Areas with the **highest degree of consensus** from the beginning include co-ordination with **transnational actions** and ETC, and the **co-ordination** among funds and with EU policies.

Overall, **results are coherent with the results from the other horizontal question discussed** above (regarding factors of change). They confirm that negotiations concentrated on the substance of programmes, with the most debated points related to the choice of objectives. The apparent intensity of the debate in relation to indicators shows **significant attention paid to results-orientation** and enhancing the methodology of programming towards a more developed performance framework, although it also involved considerable technical work. On the other hand, there seemed to be a mutual openness towards using ESI Funds in a co-ordinated and strategic manner, in synergy with different available policy instruments.

3 RESEARCH RESULTS BY PROVISION

3.1 STRATEGIC PROGRAMMING

3.1.1 Background

In line with the conclusions for the European Council of 17 June 2010, the Union has established its strategy for smart, sustainable and inclusive growth (Europe 2020). In this context cohesion policy has been positioned as a **key investment policy** to support smart, sustainable and inclusive growth, while promoting harmonious development of the Union and reducing regional disparities, in accordance with Article 174 of the Treaty on the Functioning of the European Union (TFEU).

ESI Funds are to play a significant role in this. (CPR, p. Recital 3). Therefore, legislative changes have been introduced into the cohesion policy regulations to ensure that the policy – commanding one third of the EU budget – provides **European added value**, and produces measureable results contributing to the EU's overall policy objectives. For the period 2014-2020, cohesion policy's objectives have been brought into line with the Europe 2020 strategy. The strategy and the related Country-Specific Recommendations (CSR) of the Council are systematically being taken into account when planning investments (6th Cohesion Report, pp. xx, xxvi).

Under the study, experts collected and analysed **how the sectoral needs and growth potentials** to be addressed through the ESI Funds **have been identified** in Partnership Agreements and through cohesion policy funds in Operational Programmes, looking especially at **explicit references** to the Europe 2020 strategy and the Country Specific Recommendations for each Member State – checking the uptake of Article 15(1)(a)(i) of the CPR and its direct impact on programming.¹⁷

Furthermore, we have assessed the **use of the flexibilities** provided by the regulations to transfer funds between categories of region and from the European Territorial Cooperation goal to the Investment for Growth and Jobs goal.

Last but not least, we examined what types of **strategic and policy documents** – from European, national and regional level – were **taken as a basis** for planning and programming.

3.1.2 What was the strategic background of programming documents?

a) Results of the data analysis

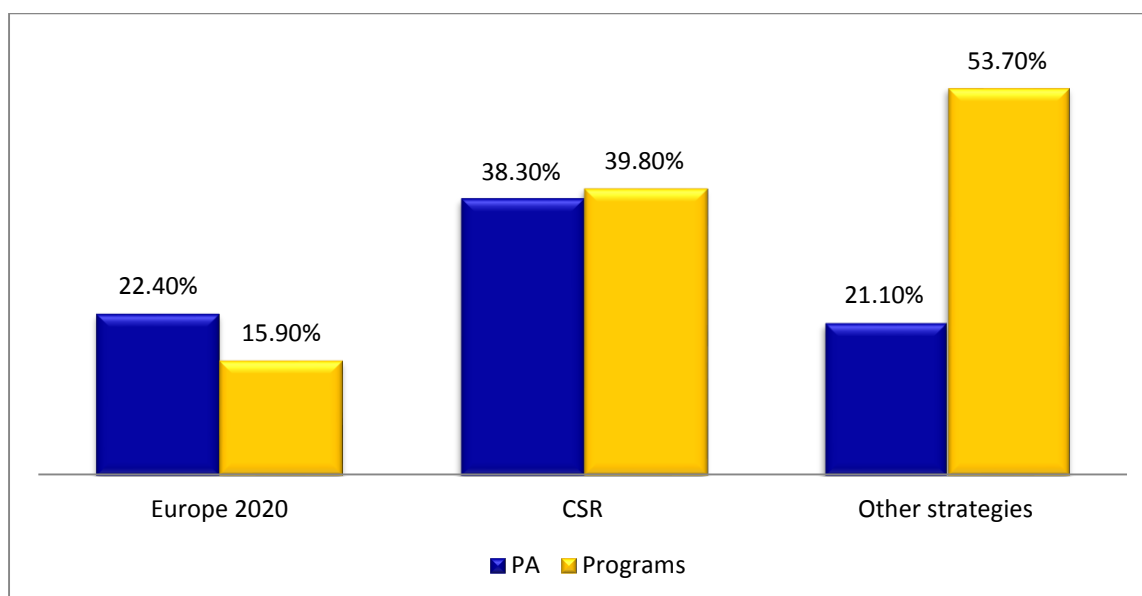
Distribution of references at the level of thematic objectives shows a **quite different** picture by types of documents (Figure 5). In the Partnership Agreements, explicit references to Europe 2020 headline targets are the most frequent, while Country-Specific Recommendations constitute one quarter of all the other references and other strategies the other quarter. All **Partnership Agreements** referred to Europe 2020 headline

¹⁷ In order to avoid problems due to differences in interpretation, implicit references (without a clear indication of a connection to an Europe 2020 target or CSR) were not taken into account.

targets and other types of strategic documents, while most Partnership Agreements referred to Country-Specific Recommendations¹⁸ as well.

Overall, **at PA level**, the number of explicit references to Europe 2020 headline targets and CSRs is substantially higher than the number of explicit references to other strategic documents (from either national or EU level). Altogether, references to CSRs and other strategic documents account each for about ¼ of all references. In the **programmes**, Europe 2020 headline targets are much less referenced than in the PAs (though still representing 1/3 of the references), while references to Country-Specific Recommendations account for only 15% of the other references. Almost half of the strategic references in programmes refer to other policies and strategies. Co-operation programmes do not refer to CSRs, explicit references evenly distribute across Europe 2020 and other strategies.

Figure 5 - Explicit references to types of strategic documents in programming documents¹⁹



(Share of thematic objectives selected on the basis of explicit references to Europe 2020, CSR or other strategies – as opposed to the overall number of TOs chosen in programme documents)

Behind the heading "other strategies", European policies, followed by national and regional strategies are overall evenly mentioned in Partnership Agreements and

¹⁸ Portugal made no references to Country-Specific Recommendations in her Partnership Agreement, while Cyprus and Greece had no Country-Specific Recommendation in effect at the time of the adoption of PAs.

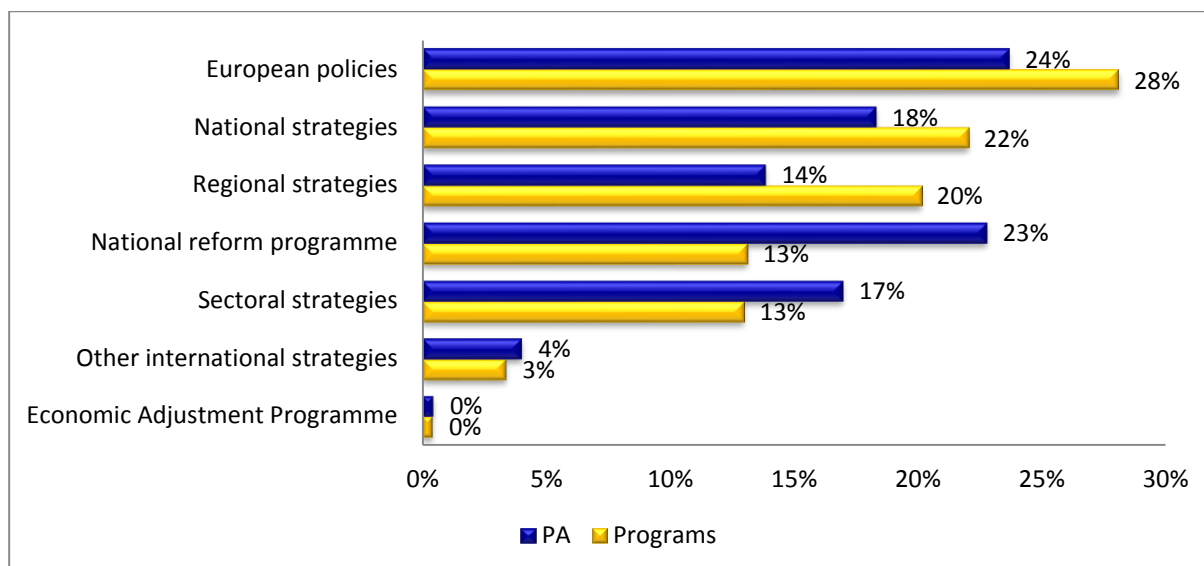
¹⁹ References in Partnership Agreements and programmes have been counted and consolidated to avoid duplications. This consolidation exercise was done at different levels:

- at PA or programme level, all references to a specific type of document (CSRs, Europe 2020 headline targets, other strategies) were only counted as a single reference
- at thematic objective level, several references to a specific type of document in relation with one thematic objective were only counted once. However, references to the same type of document made in relation to different thematic objectives were counted as different references. Analyses included in this chapter have been based on this ground.
- in the programmes, references were also counted at investment priority level

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Programmes. References to **national reform programmes** and sectoral strategies are more prominent in Partnership Agreements than in the Programmes (Figure 6). Overall, the frequency of **references to different types of strategic documents** was consistent in PAs and OPs.

Figure 6 – References in Partnership Agreements and Programmes to other strategy documents



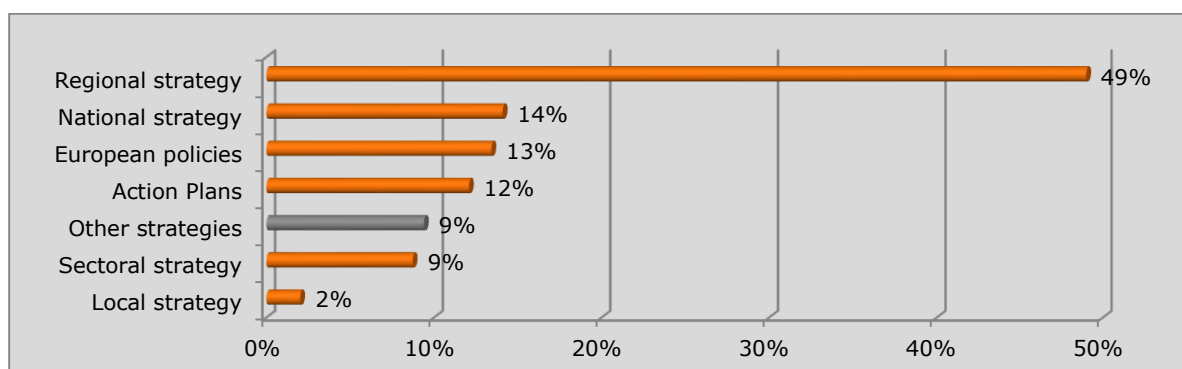
(Share of references to a particular type of "other" strategy, expressed as % of the total number of such references)

Results of the data analysis show that most of the explicit references in the PA had an EU background, while national and regional strategies played an important role in the programmes set-up (as influential as EU strategies).

b) Result of the surveys

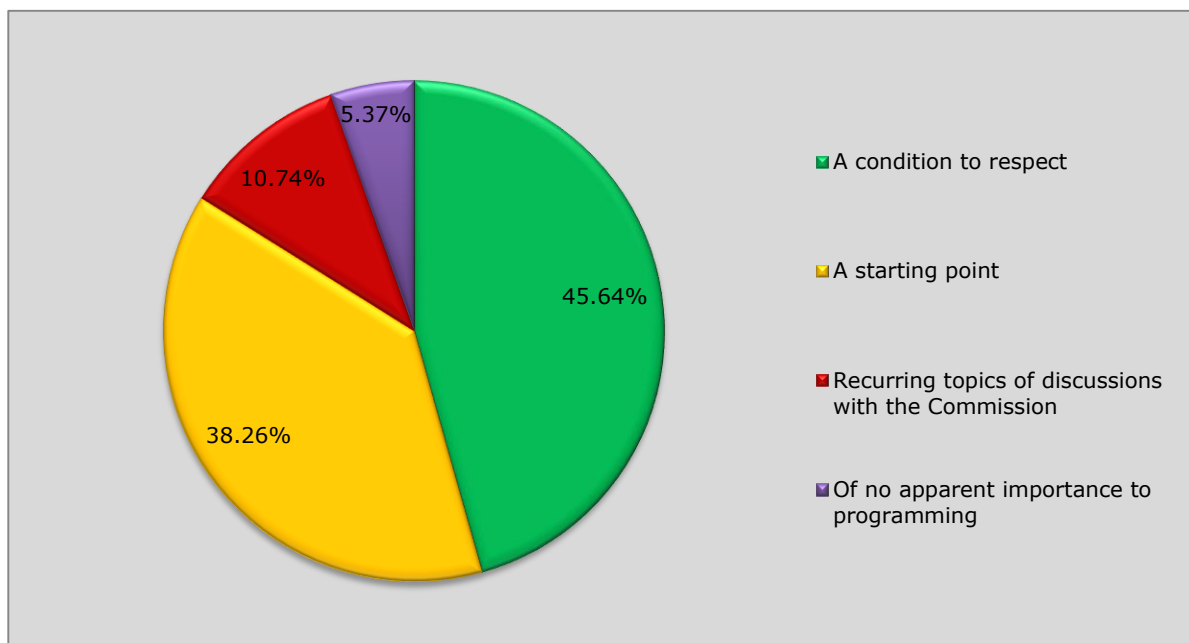
Starting points for programming were, by far most frequently, **regional strategies**. They were followed by national strategies, and European policies. Action plans containing already identified interventions were also considered.

Figure 7 - Survey Q 1.1 Definition of programme objectives (strategy) started with ...



Europe 2020 headline targets and **Country-Specific Recommendations** were, in almost half of the cases, taken by managing authorities as a **“condition to respect”**. Almost as many MAs, however, saw them outright as the **starting points** of the programming process. It is only 15% of respondents who saw Europe 2020 targets and Country-Specific Recommendations in a more flexible role, as “recurring topics” of negotiations, or even “unimportant” for programming.

Figure 8 - Survey Q 1.3 References to Europe 2020 headline targets and Country-Specific Recommendations was

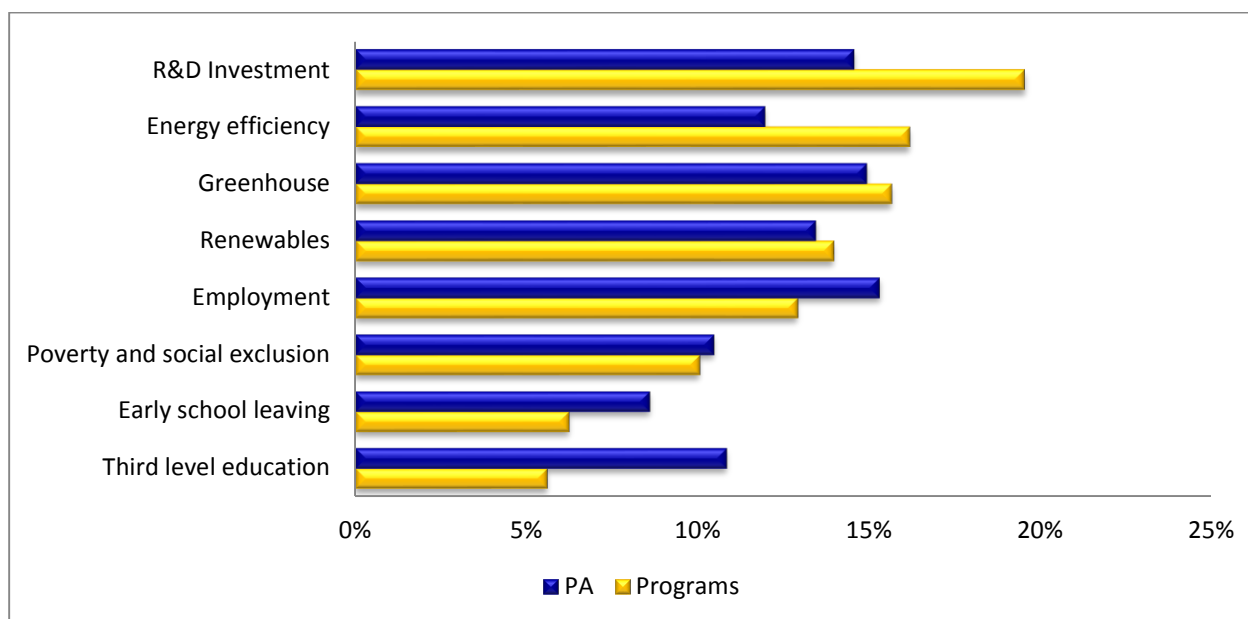


Defined as a starting point or as a condition to respect (when starting from a regional strategy), Europe 2020 strategy played a decisive role in programming, referred to in the programmes as often as to other strategic documents.

3.1.3 In which areas of investment were direct references to EU strategies the most frequent?

Among Europe 2020 headline targets (representing half of the explicit references in the PA and 1/3 in ERDF/CF programmes), targets related to **employment, climate change / energy efficiency /renewables and R&D investment** appear first. They are mentioned in all Partnership Agreements and in most programmes. However, their frequency differs across programming documents.

Figure 9 – References in PAs and Programmes to Europe 2020 targets



(Share of references to a particular target, expressed as % of the total number of such references – consolidated at TO level)

The intensity of explicit references to Europe 2020 targets and CSRs in the Partnership Agreements and programmes can also be detailed at the level of thematic objectives and funds (See Annex 4.1).

First, one can examine, which **thematic objectives** mentioned in PAs and OPs had been underpinned by direct reference to Europe 2020 headline targets and CSRs. Results are as follows:

- At Partnership Agreement level (i.e. covering all ESI Funds), the thematic objectives with the highest frequency of references to Country-Specific Recommendations and Europe 2020 headline targets are **education and training, employment and innovation**; and the less frequent ones are information and communication technologies, transport and small- and medium enterprises. At programme level (i.e. focusing on ERDF/CF interventions, including ESF multi-fund OPs), the most frequent references to headline targets and Country-Specific Recommendations apply to **innovation and low-carbon economy**; references are less frequent for climate change mitigation and environment.
- On average for all thematic objectives in **Partnership Agreements**, the choice of thematic objectives was underpinned by a direct Europe 2020 or CSR reference in about 40% of the cases, representing also about 40% of the overall allocations.
- The same results apply at **programme level**, where 42,9% of the thematic objective directly (representing 57,7% of the financial allocation) refer to Europe 2020 headline targets and CSRs.
- As to **co-operation programmes**, only one-third of the investments are directly related to Europe 2020 headline targets and Country-Specific

Recommendations, both in terms of the number of selected thematic objectives and in terms of ERDF funding.

As to the **funds** (see Annex 4.2):

- For the ERDF, thematic objectives have been underpinned in 43% of the cases by direct references to Europe 2020 headline targets or CSRs, and almost 60% in money terms in the programmes. Most frequent references to European targets correspond in PA to employment and education objectives, while in programmes to innovation and the shift to the low carbon economy.
- For the CF, European references are less frequent in programmes and Partnership Agreements than for the ERDF; 28% of the thematic objectives in the programmes (representing 54% of the budget) are supported by explicit EU references. However, the selection of thematic objective 4 relating to the shift towards a low-carbon economy (TO4) was in more than 70% of the cases supported by references to Europe 2020 headline targets and CSRs.
- For the ESF, thematic objectives supported by explicit references to EU headline targets and CSRs are overall more frequent than for the ERDF and the CF: they concern half of the cases covering about 2/3 of ESF allocations in ERDF/CF programmes. At Partnership Agreement level education is the thematic objective supported by the most frequent EU references, while in the OP covered by the study education and social inclusion appear at the same level. References to EU targets for TO 11 (institutional and administrative capacity) are twice bigger in the Partnership Agreements than the OPs covered by the study. Finding out the reason for these differences would require though a complementary analysis of OPs solely financed from ESF, which falls, however, out of the scope of the present assignment.
- For the EAFRD, patterns are more (in number of cases) or less (in money terms) similar as for the ERDF. The only prominent difference relates to promoting sustainable transport and removing bottlenecks in key network infrastructures (TO7) where all Member States explicitly referred to Europe 2020 headline targets and CSRs.
- Partnership Agreements show a similar pattern regarding EMFF (but EMFF is planned to be used only for TO3 – Support to SMEs, TO4 – shift to a low carbon economy, TO6 – environment- and TO 8 - employment).

3.1.4 The use of flexibilities

13 transfers between different **categories of regions** were registered in the Partnership Agreements, amounting to EUR 3,6 bn (some 1% of the total allocations). These transfers did not reduce the funding originally allocated to the different types of regions considerably (3% on average, respecting the overall limit laid down in Art. 93 CPR).

The **majority** of transfers went **from less developed regions to more developed** regions (75% of the total of the transfers). The reason given by the Member States concerned²⁰ is that they were **done where intra-regional differences** could not be treated otherwise because of the statistical effects of the more developed capital city in capital areas also comprising of poor and less developed sub-regions²¹. **Reverse transfers** from transition or more developed regions were also made in other Member States.

Figure 10 - Transfers between categories of regions

	Transfers to...			
	Million EUR to:	Less developed	Transition	More developed
Transfers from...	Less developed		364	2730
	Transition	79		
	More developed	200	238	

One transfer of EUR 0,9 bn **from the European Territorial Cooperation goal to the Investment for Growth and Jobs goal** (to more developed and transition regions) was registered in one Partnership Agreement. Details about the reasons have not been provided.

3.1.5 Establishing Priorities – the Negotiation Process

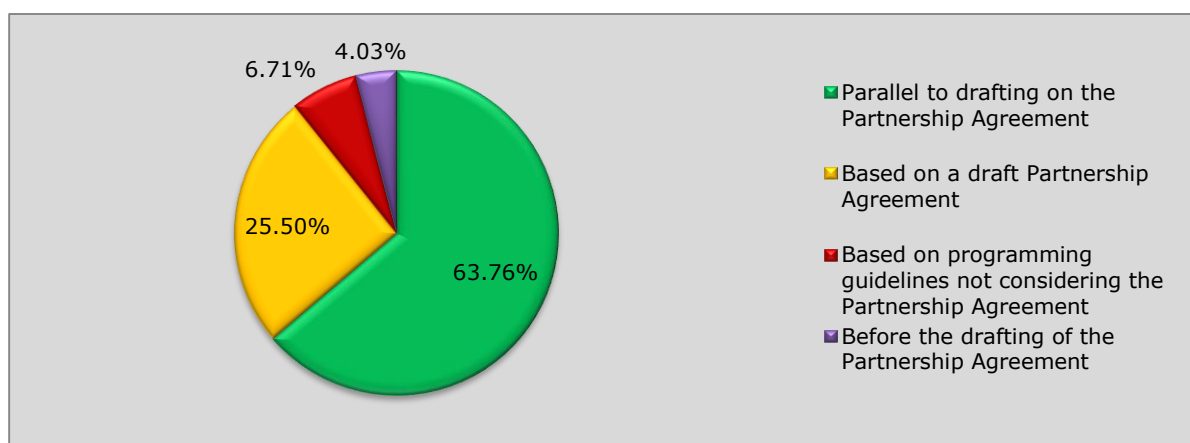
As mentioned during interviews, the **co-ordination mechanisms** employed during the programming process were, naturally, adjusted to the national legal and institutional context. In general terms, the process has been led by (a varying combination of) political level committees, with the highest level decisions coming from the government; high-level committees between the national government and the regions (in federal states, programming at programme level was led by the regional authorities); inter-ministerial expert and working groups, of the programme authorities as well as line ministries in charge of public investment policies; the Ministry in charge of co-ordinating the use of EU funds; committees comprising of representatives of social partners and civil society; external experts recruited for the task.

²⁰ in all EU-13 Member States (except for one) where the capital region is more developed than the rest of the country

²¹ E.g. transfer of 3% the Bratislava self-governing region. At the NUTS 2 level, the Bratislava self-governing region is the only of the four regions of Slovakia where GDP per capita exceeds 90 % of the EU average in PPS. The region's high performance is mainly a result of the presence of the capital city, nevertheless, unlike other metropolitan regions in the EU, the Bratislava self-governing region also includes three further districts which have a 31 % share in the region's population and an area more than 4 times larger than that of the city of Bratislava. The requirement for a balanced polycentric development needs to be ensured, in particular, in the context of eliminating the disproportionate growth of internal flows and internal migration of people for work and services, which could lead to crisis situations if the spatial growth is unorganised. A systematic approach to managing the development of the Bratislava self-governing region requires that the existing natural centres be respected and promoted and the emerging sub-centres, which must be assigned a role in the urban system, have to be regulated.

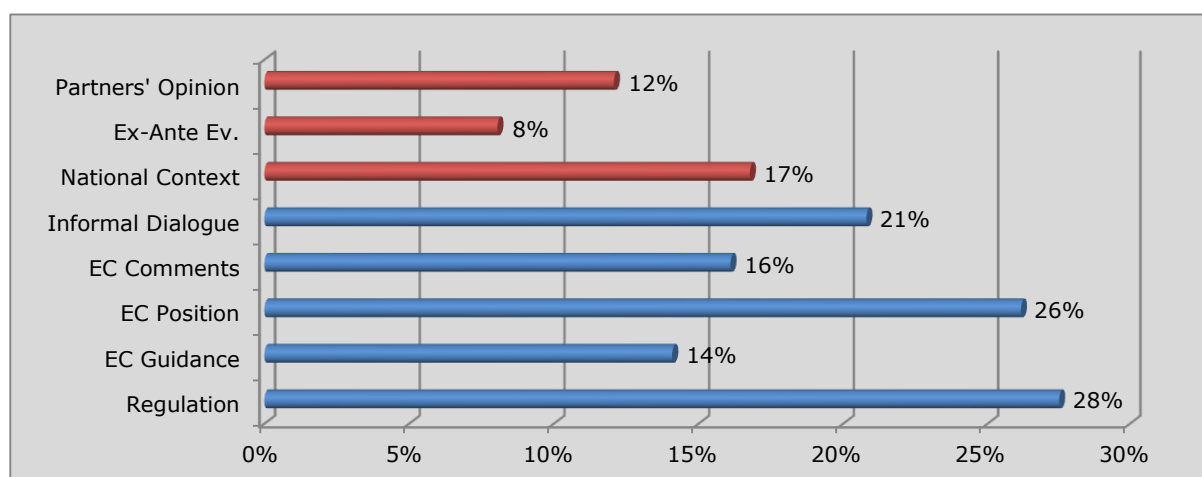
As to the “order” or “direction” of programming, all three options (top-down; bottom-up and parallel preparation of the Partnership Agreement and programme) were used. Interview responses reflect a **relative majority** of countries **using a parallel programming approach**. In two-thirds of the cases, the Partnership Agreement and programmes were prepared in parallel. In one quarter of cases the Partnership Agreement was established first, with programmes following. These two together account for 90% of the programmes.

Figure 11 - Survey Q 1.2 Programme was prepared ...



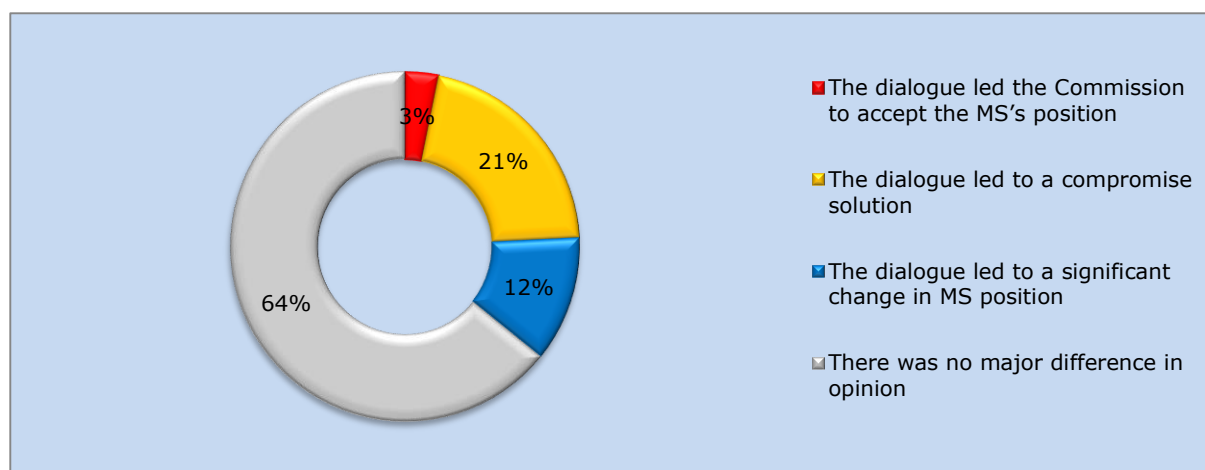
The **factors** perceived as most important catalysts of change in the position of Member States were the regulations, the EC’s negotiating positions and the informal dialogue. All of these were perceived as more important than the national factors. Strategic programming was an area where there was a **relatively high level of consensus** between the two sides – especially as compared to the negotiations about objectives and results. Even so, in cases of disagreement, the position of the EC was four times more likely to prevail than that of the Member State.

Figure 12 - Factors influencing strategic programming – Consideration of Europe 2020 headline targets



The 2nd horizontal question asked about the impact of exchanges with the Commission. As the table below demonstrates, strategic programming was an area where there was a relatively high level of consensus between the two sides – especially as compared to the negotiations about objectives and results. Even so, in cases of disagreement, the position of the EC was 4 times more likely to prevail than that of a member state.

Figure 13 – Impact of exchanges with EC on consideration of Europe 2020 headline targets and Country-Specific Recommendations in the programme strategy



The two graphs together indicate both that the objective of strategic programming was, at least at general level, shared by the Member States and the EU – and also that the European Commission had a strong position in the negotiations.

3.1.6 Specific conclusions

As regards **strategic references**, Partnership Agreements and Operational Programmes are strongly based on European references (Europe 2020 headline targets and Country-Specific Recommendations), while the strategic background of co-operation programmes is somewhat different, less related to the Europe 2020 strategy.

References to Europe 2020 headline targets and to Country-Specific Recommendations are explicit for 40% of thematic objectives (chosen in the Partnership Agreements). References are especially frequent in areas such as strengthening research, technological development and innovation, as well as education and training, and employment in PAs, and low-carbon economy in programmes; they are rare in other areas such as promoting climate change adaptation, risk prevention and management. In money terms, the investment into Europe 2020-referenced thematic objectives covers 58% of the programmes.

Flexibilities to transfer funds have been used in most cases from less developed regions to more developed regions, to offset intra-regional imbalances (in capital regions of certain Member States).

3.2 THEMATIC CONCENTRATION

3.2.1 Background

Under the reformed cohesion policy regulations, Member States and regions need to **concentrate funding** on a limited number of areas at the heart of the Europe 2020 strategy: innovation and research, the digital agenda, support for SMEs and the low-carbon economy.

ESF will be concentrated on up to **five investment priorities**. This will ensure a clearer link with the European Employment Strategy and the Integrated Guidelines on Employment, and support the consolidation of outputs and results at European level. At least 20% of the ESF budget will be ring-fenced for supporting social inclusion and combating poverty and discrimination (6th Cohesion Report, p. xxi).

In **cross-border and transnational co-operation programmes**, at least 80% of the ERDF resources under the ETC goal shall be concentrated to a maximum of **four of the thematic objectives** set out in (CPR, Art. 9).

Regions and Member States have to make clear choices about their objectives, and ensure that the amount of resources allocated to each key objective reaches the necessary **critical mass**. This guarantees a meaningful impact and that investments are made in those areas that have a direct and immediate impact on growth and jobs (6th Cohesion Report, p. xxi).

The study has analysed, on the basis of the programming documents, what **thematic objectives** – and with what budgets – **and investment priorities** Member States had selected. The analysis was differentiated by Funds, and by categories of regions. Furthermore, we have reviewed, by thematic objective, what **main results** were being sought for each fund, especially in relation to Europe 2020 and the relevant Country-Specific Recommendations. The survey and interviews were used to review the process of establishing priorities as well as the negotiations.

3.2.2 Selection of Thematic Objectives and Investment Priorities

Selection of TOs

Based on the data of all programmes examined under the study, it can be demonstrated that

- Regional policy funds (ERDF, Cohesion Fund) concentrate **on thematic objectives**²²
 - TO 1 - **Strengthening research**, technological development and innovation,
 - TO 3 - Enhancing the **competitiveness of SMEs**,
 - TO 4 - Supporting the shift towards a **low-carbon economy** in all sectors (ERDF),

²² For the ERDF, thematic concentration has been laid down by Art.4 ERDF Regulation. For the Cohesion Fund, it is the result of the limited number of TOs to be supported by the Fund (in accordance with Art.4 CF Regulation).

- TO 6 - **Environment** protection (Cohesion Fund) and
 - TO 7 - Promoting **sustainable transport** and removing bottlenecks in key network infrastructures (both ERDF and Cohesion Fund).
- **ESF** (in programmes jointly financed with ERDF and CF) is evenly distributed among specific objectives
 - TO 8 - Promoting sustainable and quality employment and supporting labour mobility,
 - TO 9 - Promoting social inclusion, combating poverty and any discrimination and
 - TO 10 - Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure.

Figure 14: Financial allocations in Operational and Co-operation Programmes, excluding technical assistance priority axes (EUR million)

TO	CF	ERDF	ESF	YEI	Total	ETC
01	-	41 473	-	-	41 473	1 693
02	-	13 288	-	-	13 288	2
03	-	33 491	-	-	33 491	479
04	8 110	31 860	-	-	39 970	540
05	10 464	4 544	-	-	15 008	406
06	20 984	18 117	-	-	39 101	2 260
07	32 723	25 888	-	-	58 611	806
08	-	3 409	9 096	606	13 111	414
09	-	11 732	6 876	-	18 608	242
10	-	6 327	10 442	-	16 769	185
11	-	1 421	1 916	-	3 336	801
Other ²³	-	675	-	-	675	1 257
Total	72 281	192 224	28 329	606	293 440	9 084

In **Partnership Agreements, regarding all ESIF allocations, the picture was similar**. The shift towards a low-carbon economy drops down the list, due to the relatively low additional funding from EAFRD, while social inclusion and fighting poverty gains considerably (due to funding from EAFRD and ESF in programmes falling out of the scope of the present analysis). (See Figures Figure 15 vs. Figure 16)

²³ Other relates to the extra allocation to outermost regions – ERDF Regulation, Art. 12 (1)

Figure 15 - Financial allocations of European Structural and Investment Funds in Partnership Agreements by thematic objectives (cumulated, EUR bn)

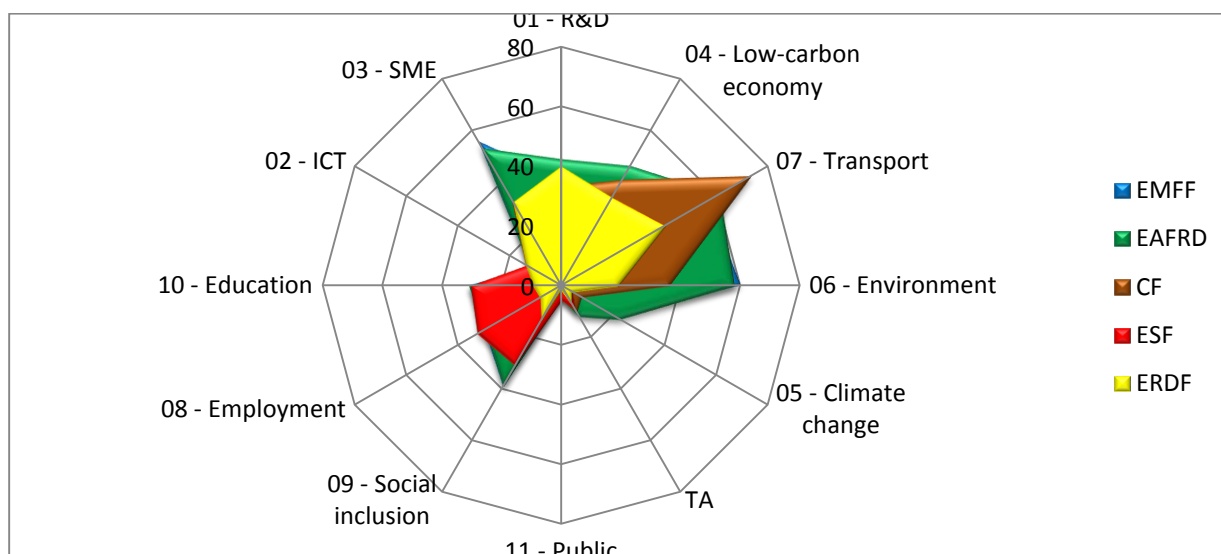
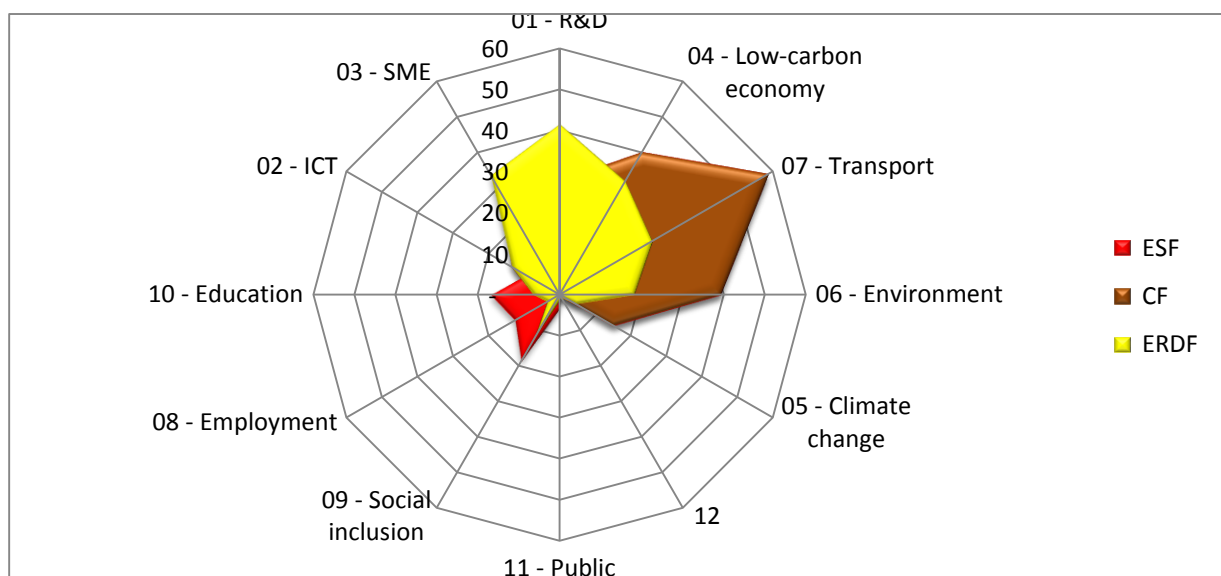


Figure 16 - financial allocations of cohesion policy Funds in operational and co-operation programmes by thematic objectives (cumulated, EUR bn)



Article 4 of the ERDF regulation prescribes that Member States should concentrate support on *two or more* TOs from among TO 1, 2, 3 and 4. This has been achieved: as Figure 16 shows, ERDF is concentrated on 3 of them. In addition there is also a concentration of ERDF funds on TO 7 – transport – which goes beyond the regulatory requirements (in terms of concentration).

Moreover, the distribution of ERDF allocations in different types of regions (See Annex 4.3) shows that:

- Less developed regions concentrated their allocations, of similar size, on four thematic objectives: T01 (research and innovation), T03 (SME support), T04 (low carbon economy) and T07 (transport and network infrastructure) – see figure 143 in the annex.
- More developed regions focused most of their allocations on research and innovation, followed by SME support and low carbon economy – see figure 145
- **Outermost and Northern sparsely populated regions** also used their special allocations²⁴ related to their special needs, rather than on environmental and low-carbon investments.
- **European Territorial Co-operation** programmes also promote sustainable transport and removing bottlenecks in key network infrastructures and heavily invest in promoting sustainable transport and removing bottlenecks in key network infrastructures.

Concentration requirements

The **concentration requirements were**, as far as we could check, overall **respected** by Member States' **programmes**. Also, there were **some countries and regions substantially exceeding** the floors set in Art. 4(1) of the ERDF Regulation:

- The obligation to allocate at least 80% of the total **ERDF** resources in more developed regions, at least 60% in transition regions and at least 50% in less developed regions, at national level, to two or more of **TOs 1-4** was substantially exceeded by the less developed regions of **Portugal** and **Slovenia** and the transition regions of **Austria** and **Denmark**.
- The requirement to concentrate at least 20% of the total **ERDF** resources in more developed regions, at least 15% in transition regions and at least 12% in less developed regions, at national level, to **thematic objective 4** was substantially exceeded in Luxembourg and **Romania**, in the less developed regions of **Bulgaria** and the transition regions of **France**.

It is notable that here concentration beyond the regulatory requirement was used for reasons other than those set out in Art. 4 (2)²⁵.

According to the ETC regulation²⁶, at least 80% of the **ERDF allocation to each cross-border cooperation and transnational programme** shall be concentrated on a maximum of four of the thematic objectives. Out of the 68 Co-operation Programmes that could be checked in this context²⁷, 65 respected the floor limit set by the regulation, and the others missed it only by a small margin. Also, there were several programmes

²⁴ cf. Art. 12 (1) of the ERDF Regulation (TO12 in Figure 11)

²⁵ According to Art. 4(2), it is possible for a Member State to fall behind region-specific concentration requirements in a certain type of region in case this is compensated by exceeding the concentration requirements in another type of region.

²⁷ Some of the Co-operation Programmes not yet accepted did not lend themselves for analysis, due to the lack of essential details.

well exceeding the floor limit, the average allocation to the four biggest thematic objectives amounts to 91,8%.

With respect to the **ESF**, the obligation to concentrate ESF resources on a maximum of **five investment priorities** was substantially exceeded in each type of region. In more developed regions, the five largest allocations to investment priorities average at 93,1% (against the floor set at 80%)²⁸; in transition regions, at 95,4% (against 70%); and, in less developed regions, at 83,7% (against 60%).

In the interviews, national authorities were asked **which thematic objective** – in their view – **would have received more funding**, had there not been for the thematic concentration requirements. Answers widely differed across countries, so that ultimately, the question cannot be answered. In the end, every TO received some “votes”, but none could be singled out as the “favourite choice”. On the basis of the interviews, in fact, it is not possible to determine even a shortlist of thematic objectives that would have deserved more funding.

Selection of Investment Priorities

As to the **selection of investment priorities**, references in the Operational and Co-operation Programmes are fairly concentrated. Of the 69 investment priorities listed in the fund-specific regulations and also used in the programmes, **30% account for 70% of the references**²⁹. The concentrated use of IPs applies for all Cohesion policy funds, it is more accentuated in ERDF:

- In ERDF, 23% of the 51 investment priorities selected account for 77% of the references;
- in CF, 30% of the 16 investment priorities selected account for 70% of the references;
- in ESF, 30% of the 20 investment priorities selected account for 70% of the references.

Figure 17 – IPs most frequently used

For the ERDF under the IfGJ goal, 33% of the 43 IP cover 67% of the references. These mainly cover issues relating to:	
1a	Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest
1b	Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer

²⁸ Priority axes dedicated to social innovation and transnationality are excluded from the calculation.

²⁹ Since Cohesion Fund investment priorities are aligned with European Regional Development Fund investment priorities, for the sake of clarity, CF and ERDF investment priority references have been consolidated.

For the ERDF under the IfGJ goal, 33% of the 43 IP cover 67% of the references. These mainly cover issues relating to:

2c	Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health
3a	Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators
3d	Supporting the capacity of SMEs to grown in regional, national and international markets, and to engage in innovation processes
4c	Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector
4e	Promoting low-carbon strategies for all types of territories, in particular for urban areas, including the promotion of sustainable multimodal urban mobility and mitigation-relevant adaptation measures
6c	Conserving, protecting, promoting and developing natural and cultural heritage

For the ERDF under the ETC goal, 30% of the 40 IP cover 70% of the references. These mainly cover issues relating to:

5b	Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems
6c	Conserving, protecting, promoting and developing natural and cultural heritage
6d	Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure
6f	Promoting innovative technologies to improve environmental protection and resource efficiency in the waste sector, water sector and with regard to soil, or to reduce air pollution
7b	Enhancing regional mobility by connecting secondary and tertiary nodes to TEN-T infrastructure, including multimodal nodes
7c	Developing and improving environmentally-friendly (including low-noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure
8e	Promoting sustainable and quality employment and supporting labour mobility by integrating cross-border labour markets, including cross-border mobility, joint local employment initiatives, information and advisory services and joint training
10b	Investing in education, training and vocational training for skills and lifelong learning by developing and implementing joint education, vocational training and training schemes
11b	Enhancing institutional capacity of public authorities and stakeholders and efficient public administration by promoting legal and administrative cooperation and cooperation between citizens and institutions

For the CF 40% of the 16 IP cover 60% of the references. The six IPs cover issues relating to:

4iii	Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector
6i	Investing in the waste sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements
6ii	Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements

THE USE OF NEW PROVISIONS DURING THE PROGRAMMING PHASE
OF THE EUROPEAN STRUCTURAL AND INVESTMENT FUNDS

For the ERDF under the IfGJ goal, 33% of the 43 IP cover 67% of the references. These mainly cover issues relating to:	
6iv	Taking action to improve the urban environment, to revitalise cities, regenerate and decontaminate brownfield sites (including conversion areas), reduce air pollution and promote noise-reduction measures
7i	Supporting a multimodal Single European Transport Area by investing in the TEN-T
7ii	Developing and improving environmentally-friendly (including low-noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local transport
For the ESF, 40% of the 19 IPs cover 60% of the references. These seven IPs cover issues relating to:	
8i	Access to employment for job-seekers and inactive people, including the long-term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility
8iii	Self-employment, entrepreneurship and business creation including innovative micro, small and medium sized enterprises
8v	Adaptation of workers, enterprises and entrepreneurs to change
9i	Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability
9iv	Enhancing access to affordable, sustainable and high- quality services, including health care and social services of general interest
10iii	Enhancing equal access to lifelong learning for all age groups in formal, non-formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways
10iv	Improving the labour market relevance of education and training systems, facilitating the transition from education to work, and strengthening vocational education and training systems and their quality

With respect to the ESF, investment priorities and intervention codes in Commission Implementing Regulation 215/2014 (Annex 1, Table 1) are fully aligned with each other. Hence, it is possible to establish a direct correspondence between ESF allocations and strategic references in the OPs to the Europe 2020 headline targets and the CSRs.

Overall, **65% of the ESF allocations to jointly financed programmes** (i.e. multi-fund programmes financed by the ERDF and the CF) were made **with an explicit reference to headline targets and Country-Specific Recommendations** (see in Annex 4.3).

3.2.3 Main Results sought

According to Article 15.1(a)(iii), Partnership Agreements should contain, **for each of the selected thematic objectives**, a **summary of the main results expected** for each of the ESI Funds (see also Annex 4.3).

In theory at least, **each main result should always be mentioned in relation to one thematic objective**, and no other. In the majority of the cases, this was confirmed in practice. However, our frequency analysis of the main results referenced in the Partnership Agreements detected several inconsistencies. The possible reasons for referring to the same main result under different thematic objectives may be due to

- the result in question being a “**borderline case**” – i.e. one that may be reasonably be identified under several thematic objectives, due to an imprecise demarcation between two thematic objectives; or
- the reference to a main result under a different thematic objective (different from the “standard” one) reflecting either very specific circumstances or an actual **inconsistency** of the programming logic

Figure 18 – Correspondence table of main results and thematic objectives

Original/programmed	01	02	03	04	05	06	07	08	09	10	11
01	31				1	1					
02	1	14	1								1
03	7		29	1	1	1	1				
04	4			44	7	1	1				
05					23	1	1				1
06						23	1				
07				3	1	2	17				
08	1							33	2	1	2
09								3	22	1	
10							1	4	1	23	
11									1		25
“unallocated” main results³⁰	2		2		2	8		1	1		3

Figure 18 provides an overview of how main results registered in the PAs relate (correspond) to thematic objectives:

- some **T02, T03** and even **T04**-related main results are programmed as R&I results. Almost **one third of R&I main results** could have been programmed – i.e. they are linked – to other thematic objectives;
- **environmental, climate change and network-related** main results (TO4 to TO7) show a limited, 85% correspondence³¹;
- the same applies to **employment, inclusion and education** (85% correspondence rate, too);
- a number of **cross-cutting territorial challenges** have been identified in PAs with no clear correspondence to any thematic objective, illustrating the fact that the reformed policy does not only address sectoral but also macroeconomic and territorial needs.

The existence of borderline cases and inconsistencies also shows that, in the **negotiation process**, there was some **flexibility** when defining main results expected in relation to a thematic objective. In contrast with the investment priorities, thematic

³⁰ „unallocated main results” were elements defined without a firm association to any thematic objective (e.g. territorial or macroeconomic results, e.g. „land use”).

³¹ The number of references to a TO outside the diagonal vs. total number of the references in a blue block, including the diagonal shows the weakness of the correspondence. Here: $31 / (31+1+7+4) = 72\%$

objectives are not defined in detail by the CPR (only *listed*, in Article 9) and the demarcation within these groups are somewhat ambiguous.

3.2.4 The negotiation process

As to the **methods** used to determine the choice of and allocations to different objectives, interview partners reported about a whole range of different solutions, including depending of the national contexts:

- scientific assessments of the socio-economic situation
- macro-economic modelling
- existing strategies
- Europe 2020 / National Reform Programmes / Country-Specific Recommendations
- experiences (evaluations) of the previous programming period
- political decisions by the government regarding the choice and allocations of thematic objectives and programmes
- bottom-up programming led by the regions
- considerations of absorption capacity .

The factors influencing **negotiations** regarding the selection of thematic objectives were, above all, the regulation and the informal dialogue. Partners' opinion was also taken into account. On this provision, there were relatively many debates, and in those debates, the **Commission had a quite strong position** (See Annex 4.3).

Challenges identified by interviewees: EU Member States already had experience with strategy-based programming and concentration of funds from the previous programming period. Nevertheless, **the new approach based on thematic objectives did pose difficulties in some Member States**. On the one hand, difficulties of understanding what thematic objective meant what. On the other hand, the thematic objectives were perceived as a limitation to programming, or even as a cause for an artificial fragmentation of funds and measures.

The **consultation process with partners and stakeholders**, in particular, led to a proliferation of needs and expectations, which conflicted with the Commission's push for concentration. In many cases, national framework documents on development policy and strategy were drafted before the regulation was drafted and approved. This made a reconciliation of positions even more difficult. Quite often, especially in the more developed countries, resources available were insufficient to cover all needs.

3.2.5 Specific Conclusions

The main conclusions from the analysis of programme data, the surveys and interviews are as follows:

- Overall, a limited number of **main results** have been identified per thematic objective in Partnership Agreements. However, there were main results expected by the Member States that could not be directly related to thematic objectives, i.e. macro-economic and territorial results.

- As regards the **allocation of the ESI Funds to thematic objectives**, ERDF concentrates on strengthening research, technological development and innovation and the competitiveness of SMEs, Cohesion Fund mainly invests in supporting the shift towards a low-carbon economy in all sectors and promoting sustainable transport and key network infrastructures. The European Social Fund allocations distribute evenly in jointly financed programmes across thematic objectives related to jobs, education and combating poverty.
- Thematic objectives, however, are not defined in an exclusive manner. Almost one third of R&I (TO1) main results could have been programmed to TO2, TO3 and even TO4 thematic objectives. Environmental, climate change and network-related main results (TO4 to TO7) do show limited overlap; and the same applies to employment, inclusion and education (TO8 to TO10).
- As regards the **investment priorities** selected, references in the Operational and Co-operation Programmes concentrate in 30% of the investment priorities that account for 70% of the references.
- 65% of ESF allocations to jointly financed programmes refer directly to headline targets and Country-Specific Recommendations.
- As regards the **negotiation process**, survey results show that the main factors influencing Member States' positions regarding thematic concentration were the Regulation and the informal dialogue with the Commission. As to domestic factors, the exchanges with partners were the most important.
- **Thematic concentration** received more attention during programming, and was also more **controversial** than other new provisions. The Commission seems to have held a strong position in these parts of the negotiation.
- Interview partners from Member States said that the provisions on thematic objectives **did pose some difficulty**, even though Member States already had experience with strategic programming. The reconciliation of Member States' positions – which were often based on strategy documents drafted before the new regulations – with the Thematic Objective structure was a challenge in some Member States.

3.3 BUILDING OF PRIORITY AXES

3.3.1 Background

The **concept** of priority axes was introduced to the programming and management of Cohesion policy for the 2007-2013 programming period, defining it as “one of the priorities of the strategy in an operational programme comprising a group of operations which are related and have specific measurable goals” (ERDF general provisions, p. 2(2)), but precursors existed in the previous programming periods.

In the 2014-2020 programming period, priority axes of Operational Programmes concern, as a **general rule, one Fund and, for the Structural Funds (ERDF, ESF) one category of region**. Furthermore, they correspond to one **thematic objective**, comprising one or more of the investment priorities of that thematic objective, in accordance with the Fund-specific rules (CPR, p. 96.1).

In duly justified cases, this “normal” setup can be adjusted to specific intervention needs under specific arrangements (**combination** of more than one category of region, of more than one Fund and/or more than one thematic objective).

In ETC programmes, “normal” priority axes shall correspond to one thematic objective but may be adjusted, in duly justified cases, to cover more than one Thematic Objective. (ETC Regulation, p. 8.1)

Priority axes may also represent groups of operations dedicated solely to **financial instruments, community-led local developments** and, in the case of programmes co-funded by ESF, **social innovation** and **trans-nationality**. For such priorities the maximum co-financing rate for a priority axis may be increased. Special rules apply also to priority axes applying the **Youth Employment Initiative** (YEI) and to those dedicated to **Sustainable Urban Development** (SUD).

Based on the programmes, the study has **analysed**, which **types of priority axes** are used in the programmes, and to what extent complex priorities have been used. Furthermore, it was assessed, to which extent **priority axes** were **dedicated** to financial instruments, community-led local developments, social innovation and trans-nationality.

In parallel, the survey and interviews examined, how these Member States’ choices regarding the structure of priorities had been established, and negotiated with the Commission.

3.3.2 The use of simple vs. combination priority axes

In the 278 operational and co-operation programmes which had been analysed under this chapter (210 OP and 68 ETC programmes) ³², there are 1543 priority axes, ranging from 1 to 14 priority axes per programme. The average is around **5,5 priority axes per programme**. ESF-co-financed programmes have an average just below 8. (From a different angle: programmes with more priority axes tend to use also the ESF). Co-operation programmes usually have less priority axes, with an average below 4.

As mentioned above, **Art. 96.1 of the CPR** sets out that priority axes should as a general rule cover one Fund, one category of region and one thematic objective. However, derogations are foreseen and could lead to the combination of several Funds, several categories of region, several thematic objectives or all combinations as the same time under one priority axis.

- Out of the 1283 priority axes of 210 **Investment for growth and jobs** programmes, **29%** (included in 159 programmes and **accounting for 43% of Cohesion policy funds**, EUR 117,4 bn) have a **complex structure** in the meaning of the CPR Art. 96.1. 60% of the combined axes (accounting for 42% of the funds in combined axes) are multiobjective; 16% (20%) are multifund; and 33% (50%) are multiregion priority axes³³.
- Similar rules also apply for ETC programmes (Art. 8.1 ETC Regulation). Among the 68 **co-operation programmes** that could be analysed, there are only **11%** combination priority axes (included in 19 co-operation programmes) with **15%** of European Regional Development Fund funding dedicated to the European Territorial Cooperation goal.

³² Technical assistance programmes (2014FR16M2TA001, 2014PL16CFTA001, 2014SK16RFTA001, 2014GR16M3TA001, 2014PT16RFTA001, 2014RO16RFTA001, 2014CZ16CFTA001) and priorities have been excluded from the analysis. Some programmes not yet adopted at the cut-off date of the report (2014TC16M4TN002, 2014TC16RFCB013, 2014TC16RFCB027, 2014TC16RFCB040, 2014TC16RFCB051, 2014TC16RFPC001, 2014TC16RFTN010) have not presented their programming details regarding the composition of the priority axes.

³³ Percentages of options add up to more than 100% because of axes combining options.

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Figure 19 - Priority axes - breakdown by structure

	Investment for growth and jobs												European territorial co-operation	
	Total			CF			ERDF			ESF			number of priority axes	ERDF allocation (EUR)
	number of priority axes	Cohesion Policy Fund allocation (EUR)	% of total allocation	number of priority axes	CF allocation	% of CF allocation	number of priority axes	ERDF allocation	% of ERDF allocation	number of priority axes	ESF allocation	% of ESF allocation		
All	1283	272 633 402 456	100,0%	65	61 255 603 415	100,0%	1047	182 442 068 832	100%	222	28 329 262 036	100%	260	7 854 948 551
Simple	908	155 280 515 834	57,0%	44	47 994 982 417	78,4%	711	90 233 736 833	49,5%	140	16 583 773 358	58,5%	231	6 678 175 615
Combined:	375	117 352 886 622	43,0%	21	13 260 620 998	21,6%	336	92 208 331 999	50,5%	82	11 745 488 678	41,5%	29	1 176 772 936
Multi-region (CPR Art.96.1.a)	101	48 925 145 176	17,9%	0	0	0%	86	44 837 153 268	24,6%	17	3 220 864 512	11,4%		
Multi-fund (CPR Art.96.1.b)	45	17 519 032 637	6,4%	12	7 028 248 120	11,5%	45	6 439 717 207	3,5%	15	1 841 990 448	6,5%		
Multi-objective (CPR Art.96.1.c)	179	36 509 326 230	13,4%	4	4 432 684 434	7,2%	175	32 056 533 550	17,6%	27	3 138 772 632	11,1%	29	1 176 772 936
of which: 3 objectives	50	7 509 212 014	2,8%	0	0	0%	47	6 814 797 280	3,7%	13	1 164 342 143	4,1%		
of which: 4 objectives	16	5 993 779 339	2,2%	0	0	0%	16	5 873 953 051	3,2%	2	53 198 195	0%		
of which: 5 objectives	6	5 270 069 360	1,9%	0	0	0%	6	5 270 069 360	2,9%	1	28 050 075	0%		
multi-ESF (CPR Art.96.1.d) ³⁴	16	1 170 303 192	0,4%	0	0	0%	0	0	0%	16	1 170 303 192	4,1%		
combine options above	34	13229079387	4,9%	5	1 799 688 444	2,9%	30	8 874 927 974	4,9%	7	2 373 557 894	8,4%		
Combined	29,2%	43,0%		32,3%	21,6%		32,1%	50,5%		36,9%	41,5%		11,2%	15,0%

(Source: programme data)

³⁴ Multiobjective priority axes combining TO8-TO11 funded by ESF.

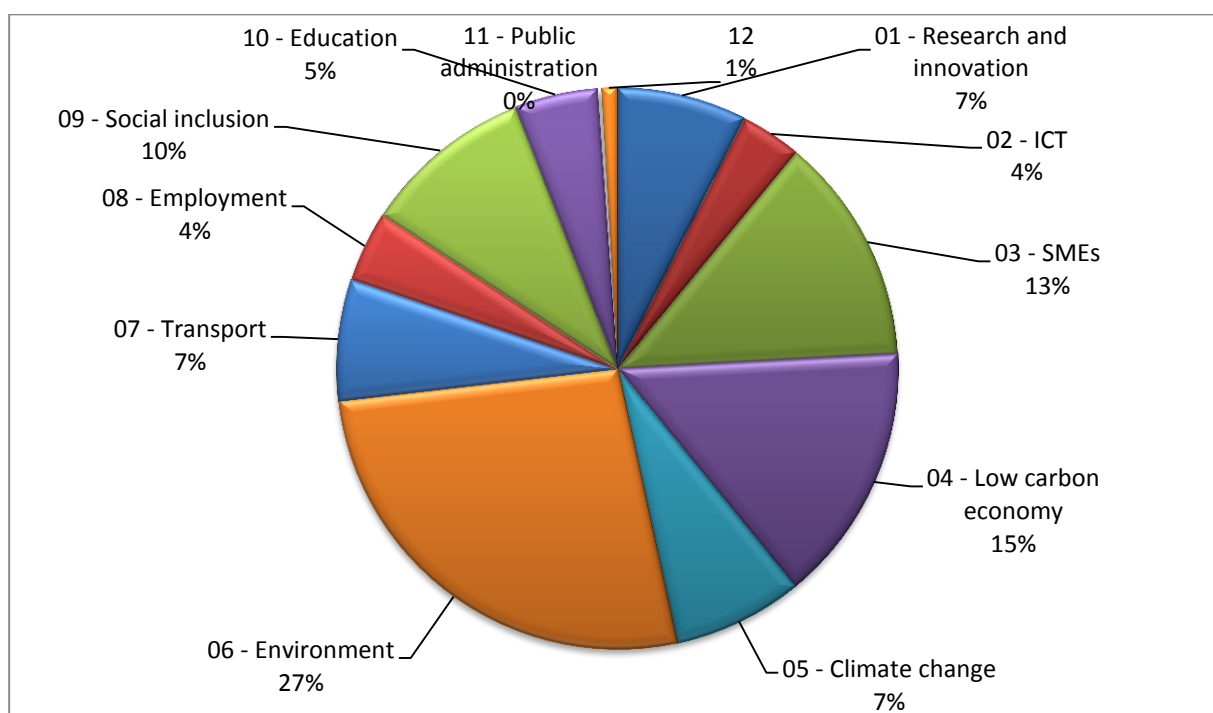
Overall, **half of the ERDF** allocated to Investment for Growth and Jobs and **21% of the Cohesion Fund** is **disbursed in combined priority axes of operational programmes**, while **41% of ESF** funding (in programmes jointly financed with ERDF) is also dealt with through combined axes. There are no specific patterns related to the spatial or programming structure relevant to the choice of using combined axis. However, **combined priority axes tend to have significantly larger³⁵ funding than simple ones.**

Thematic objectives contributing most to the financing of complex priority axes are:

- TO 4 - Supporting the shift towards a low-carbon economy in all sectors (15%)
- TO 6 - Protecting the environment and promoting resource efficiency and (27%)
- TO 3 - Enhancing the competitiveness of SMEs (13%)

These three thematic objectives account for more than half of the allocations in complex priority axes. (Figure 20)

Figure 20 – Thematic objectives contributed to in complex priorities³⁶

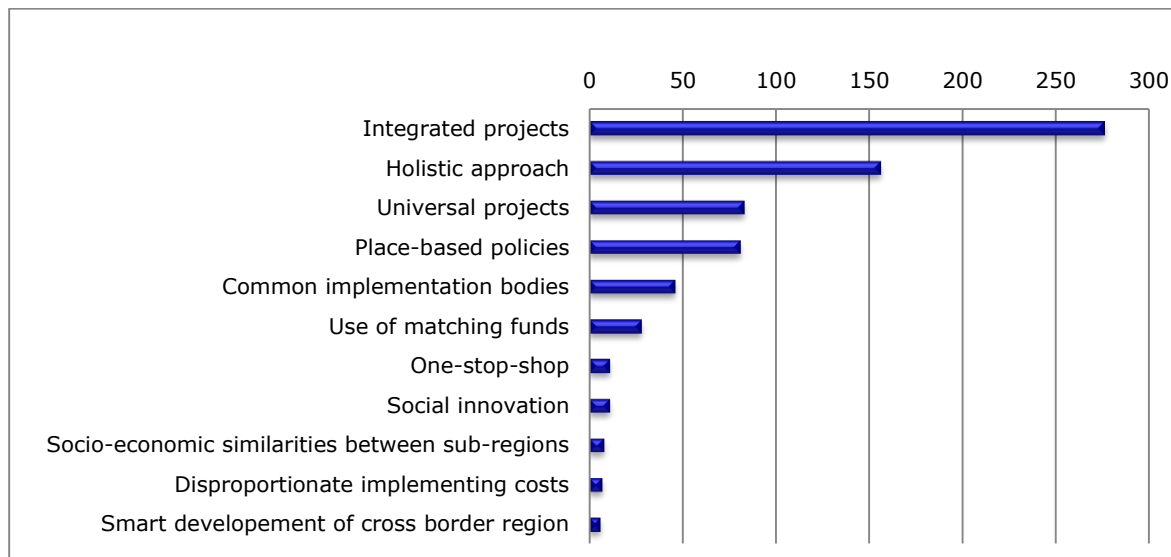


³⁵ To see if combined priority axes of the IGJ goal are significantly bigger than simple priority axes, the null hypothesis that both combined and simple priority axes have a distribution of the same mean (average) was tested. The (one-sided) Wilcoxon–Mann-Whitney test showed that the difference in the allocations to combined vs. simple priority axes is too high on any level of significance for the null hypothesis to be valid. Thus, the alternative hypothesis that combined priority axes have a higher mean has to be accepted.

³⁶ Including both IfGJ and ETC goals. "TO12" is a shorthand notation for special allocations to outermost regions (Article 12 of the ERDF Regulation)³⁷ A combined priority axis might have more than one type of justification. E.g. having integrated projects does not exclude a holistic approach.

A justification for planning complex priority axes in the programmes **was given only for three quarters of the cases** (318 of the 404 combined axes identified). Justifications were as shown on Figure 21.

Figure 21 - Justifications of complex priority axes³⁷



Explaining the table:

- **“Integrated projects”** are complex interventions combining several types of operations or inter-related actions to achieve the maximum result. **“Universal projects”** (e.g. national measures) cover several types of regions. If an OP uses combination axes for such integrated and universal projects, it is likely that these have already been identified, and the programming of the OP follows the logic of an already defined (or at least, developing) project portfolio. This is the most frequent case.
- A **“holistic approach to project selection”** – such as place-based approaches (like CLLD) – allow for several types of operations to be selected during implementation. In these – also frequent – cases, combination axes are introduced without having decided about concrete projects, in a policy-driven manner.

The (compulsory) **“use of matching funds”** (e.g. on-site training for investments) and **“one-stop-shop”** approach are rather based on implementation considerations. The justification given for programming multiobjective axes (that accounts for the majority of the combinations) shows no major differences across funds.

³⁷ A combined priority axis might have more than one type of justification. E.g. having integrated projects does not exclude a holistic approach.

Figure 22 – Justifications given for programming multiobjective axes by funds

Multiobjective	CF	ERDF	ESF	Total
None	1	38	2	40
Integrated projects	4	143	14	156
Universal projects	0	14	2	16
Holistic approach	2	69	5	72
Place-based policies	0	39	2	39
Common implementation bodies	1	11	2	12
Use of matching funds	0	5	5	10
Disproportionate implementing costs	0	4	1	4
Smart development of cross border region	0	4	0	4
One-stop-shop	0	3	0	3
Social innovation	0	5	1	6
Socio-economic similarities between sub-regions	0	1	0	1

3.3.3 Dedicated Priority Axes

Art. 120 (5) of the CPR stipulates that “the maximum co-financing rate at the level of a priority axis shall be increased by ten percentage points, where the whole of a priority axis is delivered through **financial instruments**, or through **community-led local development**” (CPR, p. 120.5). This provision had created an incentive to programme additional, dedicated priority axes.

- **10 priority axes of seven Operational Programmes and one Co-operation Programme** will be implemented **solely** through **financial instruments**. The sum of the cohesion policy funds allocated to these six priority axes amounts to EUR 3,4 bn, i.e. 17% of all ESI funds disbursed via financial instruments (see Chapter 3.5). Eleven priority axes³⁸ of four Operational and one Co-operation Programmes will be implemented solely through financial instruments set up at Union level, with the amount of EUR 1 bn.
- **19 priority axes of nine Operational Programmes** and three Co-Operation Programmes will be implemented **solely** through **community-led local development**. The sum of cohesion policy funds allocated to these priority axes amount to EUR 1,2 bn (75% of the resources allocated to CLLD – see section 3.9.1.1).

Furthermore, Art. 120 (3) determines that “The maximum co-financing rate [...] shall be increased for each priority axis [...] where a priority axis is dedicated to **social innovation** or to **transnational cooperation**, or a combination of both”.

- **2 priority axes of two Operational Programmes** are dedicated to **social innovation and trans-nationality**. The sum of the ESF funds

³⁸ see New provision 5 for further details

allocated to these two priorities amount to EUR 0,04 bn euro (1,6‰ of the total ESF funding to jointly funded operational programmes).

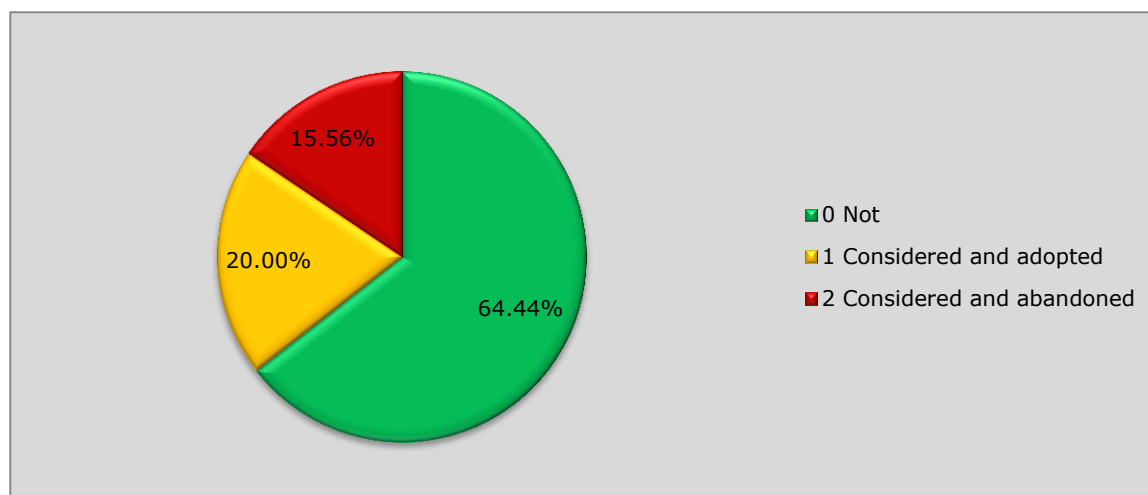
3.3.4 Establishing the Structure of Priorities – the Negotiation Process

As interview partners indicated, in some cases, the **structure of priority axes** mirrored that of the previous period. In the others, it was the structure of thematic objectives and the regulatory concentration requirements together that defined – at least in broad terms – the programmes and their structure.

About **half of the Member States wanted priority axes** combining several TOs. However, Commission services – although to differing extents – were rather against complex axes. One-third of the respondents stated that this led to a fragmentation of programme structure.

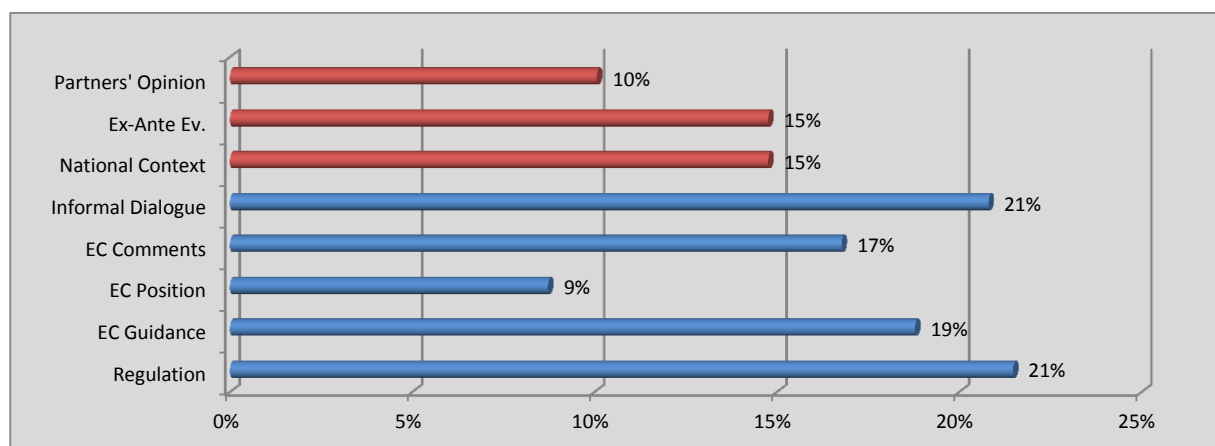
One **alternative** to using multi-thematic axes – if the objective is to use different funds or thematic objectives together – would have been the use of **integrated territorial instruments**. In our survey, however, Member States authorities indicated that they in fact did not see **territorial instruments** as an alternative to combination axes – not even in cases where the authorities had otherwise considered **ITIs, CLLDs and Joint Action Plans**.

Figure 23 - Survey Q 3.2 When considering the use of complex priorities, have the options of using ITIs, CLLDs, JAPs been considered?



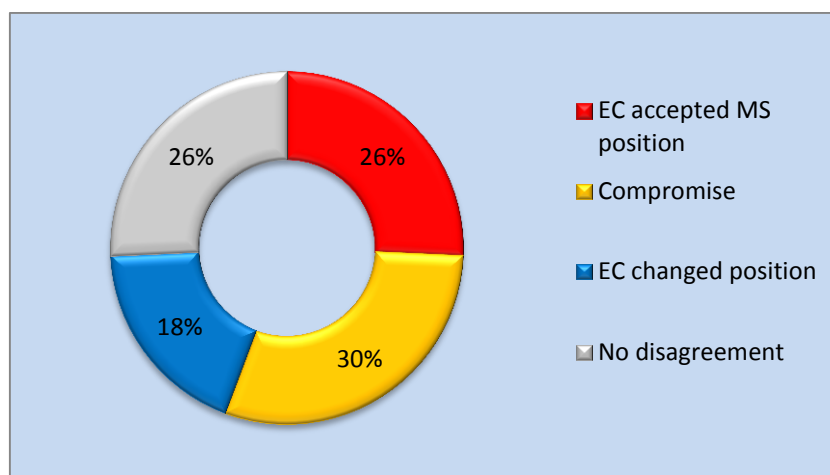
Member States' positions during the negotiations on programming – with respect to the definition of main results – were influenced most by the new regulatory framework and the informal dialogue with the Commission. Exchanges with the Commission – with the exception of the EC's initial negotiating position – were considered by the responding MAs as more important than any national factors.

Figure 24 - Factors influencing negotiations – The main results sought for each ESI Fund



As compared to similar data on other provisions, **the definition of priority axes was the 2nd most debated** from all provisions, as shown in Figure 25. In almost half of the cases, the initial negotiation positions changed, with both the Member States and the European Commission apparently ready to compromise.

Figure 25 - Impact of exchanges with the Commission - use of combination axes



3.3.5 Specific Conclusions

The key conclusions from this provision can be summarised as follows:

- In the Operational Programmes, the **number of priority axes** averages around 5,5 per programme. ESF-co-financed programmes have an average just below 8. (From a different angle: programmes with more priority axes tend to use also the ESF). Co-operation programmes usually have less priority axes, with an average below 4.
- Under **Investment for Growth and Jobs** programmes, combined axes represent 29% of the overall number of priority axes. Under **ETC**, the **same ratio** is only 11%. Overall (for Investments for Growth and Jobs),

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half of the **ERDF** and 21% of the **Cohesion Fund** is disbursed in combined priority axes, while 41% of ESF funding (in programmes jointly financed with ERDF) is also financing combined axes. Multi-thematic priority axes represent 17% of all axes and encompass 18% of the programme allocations covered by the study.

- Despite the special incentives to create priority axes dedicated to certain delivery mechanisms, the **number of dedicated axes is small**. 10 priority axes will be implemented solely through financial instruments, 2 priority axes are dedicated to social innovation and trans-nationality. The only notable **exception** are the 13 priority axes implemented solely through **community-led local development**, amounting to 65% of the overall Cohesion policy resources allocated to CLLD (in the programmes analysed by the study).
- The **general position of the European Commission was rather negative** vis-à-vis the use of multi-thematic priority axes. The issue was intensively discussed during the negotiations. Respondents stated that this led to a fragmentation of programme structure, while the Commission considered that the use of these axes undermined result orientation. The average size (budget) of simple axes is significantly smaller than those of combination axes. The **alternative** of using territorial instruments was **rarely considered by Member States**.

3.4 RESULT ORIENTATION

3.4.1 Background

The Conceptual framework and provisions related to **intervention logic** (actions, results, selection principles) have long been part of Cohesion policy (at least since the Maastricht Treaty). Based on this, programmes have (since then) been required to spell out their strategy (objectives and instruments). Nevertheless, there were major **differences** among programme documents as to how they have complied with these requirements, and to what extent they provided clear and unambiguous targets and indicators. (Casavola, 2009, page: 7).

The **focus on results** and delivering measureable added value was one of the main trends of the reform debate preceding reform of cohesion policy regulations for 2014-2020. Accordingly, the new provisions put a lot of emphasis on making specific objectives, as well as results and impacts explicit, following a standardised, **uniform presentation method**, with clear baselines and targets to measure progress (6th Cohesion Report, p. xxii).

The **analysis** of programme documents³⁹ has focused on assessing the way in which Member States have defined specific objectives linked to investment priorities for each thematic objective chosen and results (i.e. changes) sought in view of the specific objective that Member States seek to achieve with Union support. Furthermore, it was examined how actions to be supported by the ERDF, the CF and the ESF (in multi-fund programmes) were presented, and what principles would guide the selection of operations.

Interviews and the survey were used to explore how Member States have shifted the emphasis of programming towards results, and whether they encountered challenges in defining specific objectives and result indicators.

³⁹ Out of the 292 programmes covered by the study, 18 programmes could not be covered by the analysis of results, specific objectives, actions and selection principles. Technical assistance programmes (2014FR16M2TA001, 2014PL16CFTA001, 2014SK16RFTA001, 2014GR16M3TA001, 2014PT16RFTA001, 2014RO16RFTA001, 2014CZ16CFTA001) and priorities have been excluded from the analysis. Some programmes not yet adopted at the cut-off date of the report (2014TC16M4TN002, 2014TC16RFCB013, 2014TC16RFCB027, 2014TC16RFCB040, 2014TC16RFCB051, 2014TC16RFPC001, 2014TC16RFTN010) have not presented their programming details regarding the selection of results, specific objectives, actions and selection principles to cut-off date. The same refers to SME Initiative programmes (2014ES16RFSM001, 2014MT16RFSM001, 2015BG16RFSM001). The 207 operational and 67 co-operation programmes contained 1505 non-technical assistance priority axes.

3.4.2 Definition of Specific Objectives and Results⁴⁰

Results

Out of the **6 500 references to results** that the Member States and regions made, about **600 types** have been established. However, **one quarter of these types account for three quarters** of the references.

The definition of results was, in 99% of the cases, methodologically sound. It was less than 1% of references that had to be considered problematic – as a wrongly defined statement that did not represented outputs, rather than genuine results.

⁴⁰ Based on the analysis of Section 2.A.5 of programmes, which aims at "specif[ying] the specific objective linked to a particular investment priority and [...] outlin[ing] the results sought" (Guidelines for the content of the OP, p.10).

Figure 26 - Most frequent results

Investment priority		Expected results	Number of references	Number of programmes
1 b	Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies	Increased knowledge sector cooperation. Addressing bottlenecks to innovation and increasing investment in business R&D through close collaboration between public and private actors.	168	119
		More product development by SMEs	124	102
		More university-company R&D contracting. Temporary collaboration between researchers and knowledge-intensive industries	94	76
2c	Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health	Lower burden on SMEs of data submission. Better data submission and use processes	114	92
3 d	Supporting the capacity of SMEs to grown in regional, national and international markets, and to engage in innovation processes	More high growth SMEs. Creating higher incomes, employment	73	67
4e	Promoting low-carbon strategies for all types of territories, in particular for urban areas, including the promotion of sustainable multimodal urban mobility and mitigation-relevant adaptation measures	Sustainable urban public transport, represented either in quantitative or qualitative terms (e.g. increased number of passengers in sustainable public transport, increased sustainable urban transport engineering capacity, exchange of information, etc.)	79	73
6c	Conserving, protecting, promoting and developing natural and cultural heritage	Opportunities for growth and cohesion due to preserved natural and cultural heritage: either in qualitative or quantitative terms, e.g. increase in employment or earnings, social cohesion, improved attractiveness of the region, increase in tourism investments and products, number of visitors/participants, better management, etc.	125	106
		Status of the cultural heritage - either in qualitative or quantitative terms, e.g. number of permits to intervene on cultural heritage, number of managed cultural heritage	103	84
6 d	Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure	Conserved biodiversity, and/or restored ecosystems - either in qualitative or quantitative terms	85	75

Results **were defined mostly consistently with the thematic objectives and investment priorities selected**. There were only relatively few cases where the results chosen related to an IP different from the one that was actually used for financing. (2% of these were “borderline” cases, and less than 1% were deemed to be incorrect). From these “misplaced” references, it was less than 0,5% that related not only to a different IP, but a different TO as well. All the others referred to different investment priorities contributing to the same thematic objective. Thus, an **intentional misplacement of references is unlikely**.

Specific objectives

Specific objectives are, in the meaning of the regulations (Art. 2(34) CPR), **'results to which an investment priority contributes** through actions undertaken within such a priority'. . They are therefore necessary points of reference for the selection of investment priorities.

Out of the four thousand **references to specific objectives** that the Member States and regions used, 400 types have been established. However, only **one quarter of these types account for three quarters** of the references.

Overall, Member States defined the specific objectives consistently with the definition of expected results. It was only in slightly over 1% of the cases that a specific objective was defined without stating a corresponding result as well. .

Figure 27 - Most frequent specific objectives

Investment priority		Expected specific objectives	References	Programmes
1a	Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest	More laboratories and innovation centres. Strengthening public R&D infrastructures	96	89
1b	Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies	More R+D in enterprises. Can also apply to SMEs and large firms separately	120	100
		More researcher-knowledge-sector links. Can also apply to SMEs and large firms separately	93	70
2a	Extending broadband deployment and the roll out of high speed networks and supporting the adoption of emerging technologies and networks for the digital economy	More broadband & better ITC systems. Faster and greater capacity, lower cost	73	67
2c	Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health	Better sub-national government ICT use. Examples could include IT developments in inspecting health remotely	107	88
3a	Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators	Raising new innovative firms birth rate. Raising the rates of formation of new innovative firms and university start-ups	87	79
4b	Promoting energy efficiency and renewable energy use in enterprises	Increased energy efficiency -enterprises	71	69
4c	Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector	Increase in the energy efficiency of public buildings/ infrastructure	71	66
6c	Conserving, protecting, promoting and developing natural and cultural heritage	Improved natural and cultural heritage. Increase in the status of the natural and cultural heritage	69	64
6d	Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure	Improved protection of biodiversity, preserved biodiversity and natural environment, coordinated/integrated management of natural territories, including through sustainable urban development, preserved green and blue zones, etc.	67	63

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Only 1% of the references to specific objectives had to be considered as problematic (i.e. being methodologically incorrect, reflecting no genuine specific objectives) in the meaning of the regulation (Article 2(34) CPR). There were 1% borderline and 3% incorrect references in terms of the selected investment priorities, of which there were 1% inter-objective references.

3.4.3 Definition of Actions and Principles for the Selection of Actions

Out of the seven thousand **references** to actions that the Member States and regions used, **500 types** have been established. However, **only one quarter** of these types **account for three quarters** of the references.

Figure 28 - Most frequent actions

Investment priority		Expected actions	References	Programmes
1a	Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest	Strengthening RTD infrastructure, including innovative fieldwork and trials	127	124
1b	Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies	Assistance to R+I in SMEs	158	146
		Networking between SMEs and universities. Promoting SME-researcher co-operation	158	152
2c	Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health	Local government and agencies ICT applications. Including e-health, e-education, e-administration	125	117
3a	Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators	Innovative new businesses development. Include range of services, advice and help securing property, finance, specialist assistance, labour market etc.	131	127
3d	Supporting the capacity of SMEs to grown in regional, national and international markets, and to engage in innovation processes	Development support for high growth SMEs. Advisory services	118	112
4c	Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector	Investments in energy efficiency and smart energy management in public buildings.	137	128
4e	Promoting low-carbon strategies for all types of territories, in particular for urban areas, including the promotion of sustainable multimodal urban mobility and mitigation-relevant adaptation measures	Sustainable urban transport	115	104
6c	Conserving, protecting, promoting and developing natural and cultural heritage	Investments for cultural heritage, including improvement of cultural infratructures	114	108
6d	Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure	Investments for observing, preserving and improving biodiversity and ecosystems, environmental restoration, including costal protection, removal of invasive species, rehabilitation of reserves and biodiversity corridors, etc.	102	97

Actions were defined mostly consistently with the thematic objectives and investment priorities selected. There were 2,5% borderline and 2,5% incorrect references in terms of the selected investment priorities, of which there were 1% “inter-objective” references (i.e. references to actions that relate to another TO). In line with the Regulation, actions were defined only in terms of investment priorities. Thus, unfortunately, a 1 to 1 correspondence between specific objectives and types of actions could not be reconstructed from the programming documents. This limited the scope of our analysis of the intervention logic.

Members of the expert team implementing the research were asked to score the quality of the definition of actions. The picture was mixed: 32% of the actions have been assessed as clear and precise, but **50% were considered as too broad and 17% ambiguous or non-existent**. The assessment of actions by thematic objectives is summarised in Figure 29 below. Problems with the quality of the definition of actions were not limited to any specific thematic objective, each TO (except for TO11, development of public administration) lacked precision and specificity in defining actions to some extent. Thus, problems in defining the action are not rooted in the nature of the interventions themselves, they rather relate to other causes. One hypothesis is that loose action definition could have been done to preserve some degree of freedom in implementation.

Figure 29 – Quality assessment of description of the main types of actions in the programmes

Thematic objective		clear and precise	too broad	ambiguous	none
01	RTDI	165	328	66	8
02	ICT	136	178	57	12
03	SME	175	394	78	8
04	Low-carbon economy	276	468	96	16
05	Climate change	66	98	24	
06	Environment protection	271	454	114	16
07	Transport	144	126	57	12
08	Employment	148	166	87	12
09	Poverty and discrimination	210	286	135	4
10	Education	145	150	66	12
11	Public administration	14	78	48	
	Not applicable (Outermost territories)	4	8	3	

Out of the five thousand **references to guiding principles** of project selection that the Member States and regions intend to use, guiding monitoring committees in examining and approving criteria for project selection (in line with Rt. 110 (2)(a) of the CPR. Of these five thousand references, **600 types** have been established. **One quarter of these types account for three quarters** of the references.

Figure 30 - Most frequent project selection principles

Investment priority		Expected selection principles	References	Programmes
1a	Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest	Horizon 2020 restricted call for support. High technology research centres support	144	88
		Macro regional contribution. Project contribution to wider Regional Strategy	67	37
1b	Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies	Promoting researcher-company networking. Addressing bottlenecks to innovation and increasing investment in business R&D through close collaboration between public and private actors, including cross border	127	91
		Open call for SMEs. Wider benefits to region and partners	126	55
		Open call for entry to innovation centre and networks	76	60
2c	Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health	Open call for SMEs to access ICT services	105	73
4c	Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector	Strategy. Selection of operations based on fitting to a national, regional or local strategy or plan	217	74

Principles of project selection were **defined mostly consistently** with the thematic objectives and investment priorities selected. Generally, 20% of the definitions was assessed as clear and precise, vis-à-vis **44% too broad**, and **36% ambiguous or non-existent**. **Again**, quality problems of the definition of guiding principles of project selection were not limited to any specific thematic objective:

Figure 31 – Quality assessment of the description of the guiding principles of project selection in the programmes

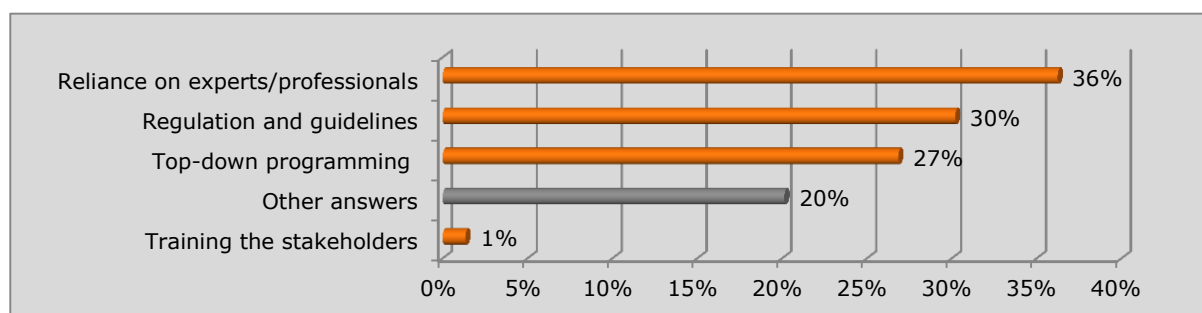
Thematic objective		clear and precise	too broad	ambiguous	none
01	RTDI	139	244	159	24
02	ICT	79	162	99	64
03	SME	123	312	174	72
04	Low-carbon economy	195	390	183	104
05	Climate change	41	94	33	28
06	Environment protection	162	364	222	60
07	Transport	87	134	84	24
08	Employment	80	200	99	24
09	Poverty and discrimination	104	240	156	48
10	Education	80	198	96	48
11	Public administration	8	46	63	20
	Not applicable (Outermost regions)		8	12	4

Comparing the quality of actions and guiding principles of selecting actions, the conclusion is that clear and precise definitions account for one third of references to actions and one quarter of guiding principles; but half of the definitions are too broad.

3.4.4 Establishing Objectives and Results – The Negotiation Process

According to survey results, the process of **defining specific objectives was managed in a rather centralised manner**. Managing authorities mostly relied on experts/professionals and directed the process by issuing regulations and guidelines in a **top-down manner**.

Figure 32 - process of defining specific objectives, result orientation



In all three aspects – the choice of objectives, actions and result indicators – survey feedback from the Managing Authorities indicates **major debates**. And, while in about half of the cases a compromise solution was found, in many cases it seems to be the Commission that managed to convince the Member State to modify its position, rather than the other way around. Overall, undoubtedly, the issues related to result orientation were **right at the heart of the negotiations**, and the **Commission seems to have had a strong influence** on the outcome.

Figure 33 - Exchanges with the Commission – impact on the choice of objectives

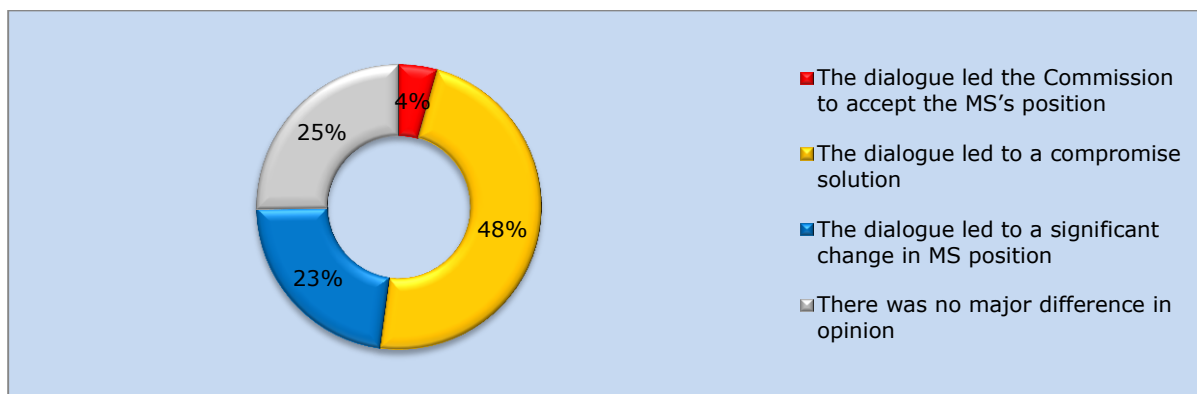


Figure 34 - Exchanges with the Commission – impact on the selection of actions

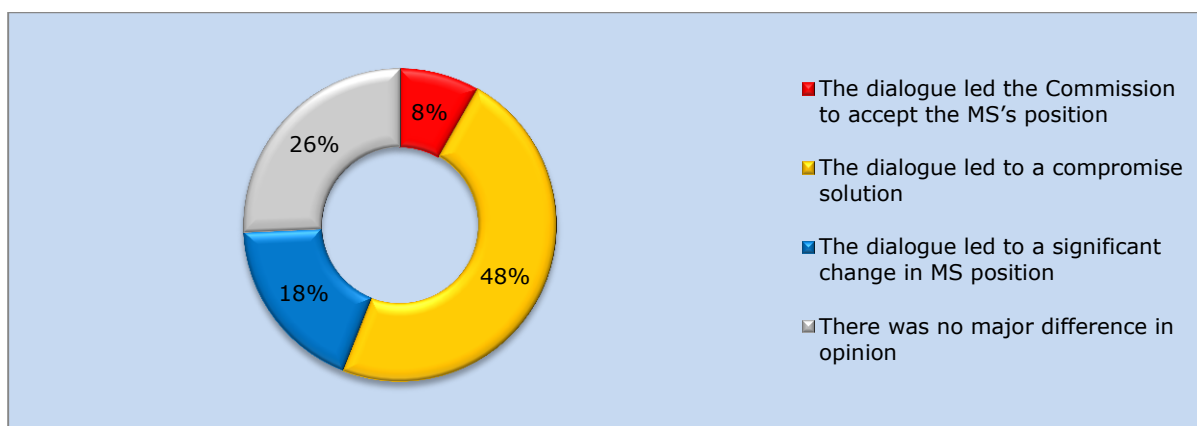
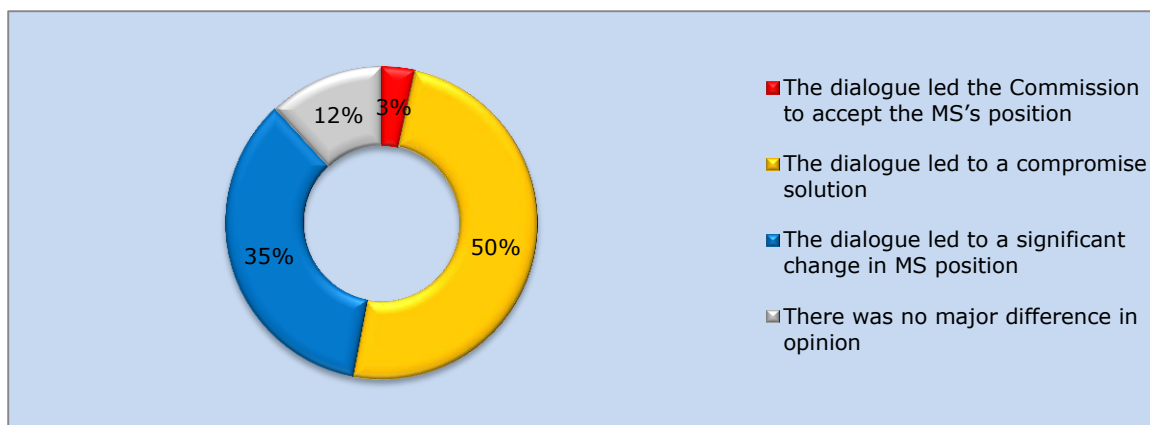


Figure 35 - Exchanges with the Commission – impact on the use of result indicators



The biggest influencing factors of the above changes were the formal observations from and the informal dialog with the Commission. As to the “Member State” factors, **partners’ opinions were considered** overwhelmingly more during the **definition of actions**. This could reflect that the focus of the dialogue with partners was rather “down-to-earth”, focussing on what EU funds could actually be used for. Conversely, the **dialogue with the EC** apparently focused on the definition of **objectives and results**, i.e. the higher levels of the intervention logic.

As to the particular **challenges** related to this new provision, almost 40% of managing authorities indicated in the survey problems related to the definition of result indicators. 25% reported difficulties with understanding the related methodologies (concepts). Compared to that, difficulties to forge an agreement on objectives, actions, or selection principles were mentioned much less frequently (7-12%).

Specific challenges faced by programmers in defining specific objectives and result indicators were also addressed by the interviews with Member States authorities. Their answers indicated a general problem of changing action-based approaches to a result-based one, while this problem manifested itself in the form of a search for specific result indicators monitoring the change. This conceptual problem interacted with two-level programming in some Member States and – as they perceived – the not fully harmonized approach of country desks of different Commission services.

3.4.5 Specific Conclusions

The main conclusions from the analysis of programme data, the surveys and interviews are as follows:

- Overall, programmes used a **broad range** (several hundred) **of types of specific objectives, results, actions and selection principles**. However, they used these types **rather concentrated**, as about one quarter of them account for the majority of the references.
- Their **definitions were rather consistent**, both with the breakdown of TOs and IPs (with only a few “misplaced” references) and the relevant methodologies (with very few irrelevant/faulty definitions).
- 2/3 of the **definitions of actions** and 80% of the definitions of **selection criteria** were assessed as **problematic**: considered either as too broad or ambiguous or non-existent. Such problems were not limited to any specific thematic objective, each TO (except for TO11, development of public administration) lacked precision and specificity in defining actions to some extent. Thus, problems in defining the action are not rooted in the nature of the interventions themselves, they rather relate to other causes. One hypothesis is that loose action definition could have been done to preserve some degree of freedom in implementation.
- Comparing the **quality of actions and guiding principles of selecting actions**, the conclusion is that clear and precise definitions account for one third of references to actions and one quarter of guiding principles; but half of the definitions are too broad.
- As feedback from managing authorities indicates: the choice of objectives, actions and result indicators were **at the heart of the negotiations** during the planning process. There were major debates, and the positions

of Member States have changed substantially in more than two thirds of the cases. And, while finding a compromise solution was the most frequent solution, clearly it seems to be the **Commission** that managed to convince the Member State to modify their position, rather than the other way around.

- Overall, according to interviews, the **transition from action-based programming to a result-based one** seems to have proved difficult for Member States. The identification of result indicators was the major challenge in establishing the intervention logic, as almost 40% of the MAs indicated.

3.5 PLANNED USE OF FINANCIAL INSTRUMENTS

3.5.1 Background

Regional Policy is traditionally based on **grants**. Nevertheless, financial instruments have been used for delivering investments for Structural Funds since the 1994-1999 programming period. Their relative importance has increased during the programming period 2007-2013 and they now represent around 5% of total European Regional Development Fund (ERDF) resources⁴¹. Financial instruments are expected to play an even stronger role in cohesion policy in the 2014-2020 programming period. (Financial instruments factsheet, p. 2).

The new regulatory framework contains substantially more detailed provisions regarding financial instruments, aimed at increasing their use and widening their scope of application. **Key changes** relating to use of financial instruments under the ERDF and ESF for 2014-2020 are summarised in the table below.

Figure 36 – Financial instruments 2007-2013 vs. 2014-2020

	2007-2013	2014-2020
Scope	Support for enterprises, urban development, energy efficiency and renewable energies in building sector.	Support for all thematic objectives covered under a programme.
Set-up	Voluntary gap analysis for enterprises and at the level of Holding fund.	Compulsory ex-ante assessment
Implementation options	Financial instruments at national or regional level – tailor made only	Financial instruments at national, regional level, transnational or cross-border level: Tailor-made or off-the-shelf or MA loans /guarantees. Contribution to EU level instruments
Payments	Possibility to declare to the Commission 100% of the amount paid to fund – not linked to disbursements to final recipients	Phased payments linked to disbursements to final recipients National co-financing which is expected to be paid can be included in the request for the interim payment
Management costs and fees, interest, resources returned, legacy	Legal basis set out in successive amendments of the regulations and recommendations/interpretations set out in three COCOF notes	Full provisions set out from outset in basic, delegated and implementing acts
Reporting	Compulsory reporting only from 2011 onwards, on a limited range of indicators	Compulsory reporting from the outset, on a range of indicators linked to the financial regulation.

Based on: (Financial instruments reference guide, pp. 2-3).

⁴¹ Source: Financial Instruments in Cohesion Policy 2014-2020. The "Summary of Data on the progress made in financing and implementing financial engineering instruments" (EU Commission, October 2015, page 21f) put the amount of funds dedicated to FI in the previous programming period to 5.2% of the ERDF, and 0,6% of the ESF, or 3,2% of the combined cohesion policy allocation).

This part of the **analysis** focussed on the ex-ante evaluations of programmes, examining the justifications for using financial instruments. The survey and interviews examined the expectations from Member States/regions towards using financial instruments, as well as why the majority of Member States did not take up the SME initiative, i.e. the financial instrument for the support of small and medium-sized enterprises.

3.5.2 The Use of Financial Instruments

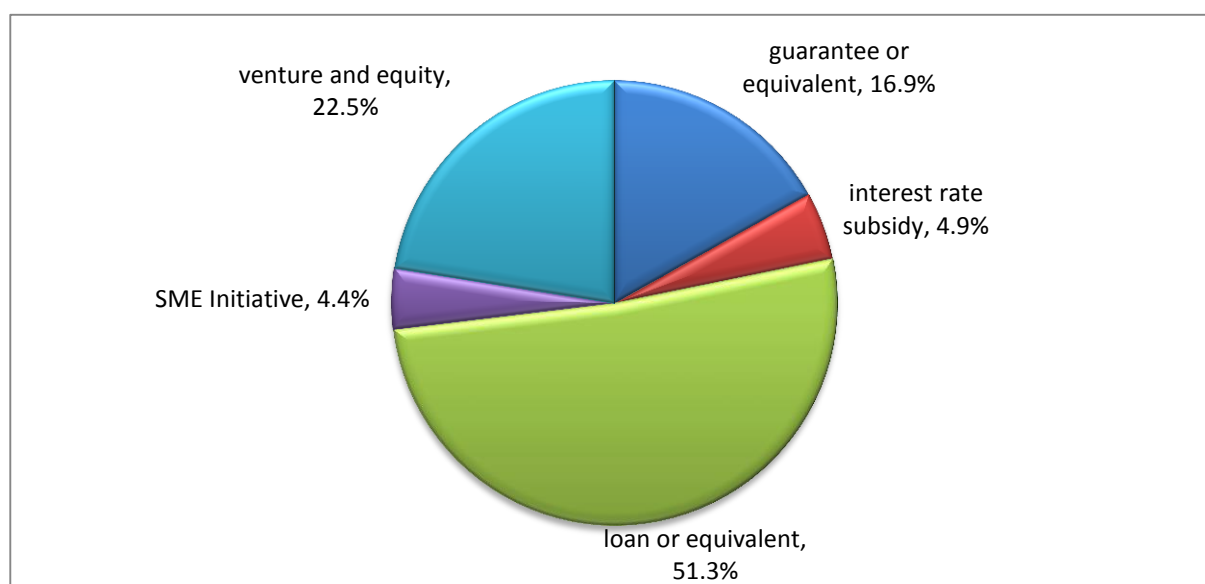
Most Member States intend to use financial instruments (with the exception of four Member States). Five Member States plan to deploy around or over 15% of their allocations through financial instruments.

FIs are mentioned in **141 operational programmes**⁴². The total EU funding to be dedicated to these instruments reaches EUR 20.887 billion.

By the cut-off date of end July 2015, three Member States⁴³ had joined the **SME Initiative** with the amount of EUR 1 bn, and two regional and two sectoral operational programmes have priority axes dedicated solely to financial instruments.

More than half of cohesion policy funding through financial instruments will be extended through **loans and equivalent instruments**, while one quarter will be used to generate venture and equity capital.

Figure 37 - Support through financial instruments



Financial instruments will account for 9,5% of the ERDF, 2,7% of the Cohesion Fund and 1,3% of the ESF allocations. Financial instruments are more frequently delivered in a

⁴² This overview reflects the content of programmes at the stage of their adoption or at the cut-off date of 31/07 for the ones already adopted. The situation has evolved since then.

⁴³ In addition, three Member States submitted SME Initiative OPs after this cut-off date.

multi-objective, multi-regional context. Correlation analyses have shown that multi-objective programmes use **interest rate subsidy, guarantee fee subsidy, technical support or equivalent measures** relatively more frequently, while multi-regional programmes use them more rarely than other types of programmes. Financial instruments are going to be used for **at least 9 thematic objectives**⁴⁴. In any case, the use of financial instruments is **substantially more widespread** (in terms of policy areas covered) than in the previous period.

3.5.3 Justifications and expectations towards using financial instruments

The justification for using financial instruments is **scattered and often missing**. It was not a requirement towards the programmers to give such a justification in the programme document. Support of financial instruments shall be based on specific *ex ante* assessments (which have to establish evidence of market failures or suboptimal investment situations, and the estimated level and scope of public investment needs, including types of financial instruments to be supported). Such *ex ante* assessments may be completed later on, during the course of programme implementation.

Although it was a general requirement to *ex ante* evaluators to appraise the rationale for the form of support proposed in the programme (CPR, Article 55(3)(h)), **it is only 80 programmes** – 58% of those planning to use FI – **where either the *ex ante* evaluations or the programme document offer a justification** for their use. These are summarised in the table below.

Figure 38 - justifications for using financial instruments

Profitable projects with financing needs uncovered on the market	58
Lack of ample assistance to finance grants	41
Providing extra assistance to top-up existing grant schemes	21
Non-profitable projects with financing needs uncovered on the market	8
Speed or flexibility to deploy assistance (to spend)	6
Assessment and funding of the project is done on a more market-compatible and a closer-to-market way.	4
Relying on recommendations of an international organization, e.g. OECD recommendation on venture capital	4

In percentage terms, 41% of the programmes that opted for using financial instruments made their decisions based on detecting **insufficient funding on financial markets**; and 19% chose these instruments due to the limited sources available for grants.

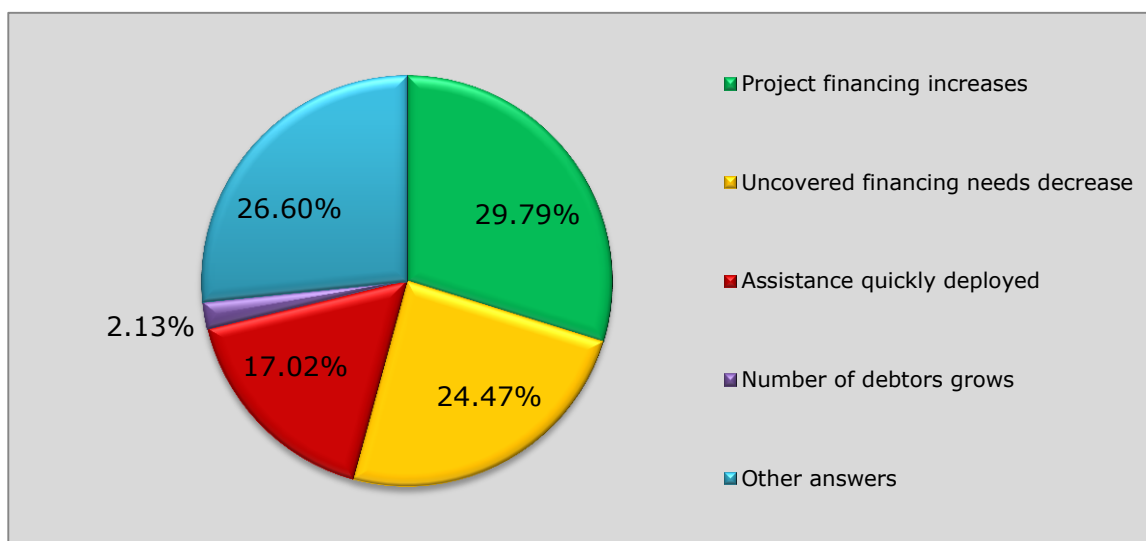
Comments made by the **Commission** regarding the justification for using FI reflect a **different approach**. As the EC sees it, a *lack of ample assistance for grants* should not be seen as a valid argument for the use of FI, as it is the MA that decides how funding is

⁴⁴ For TO 5 and TO 11, there is no conclusive information. There are financial instruments planned contributing to multi-thematic priority axes, where TO 5 and TO 11 are also covered. However, programmes do not specify whether the FI will also contribute to these two thematic objectives.

invested through grants and how much through financial instruments. Furthermore, the *financing of non-profitable projects* is in conflict with Art. 37 CPR.⁴⁵

Member States' expectations (collected in response to a specific survey question) towards the use of financial instruments distribute rather evenly between the intentions of increasing the number of assisted projects, improving financial market conditions indirectly widening financing possibilities and absorption (in the sense that more funds can be quickly disbursed). One quarter of the respondents, however, have diverse expectations.

Figure 39 - Survey Q 5.1 - What are expectations to use financial instruments?⁴⁶



It is interesting to **contrast the justification** given by the programmers and the ex-ante evaluators as to why they plan to use financial instruments **with the goals** they want to obtain. As statistical analysis revealed, there is a definite correspondence between the two:

- Those viewing financial instruments as **extra assistance** to top-up existing grant schemes aim at **quick absorption**.
- Those choosing them as **closer-to-market** means – stating that even profitable projects have financing needs uncovered on the market – aim at a **growing number of projects** getting assistance, without aiming at a general decrease of uncovered financing needs.
- Still others wish to employ financial instruments, acting also in line with **recommendations by international institutions**, in order to provide **affordable funds to projects** which would otherwise be **not profitable** under prevailing market conditions.

During the **negotiations**, Member States' positions regarding the use (or non-use) of financial instruments were shaped, above all, through the **informal dialogue**, and EC formal comments on the one hand, and the national legal and institutional context, as

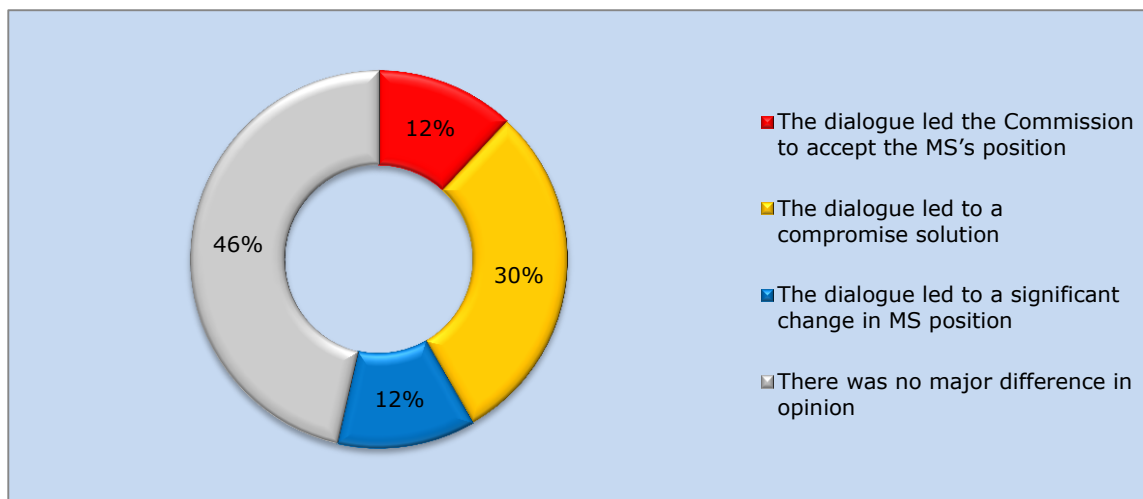
⁴⁵ "...Financial instruments shall be implemented to support investments which are expected to be financially viable and do not give rise to sufficient funding from market sources." (CPR, Article 37(1))

⁴⁶ „Number of debtors grows” = the number of enterprises using (benefitting from) financial instruments grows.

well as ex-ante evaluations on the other. The text of the regulations – substantially extended as regards financial instruments – was also important.

As regards the impact of exchanges with the Commission, the issue of financial instruments was **slightly more controversial than average**. In cases where there was debate, the outcome seems to reflect a middle way between the national and EC positions. (The Commission's line was to encourage the use of financial instruments).

Figure 40 – Impact of exchanges with EC on the use of financial instruments



The **low uptake of the SME Initiative** was discussed in interviews with both Member State representatives and focus groups with the Commission. Many Member States did not decide to join the SME Initiative because **similar financial instruments already existed** on the national market; or because the regulatory **initiative came too late**, when decisions about the distribution of ESIF funding – e.g. the decentralisation of funding to regions – was already decided. Member States considered the instrument **too complicated and expensive** to manage, or available funding was considered too small to justify the costs and the rules were perceived as unclear. Some Member States perceived the EIB as less flexible in negotiations than a domestic development bank and considered that governments would have a stronger **negotiating position** in case of the latter. There were fears that using the EIB would preclude the strengthening of national expertise and capacity and create unwanted **dependence on an external player**. There was also scepticism about the initiatives' potential to exert a discernible influence on the access to finance to SMEs, as it was expected to be **relatively expensive, and limited in size**. The countries that in the end did or may adopt the instrument may have decided in favour of the initiative because their earlier domestic attempts did not bring sufficient results.

3.5.4 Specific Conclusions

The regulatory **provisions** regarding the use of financial instruments were **substantially extended** for the period 2014-2020, with the intention of providing better, more detailed guidance to Member States. The Commission's intention was to **support the spread** of FIs in different policy areas.

As programme data show (based on OPs at the time of their adoption or at the other cut-off date of end July 2015 for the ones not yet adopted by then), financial instruments are **indeed planned to be used under at least 9 thematic objectives**, and possibly all eleven. With the exception of Cyprus, Denmark, Ireland and Luxembourg, all Member States stated their intention to implement such schemes. The Netherlands, Portugal, Slovenia, Sweden and the United Kingdom plan to use around or over 15% of their ERDF allocations within the objective for investments for growth and employment through financial instruments. At the same time (as of end July 2015), the SME initiative was only taken up by three Member States – Bulgaria, Malta and Spain. ETC programmes do not plan to use FIs.

Judged by the relevant programmes and ex-ante evaluations, the **principal motivation of Member States to employ financial instruments was to increase available funding on the market**, and to complement the funds available for grants, which are inherently limited. Speeding up the deployment of EU assistance, and increasing the number of enterprises (or other project owners) benefitting from refundable assistance, were also well represented among the motivations of authorities planning with FIs.

The apparent **reluctance** of Member States **to take up the SME initiative** could be explained with several arguments. Several Member States considered that their own financial sectors were well capable of providing similar financial products without EIB assistance. Others considered the scheme too small and too expensive. The wish to avoid dependence on a foreign bank was also cited among the reasons for abstaining.

Overall, financial instruments are planned to take up around EUR 20,887 billion, or 7,2% of the budget of the programmes under examination. More than **half of that amount will be dedicated to loans**, with venture and equity financing taking up 22%, and guarantees 16,9%.

One **expectation** – namely **that the use of financial instruments would spread well beyond the remit of enterprise support**, definitely seems to be **coming true**. FIs should operate at least under nine, possibly all eleven thematic objectives.

3.6 PLANNED USE OF MAJOR PROJECTS

3.6.1 Background

Major projects (large-scale infrastructure projects in transport, environment and other sectors such as culture, education, energy or ICT, co-funded by ERDF and CF and subject to an assessment and a specific decision by the European Commission) have been **part of cohesion policy since the outset**. Experience and benchmark data have been accumulated for decades and related problems – especially those related to project preparation and appraisal – are known to be a critical area of responsibility for public agencies (RGL Forensys, Faber Maunsell/Aecom and Frontier Economics, 2009, p. 70).

Regulations regarding major projects have regularly been adjusted, and several **changes** to the earlier provisions were introduced for the 2014-2020 programming period as well, including:

- **streamlined approval** procedure and stronger role of independent experts (such as JASPERS);
- simplified approval for **phased projects** under certain conditions (CPR, p. 103), i.e. phasing;
- **higher thresholds** and based on total eligible cost after taking account of Article 61;
- stronger **focus on timely realisation** of major projects: all Commission decisions are conditional; stricter check of administrative capacity of beneficiaries; no N+3 deductions due to major projects;
- **certification** of expenditure possible only when the project is submitted to the Commission;
- **compulsory list of major projects** in the operational programmes, and better linking them to intervention logic;
- **no financing of completed projects** (this is a horizontal principle but applies to major projects as well).

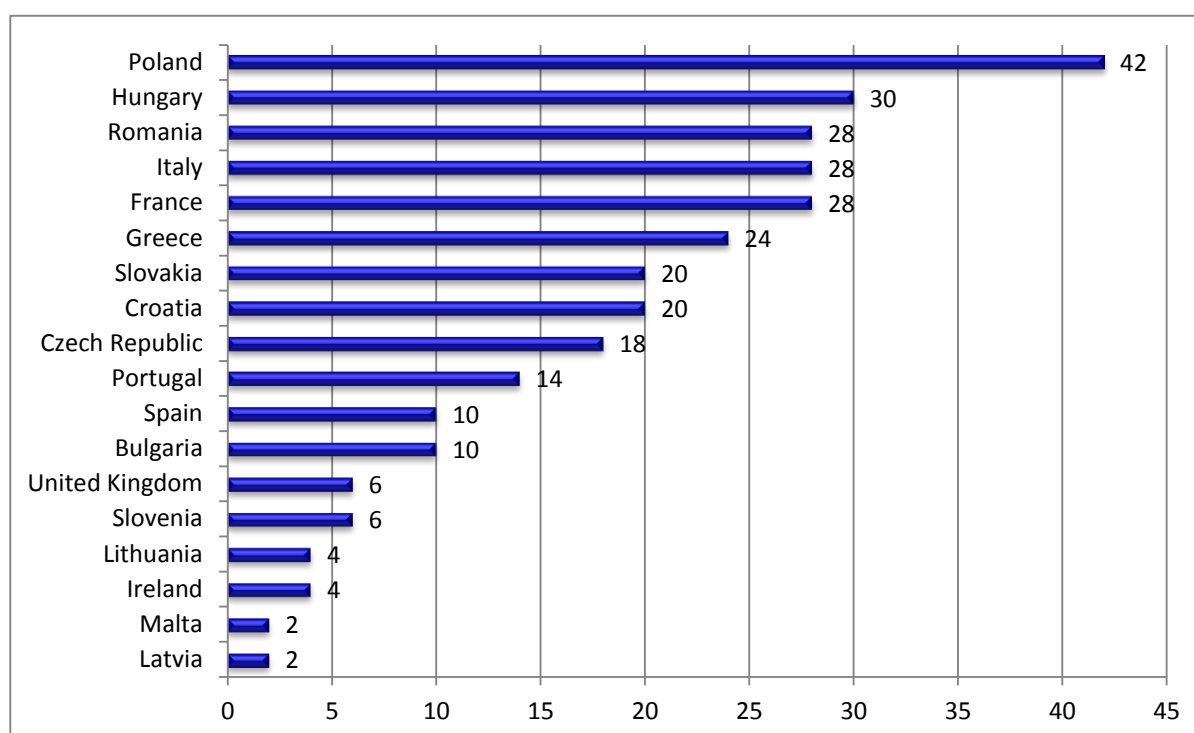
For this study, we have examined **which Member States** are planning to use major projects, under **what funds, types of programmes, thematic objectives** and **investment priorities**. We also looked at the use of **phasing**. The issue of major projects was included neither in the survey nor in the interviews questionnaires.

3.6.2 The use of major projects

Altogether, 289 major projects were planned in 202 investment priorities selected in 54 programmes (one sixth of the programmes) at the time of their adoption (or at the cut-off date of 31 July 2015 for the programmes not yet adopted by then). 83% of the major projects are programmed in nine Member States⁴⁷.

⁴⁷ Croatia, Czech Republic, France, Greece, Hungary, Italy, Poland, Romania, Slovakia

Figure 41 - Planned use of major projects by country



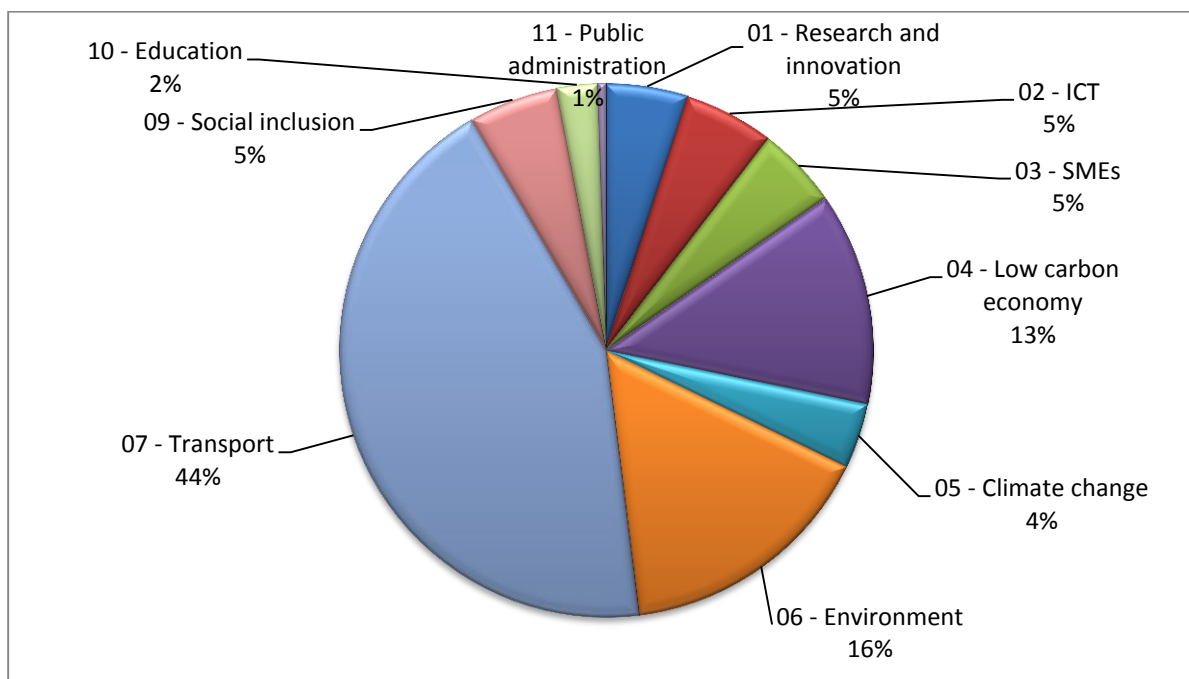
Major projects are planned **across all thematic objectives – except TO 8** (employment). Multi-objective and ESF programmes (practically) do not use major projects. Other patterns (clusters) across Member States, or types of programmes were not identified. As to the IPs level, the use of **major projects is fairly concentrated on one or two investment priorities** for each thematic objective, with the notable exception of network areas (transport and energy) where more investment priorities are tackled.

Thematic objective 07, Promoting sustainable transport and removing bottlenecks in key network infrastructures, relies heavily on major projects.

Major projects are also frequently (more than 10 projects) used in the following investment priorities

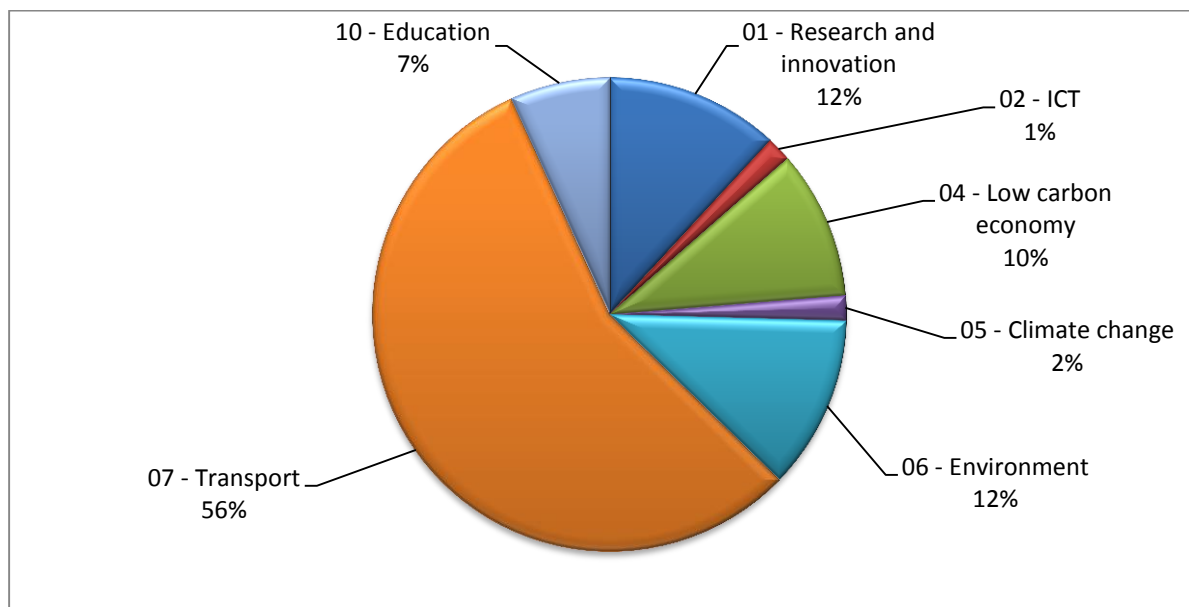
- Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest (1a),
- Promoting low-carbon strategies for all types of territories, in particular for urban areas, including the promotion of sustainable multimodal urban mobility and mitigation-relevant adaptation measures (4e),
- Investing in the waste sector (6i) and the water sector (6ii) to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements, and
- Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services (9a).

Figure 42 – (IPs with) major projects in thematic objectives



Phasing occurs under almost all TOs where they are present, except for TO 3 and 11. Transport is somewhat overrepresented among phased projects. **13% of the planned projects are phased ones**, meaning that they have already been started during the previous programming period and are continuations of those that have successfully implemented their first phase. This definitely accelerates starting the new programming period.

Figure 43 - (IPs with) phased major projects in thematic objectives



3.6.3 Specific Conclusions

Overall, the main findings on this provision are that:

- **The use of major projects is planned in at least 18 Member States**, more extensively in 9 Member States.
- Major projects are planned **to be used under all TOs**, except for TO 8 (employment) and 11 (institutional and administrative capacity).
- Almost all TOs, and more than half of the investment priorities concerned plan to use **phasing**, and continue projects already started in the previous programming period. This should have a positive “streamlining” effect on the approval of major projects.

3.7 USE OF CO-FINANCING RATES

3.7.1 Background

When deciding about programmes, the **Commission's decision** fixes the co-financing rate and the maximum amount of support from the Funds for each priority axis. Where a priority axis concerns more than one category of regions, more than one Fund and/or combines investment priorities from different thematic objectives, the Commission decision, where necessary, fixes the co-financing rate by category of region, Fund and thematic objective – respecting the provisions of the regulations.

The co-financing rate from the Funds to a priority axis **may be modulated** to take account of:

- the importance of the priority axis for the delivery of the Europe 2020 strategy, having regard to the specific gaps to be addressed;
- the protection and improvement of the environment, principally through the application of the precautionary principle, the principle of preventive action and the polluter pays principle;
- the rate of mobilisation of private financing;
- the coverage of areas with severe and permanent natural or demographic handicaps.

While the **provisions are essentially similar** to those in the previous programming periods, the **application** of the provisions is different due to changes in the programming context of financial planning:

- Maximum co-financing rates are defined in a new programming context: rates set by funds and types of regions (CPR, p. 120(3)) are increased for priority axes dedicated to CLLDs, financial instruments, social innovation or to transnational cooperation; or implementing YEI.
- Part of the modulation – i.e. modulation by thematic objectives – is defined in the programming phase.
- Focusing more on results – as opposed to spending – means that a higher co-financing rate reflects more European added value, rather than less national funding (and importance).

Analysing the programmes, we have examined, how co-financing rates vary over Member States, Funds and types of programmes, in relation to applicable maximum rates. The study also sought to identify where modulation was to be applied, and with what justifications and methods. The issue of co-financing rates was included neither in the survey nor in the interviews questionnaires.

3.7.2 Modulation and justification

Co-financing rates – as calculated on the priority axis and fund level – **do show variations** over Member States, funds and types of programmes. (See table below Figure 44). **Median co-financing rates** for ERDF, ESF and CF are 75%, 80% and 85% (the applicable maximum co-financing rates) respectively.

There is substantial variation in **priority axes** financed by ERDF and ESF. This **variation of ERDF co-financing** is mainly due to differences in co-financing between different types of regions. **In more developed and transition regions**, as well as in EU-15 Member States, **lower-than-average co-financing rates** are more frequent⁴⁸. The opposite is true for less developed regions and EU-13: here, priorities with low co-financing rates comparatively are rare.⁴⁹ The same divide could be observed regarding variance (i.e. degree of dispersion of the sample): EU-13 and **less developed regions show small variance** in co-financing rates, the opposite is true in more developed and transition regions and in EU-15 Member States. There are, however, **extremely** high and low co-financing rates as well. The 0% co-financing rate of the Baltic Sea ENI finance and the 100% percent rate of a French regional programme are clearly extremities, but 18-30% rates characterize 25 priority axes in ten programmes, while 17 priority axes in another dozen programmes feature 90% and higher rates.

It seems that **maximum applicable rates** are generally used in the Cohesion Fund, EU-13 Member States and less developed regions. Priority axes of co-operation programmes. The EU-15 and more developed regions tend to differ much more.

Figure 44 - Co-financing rates in operational and co-operation programmes

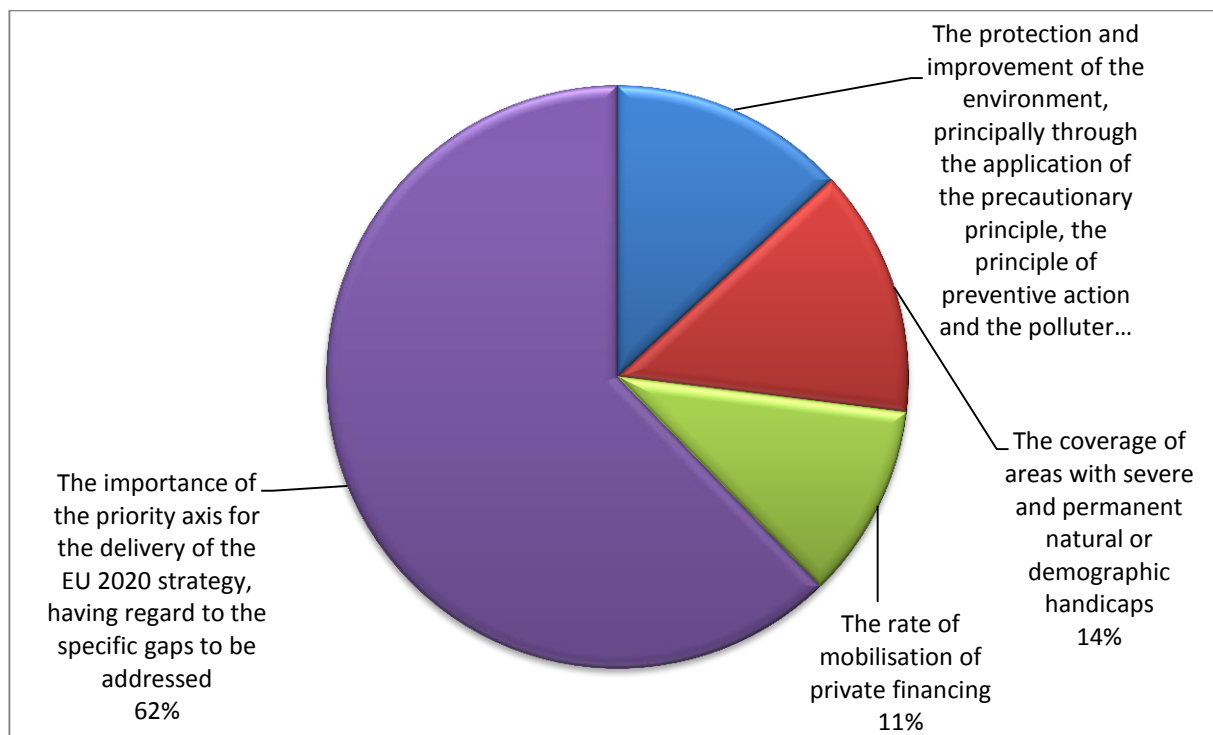
	EU co-financing rates (%)						Total	EU
	Mean	Variance	Median	Minimum	Maximum	Weighted average	Funding EUR'000'000'000	
Overall	69,0%	3,0%	80,0%	18,0%	100,0%	73,9%	380	280
ERDF	67,5%	3,0%	75,0%	18,0%	100,0%	70,9%	268	190
ESF	72,6%	2,4%	80,0%	26,0%	95,0%	75,4%	38	28
CF	84,0%	0,3%	85,0%	40,7%	85,0%	83,9%	73	61
More developed regions	54,3%	2,1%	50,0%	18,0%	100,0%	52,7%	66	35
Transition regions	64,1%	2,6%	60,0%	19,0%	100,0%	69,1%	36	25
Less developed regions	79,2%	1,3%	85,0%	20,0%	100,0%	78,4%	191	150
EU-15	61,2%	2,8%	50,0%	18,0%	100,0%	63,3%	160	102
EU-13	82,5%	0,7%	85,0%	40,7%	100,0%	83,1%	183	152
ETC programmes	75,8%	2,3%	85,0%	0,0%	95,0%	28,3%	36	10
Mainstream programmes	67,4%	3,1%	75,0%	18,0%	100,0%	73,8%	344	254

Reasons for using modulation are **given in 102 programmes** (1/3 of the programmes). However, **no justifications** are given and no specific ways **how to apply** modulation of co-financing rates are described in any programme. Programmes specify the legal basis for a modulation with respect to CPR Article 121, but they do not determine how this will affect the co-financing rates of individual projects within the relevant priority.

⁴⁸ Means are higher than medians. A mean higher than the median means a left-skewed distribution, meaning that there are more of the smaller units (priority axes with relatively smaller co-financing rates) compensated in the mean by a small number of higher-than-average units.)

⁴⁹ All Member States that joined in 2004, 2007 and 2013: BG, CZ, EE, HR, CY, LV, LT, HU, MT, PL, RO, SI, SK.

Figure 45 - Reasons for modulation (number of programmes)



3.7.3 Specific Conclusions

There is **variation in the co-financing rates** in more developed regions, transition regions, EU-15 Member States and co-operation programmes. At the same time, the Cohesion Fund and EU-13 programmes mostly apply maximum rates.

One third of the programmes foresee **modulation**. Almost two-thirds of indicated modulations address the importance of the priority axis for the delivery of the Europe 2020 strategy, having regard to the specific gaps to be addressed.

No information could be collected **as regards the ways in which modulation would be applied** when implementing programmes (to the co-financing of individual projects, or measures within a priority).

3.8 TERRITORIAL CHALLENGES IN PROGRAMMING

3.8.1 Background

Territorial cohesion has been added to the goals of economic and social cohesion by the TFEU, and it is necessary to address the role of cities, functional geographies and sub-regional areas facing specific geographical or demographic problems.

Member States and regions increasingly face **challenges** that relate to the impact of globalisation, environmental and energy concerns, population ageing and demographic shifts, technological transformation and innovation demands, and social inequality. Due to the complex and interrelated nature of such challenges, the solutions supported by the ESI Funds should be of an integrated nature, multi-sectoral and multi-dimensional.

The overall approach to promoting smart, sustainable and inclusive growth will therefore have to reflect the **role of cities, rural areas, fisheries and coastal areas, areas facing specific geographical or demographic handicaps**. It will also have to take account of the specific challenges of the **outermost regions, the northernmost regions** with a very low population density and of **island, cross-border or mountain regions**, as explicitly recognized by the Lisbon Treaty. Territorial cohesion also means addressing **urban-rural linkages**, in terms of access to affordable, quality infrastructures and services, and problems in regions with a high concentration of socially marginalised communities.

“An integrated approach to sustainable urban and territorial development has been on the agenda of EU Regional Policy for over two decades. The European Pilot Projects, the URBAN I and II Community Initiatives and the URBACT programme are examples of the importance of integrated urban and territorial development at the EU level. These initiatives came into existence because the complexity of interlinked challenges (unemployment, transport, water, energy etc.) required a shift from sectorial, isolated interventions, to cross-sectorial, integrated approaches to economic and social development. This was also confirmed by the work undertaken in the context of the intergovernmental process (e.g. Leipzig Charter 2007, Toledo Declaration 2010, and Territorial Agenda 2011).

All this work **manifested in the 2014-2020 programming period**, in the development of a clearer narrative accompanied by dedicated instruments to support more integrated investments.”

The analysis under this study focused on:

- the **types of territory** being considered by Member States in the context of a territorial approach,
- the types of **external challenges** (threats) to sustainable socio-economic development identified,
- the **territorial needs** (weaknesses or internal characteristics) to be addressed in an integrated manner,
- the methods for the **coordination** (integration) of instruments, and finally
- the **difficulties** encountered in identifying territorial challenges and applying them in programmes.

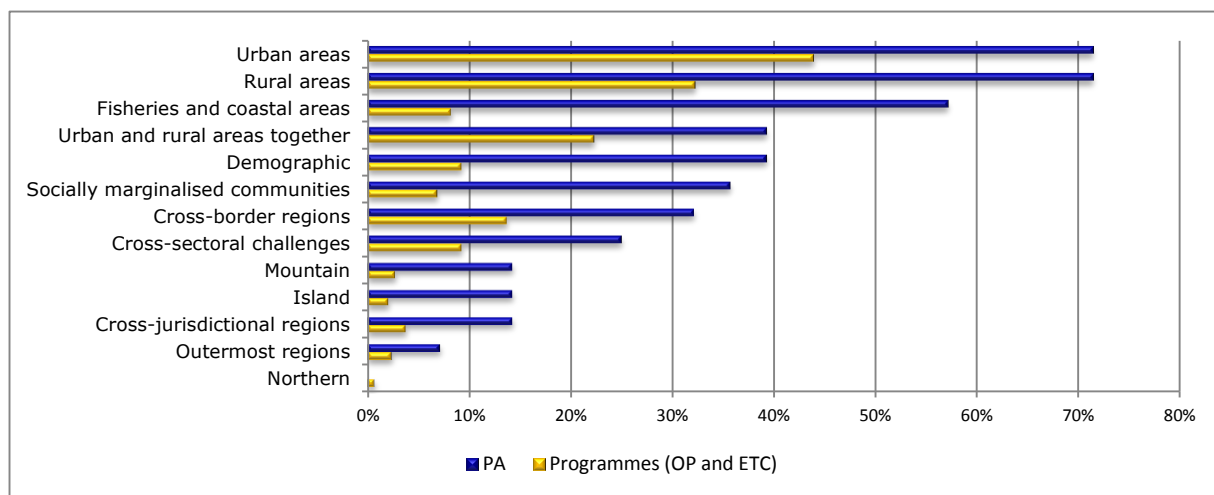
3.8.2 Types of Territories

Figure 46 shows the types of territories identified by the Member States as geographical areas to benefit from the use of territorial instruments.

According to the data, Member States plan to apply integrated approaches above all in an **urban context** (mentioned in more than 70% of the PAs and around 45% of the programmes). This may be partly explained by the fact that sustainable urban development is compulsory for all Member States. Next in line are rural areas, which also appear in 70% of the PAs (and to a less extent in programmes – around 33%), and then territories characterised by urban-rural linkages (in the programmes) and by geographical and demographic problems (in the PAs).

The **figures at PA vs. programme level** show the same overall trends, but there are some divergences. Overall, programme-level figures are lower, since on the one hand that PAs are wider in their scope (covering all ESI Funds), and OP/ETC programmes financed by the ERDF/CF focus on a narrower set of issues, and that analyses are deeper in PAs than in the programmes, on the other. Differences in the relative frequency of types of territories analysed in PA vs. programmes show that the share of fisheries and coastal regions and of rural areas is relatively lower at programme level. (The assignment only targets cohesion policy programmes and these types of territories rely considerably on the EARDF and the EMFF.) Conversely, cross-border areas are more often referred to in (mainly ETC) programmes than in the PAs.

Figure 46 - Types of territory identified in the analysis (PA, OP/ETC)⁵⁰



(% of the total number of programming documents where each category⁵¹ has been identified)

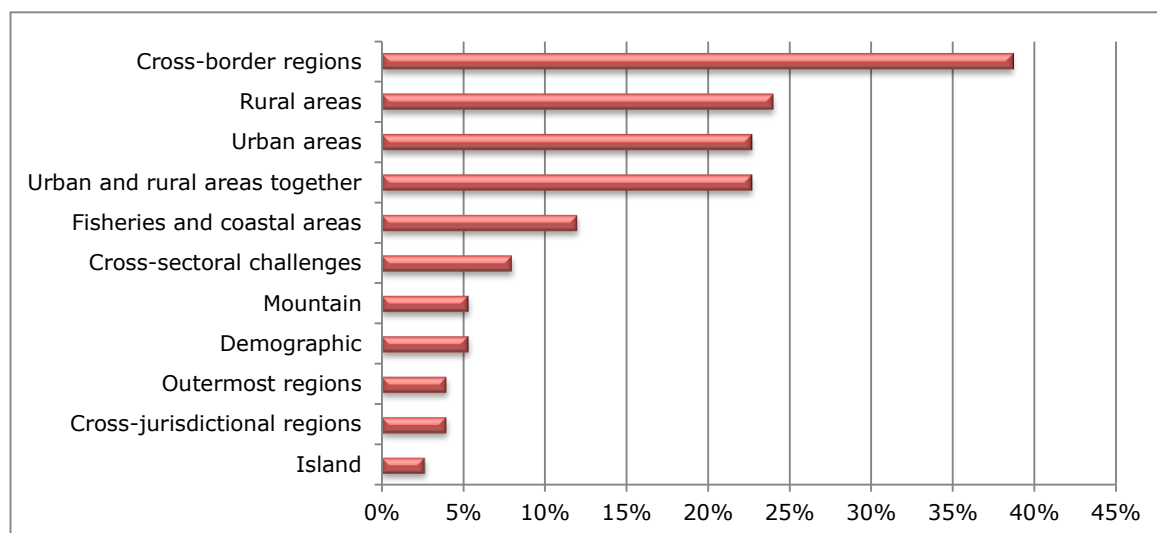
⁵⁰ While PAs cover all ESIF funds, only programmes financed by the ERDF and the CF as well as multi-fund operational programmes co-financed by the European Social Fund are covered by the present study.

⁵¹ Narrative of list elements:

- Cross-border regions: Cross-border regions (incl. reg. covered by macro strategies)
- Cross-jurisdictional regions: Cross-jurisdictional regions (e.g. functional regions, spanning across administrative boundaries)
- Cross-sectoral challenges: Regions with cross-sectoral challenges affecting several economic sectors or spheres of society that require complex responses.
- Demographic: Regions which suffer from demographic handicaps
- Fisheries and coastal areas: Fisheries and coastal areas
- Geographical or demographic problems: Areas facing specific geographical or demographic problems

The spread is similar for ETC programmes – while, unsurprisingly, the category “cross-border regions” achieves the highest frequency of identification this time.

Figure 47 - Types of territories targeted by integrated approaches in ETC programmes



(% of the total number of ETC programmes where each category has been identified)

There are patterns across Member States as regards the types of territories of concerned. **EU-13 Member States** have chosen relatively more often rural areas, as well as urban areas. At the same time, Urban&rural (periurban) areas and the category of “areas characterised by cross-sectoral challenges” were chosen less frequently by them in relative terms.

Countries using the Cohesion Fund had a relatively high representation of areas characterised by socially marginalised communities in their analyses (as well as mountains and islands). At the same time, cross-jurisdictional regions, cross-border regions and outermost regions were underrepresented in their analyses.

Correlation (contingency) was examined also between the type of the territory and the different territorial tools, by independence analysis with χ^2 -test. Results show the following:

-
- Rural areas: Rural areas
 - Socially marginalised communities: Regions with a high concentration of socially marginalised communities
 - Urban and rural areas together: Urban and rural areas together (with socio-economic linkages)
 - Urban areas: Urban areas

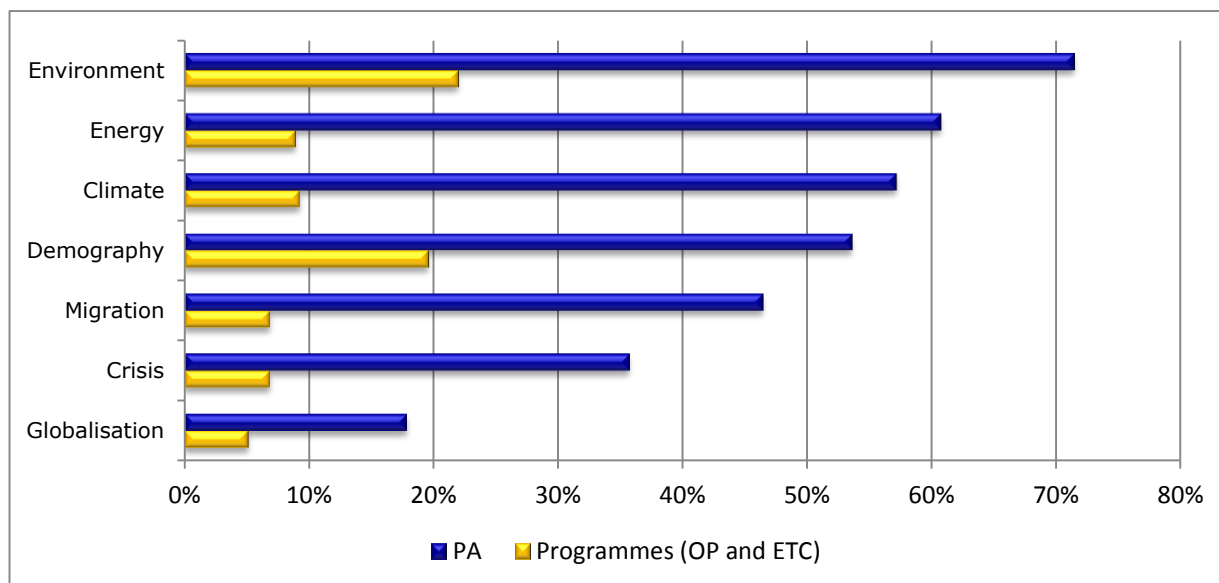
Figure 48 – Relation between type of territory and territorial tools⁵²

TERTYPE/TERAPP	CLLD	ITI	SUD	ETC
Cross-border regions		-X		XX
Cross-jurisdictional regions	X		-X	
Cross-sectoral challenges				
Demographic				
Fisheries and coastal areas	X	-X		
Rural areas				
Socially marginalised communities				
Urban and rural areas together				
Urban areas	-X	X		-X

3.8.3 External challenges to territories

As Figure 49 shows, Member States consider **environmental** degradation (including air and water pollution), **energy** and **climate** change as the main external factors requiring an integrated approach. **Demographic challenges** also mentioned by about half of Member States in the PAs.

Figure 49 - Territorial challenges (external) identified by Member States (PA, OP/ETC)⁵³



(% of the total number of programming documents where each category has been identified)

⁵² „X” and „XX” indicate positive correlation, i.e. that the use of the particular approach is likelier (than elsewhere) in a given type region. „-X” a negative correlation. Empty cells indicate that there is no significant correlation

⁵³ While PAs cover all ESIF funds, only programmes financed by the ERDF and the CF as well as multi-fund operational programmes co-financed by the European Social Fund are covered by the present study.

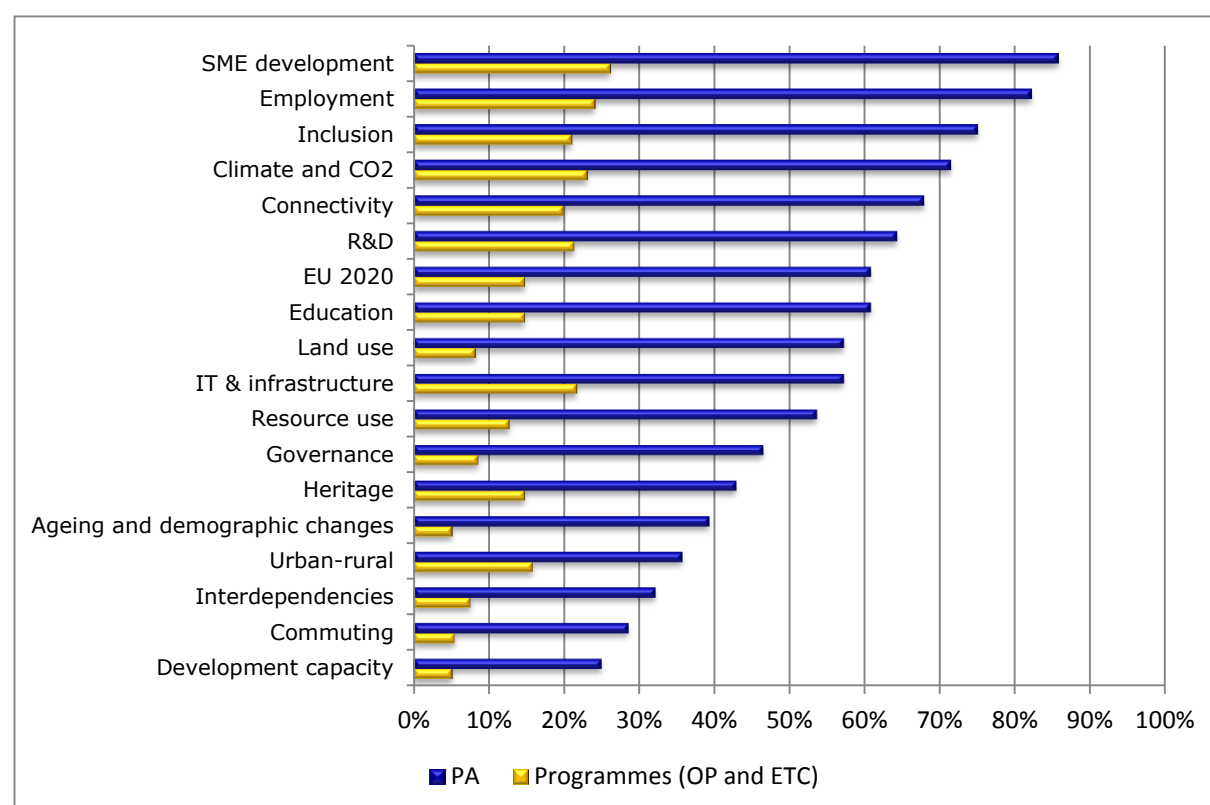
Overall, challenges identified in PA and programmes are consistent. However, environment and demographic concerns concentrate even larger attention in the programmes.

Countries using the cohesion fund are relatively more responsive to climate and energy related challenges (as regards their territorial analyses are concerned). **EU-13** countries seem to have paid less attention (on average) to demographic issues. **Outermost regions** paid relatively high attention to the effects of globalisation, the recent crisis, and demographic changes in their programmes.

3.8.4 Territorial development needs

As data show (Figure 50), the **main territorial needs** that Member States have singled out for an integrated approach include **economic competitiveness** and growth (SMEs, employment, R&D, ICT), **sustainability** (environment, climate, CO2) and social **inclusion**.

Figure 50 - Territorial needs (internal) identified by Member States (PA, OP/ETC programmes)⁵⁴



(% of the total number of programming documents where each category⁵⁵ has been identified)

⁵⁴ While PAs cover all ESIF funds, only programmes financed by the ERDF and the CF as well as multi-fund operational programmes co-financed by the European Social Fund are covered by the present study.

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Correlation (contingency) was also used to examine links between the type of the territory and external trends as well as its needs in the territorial analysis. Results show the following:

Figure 51 – Relation between type of territory and external trends (OP/ETC programmes)

TERTYPE/TERCHAL	Frequent appearance	common	Rare common appearance
Cross-border regions			Crisis Environment Globalisation Migration
Cross-jurisdictional regions			Migration
Cross-sectoral challenges			
Demographic	Demography		
Fisheries and coastal areas	Climate		Migration
Island			
Mountain			
Northern	Globalisation		Environment
Outermost regions	Demography		
Rural areas			
Socially marginalised communities			
Urban and rural areas together	Energy		
Urban areas	Crisis		

⁵⁵ Narrative of list elements:

- Europe 2020: Europe 2020 targets
- R&D: Innovation gaps, research and development networks, clusters
- IT & infrastructure: IT connectivity and use and public infrastructure securing public services and utilities, environmental protection and building resilience to natural threats thereby creating conditions for sustainable growth and an improved quality of life
- SME development: SME sector development and availability of support and SME promotion instruments, adoption of innovation and support for traditional occupations where these have potential for growth
- Climate and CO2: Climate change vulnerabilities and impacts; Reduction of Greenhouse Gas output
- Resource use: Potential for more sustainable use of natural resources including renewables,
- Heritage: Cultural, landscape and heritage features
- Connectivity: Connectivity and accessibility including access to markets and the workplace for all. This is particularly significant in geographically remote areas where exceptional additional costs can be involved in most regeneration activity.
- Commuting: Commuting patterns
- Development capacity: Planning and implementation capacity (administrative capacities to formulate and implement development policy programmes and measures)
- Employment: Employment and labour market characteristics, labour mobility, addressing industrial decline and mono-industry dependence
- Education: Adequacy and quality of education, including adult and pre-school education
- Inclusion: Social inclusion combating poverty, deprivation and discrimination
- Ageing and demographic changes: Population ageing and demographic shifts
- Governance: Institutional and governance issues including coordination of funding through local groups
- Interdependencies: Interdependencies between different sectors of the economy that require a complex response by different tools (funds, programmes, measures)
- Urban-rural: Linkages between rural and urban areas and support for poly-centric development and restructuring
- Land use: Land use and resource constraints including those based on particular geographical parameters (coastal, mountain etc.)

Figure 52 – Relation between type of territory and needs (OP/ETC programmes)

TERTYPE/TERCHAL	Frequent common appearance	Rare common appearance
Cross-border regions		Crisis Environment Globalisation Migration
Cross-jurisdictional regions		Migration
Cross-sectoral challenges		
Demographic	Demography	
Fisheries and coastal areas	Climate	Migration
Island		
Mountain		
Northern	Globalisation	Environment
Outermost regions	Demography	
Rural areas		
Socially marginalised communities		
Urban and rural areas together	Energy	
Urban areas	Crisis	

The statistical examination showed as well that association between the codes was detected, probability of correspondence is high.

In order to assess the intervention logic in programming documents correlation (contingency) was examined between need and **external challenges** of territories and **TO/IP/Specific objectives**. Results show the following:

Figure 53 – Relation between external trends and Thematic Objectives (OP/ETC programmes)

TERCHAL/TO	Frequent common appearance	Rare common appearance
Climate	Climate change	
Crisis	ICT	Public administration
Demography		Climate change
Energy	Low-carbon economy	Employment Poverty and discrimination
Environment	Climate change Environment protection	ICT
Globalisation	Low-carbon economy RTDI SME	Employment
Migration	Public administration	

Figure 54 – Relation between needs and Thematic Objectives (OP/ETC programmes)

TERNEED/TO	Frequent common appearance	Rare common appearance
Ageing and demographic changes	Public administration	Employment
Climate and CO2	Climate change	Employment
Commuting		Public administration
Connectivity	Employment Transport	
Development capacity		
Education	Education	Climate change
Employment		
Europe 2020	Transport	Poverty and discrimination
Governance	Public administration	Climate change Low-carbon economy
Heritage	Environment protection Low-carbon economy Public administration	ICT
Inclusion	Poverty and discrimination RTDI	
Interdependencies	Climate change	
IT & infrastructure	ICT	Public administration
Land use	Environment protection	Poverty and discrimination
R&D	Low-carbon economy RTDI	Employment
Resource use		
SME development		
Urban-rural		Environment protection Public administration

(Note: the same exercise was performed for IPs and Specific Objectives but since they are numerous, result will be handed over at the end of the project.)

The statistical examination showed as well that association between the codes was detected, probability of correspondence is high. The same is true for the relation between needs/external challenges and IPs (a bit less high) and needs/external challenges and Specific objectives (very high).

Correlation (contingency) **between needs and external challenges and the territorial tools** was also examined. Results are summarised in the following table:

Figure 55 – Relation between external challenges and needs and territorial instruments (OP/ETC programmes)

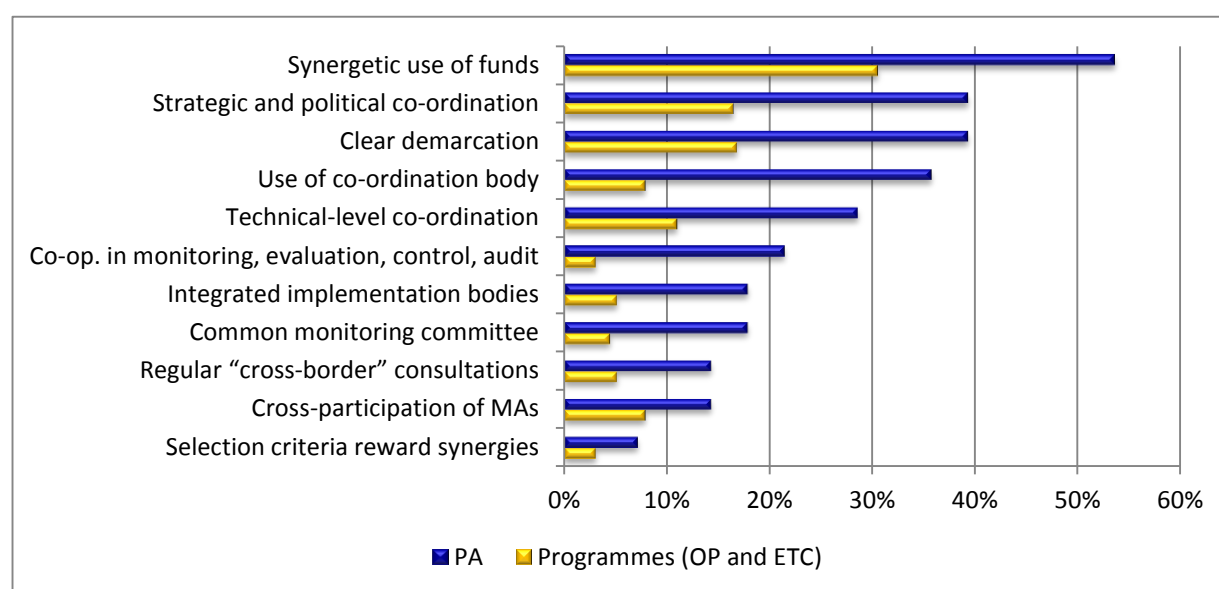
External challenges and needs	CLLD	ETC	ITI	SUD
Ageing and demographic changes				-X
Climate				X
Climate and CO2				
Commuting				
Connectivity	-X			
Crisis	-X			
Demography	XX	-X		
Development capacity	X			
Education			X	
Employment		-X		
Energy				
Environment				
Europe 2020				-X
Globalisation				
Governance	X			
Heritage	-X	X	-X	
Inclusion		-X	X	
Interdependencies			X	-X
IT & infrastructure				
Land use				X
Maximising benefits of existing potential				
Migration	X			
R&D		X	-X	
Resource use	-X	X		
SME development	-X			
Urban-rural		-X		X

Figure 55 shows among others that those territories opted for the tool of CLLD which are more characterised by demographic and (internal) migration problems as external challenges and lack of development capacity and governance as internal needs than other regions. ETC programmes are specific to regions where topics as R&D, resource use and heritage appear more often, employment, inclusion and demography less frequently as internal needs than in other territories. It is also noticeable that ITI and SUD follow a different pattern from this point of view. While those territories having opted for ITI are more characterised by needs in fields like education and inclusion and less in R&D and heritage than other regions, SUD territories are more often concerned by urban-rural, land use and climate questions and less by Europe 2020 objectives than others.

3.8.5 Coordination Arrangements to address Territorial Challenges

The results of documentary analysis show that Member States mostly wish to ensure a co-ordinated use of funding through **programming** (represented by the values “synergetic use of funds” and “clear demarcation” of measures to avoid overlaps). Further frequently used arrangements are the **co-ordination body** in the meaning of Art. 123 (8), as well as co-ordination **committees** at strategic-political and technical levels. At the other end of the scale, it is noteworthy that fund co-ordination during project selection (e.g. through **selection criteria rewarding synergies**) is relatively **rarely** applied.

Figure 56 - Coordination arrangements across different territorial levels (PA, OP/ETC programmes)⁵⁶



(% of the total number of programming documents where each category⁵⁷ has been identified)

⁵⁶ While PAs cover all ESIF funds, only programmes financed by the ERDF and the CF as well as multi-fund operational programmes co-financed by the European Social Fund are covered by the present study.

⁵⁷ Legend:

- Clear demarcation: Co-ordinate programming: clear demarcation of the ESI Funds in order to avoid overlaps
- Common monitoring committee: Common monitoring committee for programmes implementing the ESI Funds (CSF 3.2.1.d)
- Co-op. in monitoring, evaluation, control, audit: Co-operation among programmes in monitoring, evaluation, control and audit – CSF 3.2.1. h)
- Cross-participation of MA: MAs participate in the development of each-others' support schemes – (CSF 3.2.1.c) – or in project selection under other programmes
- Integrated implementation bodies: Use of implementation bodies (MA; IB) managing several OPs
- Joint information activities: e.g. Common website for ERDF and ESF informing about new projects, the applications process, evaluations; contact points, etc
- Regular “cross-border” consultations: Regular “cross-border” consultations (e.g. with programme authorities in different countries; or programme authorities of trans-national programmes and strategies)
- Selection criteria reward synergies: Selection criteria also assess the co-ordinated use of funds (contributions to other programmes)

Cluster analysis of co-ordination mechanisms at territorial level revealed that

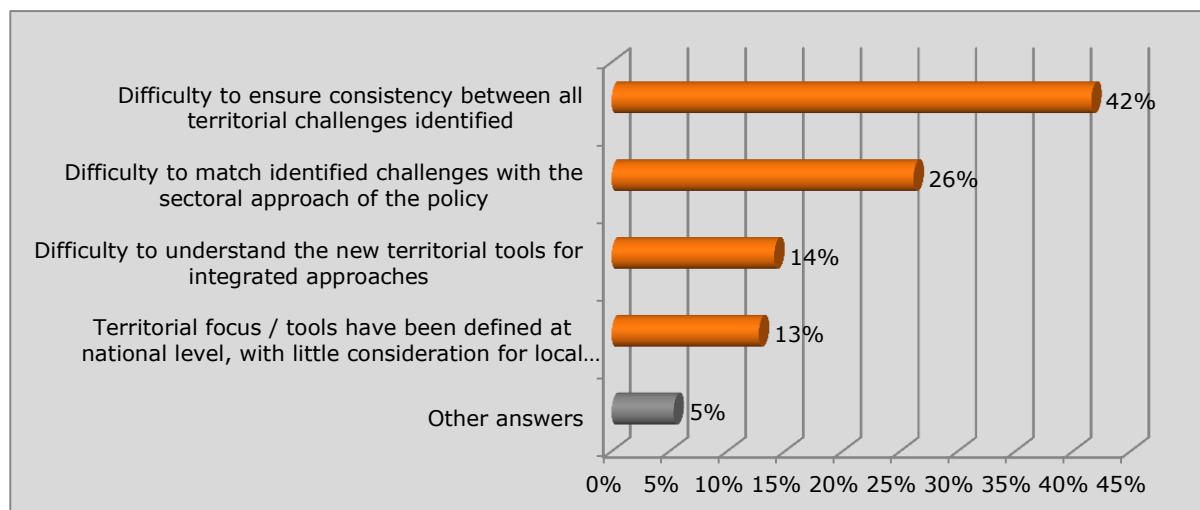
- For **multiregional** programmes, cross-border consultations and joint information activities are more likely to be used;
- For **Cohesion Fund** programmes, the use of a co-ordination body in the sense of Art. 123 (8) of the CPR will be important.

-
- Strategic and Political co-ordination: Co-ordination committees at political level (e.g. committees of ministers; of government & regions, etc); (CSF 3.2.1.b), partnership arrangements, involvement of partners in project selection, monitoring, etc.
 - Synergetic use of funds: Co-ordinate programming: synergetic use of funds through joint strategies, plurifund OPs, (groups of) measures covering different sources; targeted calls...
 - Technical-level co-ordination: Co-ordination committees at technical level - other forms of co-operation among authorities (those , without having an implementation responsibility included)
 - Use of co-ordination body: Use of co-ordination body in the sense of Art. 123 (8) of the CPR.

3.8.6 Difficulties and ways of territorial analysis, the role of territorial approach

Managing authorities were asked by survey about difficulties they had encountered when identifying territorial challenges and applying them in programmes. As shown in Figure 57, these are linked especially to **ensuring consistency between territorial challenges identified. Matching territorial challenges with the sectoral approach** of the policies represents another challenge.

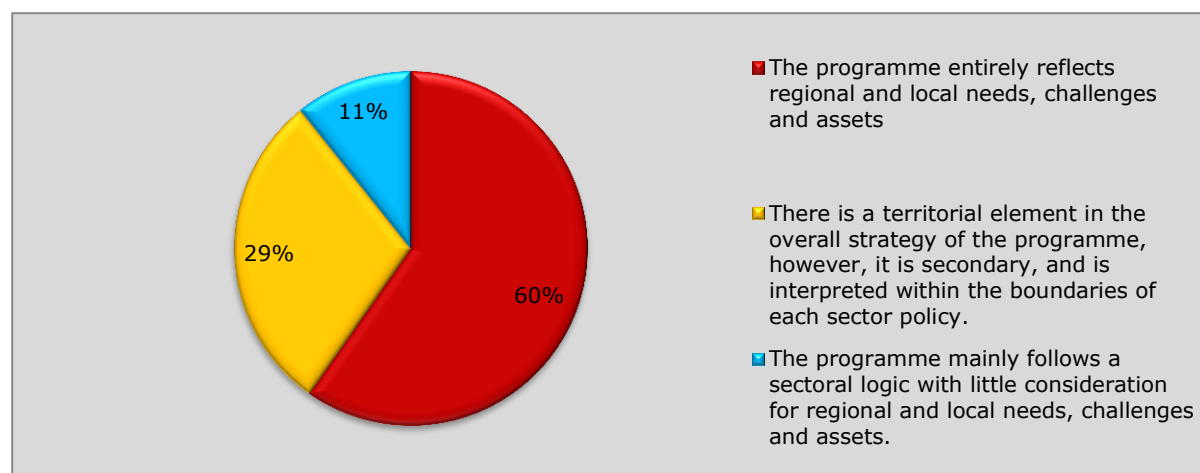
Figure 57 - Survey Q 8.1 Difficulties in identifying territorial challenges



(% of MAs having responded)

According to the MAs that responded, programmes with purely sectoral approach are rather rare. The vast majority (90%) of programmes reflects territorial approach. 60% has a predominantly territorial approach, while one third integrates territorial aspects into sectoral policies.

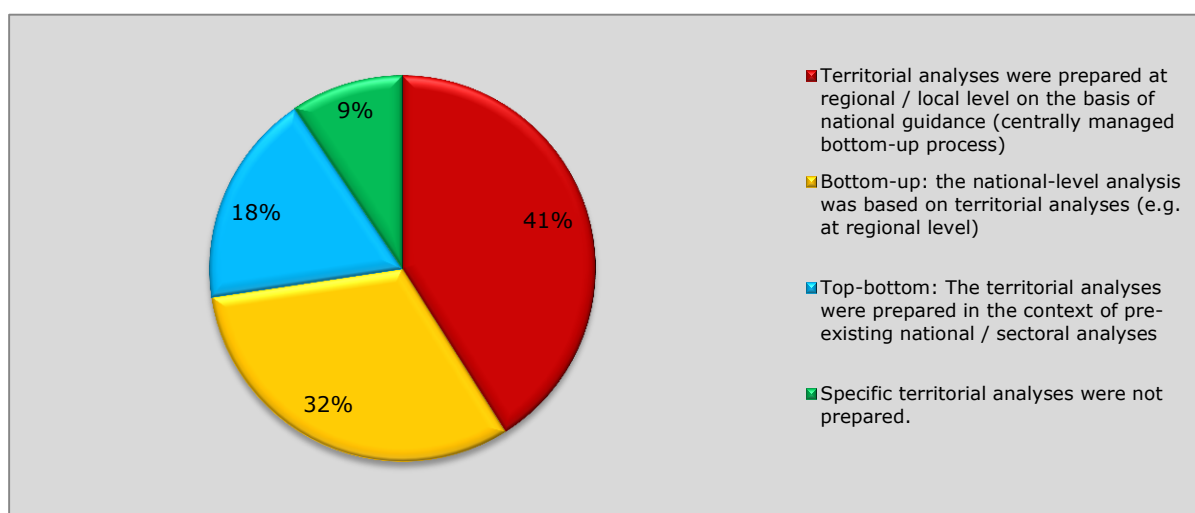
Figure 58 – Survey Q 8.2 The role of a territorial approach



(% of the answers of MAs having responded)

MAs also provided information regarding the preparation of the territorial analysis. As stated by the MAs, territorial analyses were performed starting from the local level, either on the basis of some national level guidance, or according to a general bottom-up approach. These two ways cover more than 70% of cases. According to the MAs having responded, it was in less than 10% of all OPs that territorial analyses were not performed.

Figure 59 – Survey Q 8.3 Ways to perform specific territorial analyses



(% of the answers of MAs having responded)

As regards territorial challenges, interviews were also passed among Managing Authorities. According to more than half of the interviewees there was **no change** in the approach to programming. **Reasons for not using the new tools** are generally the following: they are felt to be too complicated; not well explained by the EC; too strict and regulated programming and implementing environment; give too much power and responsibility to actors having no experience in the management of Funds; Member States use their national territorial approach, used in the previous periods; prefer using priority axes with several TOs; not (really) adequate to the (ETC) programme. Those **Member States who do use the new instruments**, do so because: of former, positive (national) experience with such instruments; they achieve a real devolution of implementation functions to institutionalised forms of partnerships; they better suit specific territorial situations.

Practices for the promotion of territorial approach in programming and implementation most mentioned by interviewees are: the existence of a characteristic **national regional development policy/strategy**; the **institutional involvement of regional actors** in programming; and specific methods during the **implementation** phase: application of **selection criteria** giving priority to projects contributing to ITI programs; necessity to **justify a project by diagnosis of the local situation and analysis of territorial impact**; **harmonisation of timing of calls** for proposals.

3.8.7 Specific conclusions – the role of the territorial approach

Overall, the **territorial approach is making an impact** on the content of programmes. Every member state has identified **territories** where integrated territorial approaches needed to be applied, as well as specific challenges and development needs that were to be addressed by territorial instruments. However, there are 45 OPs and 12 ETC programmes which do not have territorial analysis (contain neither information on the type of the territory covered nor on external (territorial) challenges and even not on territorial needs. All countries have also defined methods for a co-ordination of interventions at regional and local levels.

Survey results confirm the above: sixty percent of MAs reported that their programme was primarily **responding to regional and local needs**, and only 11% said that it did not consider them. Purely sectoral OPs are therefore rare. In over 70% of the cases the territorial analysis was also prepared at the local level, reflecting a strong **bottom-up element**.

Purely sectoral OPs are rare – while the reconciliation of sectoral and territorial aspects is felt to represent a challenge.

Data regarding the identification of territories indicate a **focus on urban and rural areas** – at least judged by the territorial analyses chapters of Pas and OPs.

When asked about the **reasons for using / not using** territorial instruments, in terms of positive arguments, Member States mentioned previous positive experiences with similar measures, and the ability to better respond to needs on the ground, coupled with an element of decentralisation. As arguments against, respondents cited the complicated nature of territorial instruments, or that they may give too much responsibility to regional and local players lacking experience and capacity. Based on the survey results, though, this critique was not the majority standpoint.

As visible from survey results, the main **challenge** that Member States saw with regard to territorial challenges was ensuring a **consistency between territorial challenges identified**, and **matching territorial challenges with sectoral policy approaches**. At the same time, **understanding** the new territorial tools **did not cause a significant problem in the application of territorial challenges into programmes**.

3.9 COMMUNITY-LED LOCAL DEVELOPMENT (CLLD)

3.9.1 Background

The application of the principles behind CLLD have **spread over the last twenty years** building on the experience gained from LEADER approach which has been widely used in rural areas. Total public and private investment supported by these partnerships has grown significantly. This experience has shown both when and where CLLD approaches work well, and how they can add value to national and regional programmes. In this context, there is a major opportunity for extending the CLLD approach to other area types and intervention fields, and thereby to using it to develop local responses to some of the most pressing social and environmental problems facing European citizens today.⁵⁸

Community-led local development initiatives are characterised by the following: they are

- focused on specific **sub-regional** areas;
- led by **local action groups** composed of representatives of public and private local socio-economic interests;
- carried out through **integrated and multi-sectoral area-based local development strategies**⁵⁹.
- designed taking into consideration local needs and potential, and
- include innovative features in the local context, networking and, where appropriate, cooperation.

Partnership Agreements set out: the **main challenges** that the Member State intends to tackle with the help of the CLLD approach; the **main objectives for CLLD** in the Member State; the **types of territories** (not a list of territories) where CLLD is envisaged to be implemented; how the integrated approach will be achieved at the local level; coordination of and administrative set-up for CLLD; **where appropriate, whether** the Member State will apply the possibility to designate a lead Fund in the context of integrated multi-fund local development strategies. Operational Programmes set out the principles for the **definition of the areas covered** by the community-led local development strategies, in accordance with the Fund-specific rules; and the **approach to the use of CLLD** in the particular OP (principles for the selection, approval and funding of CLLD strategies and local action groups).

CLLD **may combine several forms of EU funding** and shall be carried out under **one or more priorities** of a relevant programme or programmes.

The analysis under this study focussed on:

- the **needs** that the Member States intend to tackle with CLLD;
- the **types of territories**, where CLLD is to be used;

⁵⁸ Guidance on CLLD for local actors, 2014, European Commission

⁵⁹ Also referred to under the term 'Community-led local development strategies' meaning a coherent set of operations, the purpose of which is to meet local objectives and needs, contributing to the Union strategy for smart, sustainable and inclusive growth, designed and implemented by a local action group.

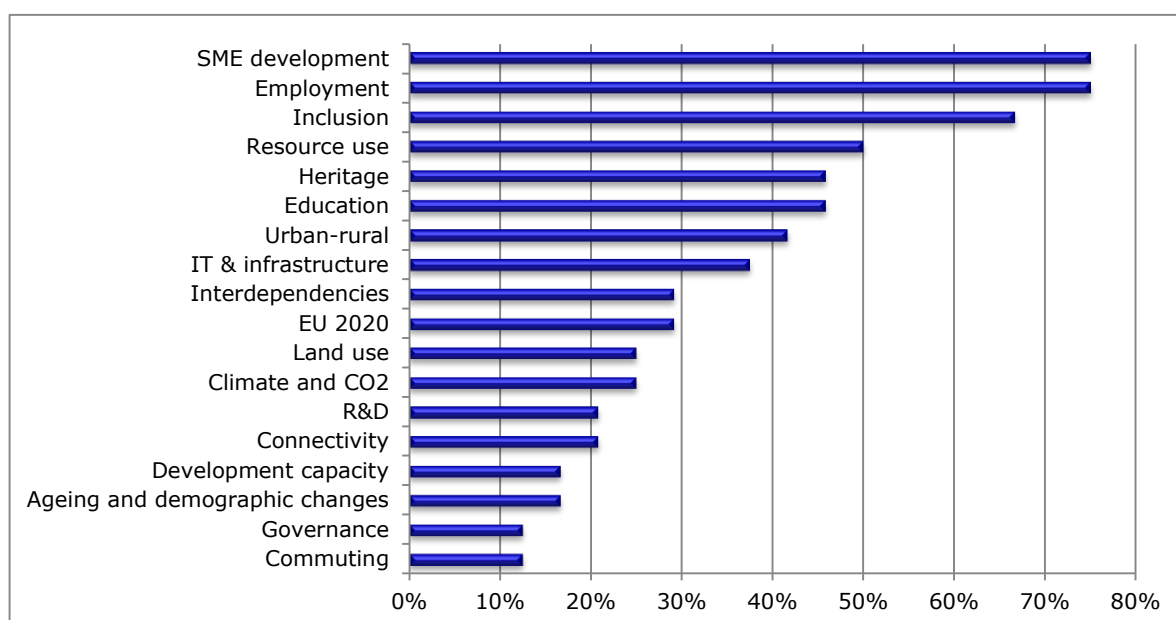
THE USE OF NEW PROVISIONS DURING THE PROGRAMMING PHASE OF THE EUROPEAN STRUCTURAL AND INVESTMENT FUNDS

- the **resources allocated to** CLLD; the role of stakeholders, and whether or not **preparatory support** is provided for the preparation of CLLDs, by Member States, and finally
- the **arguments to use or to not use** CLLD, including any difficulties that it is perceived to entail.

3.9.2 Needs to be addressed by CLLD

The needs which the Member States aim to address with CLLD, according to the PAs (thus covering all ESI Funds) are, most prominently, **SME development**, followed by the generation of **employment** and **social inclusion**. **Environmental issues** (resource use, climate and CO2, land use), are less frequently mentioned. (Figure 60)

Figure 60 - Local needs to be addressed using a CLLD approach (PA)

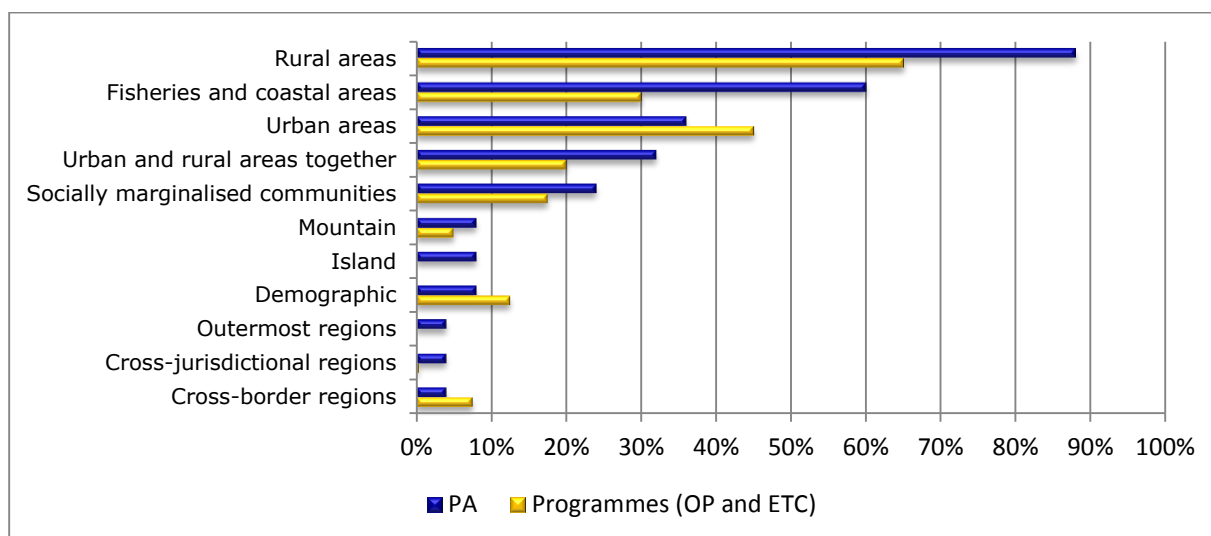


(frequency of categories as % of the total number of PAs with relevant data)

3.9.3 Types of territories to be addressed by CLLD

Figure 61 shows for what types of territories CLLD is to be applied. The focus in the PAs (covering all ESI Funds) is – perhaps unsurprisingly – on rural and fisheries areas. At programme level (33 programmes, of which 1 is ETC) this picture is somewhat altered: rural areas still lead the list but almost half of OPs where CLLD is to be applied, indicated the intention to use it in an urban context, too.

Figure 61 - Types of Territories where CLLD is to be used (PA, OP/ETC)⁶⁰

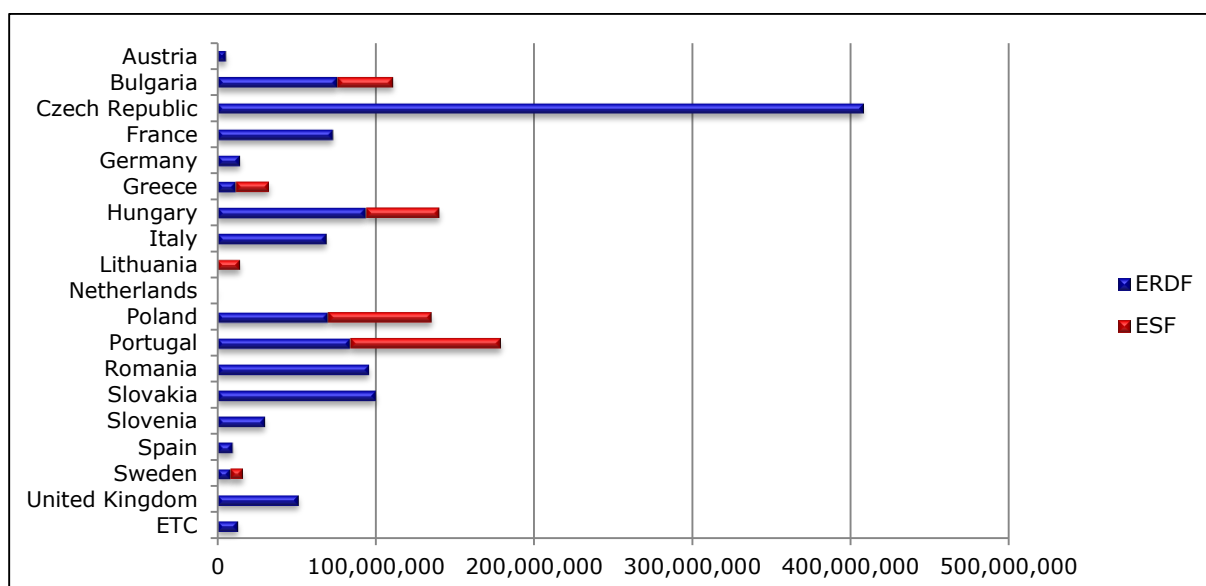


(frequency, expressed as % of the total number of programmes with relevant data)

3.9.4 Resources Allocated to CLLD

In the programmes⁶¹, 17 Member States have indicated financial allocations to CLLD, from ERDF and ESF resources, with a total value of EUR 1,496 billion. Several Member States use ERDF and ESF in an integrated way, other use only ERDF and one Member State uses only ESF for financing their CLLDs. **In absolute terms** the Czech Republic takes the first place in using Structural Funds (ERDF, ESF) for CLLD. (Figure 62)

Figure 62 - CLLD resources (OP/ETC) – EUR



⁶⁰ While PAs cover all ESIF funds, only programmes financed by the ERDF and the CF as well as multi-fund operational programmes co-financed by the European Social Fund are covered by the present study.

⁶¹ The study only covers ERDF/CF (and ESF co-financed multi-fund) programmes at the time of their adoption or at the cut-off date of end of July for the ones not yet adopted by then.

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In relative terms – as compared with their total ERDF allocations – the Czech Republic is followed by Slovenia, Bulgaria, Slovakia and Austria. The average allocation to CLLD (EU average) is around 0,6% of the total ERDF budget⁶². (Figure 63)

Figure 63 – ERDF financed CLLD (OP/ETC) – % of total ERDF allocation

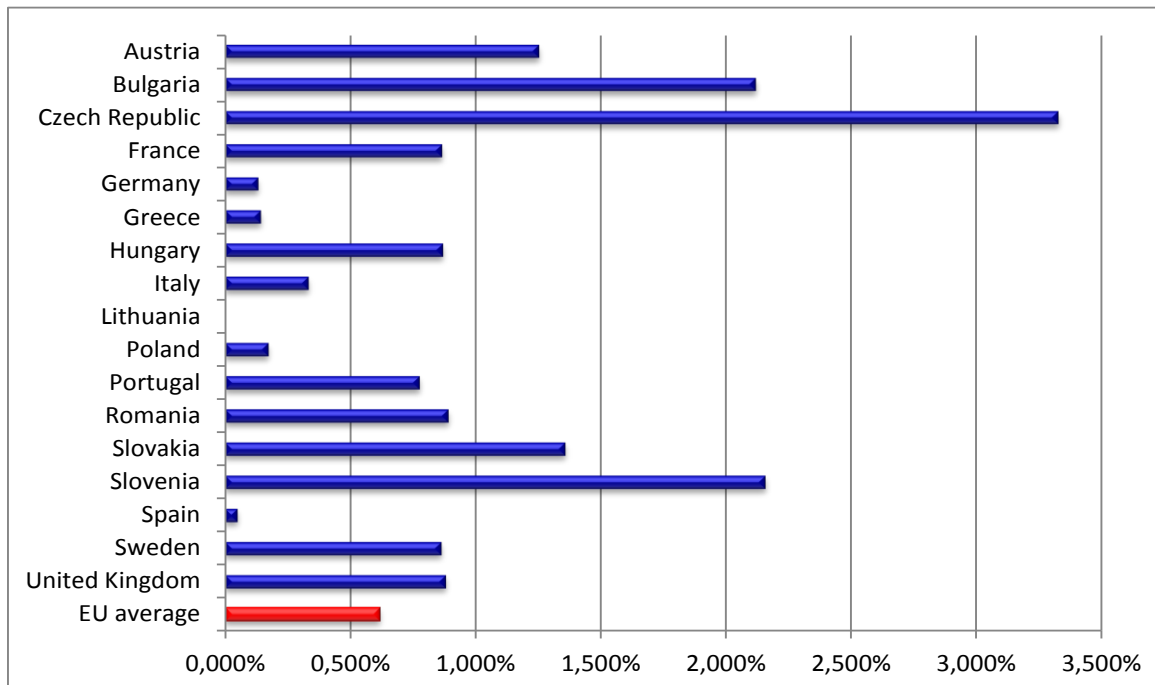


Figure 64 shows that CLLD represent 3% of the allocation to programmes where CLLD is to be applied. The share of ERDF and ESF from this amount is 81% and 19%, respectively.

Figure 64 - Distribution and share of CLLD allocations

	Funds for CLLD (EUR)	Part CLLD	ERDF (EUR)	Part ERDF	ESF (EUR)	Part ESF
CLLD	1 496 551 596	100%	1 212 014 919	81%	284 536 677	19%
Priority axes where CLLD approach is to be applied	7 288 699 085	21%				
OPs where CLLD approach is to be applied	58 464 521 903	3%				
Total ERDF allocation under IfGJ goal	196 472 207 911	0,76%	0,62%			
Total cohesion policy allocation	349 693 200 000	0,43%				

13 priority axes of 10 operational programmes (in 10 Member States) will be implemented **solely through community-led local development** (allowing for an increase by 10% of the maximum co-financing rate, in line with Art. 120.5 CPR). 65% of

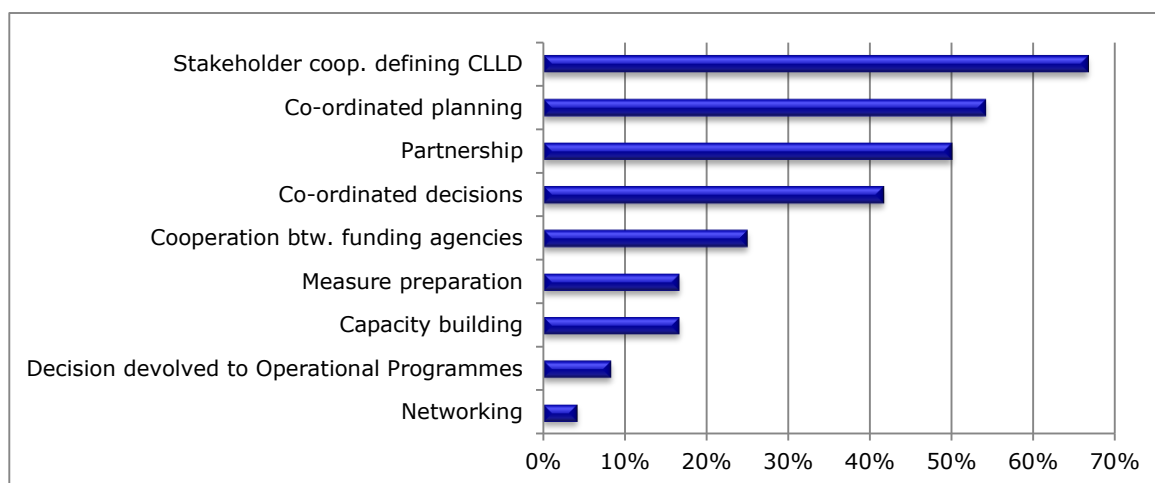
⁶² CLLD allocation is 0,8% of total Member State ERDF allocations without ETC programmes – CLLD hardly concerns ETC programmes.

the overall allocation to CLLD will be implemented through that way – what shows that the use of CLLD is rather concentrated, the majority of OPs and priority axes are not concerned by it.

3.9.5 Involvement of Stakeholders⁶³

Figure 65 informs about the ways in which Member States intend to ensure an integrated approach at the local level. Similarly to other provisions – e.g. No. 8 (territorial challenges) and 15 (coordination mechanisms) – results show an **emphasis on strategic planning** and the use of **co-ordination committees** (in this case: local partnerships) with regards to the co-ordination of funds and measures. Also, as elsewhere, the technical-level of co-operation of funding agencies is frequently mentioned.

Figure 65 – How the integrated approach will be achieved at the local level (coordination), (PA)



(frequency of categories⁶⁴ as % of the total number of PAs with relevant data)

Specific information regarding preparatory support for CLLDs (LAGs) were contained in each of the 17 Member States where CLLD financed by ERDF / ESF is envisaged. The

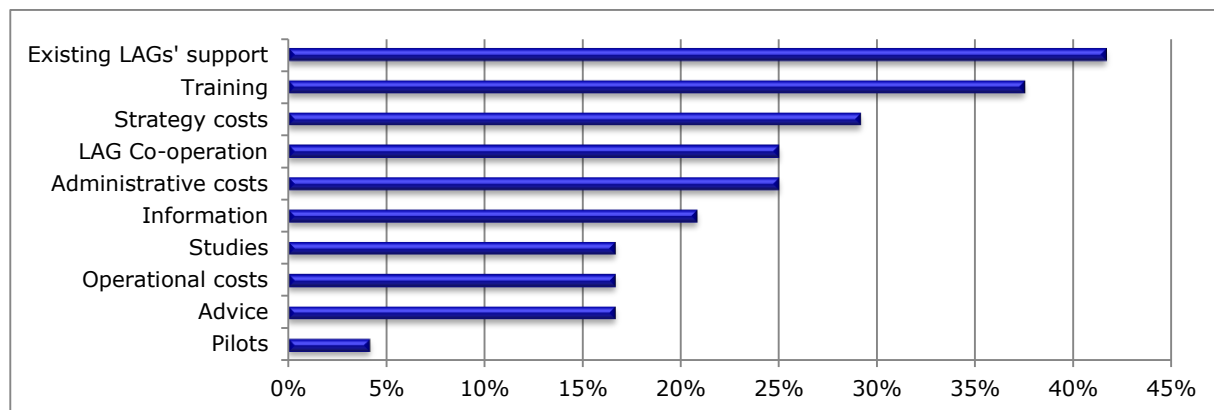
⁶³ Please note: Data in this section are based on the PAs - thus they apply to all ESI Funds - not only to ERDF/CF programmes)

⁶⁴ Narrative of list elements:

- Stakeholder coop. defining CLLD: Co-operation with local stakeholders during the definition of the CLLD area
- Partnership: Setting-up a partnership structure at local level to support the integrated use of different funds
- Co-ordinated decisions: Funding agencies co-ordinate their decisions on funding
- Co-ordinated planning: Stakeholders and funding agencies co-ordinate planning and strategy-making
- Cooperation btw. funding agencies: Co-operation among funding agencies (MA / IB) throughout the programme
- Capacity building: Co-ordinated capacity building
- Measure preparation: Stakeholders and funding agencies co-ordinate the design of measures / projects / applications in a partnership context
- Networking: Networking actions, building trust and alliances
- Decision devolved to Operational Programmes: The PA did not specify the method, and pointed to the OP.
- Reviews: Joint periodical reviews of progress (monitoring, evaluation)

main types of support measures to be applied are trainings, support to already existing LAGs, and a contribution towards their strategic and administrative costs. Figure 66

Figure 66 – Measures planned for the preparation and support of CLLDs and LAGs (PA)



(frequency of categories⁶⁵ as % of the total number of PAs with relevant data)

3.9.6 The Negotiation process: Arguments for and against CLLD

Managing authorities were asked by survey on the reason why they did chose or did not chose it. The main **reasons for opting for CLLD** were: the good **former experience** with LAGs; and that CLLD was seen as an **appropriate tool** to involve local partners and stakeholders. (See Annex 4.9)

Managing Authorities were also asked by means of interviews too on the main arguments for the application of CLLD beyond EARDF, which were the following: good **response to the identified complex needs** by using different funds in a multi-sectoral approach; the former **experience** with the LEADER approach; the **bottom-up approach**, promotion of local ownership, participation and initiative; and that it represents a **“natural trend/process”**.

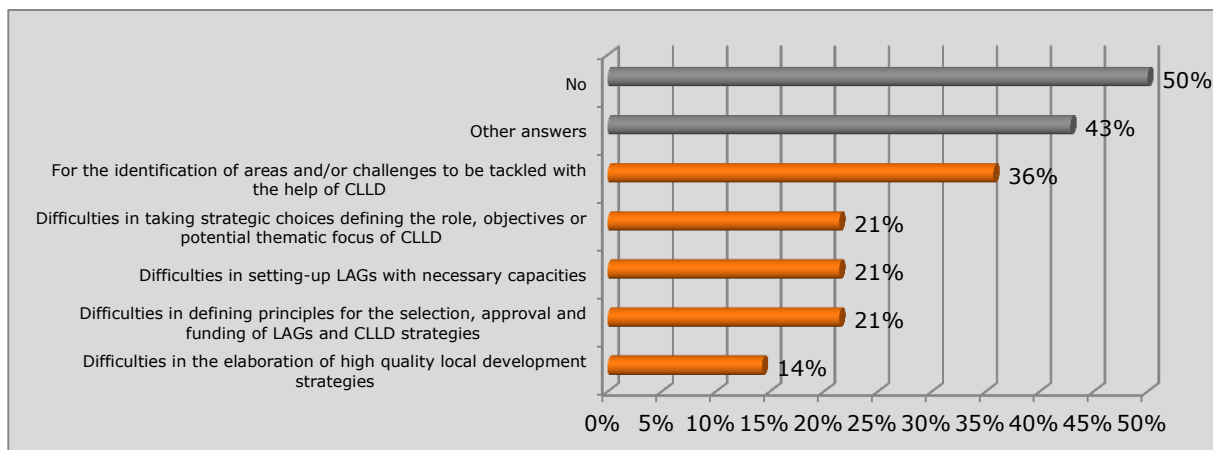
When asked by the survey about **difficulties** encountered when applying CLLD, half of managing authorities did not report any. Most frequently mentioned challenges linked to CLLD were related to programming – the identification of areas and/or challenges to be tackled with the help of CLLD; the definition of the role, objectives, thematic focus of the

⁶⁵ Narrative of list elements:

- Training: Training actions for local stakeholders (Art. 35.1(a)(i))
- Existing LAGs' support: Maintaining and further strengthening already existing LAGs with practical experience (Art. 35.1(d))
- Administrative costs: Administrative costs of organisations applying for support under CLLD (Art. 35.1(a)(iv))
- Strategy costs: Covering costs related the preparation of Local Development Strategies (Art. 35.1(a)(iii))
- Information: Information and guidance
- LAG Co-operation: Preparation and implementation of the LAG's co-operation activities (Art. 35.1(e))
- Advice: Advisory services funded by the state to prospective LAGs
- Studies: Studies for the area concerned (Art. 35.1(a)(ii),(iii))
- Operational costs: Operational costs implementing the local strategy (Art. 35.1(b))
- Exchanges: Animation, exchanges between stakeholders (Art. 35.1(e))
- Pilots: Support for small pilot project s(Art. 35.1(a)(v))

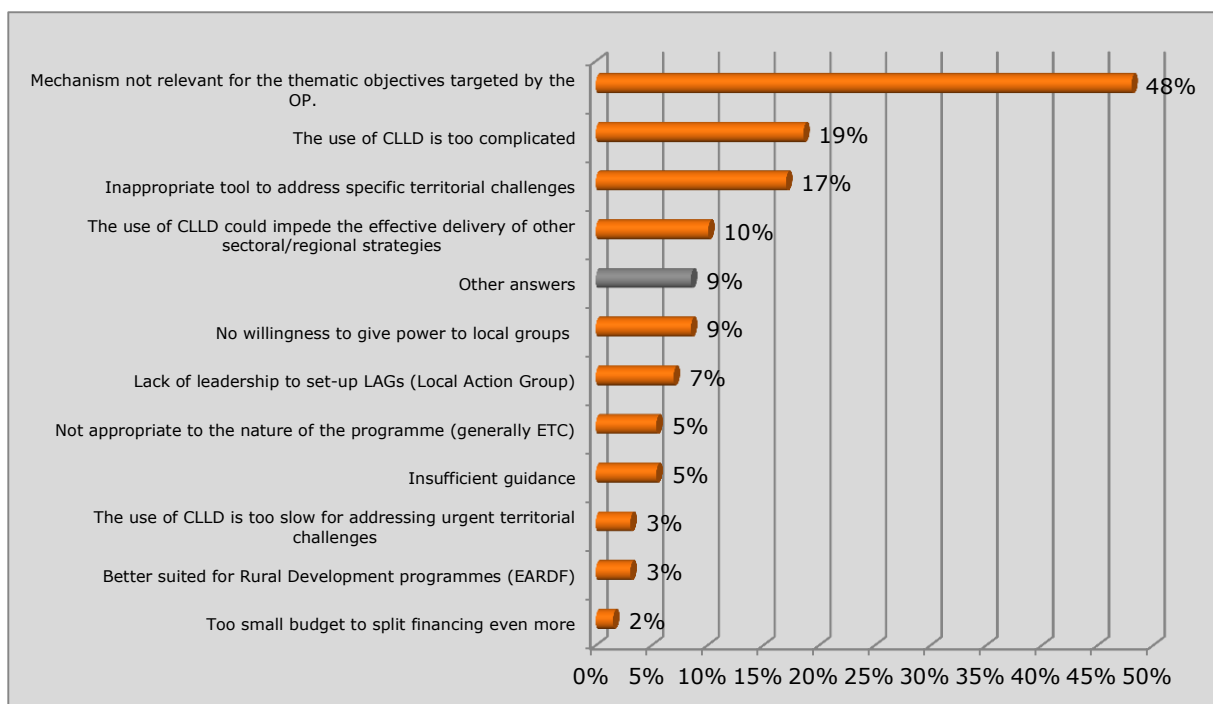
CLLD; the setting up of LAGs; and the definition of principles for selection, etc. (Figure 67).

Figure 67 - Survey Q 9.3 Did you meet particular difficulties in implementing integrated approaches with the use of CLLD?



Arguments against using CLLD cover a **variety of reasons**. Most frequently mentioned was that the mechanism was not relevant for the TOs targeted by the given programme. The “too complicated” use of the tool and that it was “not appropriate to specific territorial challenges” were also often cited by the MAs as negative incentives (Figure 68).

Figure 68 - Survey Q 9.2 Why did you choose NOT to use CLLD (beyond LEADER)?



According to interviewed national authorities, main factors to divert Member States from using CLLD (**cons**) were: **less appropriate** for TOs of more developed areas; it is **complicated, burdensome**, generates loss of efficiency, needs extra administrative capacity - in some cases existence of national instruments easier to handle; **too much responsibility/power to local actors**, majority of whom must be non-public; difficulties linked to the **identification of areas** and **selection**, approval and funding of **LAGs** and CLLD strategies.

In the **negotiations**, in about 60% of the cases – according to survey results – there was agreement from the outset about the use / non-use of CLLD. The Commission seemed to be relatively flexible in this respect. (See Annex 4.9) The main factor influencing Member States' position was the opinion of partners. The informal dialogue with the Commission did not have a major importance. (See Annex 4.9)

3.9.7 Specific conclusions

Only **33 of the programmes** under review have mentioned the intention to use CLLD. These cover **17 Member States** and have indicated financial allocations to CLLD, from ERDF and ESF resources, with a **total value of EUR 1,496 billion**. The share of ERDF and ESF from this amount is 81% and 19%, respectively.

In relative terms the average allocation to CLLD at EU-level (EU average) is **around 0.6% of the ERDF budget**.

13 priority axes of 10 operational programmes implemented solely through community-led local development stand for **65% of the overall allocation to CLLD** – what shows that the use of CLLD is **rather concentrated**, the majority of OPs and priority axes are not concerned by it.⁶⁶

The **needs** that the Member States intend to tackle with CLLD do go beyond rural development, and also relate to **SME development**, followed by the generation of **employment** and **social inclusion**.

Main arguments of Member States **pro CLLD** include that it is **appropriate** tool to handle **complex local problems**; that it motivates for **partnership and involvement**; as well as former **experience** gained through **LEADER**. However, challenges and difficulties were also reported, e.g. with regard to the **identification of intervention areas**; **selection**, approval and funding of **LAGs** and CLLD strategies; **setting-up LAGs with necessary capacities**.

Main factors to eventually divert Member States from using CLLD (**cons**) were that it was felt to be more **appropriate for rural development and EAFRD** (compulsory); that it was perceived as **complicated, burdensome**, generated loss of efficiency, and needed extra administrative capacity. Some cases Member States felt that existing national

⁶⁶ At the same time, in the particular context of CLLD, it should be underscored that the study only covers "cohesion policy", and it only analyses programmes financed by the ERDF (including 92 ESF co-financed multifund programmes) and the CF. Partnership Agreements, of course, refer to all funds (ESF, EAFRD – for which EAFRD is compulsory - and EMFF included).

instruments for similar purposes were easier to handle; or that **too much responsibility/power** would be delegated **to local actors**.

Member States are aware of the challenge linked to the availability of local implementation capacity, therefore they provide **preparatory support** to these actors.

Overall, it can be concluded that the overall take-up of the instrument is, however, **relatively low**.

3.10 INTEGRATED TERRITORIAL INVESTMENTS (ITI)

3.10.1 *Background*

Integrated territorial investment (ITI) of Article 36 CPR is a **new instrument** facilitating the implementation of integrated territorial strategies at **sub-national level**. As delivery mechanism, ITI allows Member States to **implement programmes in a cross-cutting way**, drawing on funding from at least two different priority axes in the same or different programmes to ensure the implementation of an integrated strategy for a specific territory. The **key elements** of an ITI are:

- a designated **territory** with an integrated (multi-sectoral) territorial development strategy
- that it draws on **funds from at least two different priority axes** of one or more programmes.

ITIs can be **mono-fund**, however they **can also combine** ERDF, ESF and the Cohesion Fund, and be complemented by financial support from the EARDF and EMFF where complementarities exist. The support under an ITI must be used towards the objectives outlined in these programmes and actions supported must contribute to the objectives of each of the programmes from which funding is drawn.

In **Partnership Agreements**, Member States describe their approach to the use of ITIs, including: the territories or types of territories where it will be used and through which Funds; and the envisaged implementation arrangements including coordination arrangements between ESI Funds and managing authorities and arrangements for the delegation of management and implementation tasks of an ITI.

Operational Programmes describe the OPs/priority axes where MSs have identified ITI as a possible implementation mechanism; the indicative (overall) financial allocation to ITIs from each priority axis; the types of areas where ITIs will be used, if known; how and by when the areas covered by ITIs will be decided; and the arrangements for the management and implementation of the ITI including the coordination between the managing authorities and the possible delegation of tasks and responsibilities.

ITIs can be used **within a ETC Programme**, allowing to draw on resources from several priority axes to allow for the implementation of integrated actions based on a joint strategy.

The analysis under this study focussed on:

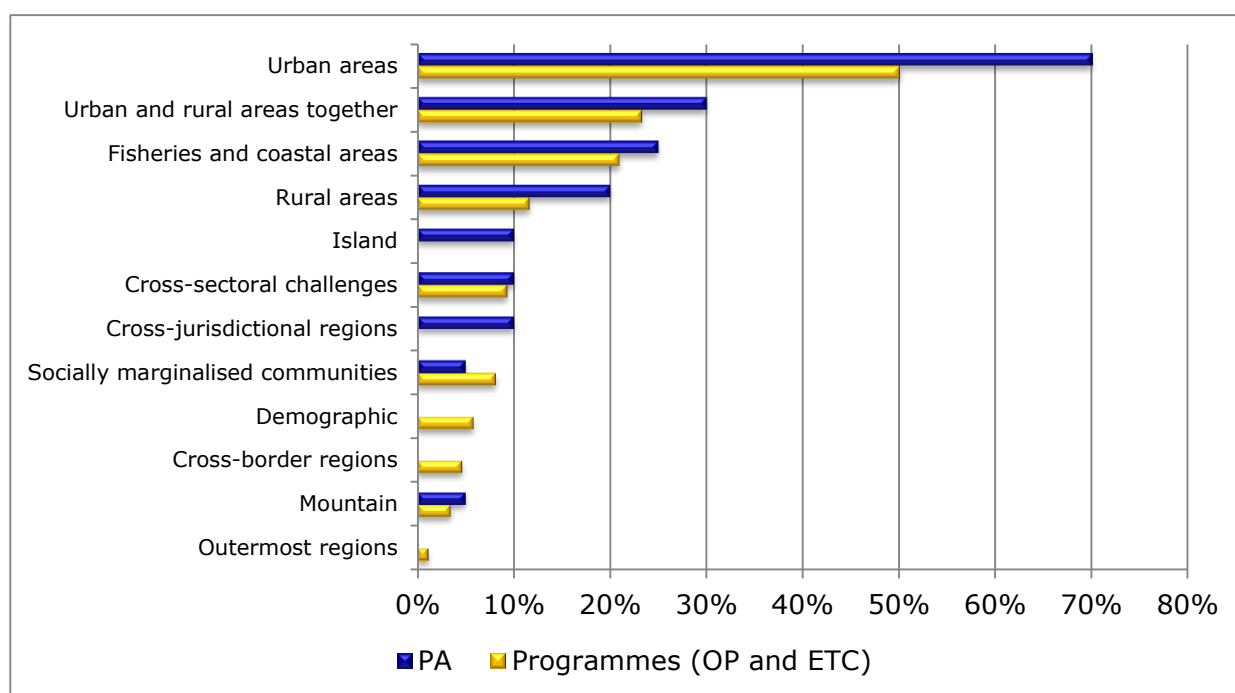
- the **types of territories** where ITI is used;
- the **resources** dedicated to ITI as identified in the OPs broken down as SUD and non-SUD;
- the implementation of ITI and the management **functions** that are **delegated** to the local level; and finally
- the **arguments** for and against the use of ITI, including any difficulties that it might entail.

3.10.2 Types of territories

Figure 69 shows for what **types of territories** / territorial challenges ITI is to be used, according to the PAs and OPs.

According to PA and OP data, ITI is to be applied most frequently in **urban areas**. This figure, however, is influenced by the fact that sustainable urban development measures – part of them ITI – are compulsory under the ERDF regulation. Next in line are **urban-rural linkages** and **fisheries and coastal** areas.

Figure 69 - Types of territories where ITI is to be used (PA, OP/ETC)



(frequency, expressed as % of the total number of programmes with relevant data)

Over almost **90% of the ITIs** so far indicated by Member States are **already identified**, 4 are due in 2015 and the remaining 2 'later'.

The **methods for selecting ITI** was also examined. Competitive selection is rather rare as type of selection, even more the selection on the basis of a framework strategy (See Annex 4.10). It could be deduced that ITIs are selected according to a predetermined political/technical (territorial) approach, where it is more important to develop and prepare potential ITI subjects in order to join and profit from the initiative.

As concerns competent institutions to decide, the most frequent is to delegate the decision to regional level – but that number is slightly diverged by the high number of OPs with ITI selected at regional level of Poland. Other Member States' practice is distributed evenly between selection by government and region. MAs play a lesser role in this respect. (See Annex 4.10)

3.10.3 Resources Allocated to ITIs

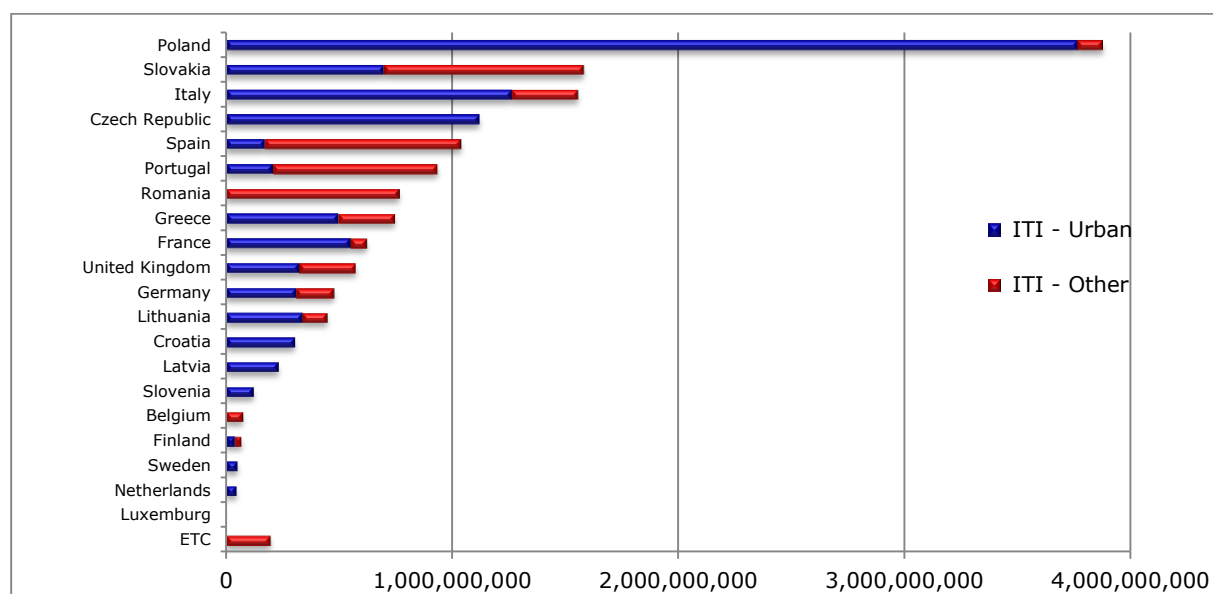
The first three figures below show the amounts allocated to ITI by altogether **20 Member States** (involving **94 programmes, including 2 ETC programmes⁶⁷**). As it can be seen, the amount allocated to ITI⁶⁸ is EUR 14,77 billion, with **68% going to urban ITIs**, and **87% coming from the ERDF**. Around 10% of allocations of programmes where ITIs have been mentioned will be delivered through ITIs.

Figure 70 - Distribution of ITI allocations

	Funds for ITI (mEUR)	Part Urb/Oth/Total	CF (mEUR)	Part CF	ERDF (mEUR)	Part ERDF	ESF (mEUR)	Part ESF
Urban	10 019,7	68%	564,3	6%	8 591,3	86%	864,1	9%
Other	4 799,8	32%	116,1	2%	4 349,5	91%	334,2	7%
Total ITI	14 819,5	100%	680,4	5%	12 940,8	87%	1 198,2	8%
Programmes where ITIs have been mentioned	149 593,7	10%						
Total cohesion policy allocation	349 693,2	4,24%						

In absolute terms, the biggest user of ITI is **Poland**. Major differences appear between Member States whether they use ITI for urban or other purposes. The majority of the countries use ITI for sustainable urban development while Slovakia, Spain, Portugal, Romania and Belgium use the bigger part of their allocation (in some cases the whole allocation) to address the challenges of other (non-urban) types of territories.

Figure 71 - ITI allocations in absolute terms

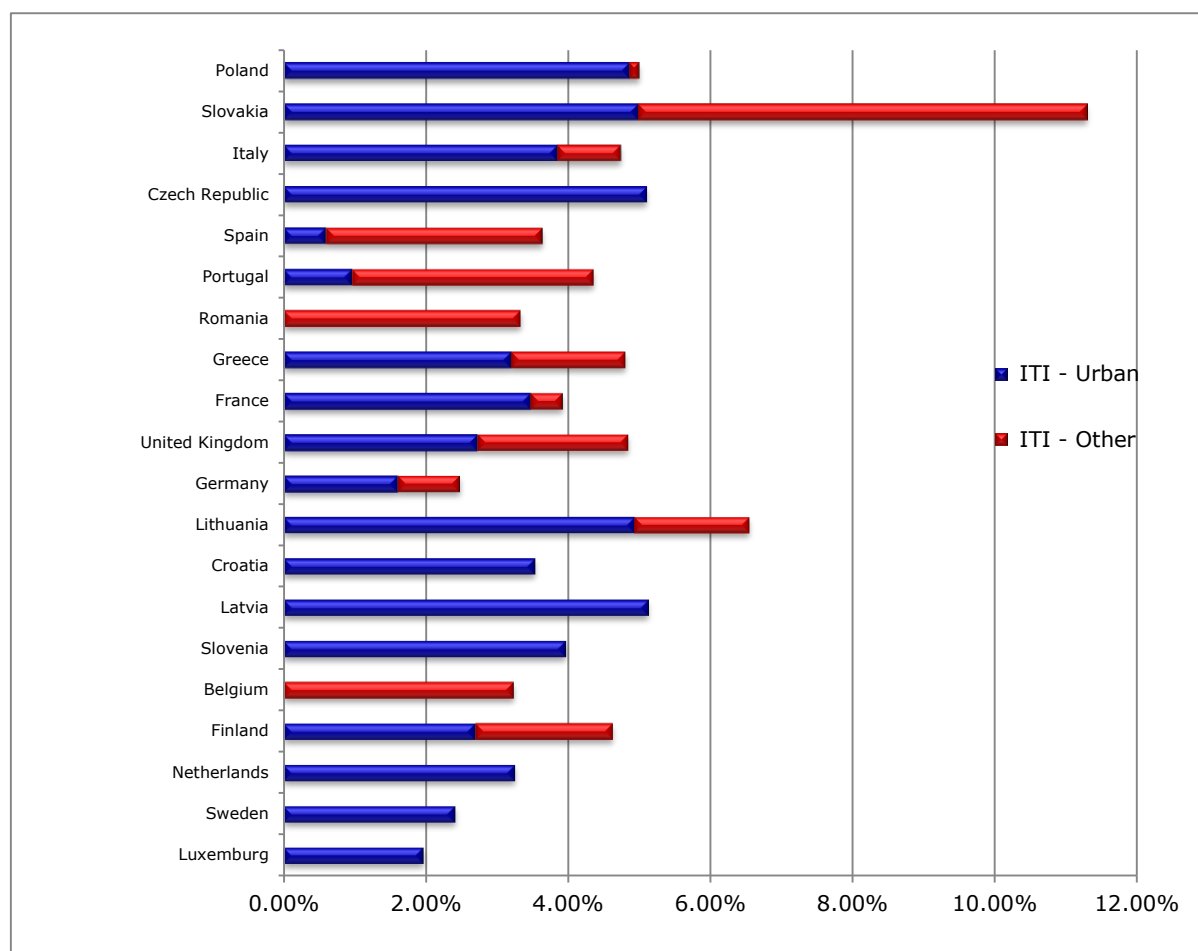


⁶⁷ The study only covers ERDF/CF (and ESF co-financed multi-fund) programmes, at the time of their adoption (cut-off date: end of July).

⁶⁸ Figures come from Table 21 of Operational Programmes and Tables 20 of ETC Programmes.

In **relative terms, as compared to the total cohesion policy allocation** of each country, **Slovakia** tops the list with more than 10%⁶⁹. As shown on Figure 72, the other Member States allocate generally around 4% of their overall envelope to ITI, with – as stated above – urban dominance.

Figure 72 - ITI and SUD resources as % of cohesion policy allocations



3.10.4 Implementation - delegation of functions⁷⁰

As regards the sharing of tasks⁷¹, **project selection** was frequently mentioned – but that is of course influenced by the fact that in SUDs under article 7 of ERDF regulation

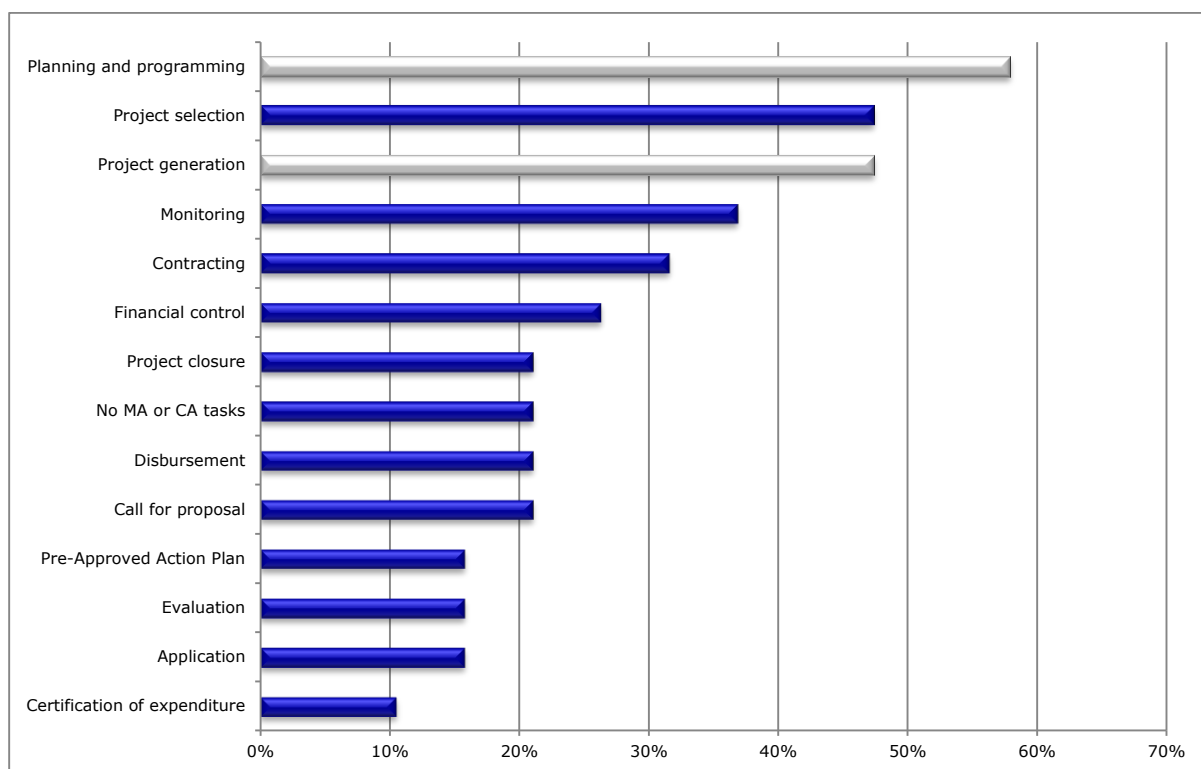
⁶⁹ The present study covers only programmes financed by the ERDF and the CF as well as multi-fund operational programmes co-financed by the European Social Fund. Therefore, investments in ITIs from ESF programmes are not captured by the methodology.

⁷⁰ These findings are based on PA data (covering all ESIF funds), therefore they not only reflect the situation of programmes covered by this study (i.e. programmes financed by the ERDF and the CF as well as multi-fund operational programmes co-financed by the European Social Fund).

the delegation of the selection of operations is compulsory. For the remainder of functions, the spread is relatively even.

All in all, figures would indicate that programme authorities (MA and IB) would, in most cases, retain most of their functions even in ITI measures. The **delegation of implementing tasks to the local level is rather limited** - even though ITI would give the possibility to delegate.

Figure 73 - Implementation of ITI and delegation of functions to the local level (PA)⁷²



(% as compared to the number of programme documents containing specific data)

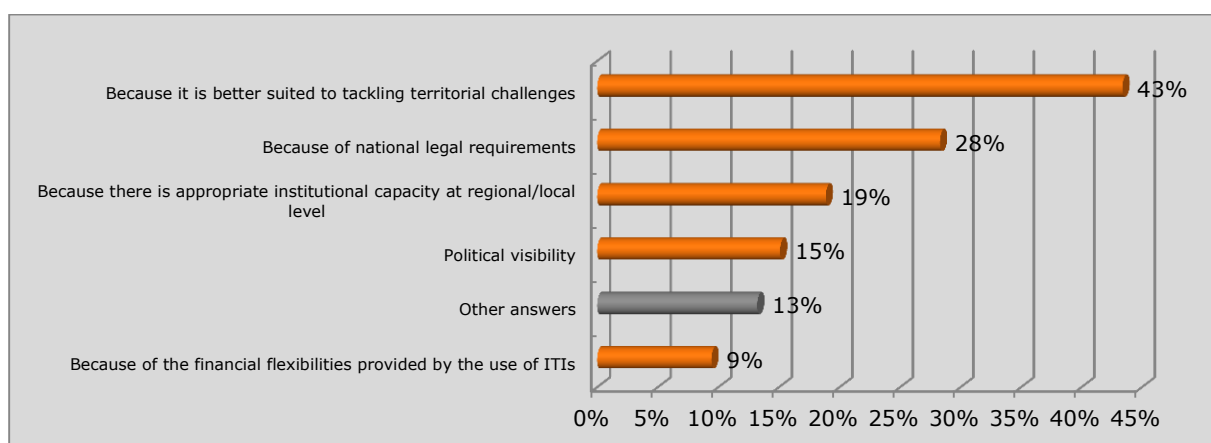
3.10.5 The negotiation process – arguments for and against ITI

Based on the feedback of Managing Authorities in the framework of the survey, the most important argument to use ITI was that it was felt to be an appropriate tool to tackle territorial – as opposed to sectoral – challenges. In about one quarter of cases MAs pointed to national legal requirements related to partnership and multi-level governance.

⁷¹ Note: the two tasks for local stakeholders most frequently mentioned by programming documents were programming and project generation. However, these do not represent compulsory MA functions in the strict sense. Therefore, they are not included in this analysis.

⁷² Planning, programming and project generation are not „delegated“ functions of MAS or IBs.

Figure 74 - Survey Q 10.1 Why did you choose to use ITI?



(% of MAs indicating an item. Multiple choice question, figures do not add up to 100%)

These arguments were completed during the interviews passed among managing authorities by the fact that it represents an **effective bottom-up approach**, an opportunity to develop cooperation models, based on **partnership**.

Managing authorities were also asked by the survey about the **difficulties** they had encountered when applying ITI. Half of the responding MAs (47%) did not find any difficulty. The main challenges identified are linked especially to: the definition of principles for the selection, approval and funding of ITIs; the elaboration of high quality ITI strategies and the definition of the role and objectives of ITIs. (See Annex 4.10)

Based on feedback by the survey from MAs the programmes of which are not ITI, arguments against using integrated instruments are, most frequently, those (See Annex 4.10):

- the **mechanism is not relevant to the TOs targeted** by the given programme;
- **too complicated** use of the tool;
- **insufficient guidance** available;
- worries about the **lack of sufficient management capacities** (whereby in the survey, this element was significantly less often (13% vs. 21% of MAs).

These counterarguments were reflected by the interviews, where those who cited the **disadvantages** of the tool, mentioned above all that: the tool was **complex**, not flexible, difficult to implement, that it caused additional administrative burden; and that too much **uncertainty** was linked to it. Further reasons included a perceived **lack of competence** within responsible units of cities and territories, which would not be able to implement ITI. Additional counterarguments cited by interview partners were the existence of **similar national instruments** and decentralised implementation structures, more familiar and less complicated to implement; and that the national pocket of **ESI funds was too small** to be cut it to even smaller allocation.

MAs also provided information through the survey regarding preparatory support for ITIs. According to these, the main types of support measures to be applied are most frequently provision of **information and guidance**, followed by **trainings** and contribution to the preparation of their **strategic documents**. (See Annex 4.10)

During the **negotiations**, ITI were **significantly more debated than the use of CLLD**. It was only 42% of respondents – as opposed to 59% – where there was

agreement from the outset. The Commission did show a similar level of flexibility, though. Again, the most important factor to influence Member States' positions was the opinion of partners, while the informal dialogue was relatively less important. (See Annex 4.10)

Feedback from Commission counterparts – from focus groups – indicated that there was **genuine interest** from a number of Member States to use integrated instruments. At the same time, in a number of cases, they also reported about **considerable resistance** from the side of not only national governments, but also regions (which did not want to share “power” with cities and local stakeholders). EC officials also confirmed survey results stating that there were problems with understanding the detail of the regulations on ITI. One interesting observation – regarding a more developed member state – a **conflict between the provisions thematic concentration and those on ITI**: the non-availability of funds for certain TOs acted against the use of an integrated instrument.

3.10.6 *Specific conclusions*

In OPs analysed, **20 Member States (involving around one third (94) of the programmes**, including 2 ETC programmes) have indicated their intention to start ITI. The total budgets reach almost EUR 15 billion, which represents **around 4,2% of the cohesion policy allocation**.

Overall, ITI is being used in the majority of countries with a **considerable budget** – while the positive correlation with ITI-type **sustainable urban development** certainly influences the figures. The apparent strong link to SUD also suggests that **ITI could still be adapted to areas other than urban development**. Where used, the **identification of ITI's**, though, **is well advanced**.

Overall, MAs did not see institutional readiness for ITI as a major issue. Nevertheless, the **delegation of functions** to the local level – outside SUD – is **limited**. This is more due to the **insistence of programme authorities** to retain the right to select operations, rather than reservations on local implementation capacity.

The **arguments pro and contra** the use of ITI are very similar to those registered for CLLD. The importance of national legal requirements for choosing ITI, as reflected by the survey, reflects the **role of multi-level governance** in a number of countries.

3.11 SUSTAINABLE URBAN DEVELOPMENT (SUD)

3.11.1 *Background*

According to Article 7 ERDF Regulation, sustainable urban development shall support **integrated actions** to tackle the economic, environmental, climate, demographic and social **challenges** affecting urban areas, including functional urban areas, while taking into account the need to promote **urban-rural linkages**.

Under the new regulations, in SUD operations, **projects** to be financed **are to be selected** on a compulsory basis – which is a novelty – **by the cities concerned**, in line with pre-defined integrated urban development strategies, developed by them. The strategies are to be implemented in an integrated way, i.e. drawing on funding from different thematic objectives for a specific territory. Different delivery mechanisms can be used in view of this: integrated territorial investment (**ITI**), a specific **operational programme**, or a specific **priority axis** involving at least two thematic objectives.

At least 5% of European Regional Development Fund (ERDF) must be invested in integrated sustainable urban development at national level.

Partnership Agreements contain the **approach to sustainable urban development**, including the principles for identifying the urban areas where integrated actions for sustainable urban development are to be implemented; and the **indicative allocation** at national level to integrated actions for sustainable urban development per Fund. **Programmes** describe whether SUDs will be undertaken through **ITI**, a **dedicated OP** or a **multi-thematic priority axis**; the **indicative amount** of support from Funds for integrated actions for sustainable urban development; the extent of the **involvement of urban authorities** in the management of these actions (including in the selection of operations).

The analysis under this study focussed on:

- The **identification** of SUD areas and strategies
- the **allocation to SUD**: the indicative amount from Funds for integrated actions for sustainable urban development, as well as the approach foreseen for programming the integrated actions for SUD;
- the **delegation** of managing authority functions under SUD to local stakeholders.

In addition, the survey and the interviews were used to explore the **process** of determining and negotiating national choices on SUD, and the eventual challenges tied to the use of the new instrument.

3.11.2 *Identification of SUD areas and strategies*

The **preparation** of sustainable urban development operations is **quite advanced**. Based on the programmes processed, **in 80% of the cases, planned SUD areas had already been identified in 2014** (by the time of the programme drafting). Another 9%

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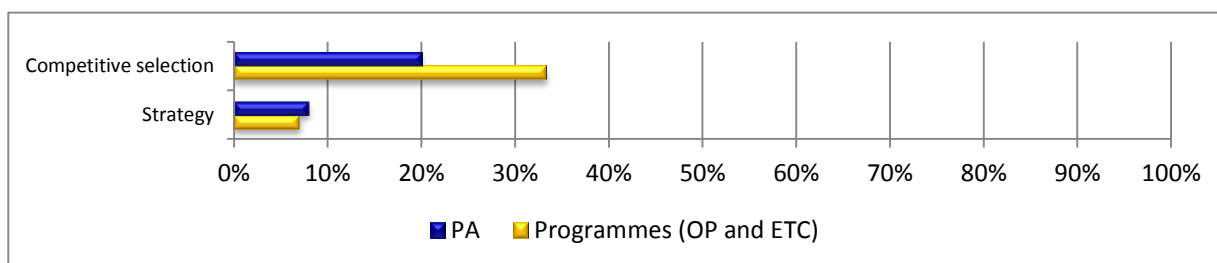
would follow in 2015, and 2% in 2016. About 10% of planned SUDs areas will be identified only at a later stage⁷³.

SUD territories cover predominantly **entire cities**. SUDs at district, neighbourhood or city-region levels can be expected to be less frequent. (See Annex 4.11)

According to survey data, as of Summer 2015, ca. two thirds of the required urban development strategies were elaborated, of that, 20% were already under implementation. (See Annex 4.11)

As to the method of selecting SUD, results below summarise findings for the Partnership Agreements and programmes processed (where such information was available – (see Figure 75). It could be deduced here also, that SUDs are selected according to a predetermined political/technical (territorial) approach, where it is more important to **develop and prepare potential SUD** subjects in order to join and profit from the initiative.

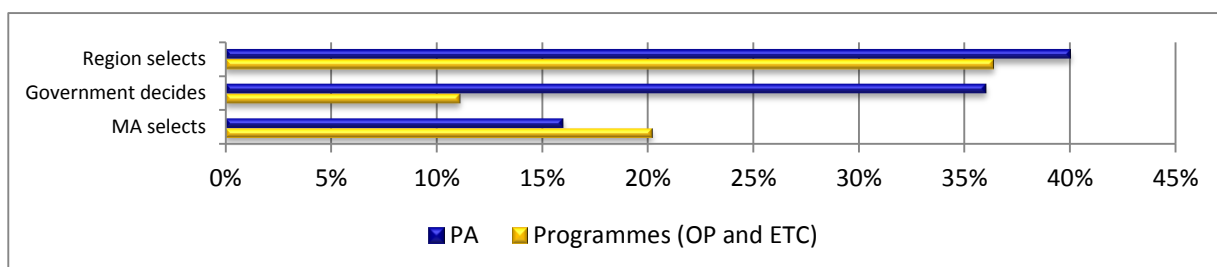
Figure 75 – Type of selection of SUD (PA, OP/ETC)



(frequency, expressed as % of the number of Member States / programmes concerned. Multiple choices possible in each Member State/programme)

As regards the institution competent to decide about SUD selection, the most frequent is to delegate the decision to regional level, followed by governments and Managing Authorities. (Figure 76)

Figure 76 - Competent institution to select SUD (PA, OP/ETC)



(frequency, expressed as % of the number of Member States / programmes concerned. Multiple choices possible in each Member State/programme)

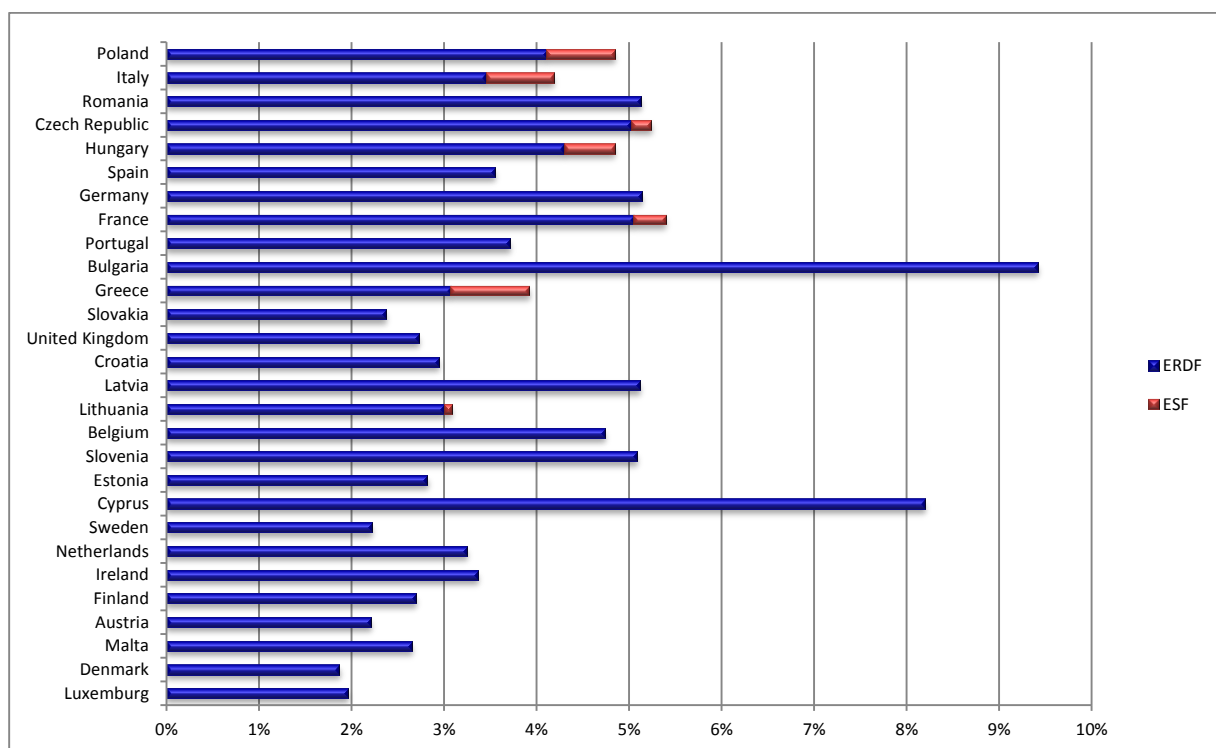
⁷³ Figures from Partnership Agreements regarding the same question are consistent, though not identical. These would indicate that 56% of SUD were identified by the time of programme drafting in 2014, 28% would follow in 2015, 6% in 2016, and 11% at a later stage.

3.11.3 Resources Allocated to SUD^{74,75}

The **total amount allocated** to SUD in the meaning of Art. 7 ERDF Reg. – based on the OPs and ETC⁷⁶ programmes examined – is EUR 15,47 billion. EUR 14,2 billion (92,5%) of the total amount for SUD is to be financed by the ERDF and EUR 1,27 billion (7,5%) by the ESF⁷⁷.

As regards **SUD allocations per Member State**, the largest allocations in absolute terms are planned by Poland (EUR 3,76 bn), Italy (EUR 1,38 bn) and Romania (EUR 1,18 bn). (See Annex 4.11) In **relative terms** – compared to the overall national allocations under Structural Funds – the list is topped by Bulgaria (9,4%) and Cyprus (8,2%).

Figure 77 – Share of SUD allocations per Member State (in relative terms)⁷⁸



(as percentage of the total cohesion policy allocation of each country)

⁷⁴ The present study covers only programmes financed by the ERDF and the CF as well as multi-fund operational programmes co-financed by the European Social Fund.

⁷⁵ Figures in the text and the Figure are based on Table 20 for OP and Table 19 for ETC programmes.

⁷⁶ Only one ETC programme contains SUD.

⁷⁷ At the same time, the analysis of territorial categories of intervention (table 10) shows that sustainable urban development may get additional support outside the scope of Art. 7 ERDF from cohesion policy funds (including the CF). According to this table, EUR 19,1 bn should be allocated to SUD (in this broader sense), among which 86,7% should be financed by the ERDF (EUR 16,57 bn), 7,% by the ESF (EUR 1,37 bn) and 6,% by the CF (EUR 1,16 bn). Under this framework, 5,5% of cohesion policy funding (ERDF, CF, ESF) should be allocated to urban development. Attention must be also paid to the fact that the difference between allocations appearing in Table 10 and Table 20 of the OPs is not only due to the scope of cohesion policy funds taken into account (including CF or not), but also to the fact that allocation data on Structural Funds (ERDF and ESF) are not identical.

⁷⁸ Because of the limitation of the study (covers only programmes financed by the ERDF and the CF as well as multi-fund operational programmes co-financed by the European Social Fund), investments in SUDs from ESF programmes are not captured by the methodology.

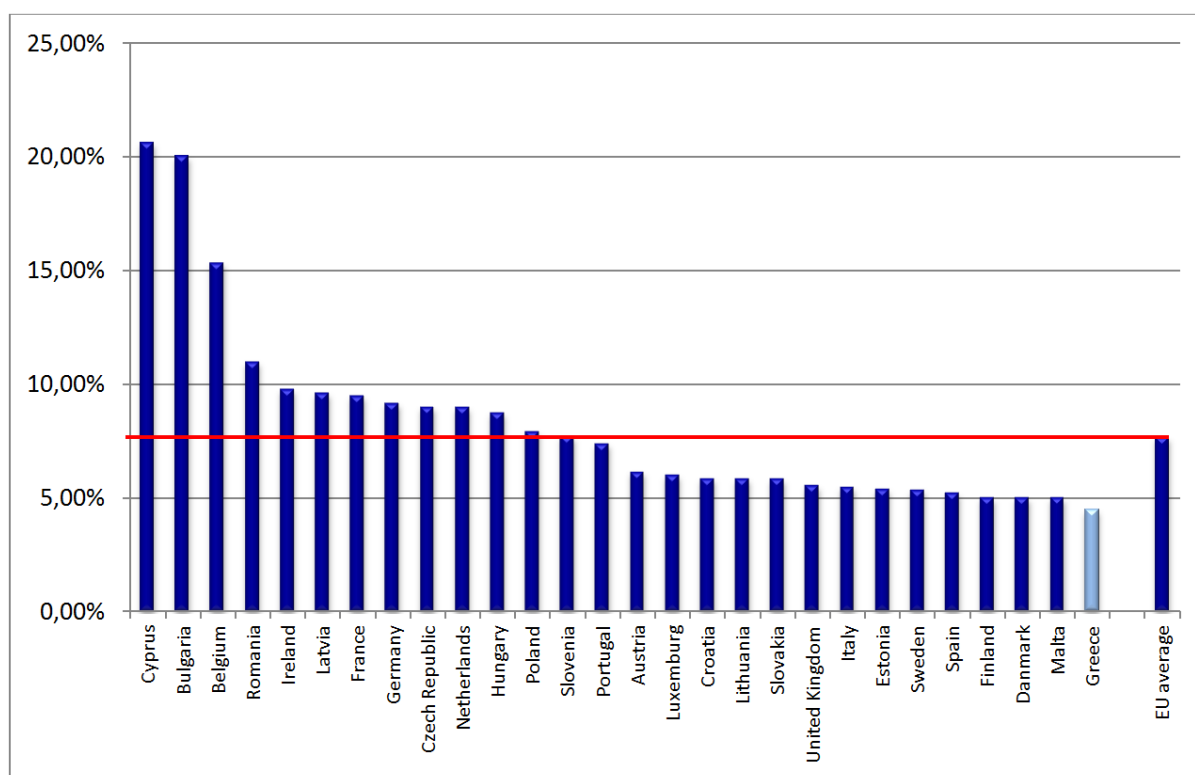
THE USE OF NEW PROVISIONS DURING THE PROGRAMMING PHASE OF THE EUROPEAN STRUCTURAL AND INVESTMENT FUNDS

As to the regulatory requirement to allocate 5% of ERDF resources to **SUD**, (prescribed by Art. 7 of ERDF Regulation), Table 10 of the OPs indicates that overall Member States have complied.⁷⁹ The figures below – based on Table 20 of the OPs– show considerable differences among Member States in this respect:

- 3 Member States allocated the minimum
- 10 Member States a slightly more (5,22-6,15%)
- 11 Member States significantly more (7,4-11%), and
- 3 Member States allocated much more, 15,34-20,63% of their national allocation.

The “EU-average” comes up to around 7,6% of the total IJG-related ERDF allocation.

Figure 78 – ERDF SUD allocations per member state (%)



(as percentage of the IJG-related ERDF allocation of each country)

As regards **delivery modes**, allocations are programmed mainly through ITI (52,4%) and specific priority axis (43,8%), a 3,8% by SUD-specific OPs⁸⁰ (Cf. Article 7 (2) of

⁷⁹ Data from Table 20 of the OPs (Table 19 for ETC) would indicate that Greece would be below the 5% threshold – this however is considered to be due to a data error.⁸⁰ There are only 4 SUD specific OPs: OP of Prague Growth Pole, OP of Stockholm, OP of the of Brussels Capital Region, and the National OP for Metropolitan Cities (Italy).

⁸⁰ There are only 4 SUD specific OPs: OP of Prague Growth Pole, OP of Stockholm, OP of the of Brussels Capital Region, and the National OP for Metropolitan Cities (Italy).

ERDF Regulation).⁸¹ – see Annex 4.11

As regards the **use of SUD under different thematic objectives**, programme templates do not require Member States to give detailed information as to what thematic objectives SUD resources will be concentrated on. However, Table 10 of the OPs (Table 9 of ETC programmes) indicates the allocations to SUD under different priority axes. The allocations under each priority axis to each different thematic objective are also known. One only needs to work on estimations in the cases of multi-thematic priority axes.

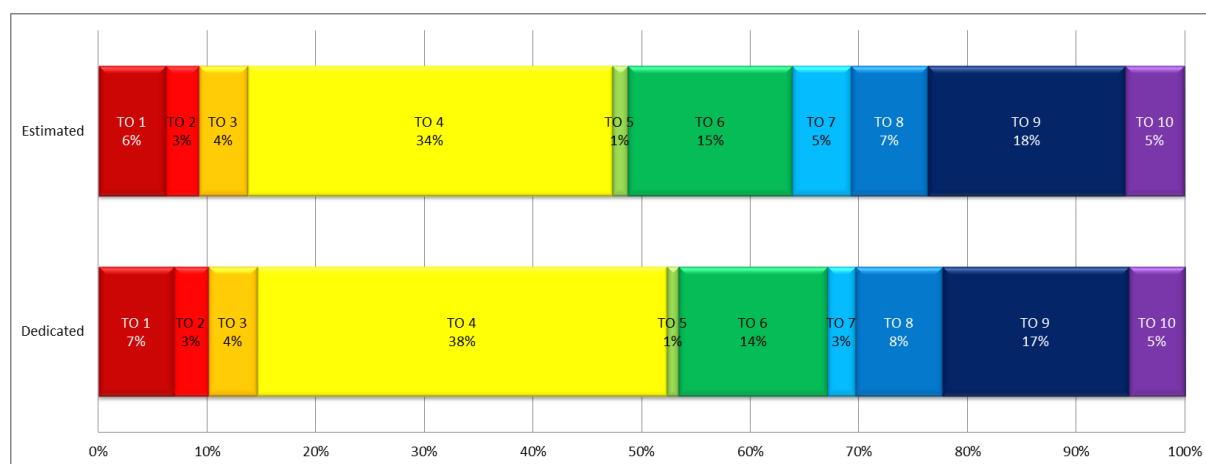
Based on this, it can be established that:

- SUD resources are unambiguously DEDICATED to TOs for 82% of total SUD funds, or 328 identified SUD allocations out of 420.
- For the remaining allocations – and on that basis, for the total allocation to SUD – one can come up with an ESTIMATED distribution, assuming that SUD funds would be split among TOs in the same way as for the total budgets of the priority axes concerned. (This is, of course, not necessarily true.)

The results of that calculation are shown in the figure below. Thereby, the ESTIMATED column refers to the total SUD allocation. The figure shows that overall the thematic objectives on which SUD can be expected to concentrate are mainly:

- TO 4 – low-carbon economy
- TO 9 – social inclusion and combating poverty and discrimination
- TO 6 - environment and resource efficiency.

Figure 79 - Estimated distribution of SUD funds among thematic objectives



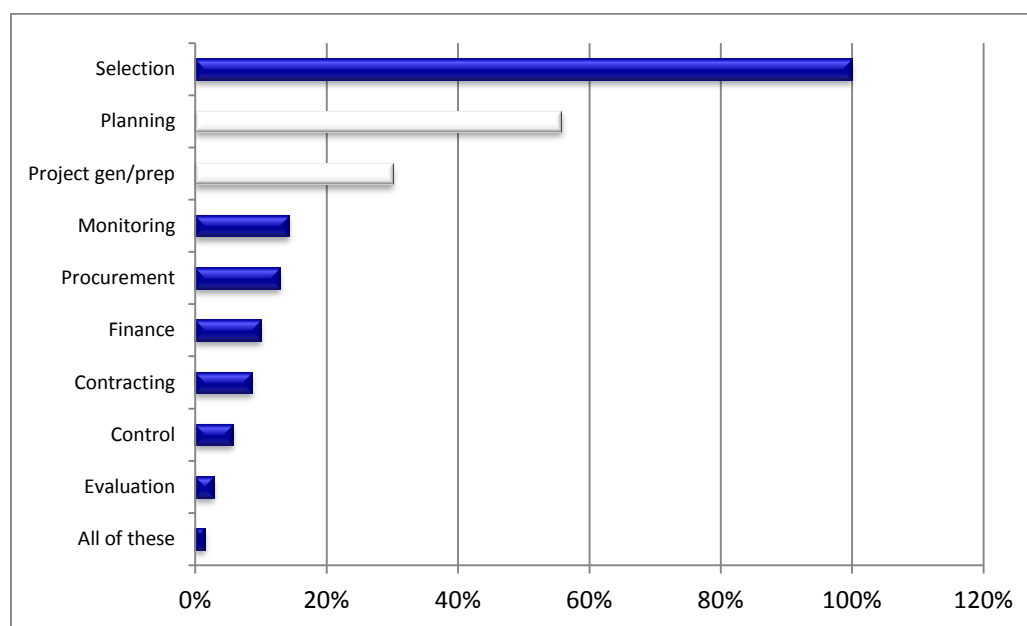
⁸¹ Distribution by delivery mode can only be calculated from Table 10 of OPs (and Table 9 for ETC programmes). However, the comparison of those data with data encoded in Table 20 of OPs (and Table 19 of ETC programmes) demonstrates inconsistent encoding practices in some Member States.

3.11.4 Level of delegation of functions in implementation

The **delegation of project selection is compulsory** under the regulations. As to remaining functions to be delegated – as shown in Figure 80 – Member States most frequently mentioned planning and the preparation of projects.

As in the case of ITI, figures on SUD indicate also that programme authorities (Managing Authorities and Intermediate Bodies) retain most of their functions. Apart from project selection, which is compulsory under SUD the **delegation of further implementing tasks to the local level is rather limited**.

Figure 80 - Tasks delegated to urban authorities (OP/ETC)⁸²



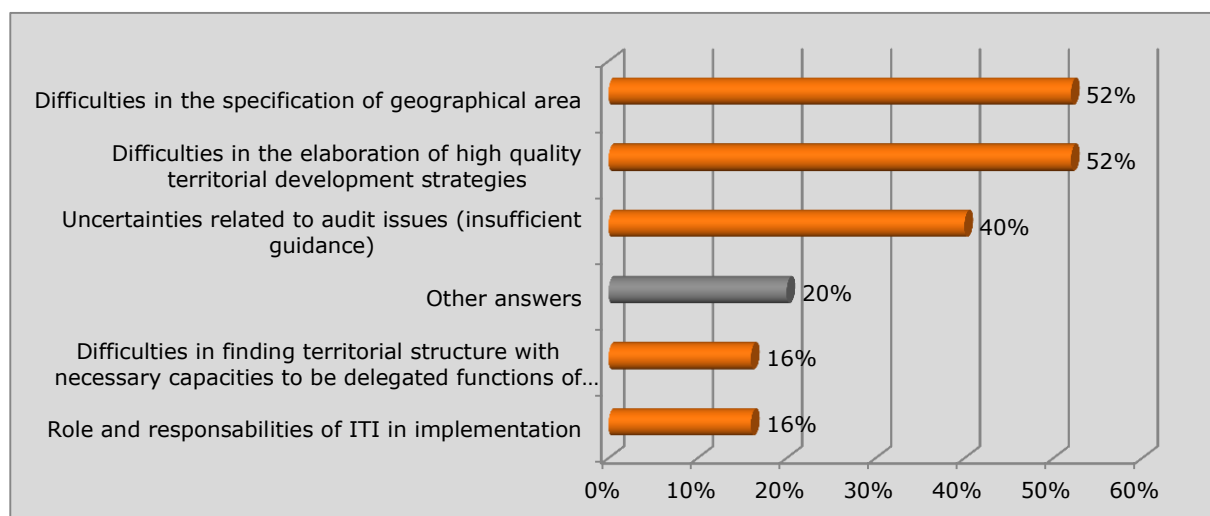
(% as compared to the number of programme documents containing specific data)

3.11.5 Difficulties encountered and the negotiation process

When asked by survey about any the **difficulties** encountered when applying the instrument, more than **60% of the responding MAs did not find any difficulty**. Those who did report about problems mentioned mostly issues related to programming (specification of geographical areas, quality of strategies, uncertainties relating to audit issues -Figure 81). Reservations about the availability of local implementation capacity were relatively limited (16% of respondents).

⁸² Planning, programming and project generation are not „delegated“ functions of MAS or IBs.

Figure 81 - Survey Q 11.2B - Which kind of difficulties did you meet in implementing integrated approaches with the use of the SUD instrument?



MAs were also asked, in interviews, about **eventual difficulties** linked to the setting-up of SUD. The most frequent answers – of those arguing against SUD – included complaints about the perceived complexity of the tool and that it represented too much administrative burden. In addition, MAs mentioned **uncertainties** linked to the **status of intermediate body**, and showed reluctance to delegate certain implementation responsibilities to cities due to their perceived **lack of capacities** of cities in strategy making, programming, and implementation.

Conversely, interviewees **arguing for SUD** – eventually going beyond the regulatory requirement of 5% (ERDF) – praised the instrument for its ability to support **complex, integrated projects addressing specific needs**; and pointed to previous **positive experience** with similar instruments. Last but not least, they saw it as a cooperation model based on **partnership of different administrative levels** and a good instrument to **animate local stakeholders** and building their capacities.

According to survey results, in 60% of the cases, the relevant MA was considering targeted **institution building support** to cities implementing SUD. The main types of support measures to be applied included most frequently trainings; the provision of information and guidance; contribution to the preparation of their strategic documents; provision/financing of advisory services, technical assistance; and covering administrative costs of organisation. (See Annex 4.11)

As regards the negotiation process, in the survey, managing authorities also indicated that the content of programming documents regarding the use of SUD was shaped

- by the **informal dialogue** with the EC
- by the opinion and **proposals of partners**; and
- by the **national** legal and institutional **context**. (See Annex 4.11)

In **60% of cases there were discussions** between the Member States and the Commission. Where there were initial differences, compromise solutions were found. Member States changed their positions in 16% of the cases – the EC in 11%. (See Annex 4.11)

3.11.6 *Specific conclusions*

The use of SUD substantially exceeds the regulatory minimum defined by Article 7 of the ERDF regulation. The Member States investing the largest proportion of their ERDF allocations are Cyprus (around 20,6%) and Bulgaria (around 20%). The **EU average level is around 7,7%**. Delivery is planned mainly **through ITI (52,3%) and specific priority axis (43,7%)**, a minor part of it covered by SUD-specific OPs (Cf. Article 7 (2) of ERDF Regulation).⁸³ SUD allocations should mainly concentrate TO 4 – low-carbon economy, TO 9 – social inclusion and combating poverty and discrimination, and TO 6 - environment and resource efficiency⁸⁴.

The delegation of **project selection** in SUDs is compulsory. Programme authorities (MA and IB) retain most of their functions, as a consequence the **delegation of further implementing tasks to the local level is rather limited** – just like under ITI, despite the fact that it is only 16% of survey respondents reported difficulties in finding territorial players with the skills and capacities necessary for SUD.

Overall, **the SUD instrument** is apparently popular among Member States **in terms of financial allocation exceeds expectations**. At the same time, although 60% of MAs did not report on specific difficulties, SUD is not without its **challenges**. **Difficulties** most frequently mentioned are: the specification of geographical areas; quality of strategies; the perceived complicated nature of the tool; uncertainties regarding the status of intermediate body; and reservations about the availability of local capacities.

The **delegation of implementing tasks** from programme authorities to the local level above the compulsory project selection **is rather limited**, even if frequently **capacity building measures** are taken in order to remedy any possible lack of experience on the part of the local authorities.

⁸³ Distribution by delivery mode can only be calculated from Table 10 of OPs (and Table 9 for ETC programmes).

⁸⁴ Also based on data and estimations established based on Table 10 of OPs (and Table 9 for ETC programmes)

3.12 TERRITORIAL CO-OPERATION AND MACRO-REGIONAL STRATEGIES

3.12.1 *Background*

In line with the new regulations, in order to reinforce the **effectiveness** of cohesion policy Member States are required to seek **coordination and complementarity** between programmes under the European territorial cooperation goal and the Investment for growth and jobs goal. To that end, Member States are to make use of the possibility of carrying out **interregional and transnational actions** with beneficiaries located in at least one other member state within the framework of the operational programmes under the Investment for growth and jobs goal. In addition, Member States should, where appropriate, ensure that the objectives of **macro-regional and sea-basin strategies** form **part of the overall strategic planning**, in Partnership Agreements, and in programmes in the regions and Member States concerned.

For that, Member States need also to establish **mechanisms** to coordinate joint actions with beneficiaries from different Member States financed by the ERDF and the ESF with investments supported by the programmes under the Investment for growth and jobs goal.

European Territorial Cooperation (ETC) is one of the two goals of cohesion policy and provides a framework for the implementation of joint actions and policy exchanges between national, regional and local actors from different Member States. Interreg is built around three strands of cooperation: cross-border (Interreg A), transnational (Interreg B) and interregional (Interreg C).

Partnership Agreements describe the main **priority areas** for European Territorial Cooperation, indicating how a **complementary use** of Funds from the ETC programmes and the programmes under the Investment for Growth and Jobs goal could contribute to addressing challenges identified; **how macro-regional and sea-basin strategies** have been taken into account in strategic programming; and whether joint actions with beneficiaries from different Member States will be financed through the ERDF and the ESF.

Operational Programmes detail the circumstances where actions with **beneficiaries located in at least one other Member State** are planned under the operational programme in question, the expected contribution of such actions to the achievement of the programme's objectives and the expected benefit of such actions for the programme area ; and where appropriate, a description of **how the macro regional and sea basin strategies** have been taken into account.

Cooperation Programmes, as well as OPs, are to include the **coordination mechanisms** established to link up to the implementation of macro-regional and sea-basin strategies; and **how the macro regional and sea basin strategies** have been taken into account.

The analysis of the PAs and programmes under the study focussed on:

- the **main priority areas** of cooperation,
- the links to **macro-regional and sea-basin strategies**
- the use of the possibility to finance inter-regional and transnational actions with **beneficiaries located in at least one other Member State**,
- the **co-ordination mechanisms** regarding transnational action as well as macro-regional strategies, and finally

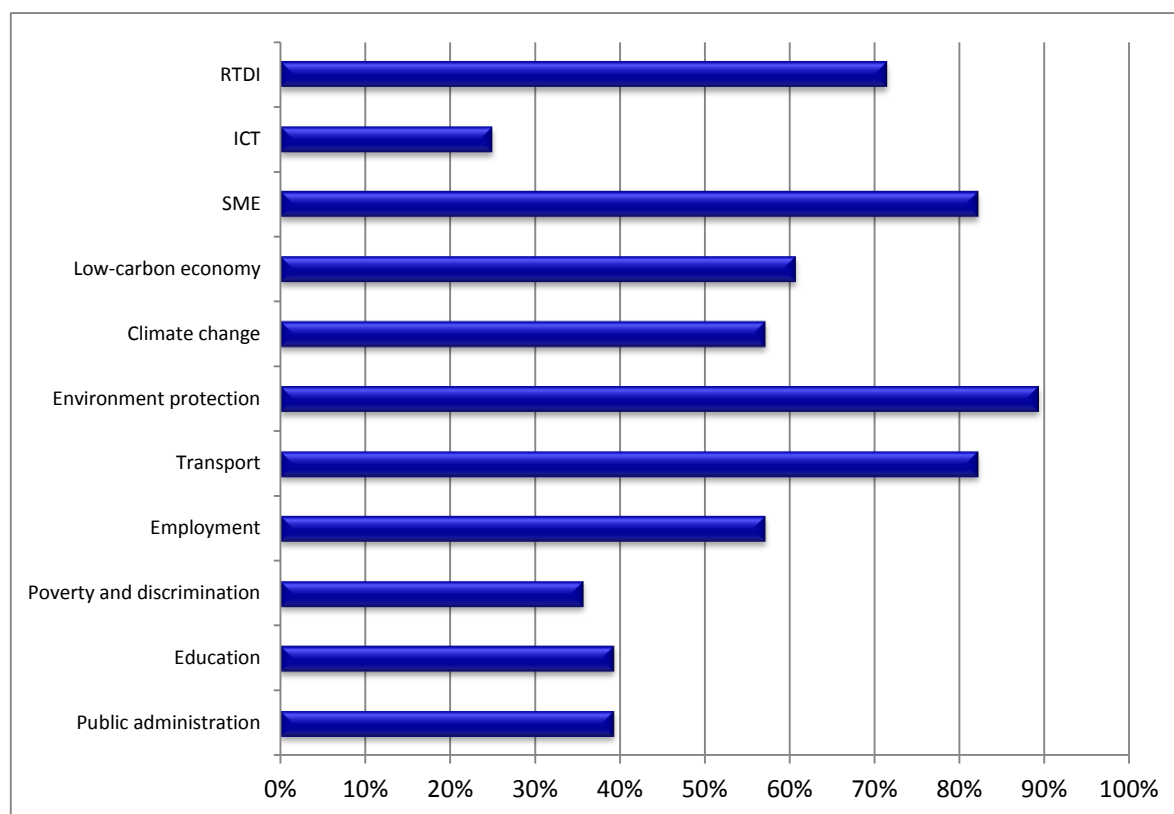
The survey and interviews were used to explore the process of setting and negotiating priorities, as well as any **difficulties** associated to co-operation.

3.12.2 Priority areas for co-operation

Figure 82 shows the distribution of specific priority areas for co-operation in Partnership Agreements.

The graph displays, in percentage terms, in how many Partnership Agreements a given thematic objective has been mentioned, as a priority area for co-operation. As it can be seen, **environmental protection, transport, SME as well as research and development** have been selected in a majority of Member States as areas for cooperation.

Figure 82 - Priority areas for co-operation in terms of Thematic Objectives (PA)



(frequency as % of the total number of PAs comprising reference to Priority areas for co-operation)

The **Investment Priorities most frequently chosen** by programming documents (CPs and OPs) as priority areas for co-operation are:

Investment Priority	Frequency
Promoting business investment in R&I (...) – Art 5.1(b), ERDF reg.	63%
Conserving, protecting, promoting and developing natural and cultural heritage – Art 5.6(c), ERDF reg.	50%
Supporting the capacity of SMEs to grow in regional, national and international markets (...) – Art 5.3(d), ERDF reg.	46%
Enhancing research and innovation (R&I) infrastructure & capacities (...) – Art 5.1(a), ERDF reg.	42%
Promoting investment to address specific risks , ensuring disaster resilience and developing disaster management systems – Art 5.5(b), ERDF reg.	38%
Promoting sustainable and quality employment and supporting labour mobility by integrating cross-border labour markets , (...) – Art 7.8(e), ETC reg.	38%
Promoting energy efficiency and renewable energy use in enterprises – Art 5.4(b), ERDF reg.	33%
Supporting a multimodal Single European Transport Area by investing in the TEN-T – Art 5.7(a), ERDF reg.	33%
Enhancing regional mobility by connecting (...) to TEN-T (...) – Art 5.7(b), ERDF reg.	33%
Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure – Art 5.6(d), ERDF reg.	29%
Developing and improving environmentally-friendly (...) and low-carbon transport systems , (...) – Art 5.7(c), ERDF reg.	29%

(frequency as % of the total number of programming documents comprising reference to Priority areas for co-operation)

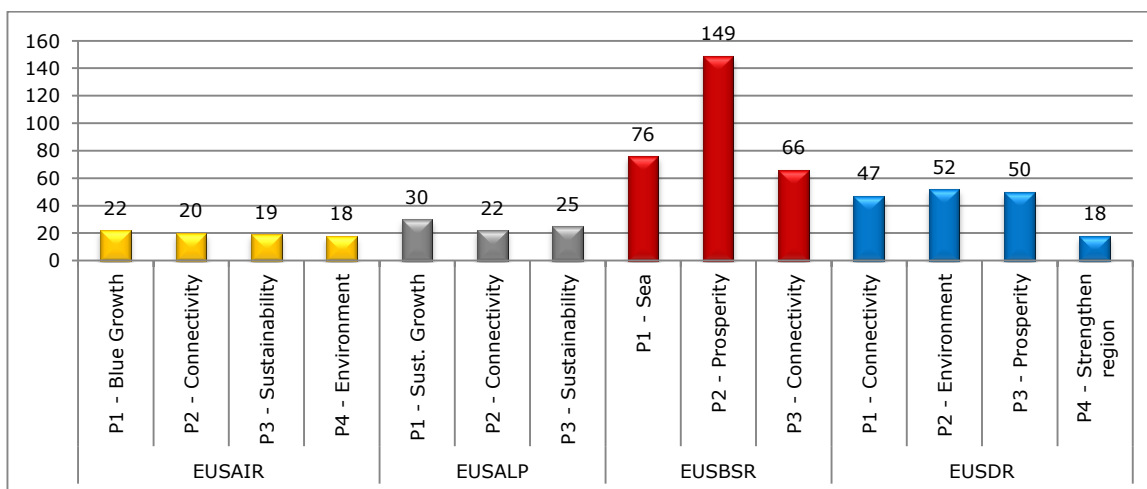
Comparing this table with Figure 82 it is clear that the approach at programme level is fully consistent with the approach at PA level (covering all ESI Funds).

3.12.3 **Links to macro-regional and sea-basin strategies**

Operational programmes contain many references to macro-regional and sea-basin strategies. Four strategies have been mentioned in the OPs: the EU Strategy for the Baltic Sea Region (EUSBSR- endorsed in 2009 by the European Council), the EU Strategy for the Danube Region (EUSDR – endorsed in 2011), the EU Strategy for the Adriatic and Ionian Region (EUSAIR – endorsed in 2014) and the EU Strategy for the Alpine Region (EUSALP – adopted in 2015).

The biggest **number of referrals** points to the EU Strategy for the **Baltic Sea** Region, followed neck-and-neck by the Danube Strategy and the Alpine Strategy.

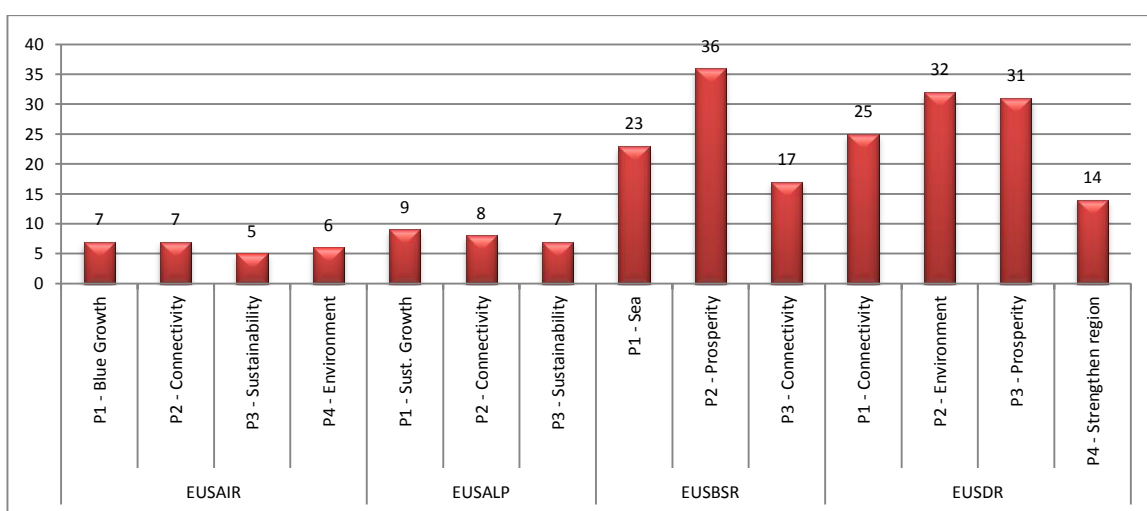
Figure 83 - Key Priorities linked to pillars of macro-regional and sea-basin strategies⁸⁵



Comparing the referrals in programmes to the priority level of macro-regional and sea-basin strategies (See Annex 4.12) with the identification of priority areas of co-operation shown above in Figure 82, one can find that some areas, as Environment, RDI and Transport are equally important, while others (e.g.: SME) are less important in macro-regional and sea-basin strategies.

The same statistics for ETC programmes only is presented in Figure 84 below. The distribution is similar to the one observed for all programmes together.

Figure 84 - Contribution to macro-strategies, in ETC programmes

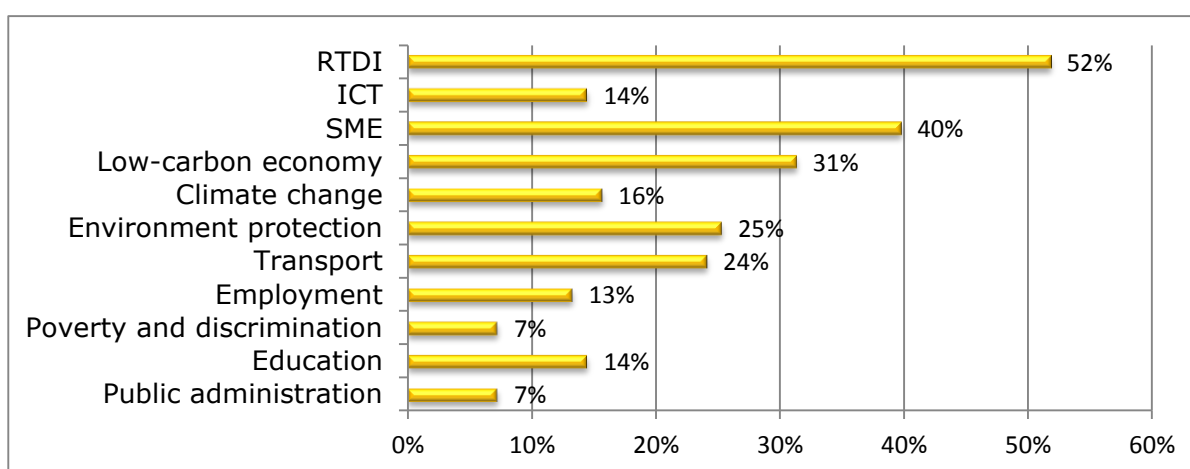


⁸⁵ The statistics presented in Figure 83 are based on operational programmes, and allow multiple references from within a member state from different operational programmes. Accordingly, it somewhat amplifies the differences among the scores of the different strategies. This presentation was chosen as it is the "richest" in terms of information.

3.12.4 Programmes with beneficiaries in at least one other Member States

The distribution of **referrals** in programmes to actions with beneficiaries in at least one other member state – according to thematic objectives – shows that **RDI, SME and Low-carbon economy** are the most often mentioned. In this comparison, environmental protection and climate change – though still frequently implied – are somewhat lower positioned than in Figure 82 above.

Figure 85 - Actions with beneficiaries in at least one other Member State, by TO (OP/ETC)



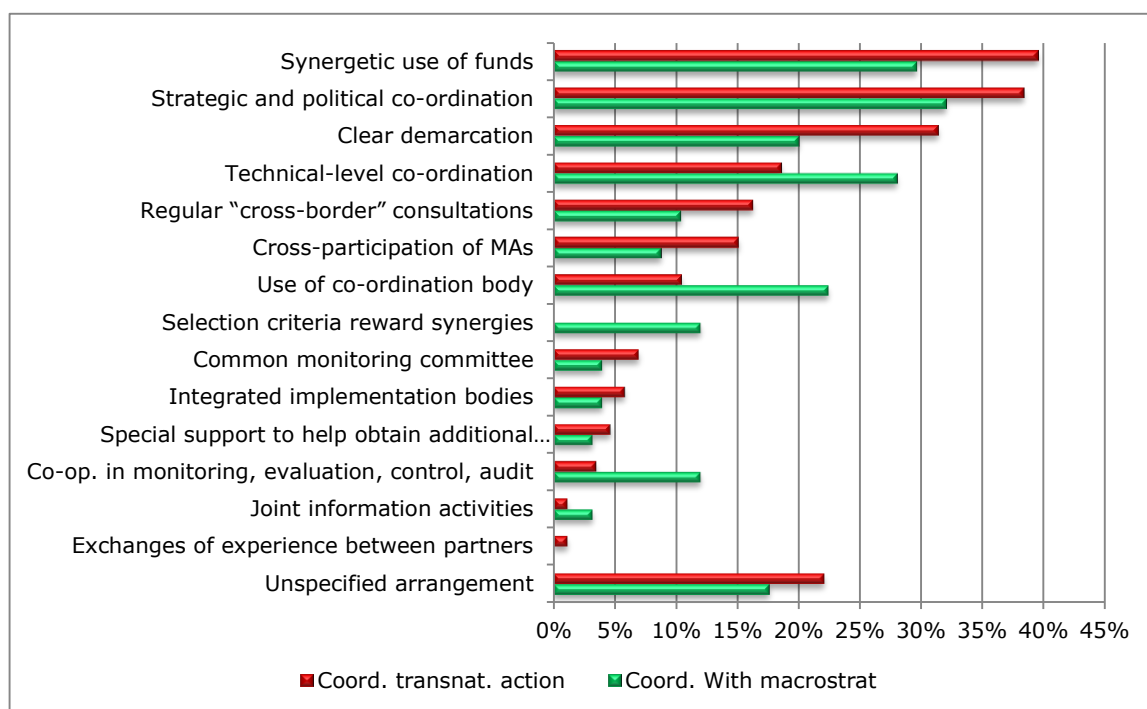
(frequency as % of the total number of programming documents containing references to operations with beneficiaries in at least one other Member States. The graph eliminates "duplications", in the sense that every TO is registered only once for each programme it is referred to, regardless of how many IPs under that TO have been referenced)

3.12.5 Co-ordination Arrangements

Figure 86 describes the use of different types of **coordination arrangements** among ESI Funds and other instruments and policies **with respect to transnational co-operation**, and for **macro-regional** and sea-basin strategies.

According to programme data, the most frequently used for the co-ordination of transnational co-operation, and macro-regional strategies are a **co-ordinated (joined) programming** of different funds, and **political-level co-ordination** committees. Technical-level co-ordination committees and a clear demarcation of programmes and intervention areas are following in the list. Overall, this reflects that co-ordination efforts rather focus on the programming phase. Similar results were obtained with regard to ITI (cf. Chapter 3.10), but also with regard to funds co-ordination (Chapter 3.15) overall. However, as regards macro-regional and sea-basin strategies, the role of the **national co-ordination authorities** in the sense of Art. 123 (8) CPR is stronger.

Figure 86 - Co-ordination arrangements⁸⁶ of co-operation (OP/CP)



(frequency as % of the total number of relevant programming documents)

3.12.6 The Process – Establishing priorities, programming, negotiations

In focus group interviews with Commission Officials reported that – while there was a **lot of interest** in transnational co-operation – in practice, there were still **many difficulties** on the ground. The synergy between the programming of operational and ETC programmes was not fully satisfactory – despite significant internal co-ordination efforts

⁸⁶ Legend:

- Clear demarcation: Co-ordinate programming: clear demarcation of the ESI Funds in order to avoid overlaps
- Common monitoring committee: Common monitoring committee for programmes implementing the ESI Funds (CSF 3.2.1.d)
- Co-op. in monitoring, evaluation, control, audit: Co-operation among programmes in monitoring, evaluation, control and audit – CSF 3.2.1. h)
- Cross-participation of MA: MAs participate in the development of each-others' support schemes – (CSF 3.2.1.c) – or in project selection under other programmes
- Integrated implementation bodies: Use of implementation bodies (MA; IB) managing several OPs
- Joint information activities: e.g. Common website for ERDF and ESF informing about new projects, the applications process, evaluations; contact points, etc
- Regular "cross-border" consultations: Regular "cross-border" consultations (e.g. with programme authorities in different countries; or programme authorities of trans-national programmes and strategies)
- Selection criteria reward synergies: Selection criteria also assess the co-ordinated use of funds (contributions to other programmes)
- Strategic and Political co-ordination: Co-ordination committees at political level (e.g. committees of ministers; of government & regions, etc); (CSF 3.2.1.b), partnership arrangements, involvement of partners in project selection, monitoring, etc.
- Synergetic use of funds: Co-ordinate programming: synergetic use of funds through joint strategies, plurifund OPs, (groups of) measures covering different sources; targeted calls...
- Technical-level co-ordination: Co-ordination committees at technical level - other forms of co-operation among authorities (those , without having an implementation responsibility included)
- Use of co-ordination body: Use of co-ordination body in the sense of Art. 123 (8) of the CPR.

that were made within the Commission. This has had some systemic causes mentioned by interviewees. First, the programming of co-operation programmes came 6 months after that of the OPs, by which time most of the funds were already allocated. Second, the priorities of macro-regional strategies proved often difficult to align with the thematic objectives. Last but not least, ETC programmes are also more complicated from a financial management point of view, which reduces enthusiasm for them. Overall, there seems to be a need and room for further improvement in this area.

According to interviews with Member States **main difficulties** experienced in identifying main priority areas for cooperation under ESI Funds are that:

- ETC programmes were lagging behind PA and OP **programming process**, which hampered effective and timely cooperation in programming
- **more actors** (authorities) covered by several programmes need higher level of coordination
- **OPs' needs analysis did not take account of wider ETC issues** as this was not seen as a major need at regional, local or even national level
- **identification of synergies** between OPs and ETC programmes or macro-regional and sea-basin strategies is **difficult**
- it is difficult to find a place for the **allocation** of macro-regional and sea-basin strategies, especially for bigger projects
- **OPs are limited in scope**, so ETC projects can access only those ETC priorities reflected in their own (national) OPs
- Commission officials – in focus group interviews – confirmed the **still existing mismatch between the directions** chosen by national OPs and those of ETC programmes, and the macro-regional and sea-basin strategies (which can be very wide).

On the other hand, both national OPs and ETC programmes are used to provide **funding for macro regional strategies**. This is of course important because as Macro-regional strategies do not have their own budgets. At the same time, OPs and ETC programmes – in most cases – do not have specifically earmarked (ring-fenced) budgets for macro-regional strategies either. Therefore, the cooperation of partner countries during implementation is of high importance. As interview partners reported, macro strategies' **contact points** are **involved in** the work of the **Monitoring Committees** of ESIF, which should help that cause. Also, when selecting operations, several countries reported that they would give priority to projects directly contributing to Macro-regional strategies. The use of ring-fenced allocations for macro-regional strategies was mentioned in the interview with one Member State.

Managing authorities indicated in the survey that the content of programming documents regarding the territorial cooperation and macro-regional strategies was shaped

- by the national legal and institutional context on the one hand; and
- by the regulations on the other. (See Annex 4.12)

In the negotiation process itself, the area of territorial co-operation and sea-basin strategies was **the least controversial**. In almost three quarters of the cases managing authorities reported that there had been agreement with the EC from the very beginning of the process. (See Annex 4.12)

3.12.7 ***Specific conclusions***

Areas for co-operation have been identified in programming documents, environmental protection, transport, SME as well as research and development have been selected in a majority of Member States. **Programmes contain also many references to macro-regional and sea-basin strategies.** The greatest numbers of referrals point to the Strategy for the Baltic Sea Region and the Danube Strategy. Interregional and transnational **actions with beneficiaries located in at least one other Member State were also identified** across the board, mainly focused on research and innovation, and support to SMEs thematic objectives.

Nevertheless, due to systemic causes (e.g.: differences in programming schedules, some difficulty to reconcile the priorities of pre-existing MRS with the new thematic objectives), **synergies** between mainstream OPs and ETC, as well as ESIF programmes and macro-regional and sea-basin strategies are **quite difficult to achieve.** In this area therefore, good co-ordination during implementation will be of particular importance.

3.13 POVERTY, SOCIAL EXCLUSION

3.13.1 *Background*

New efforts made within the new regulations for simplifying and enhancing the integrated use of ESI Funds is particularly important in addressing the **territorial dimension of poverty**. The integration of marginalised communities requires coherent and multi-dimensional approaches supported from the various ESI Funds, complementing national resources and implemented coherently with reforms.

This **multi-dimensional integrated approach** combining actions from **various ESI Funds (multi-fund approach)**, or even from different OPs or CPs, is particularly relevant for the Roma community, whose effective integration requires investments in employment, education, healthcare, housing and social integration. In deprived urban areas, the physical and economic regeneration activities supported by the ERDF should go hand in hand with ESF actions aimed at promoting the social inclusion of marginalised groups. In **rural areas**, EARDF support may also be used to promote social inclusion, particularly through community-led local development ('**LEADER**'), which will continue to be a compulsory element of rural development programmes. It is also essential to exploit the **synergies between the ESI Funds** in order to reduce inequalities in terms of access to services. To increase the effectiveness of ESF actions aimed at enhancing access to **affordable, sustainable and high-quality services**, the ERDF and EARDF should be used in a complementary way to invest in **social and health** infrastructure in less developed regions and in rural areas.

Partnership Agreements contain information on the **geographical areas** most affected by poverty or an identification of the **target groups** at highest risk of discrimination or social exclusion and a description of their specific needs; the **integrated approach** to address their specific needs and the concrete change aimed at; and the **role and the contribution of the ESI Funds** in the implementation of the strategy.

Operational Programmes describe the **geographical areas** most affected by poverty or an identification of the **target groups** at highest risk of discrimination or social exclusion and a description of their specific needs; a **strategy and funding** compatible with the overall strategy to address these specific needs, a description of how the operational programme in the implementation of the **programme's strategy** will contribute to addressing these specific needs; and an **indicative amount of support** from Funds for interventions on specific territories or groups, with indication of priority axis, intervention area and main type of actions.

Considering the above, the analysis under this study focussed on:

- the identification of geographical **areas** most affected by poverty or the **target groups** at highest risk of discrimination or social exclusion;
- the **specific needs** of these areas and target groups;
- the **actions** planned as part of the integrated approach; and
- the **particular difficulties** encountered when applying integrated approaches to poor regions and vulnerable groups, and **envisaged support measures**.

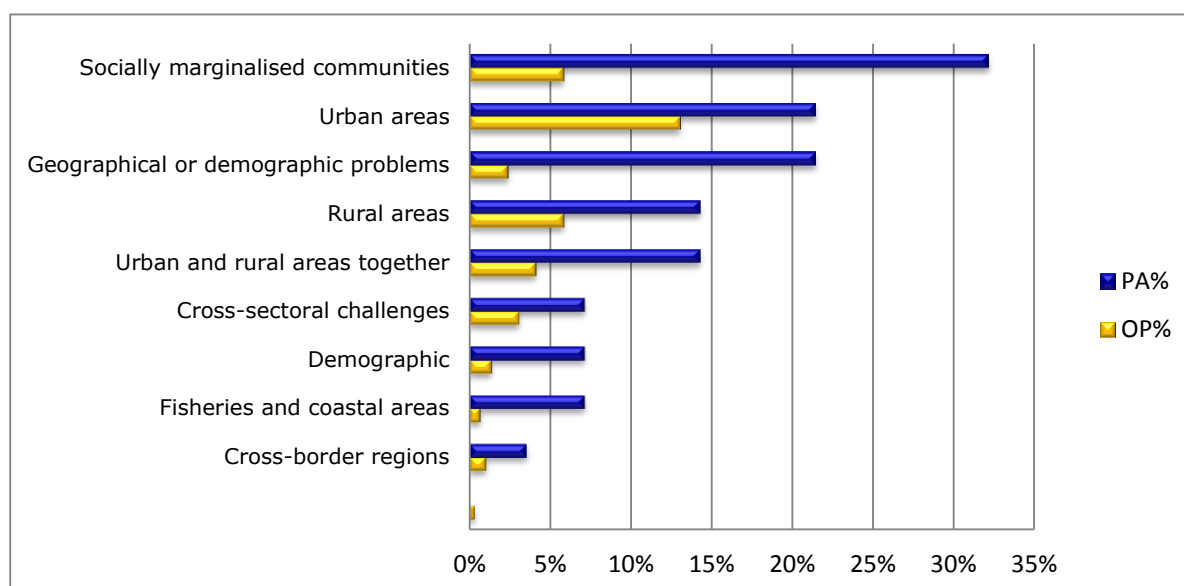
3.13.2 Territories affected by poverty – types of territories and needs

The most frequent **types of territory** identified in PAs (covering all ESI funds) as territories affected by poverty are those with socially marginalised communities, urban and rural areas, and areas with permanent geographical or demographic handicaps.

The type of regions identified at programme level differs somewhat. The programmes under assessment - i.e. those financed by the ERDF and CF programmes including multi-fund OPs with ESF co-financing – focus more on urban areas. (Figure 87) These urban areas are likely to be territories with a high concentration – or specific types – of social problems, which are usually connected to other features of the territory, (e.g. worse economic situation, weak connectivity to other territories, limited access to social services etc.)

Altogether, 16 PAs (Member States) and OPs from 19 Member States contain territories affected by poverty.

Figure 87 – Types of territories affected by poverty (PA/OP)

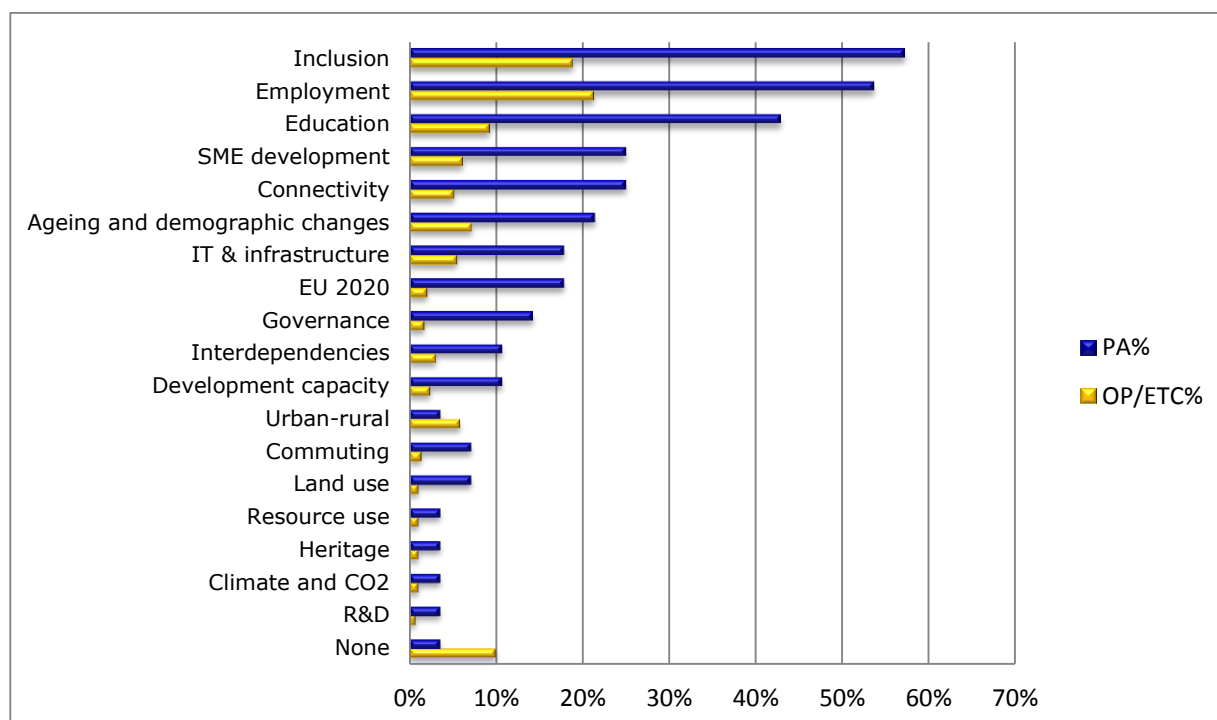


(frequency of categories⁸⁷ as % of the total number of programming documents)

Data sets based on the Partnership Agreements and programmes indicate that the main needs of territories affected by poverty are related to social inclusion, employment and education (Annex 4.13):

⁸⁷ Urban and rural areas together: Urban and rural areas linked together with socio-economic linkages

Figure 88 – Types of development needs characterising regions affected by poverty (PA, OP/ETC)



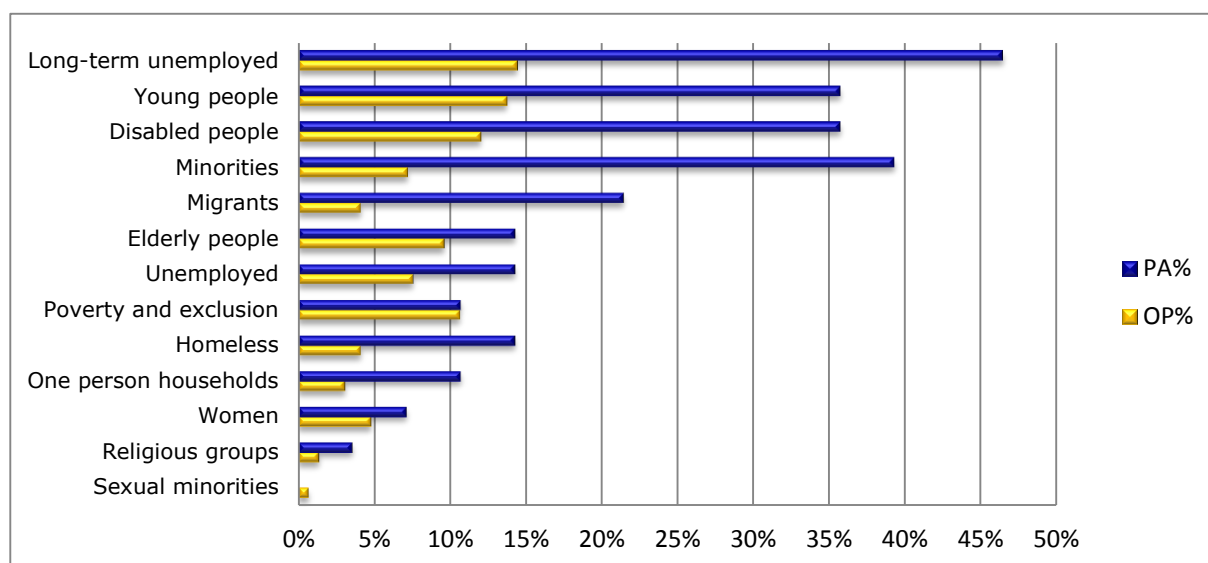
(figures indicate the percentage of programme documents where a particular need is mentioned)

The needs identified for poor regions provide information on the **priorities given by the Member States**. Most of them used a “standard” approach, selecting mainly territories with low level of employment and high level of social exclusion and need for education. Other, “non-classical” development needs e.g. the strengthening of development (policy) capacities, or on the use of land and resources are not in the focus.

3.13.3 Vulnerable groups – types of groups and needs

Furthermore, as Figure 89 figure shows, the **target groups** at highest risk of discrimination or social exclusion most referred to in programming documents are the long-term unemployed, the young, disabled people and ethnic minorities. This shows that the situation on the labour market was one of the main criteria for the demarcation of vulnerable groups, reflecting the assumption that a weak access to the labour market increases the probability of social exclusion and poverty.

Figure 89 – Vulnerable groups at risk of social exclusion (PA/OP)



(frequency of categories as % of the total number of programming documents)

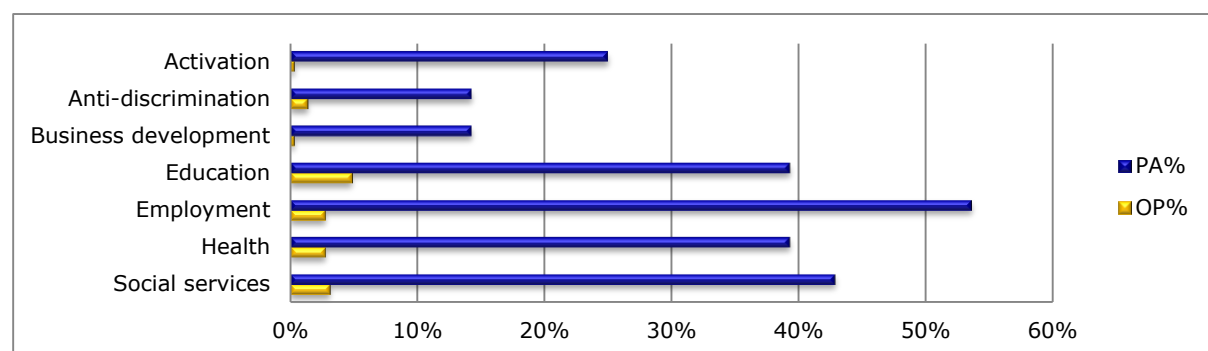
As for their appearance in programming documents, 17 PAs (Member States) and OPs from 16 Member States contain reference to vulnerable groups.

As statistical analysis revealed, there are some **patterns across Member States** as well:

- **OPs using ESF** address all categories of vulnerable groups – while ERDF and CF OPs comparatively less to women, unemployed, poor people and young people.
- **Outermost regions** have chosen relatively more often young people as vulnerable group and less frequently minorities than others.

As Figure 90, shows, members of **vulnerable groups** are considered to be in **need** of mainly human services (employment, social, health, education). Activation services (services with goal of integration of local communities), anti-discrimination measures and business development services are considered less important.

Figure 90 – Needs of vulnerable (PA, OP)

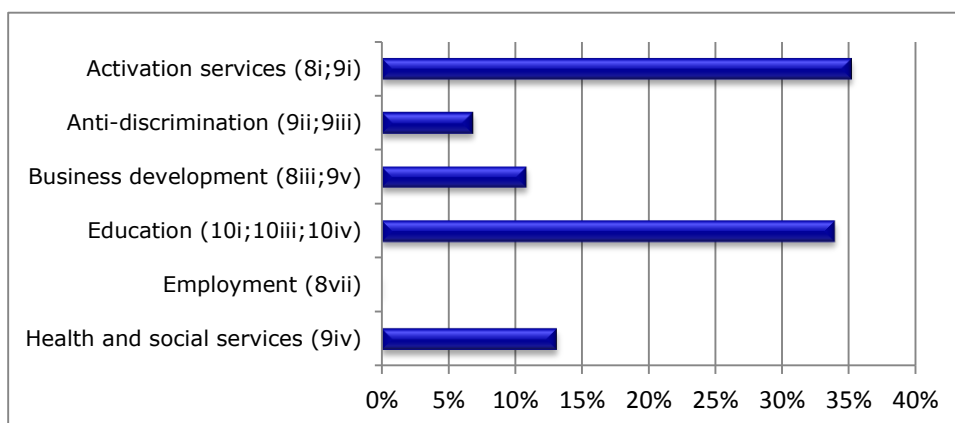


(frequency of categories as % of the total number of programming documents)

Altogether 28 OPs (from 12 countries) and 17 PAs contain an assessment of needs of vulnerable groups.

The frequency of needs can be compared to the distribution of ESF funding (on the basis of IPs) of those priority axes where vulnerable groups are referred to. The distribution of ESF funding is as follows:

Figure 91 – Distribution of ESF funding on relevant IPs (OP)



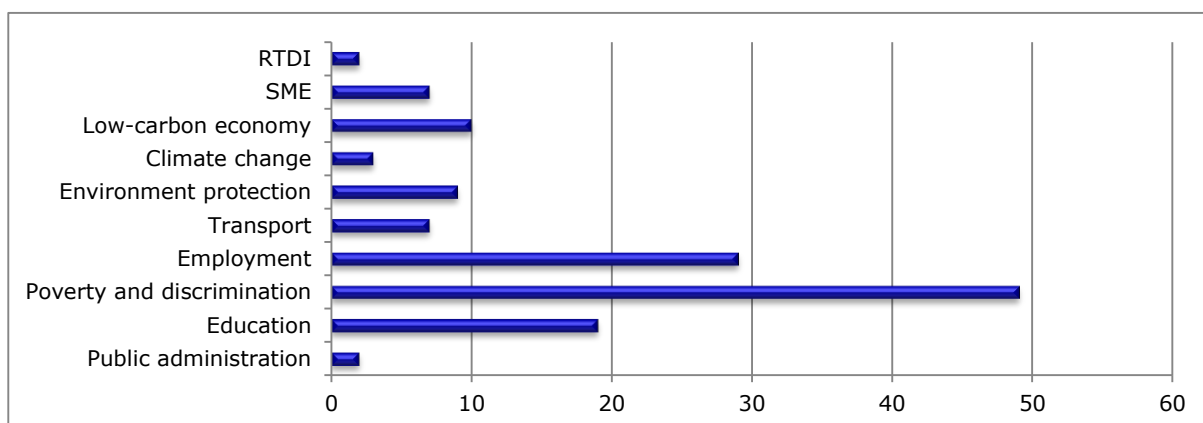
On the basis of comparing the above two figures, it can be concluded that there is some inconsistency. While it should be stressed that Figure 90 refers to references in the text, and Figure 91 reflects financial allocations – i.e. we are comparing to substantially different categories – it may be conclude that

- The share of ESF money to be spent on activation services is comparatively higher than the share of relevant references to needs;
- In the case of employment as well as health and social services, the situation is the opposite. Their relative share of “funds” is lower than their share in “references”.

3.13.4 Actions planned as part of the integrated approach

Figure 92 presents frequency of actions (grouped by Thematic Objectives) foreseen in Partnership Agreements (therefore covering all ESI Funds) **in response to the needs** of poor regions and vulnerable groups discussed above. Accordingly, **actions** most frequently planned are related to the field of social and antidiscrimination policies as well as employment and education.

Figure 92 - Actions for territories affected by poverty and vulnerable groups by TO (PA)



(frequency of categories as % of the total number of programming documents)

These data seem to indicate, again, that most of the Member States applied a rather traditional, **sectoral approach** to responding to the needs of poor regions and vulnerable groups. Actions are most often envisaged in framework of the “social” TOs, while the others (e.g.: SME) are less emphasised.

3.13.5 Particular difficulties and support measures

According to survey results, Managing Authorities did not perceive the issue of poor regions and target groups at highest risk of discrimination as particularly contested during the negotiations. **In two thirds of the cases** there were **no major differences** in approach between the Member States and the Commission. Where there were initial differences, compromise solutions were found. (See Annex 4.13).

The content of programming documents regarding poor regions and vulnerable groups was shaped mainly by the **national legal and institutional context**. The **informal dialogue** with the EC and the opinion and proposals of **partners** were also considered important by the MAs. (See Annex 4.13)

Managing authorities were also asked about any **difficulties** they had encountered when applying integrated approaches to poor regions and vulnerable groups. More than **40% of the responding MAs did not find any difficulty** in applying the new rules. **Challenges** that were reported were linked especially to the apparent lack of data related to poor regions and vulnerable groups, which makes the design of policies and the targeting of interventions difficult. (See Annex 4.13)

Survey data also indicate significant efforts to provide **support to beneficiaries/ stakeholders** concerned, 60% of responding MAs considered **institution building measures, or other support to beneficiaries/ stakeholders**. 75% are planning to issue specific information and guidance materials, and almost 60% are preparing trainings, half of them animation and exchange measures. (See Annex 4.13)

MAs were also asked by means of interviews on difficulties encountered. The majority of respondents considered the question of poverty mainly from a **territorial point of view** (and less as one concerning of social groups). Major challenges mentioned as regards

poverty mapping were: a lack of **systematic and reliable data**, especially at local level. Also, data were considered to be often **outdated data**, as assessments dated back to the years 2000. Last but not least, interview partners said that – in their view – there were too many conflicting definitions, criteria as well as aspects and dimensions of poverty currently used.

3.13.6 *Specific conclusions*

Overall, specific integrated approaches towards **poor regions and vulnerable groups** appear in slightly more than **in half of the Member States**. Nevertheless, **an assessment of needs of vulnerable groups** figure in **only 28 OPs (from 12 Member States)**, and **less than half of the Partnership Agreements** comprise **concrete actions for poor regions or vulnerable groups**.

The most frequent **types of territories** among poor regions are those with socially marginalised communities, urban, rural and urban-rural areas, and areas with permanent geographical or demographic handicaps. The **social groups** to be most frequently targeted are the unemployed, the young, disabled people and ethnic minorities.

The range of planned actions reflects a rather sectoral approach. “**Human services**”, such as employment, education and social and antidiscrimination policy are at the top Member States’ intervention lists, **other policy areas** necessary for a more integrated approach (e.g.: SME promotion) are **less present**.

Partly for this reason, during the negotiations, DG Employment was pushing for a **target-group-based approach** when addressing the needs of the poor. On this point, though there was resistance from some Member States, which complained about difficulties in national legislation as regards the identification of such groups, and the consequent lack of appropriate data, as mentioned above.

3.14 REGIONS WITH PERMANENT HANDICAPS

3.14.1 *Background*

Geographic or demographic features can intensify territorial development problems. Under the new regulations, there is new scope for the **ESI Funds** to address demographic challenges or specific development needs of regions with severe and permanent natural or demographic handicaps in an integrated manner.

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

In Partnership Agreements, where the Member States has highlighted specific needs in regions suffering from severe and permanent natural or demographic handicap, the PA shall contain a brief summary of how the ESI Funds will be used to tackle those specific needs.

Operational Programmes are to describe **how the OP addresses** demographic challenges of regions and the specific development needs of certain regions with severe and permanent natural or demographic handicaps.

The analysis under this study focussed on:

- the **identification of regions** which suffer from severe and permanent natural or demographic handicaps;
- the **identification of needs** of these regions;
- the **identification of actions** planned as part of the integrated approach; and finally on
- the **particular difficulties** in implementing integrated approaches to territorial development in regions with permanent handicaps, and **envisaged support measures**.

3.14.2 *Types of regions with permanent handicaps*

Altogether, **15 Member States** made a reference to regions with permanent handicaps in their programming documents. Island and Mountain territories were identified by referrals to them found in Partnership Agreements. For the identification of Outermost regions and Northern sparsely populated regions OP/ETC financial allocation tables were used.

By way of comparison with EUROSTAT data on regions with permanent handicaps⁸⁸, as shown in the table below, it is evident that **not all relevant regions** had been singled out in PAs as target territories for the ESI funds. (Especially not all mountain regions.)

⁸⁸ Sources: http://ec.europa.eu/eurostat/statistics-explained/index.php/Regional_typologies_overview ;
http://ec.europa.eu/regional_policy/sources/docgener/work/2009_02_geographical.pdf;

Figure 93 - Types of regions with permanent handicaps (PA, OP/ETC)

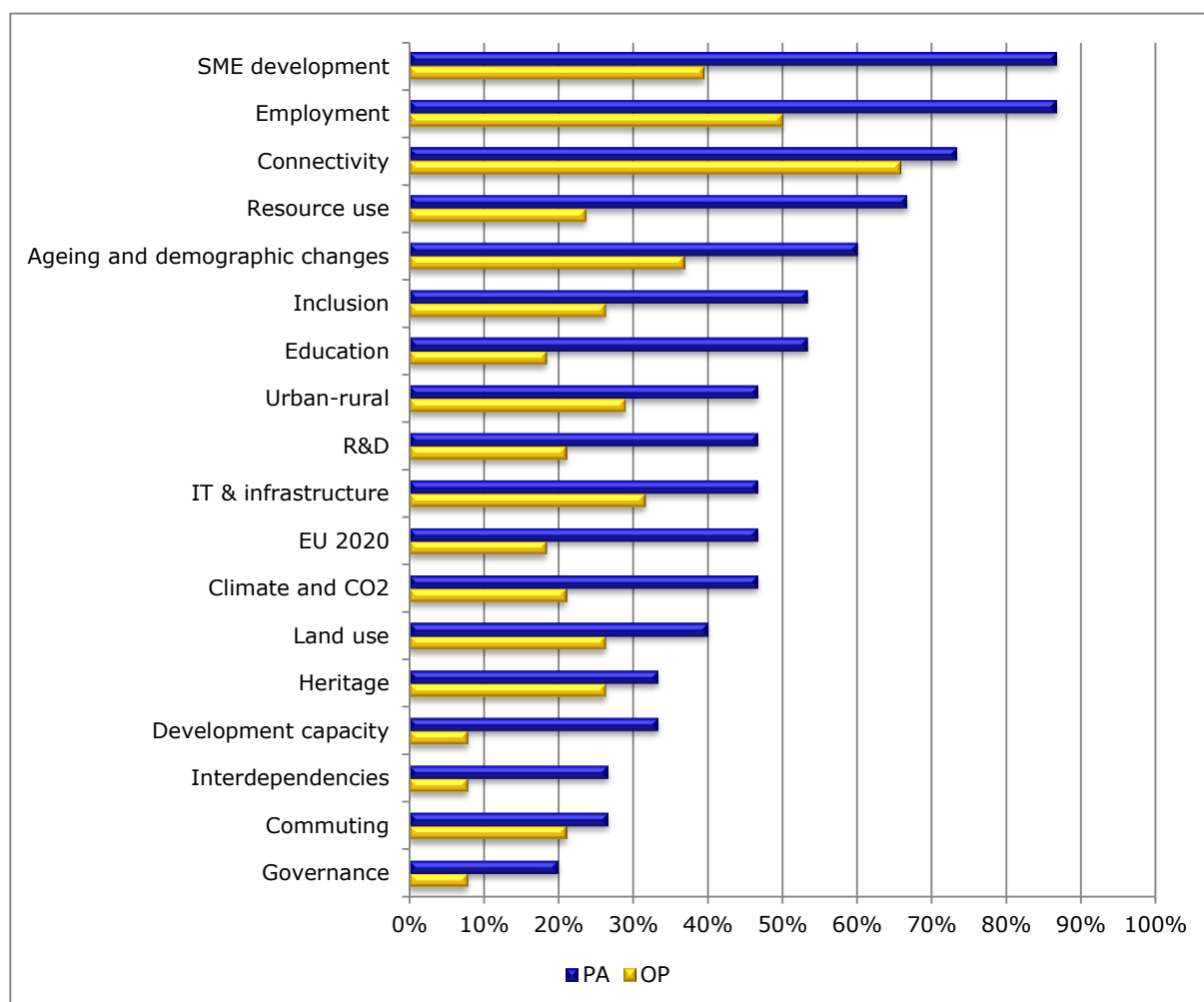
	Island	Mountain	Northern	Outermost
Austria		x		
Belgium				
Bulgaria		x		
Croatia	x	x		
Cyprus	x	✖		
Czech Republic		0		
Denmark	x			
Estonia				
Finland		0	x	
France	x	x		x
Germany		0		
Greece	x	x		
Hungary				
Ireland				
Italy	x	0		
Latvia				
Lithuania				
Luxemburg				
Malta	x			
Netherlands				
Poland		0		
Portugal	x	0		x
Romania		0		
Slovakia		0		
Slovenia		x		
Spain	x	x		x
Sweden	0	x	x	
UK	x	x		

(Legend: **x**: existing handicap appearing in documents; **0**: existing handicap not appearing in the documents; **✖**: non-existing handicap appearing in documents)

3.14.3 Needs identified for regions with permanent handicaps

The list of needs identified by Member States for regions with permanent handicaps is dominated by the economy (SME development), employment, and connectivity, which reflects well the nature of handicaps in these territories. (Figure 94) At the same time, it is only 30 OPs that contained relevant data.

Figure 94 - Types of needs identified in regions with permanent handicaps (PA,OP)



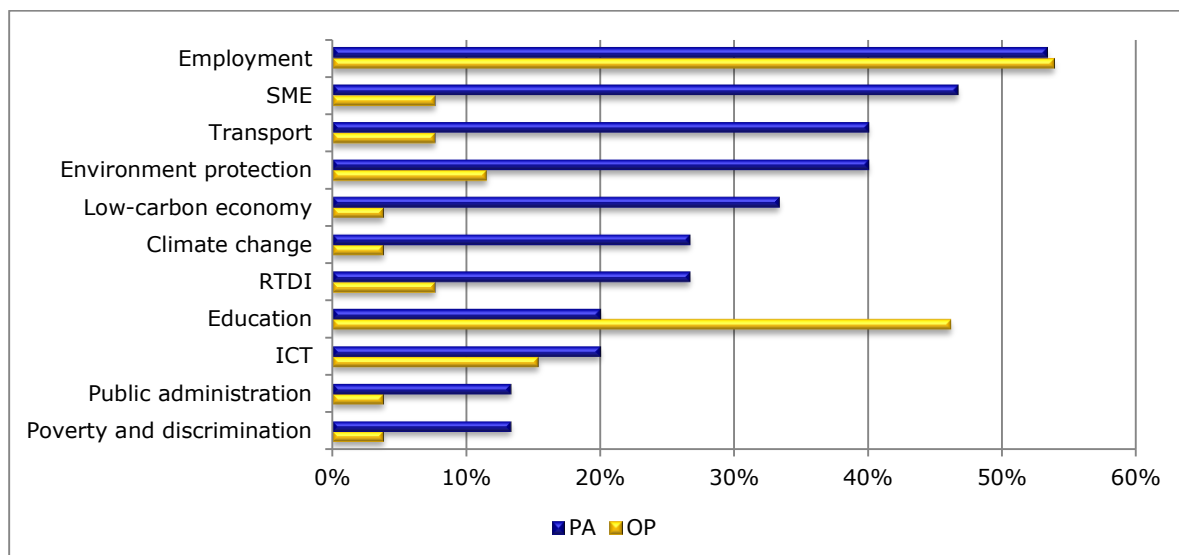
(frequency of categories as % of the total number of programming documents comprising reference to regions with permanent handicaps)

3.14.4 Actions planned for regions with permanent handicaps

Figure 95 shows the responses to the needs identified above within the regions with permanent handicaps. As data from PAs and programmes show, at the level of PA there is a strong coherence between needs identified and actions planned. The list is topped, in both cases, by employment, SME promotion, transport / connectivity issues as well as environmental considerations. At the level of programmes, though, education seems much more frequently referenced than other areas. It should be also noted that only a

few programmes (around 30) made reference to needs of regions with permanent handicaps.

Figure 95 – Actions planned in regions with permanent handicaps by TO (PA, OP)



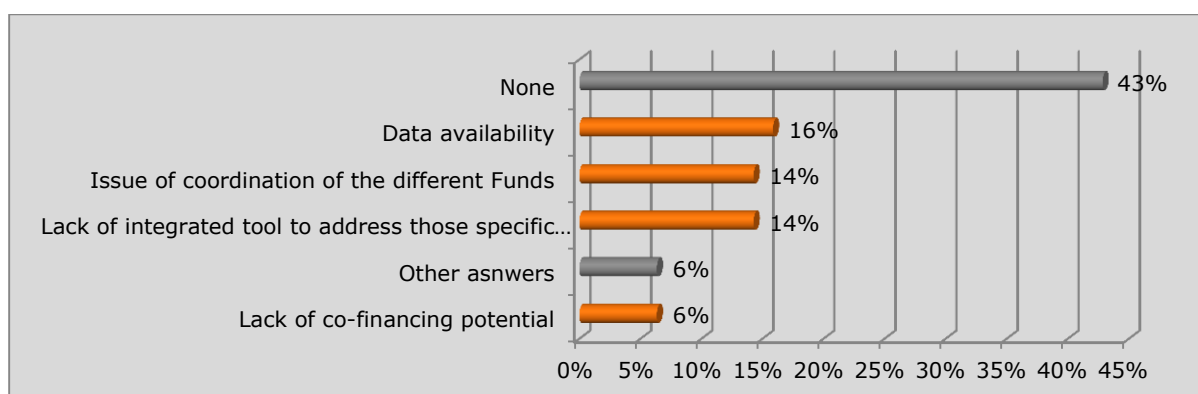
(frequency of categories as % of the total number of programming documents comprising reference to regions with permanent handicaps)

3.14.5 Particular difficulties and envisaged support measures

Through the survey, Managing Authorities were asked about the difficulties they had encountered when addressing demographic or territorial handicaps.

More than **40%** of the responding MAs **did not report any difficulties**. As shown in Figure 96, those which did, most frequently mentioned challenges linked especially to data availability and coordination – but even these had a comparatively low frequency. Overall, there did not appear to be any major, characteristic difficulties to be present – at least as far as survey responses were concerned.

Figure 96.: Were there particular difficulties in programming the use of ESI Funds to address demographic or specific territorial handicaps?



Furthermore, MAs provided information regarding **preparatory support** to stakeholders and (potential) beneficiaries. The main types of support measures to be applied are trainings; the provision of information and guidance, capacity building; generation of partnership; contribution to the preparation of their strategic documents; provision/financing of advisory services, technical assistance; coverage of administrative costs of organisations; operating small pilot projects/fund.

As already indicated under the survey, Member States reported in interviews very few difficulties, if not at all – which is most probably thanks to the experience MSs concerned had gained previously in programming for those areas.

3.14.6 *Specific conclusions*

Overall, there were **very few difficulties** mentioned by Member States in the application of the provisions on regions with permanent handicaps. This is most likely thanks to the considerable experience the countries concerned have already accumulated in this area. The **main issue** which hinders implementation according to MAs is apparently the **lack of accurate data and indicators** specific to these areas.

The regions with permanent geographical handicaps are **generally identified** in PAs and OPs, although **they do not directly address all of** them as such. The number of OPs addressing regions with permanent handicaps is **rather low**.

On the other hand, there is **coherence between needs identified and actions planned**, and planned actions cover a wide range of policy areas, which suggests an integrated approach.

3.15 COORDINATION BETWEEN THE ESI FUNDS AND OTHER UNION AND NATIONAL FUNDING INSTRUMENTS AND WITH THE EIB

3.15.1 Background

In **different planning periods, different rules** have applied to the joint or parallel use of the structural and cohesion funds at programme, measure, or operation level. The desire to “deliver European added value” led the Commission to propose, in the draft regulations for the programming period 2014-2020 provisions to **reinforce the co-ordination of funds** with each other, as well as with other Union policies and financial instruments. As one particular aspect, Article 123 (3) of the CPR mentions the option to set up – at an initiative of the Member State – an authority responsible for the co-ordination of EU funds.

In the PA and the programmes⁸⁹, Member States were due to describe the **policy areas** where a co-ordinated use of funds, and a co-ordination with other union and national policies was deemed necessary. They also were asked to provide details of the **mechanisms** to be used for co-ordination, and any arrangements planned to **help beneficiaries** to access different funds in a complementary manner.

The analysis under this study focussed on clarifying

- In what **areas** a co-ordinated use of funding was planned?
- What the **mechanisms** to ensure co-ordination are?
- How were co-ordination arrangements determined, and did they contribute to a **more synergetic use** of funds and instruments?

3.15.2 Areas Where a Co-ordinated use of Funds & Instruments is Planned

Member States have established in their Partnership Agreements and programmes (cf. Annex 4.14) which cohesion policy funds (ERDF, ESF, CF) they wish to use together, - in a co-ordinated manner – with other resources (ESI Funds, other EU resources, National Funds, or the EIB).

At the level of the partnership agreements,

- All Member States made references to co-ordination among the ESI Funds
- With the exception of 3 Member States, the co-ordination with other EU instruments was also specifically mentioned.
- The co-ordination needs indicated at national level (PA) were also taken over into the OPs.

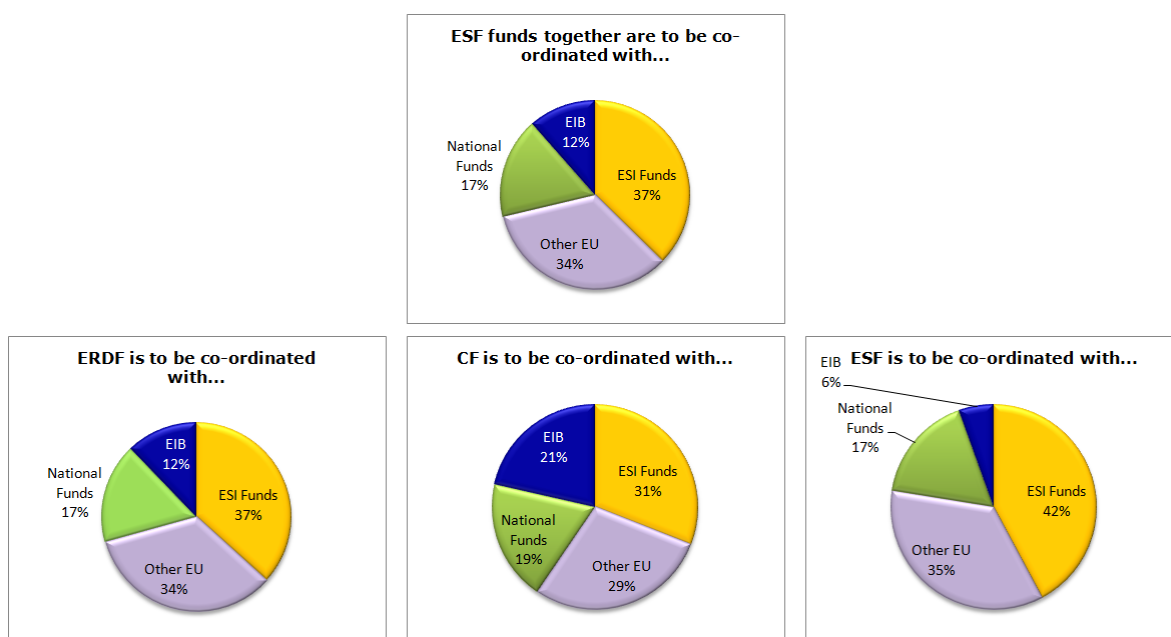
⁸⁹ PA section 2.1; OP section 8; CP section 6

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When looking at **where** Member States are envisaging the use of different funds and – EU as well as national – instruments in a synergetic manner⁹⁰ the analysis found that for all ESI Funds, **co-ordinated use is most frequently planned with another ESI fund** (including the possibility of co-ordinating with the same fund from another programme). The next most prominent co-ordination effort relates to other **EU policies and programmes**, followed by **national instruments** and – last but not least – the **EIB's** activities. One observes similar patterns for the ERDF, the CF and the ESF. Results are also similar at programme level (cf. Annex 4.14)⁹¹.

Overall, coordination efforts planned in the programming documents are consistent with the coordination needs identified in the programmes (Figure 97)

Figure 97 - Co-ordination needs by fund (measured at Programme level)



(% of all the indicated co-ordination needs for each fund)

Further analysis shows which instruments should be mainly used in a combined way with cohesion policy funds. Figure 98 below shows how often a given fund or instrument (listed on the vertical axis) has been mentioned as a resource to be co-ordinated with the ERDF, ESF, or CF.⁹²

At PA level, the EAFRD, the EMFF, ETC programmes, Horizon 2020, and the ERDF, followed by the national budget, and then LIFE and the ESF are the most frequently mentioned instruments. The list is very similar at the level of Programmes: EAFRD, ESF, Horizon 2020, ERDF, LIFE, COSME and ETC are at the top of the list.

⁹⁰ based on the text of the PA and OPs, recording references to the co-ordinated use of funds

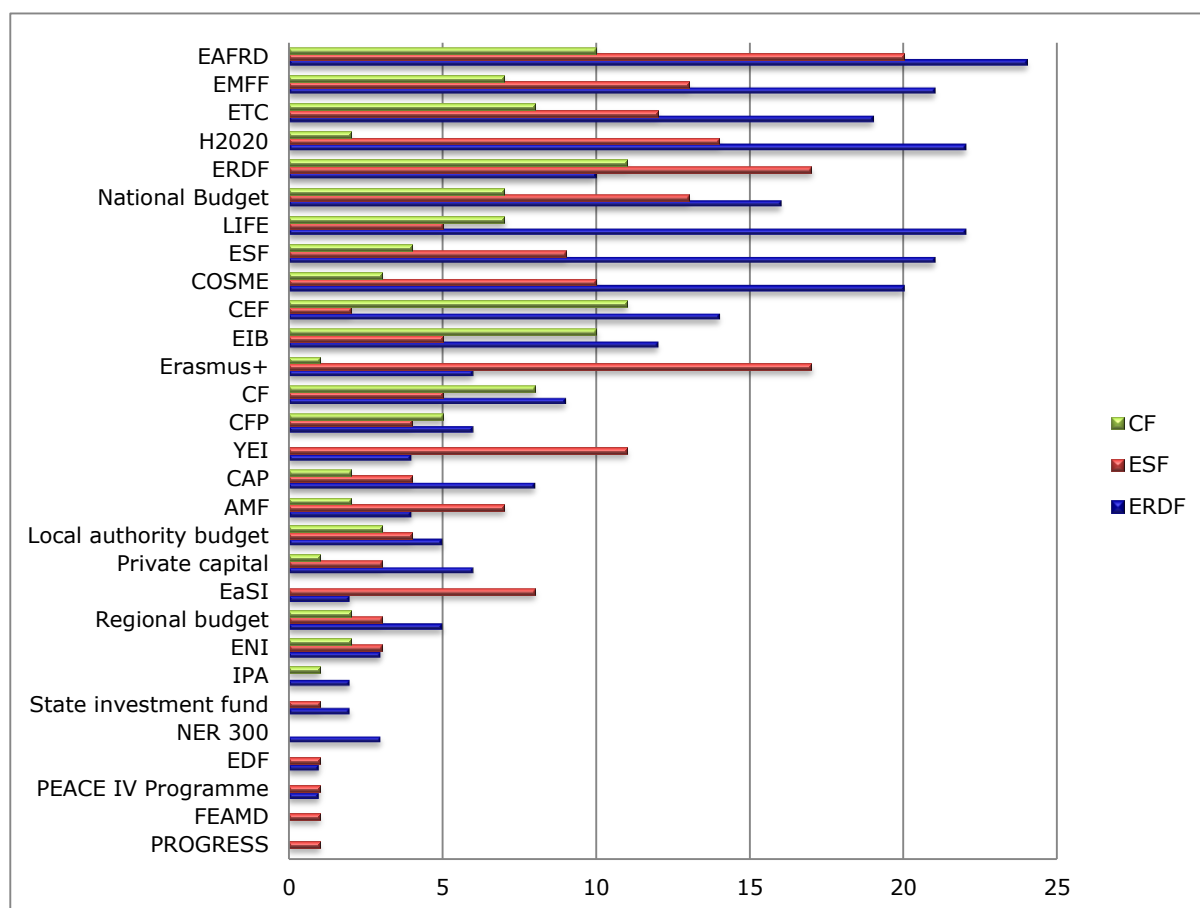
⁹¹ Coordination efforts are most often mentioned with respect to other ESI Funds, then other EU instruments, followed by national funds, and the EIB being mentioned almost exclusively with respect to the ERDF.

⁹² Co-ordination needs among the same funds (e.g. ERDF-ERDF) indicates the need to co-ordinate between different programmes and measures financed by the same fund.

Co-ordination priorities for the each of the cohesion policy funds are as follows (measured by the number of Member States mentioning the need to co-ordinate in their Partnership Agreements):

- For the ERDF: with the EAFRD (24 Member States); Horizon 2020 and LIFE (22 Member States); the ESF (21 Member States) and the EMFF (21 Member States), and COSME (20 Member States);
- For the Cohesion Fund: with the ERDF (11 Member States); the Connecting Europe Facility (11 Member States); and the EIB and the EAFRD (10 Member States);
- For the ESF: with the EAFRD (20 Member States); Erasmus + and the ERDF (17 Member States); Horizon 2020 (14 Member States) and the EMFF.

Figure 98 - Combination of ESI Funds with other funding sources (as in PA)



(Number of fund-specific references to co-ordination needs in PAs, arranged by the total for ERDF + ESF + CF. Figures correspond to the number of Member States mentioning a given combination.)

Provisions in the programmes on the co-ordination of funds are not differentiated by priority axes, thematic objectives or investment priorities. Accordingly, information as to co-ordination needs associated with different **policy areas** can only be derived indirectly, and to a limited extent. Above we have established the types of funds and the specific instruments that are most frequently identified as sources to be co-ordinated with. Analysing the profile of those instruments, it can be concluded that the policy areas of

rural development, fisheries, research and development, SME support, environmental issues, and trans-European infrastructure are the areas where a co-ordinated use of funding sources is most frequently envisaged.

These findings would mostly correspond to expectations, and indicate – especially with respect to rural development and fisheries – an intention by Member States to reinforce funds co-ordination. In addition, we have tested whether there was a statistically significant correlation between the thematic objectives used in particular programmes and the needs for co-ordination, or the arrangements used for such co-ordination. The outcome is negative. It is only in a handful of cases that correlations – with sufficient probability and occurrence – were detected.

3.15.3 *Arrangements for the Co-ordination of Funds and Instruments*

Methods of co-ordination can be examined from the perspective of the authorities and that of the beneficiaries.

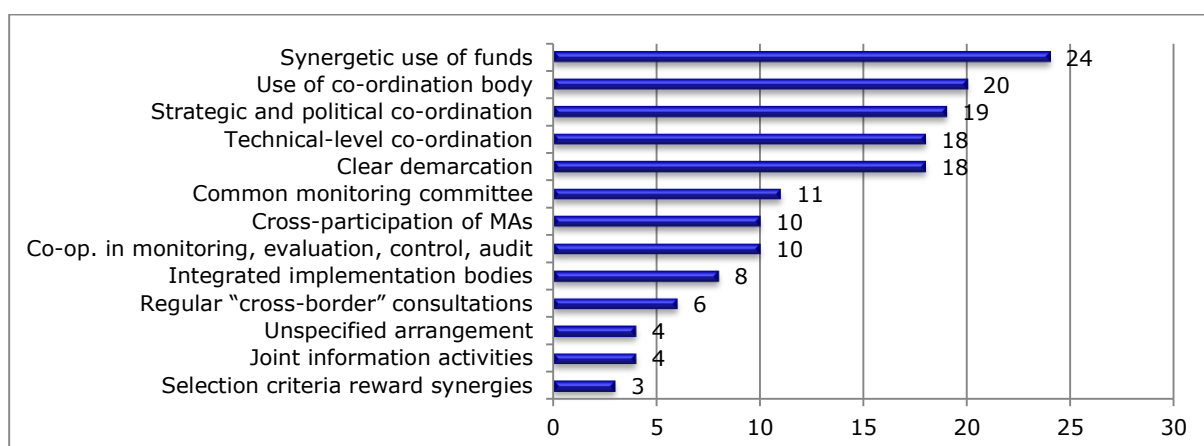
As to the **authorities side**, based on the Partnership Agreements, Member States' co-ordination efforts seem to be **concentrated** more **on the planning phase** than on implementation.

Within that, the emphasis is on **programming** – aiming at a synergetic use of funds through joint strategies, multi-fund programmes, and groups of measures covering different sources – is topping the list. The clear separation – or “demarcation” – of interventions by different funds is also mentioned often: by two thirds of Member States.

Next most frequently referred to are **institutional solutions**: the optional co-ordination body in the sense of Art. 123(8), followed by different types of co-ordination bodies – at political level or at administrative level.

Less than half of Member States mention, though, the intention of co-ordination between managing authorities during **implementation**, e.g. in the form of “cross-participation” in project selection, or co-operation in monitoring, evaluation or control (Annex 4.14). The possibility to establish selection criteria that reward operations using different funds or instruments in a synergetic manner is mentioned only rarely (Figure 99). A failure to ensure synergies between the different EU funds in the course of their implementation may jeopardise the positive effects of the complementarity enshrined in the programming phase and result in a silo effect between the funds.

Figure 99 - Use of co-ordination arrangements by Member States



(Number of Member States referring to a given co-ordination arrangement, in PAs)

The above pattern is largely applicable for all three funds. Nevertheless, there are some statistically significant **differences**. According to the data:

- **ERDF** programmes are more likely than others to use "cross-participation of MAs in decision-making – i.e. involve other MAs in project selection; and to co-operate with other programmes in monitoring, evaluations, control and audit.
- In **Cohesion Fund** programmes, the co-ordination body in the sense of Art. 123 (8) is seen to play an important role, and the need for cross-border consultations is also more frequently mentioned.
- For the **ESF**, the importance of coordination in programming is relatively high, higher than for other funds.

(See also Annex 4.14.)

As regards co-ordination arrangements **helping beneficiaries** to access different funds in a synergetic manner, Member States, quite uniformly, plan to provide help to beneficiaries mainly through specific guidance documents for beneficiaries, dedicated contact points and one-stop-shop information services to beneficiaries as well as e-government solutions (web-pages, etc.). 21 Member States have provided specific measures in view of this (on average 2)

(See also Annex 4.14.)

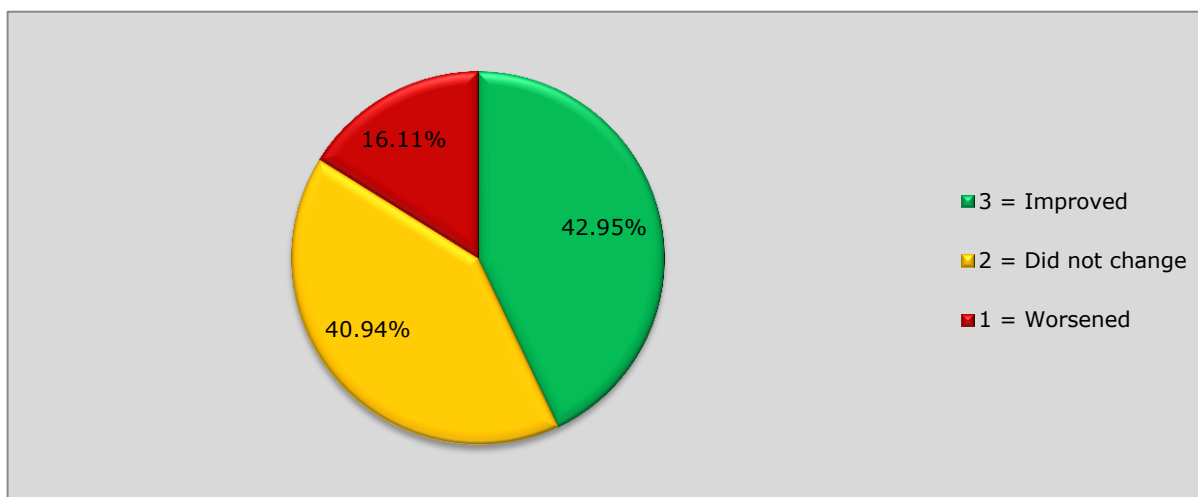
3.15.4 Establishing Co-ordination Arrangements - the Negotiation Process

Survey data indicate that the co-ordination of funds and instruments was among the **least controversial** of all new provisions. In three quarters of cases there was no major difference between the approaches of the Member States and those of the EU. Even where there was a discussion, in the overwhelming majority of cases, a compromise solution was found, close to Member States' original intentions. (See also Annex 4.14.)

The main **factor influencing Member States choices** – quite unsurprisingly – the national legal and institutional context. (See also Annex 4.14.)

As to the **quality of co-ordination** 43% of survey respondents considered that the co-ordination among funds would improve for the new period, and another 41% expected it to remain as it was. It was only 16% of managing authorities that feared a worsening of the situation. (Figure 100)

Figure 100 - Did co-ordination mechanisms improve vis-à-vis the previous programming period?



In general terms, most Member States did **not** regard the co-ordination of funds as a **particular challenge**, which might however also be an indication for them not taking the issue very seriously and continue to work in silos between the different administrations in charge of different funds. Many authorities interviewed pointed to long years of experience, and well established structures for co-ordination from earlier periods. These structures and relationships have proved to work effectively under the new regulatory framework. The list of potential problems – mentioned during interviews with the authorities –included:

- A difficulty to get the role of the central co-ordination authority accepted by line ministries
- The classic problems of demarcation between different programmes and beneficiaries
- The multitude of organisations and the complexity of negotiations with the EIB;
- The complexity of negotiations with stakeholders which, in many cases, did not have the appropriate capacity to participate;
- The co-ordination between research institutions and SME under TO 1;
- The reconciliation of different approaches to SME support under the ERDF and the EAFRD, which seems to create difficulties for rural SMEs to access finance.

As to specific solutions to challenges – apart from already existing, well-tested mechanisms – Member States are opting for

- using the same bodies for managing several programmes, funds or types of intervention
 - at managing authority level (BE, DK, LT, etc.)
 - at regional level (FR)
 - at IB (development agency) level (IE);
 - but also, e.g., in financial control (BE)),
- a strong technical co-ordination body for programming (PT, SI)
- special inter-ministerial working groups, joint monitoring committees (EE, HR, LU, MT, etc.)
- regular co-operation of programme authorities (e.g. through participation in each-others monitoring committees or expert bodies (EE, IE);
- one-stop-shop information services for applicants (EE);
- service-level agreements among bodies involved in different programmes (ES);
- the preparation of a “funding map” to avoid the risk of double financing (LT);
- the near full integration of EU and nationally funded support schemes (IE);

In a number of cases, the importance of the involvement of the political level was also mentioned (BE, RO, of the FR-DE-CH Upper Rhine Interreg programme).

As regards **factors that are considered most promising** for ensuring good co-ordination among funds and instruments Member State partners mentioned:

- The experience of authorities working together, well-established traditions of co-operation;
- strong political co-ordination
- a technical co-ordination body finding common solutions, and also issuing guidelines, instructions etc.
- technical-level co-ordination committees
- joint monitoring committees
- regular consultations with bodies in charge of parallel (connected) programmes
- the integrated management of national and EU funding schemes.

3.15.5 Specific conclusions

The main conclusions of the study with respect to the co-ordination of funds are as follows:

- At both Partnership Agreement and Programme levels, Member States made **specific statements** with respect to the co-ordination among funds as this was a compulsory section in the PA and programmes, however, the quality of the descriptions and coordination differs.
- Statements regarding needs for co-ordination among different instruments reflect a high level of **attention towards both rural development and fisheries**, as well as non-ESIF EU instruments – as intended by the Regulations.
- Co-ordination is **strongest among the ESI Funds** themselves, followed by other EU instruments, and then national funds.

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- As regards **co-ordination methods**, Member States emphasise the **significance of programming** (attention to synergies, demarcations); the use of a co-ordination body (Art. 123.8) as well as co-ordination committees at both political and technical level.
- **Co-ordination during implementation** is mentioned **less often**. (For the ERDF, co-operation among MAs is more frequent, according to statistical analysis). This is indicative of a weakness, as synergetic programming alone may not be sufficient to ensure a close co-operation among funds and may lead to working in silos with loosing out on real synergy effects by combined or coordinated investments.
- Overall, according to the survey, the area of funds co-ordination was one of the least controversial. The **objective** of enhanced funds co-ordination was **shared by both the Member States and the EU**. Where there were differences in opinion, compromise solutions were found.
- Surveys and interviews confirm the **general opinion** by stakeholders that co-ordination did overall **improve in the programming phase**. (Again, it remains to be seen whether practice will prove that expectation.)

Overall, data indicate that the programming **process** was conducted so that needs for co-ordination were **systematically** mapped, which contributed to **improved co-ordination**.

3.16 CAPACITY BUILDING

3.16.1 Background

The importance of adequate **administrative capacities of the authorities** designing and implementing cohesion policy programmes – and the need to constantly develop those further – is widely recognised by Member States. **Gaps** in the administrative capacities of those authorities, which should be targeted by institution building actions, **may include problems related to**

- **Structure** – the clear assignment of responsibilities and tasks to institutions, and departments or units within these institutions – including management, programming, implementation, monitoring, evaluation as well as financial management & control. Structure also relates to supervisory and ancillary bodies, such as Monitoring Committees, auditing tasks, partnership, etc.
- **Human resources** – the ability to detail tasks and responsibilities at the level of job descriptions, to estimate the number and qualifications of staff required, and to fulfil recruitment needs.
- **Systems and tools** – the availability of instruments, methods, guidelines, manuals, systems, procedures, forms, etc. In brief, these are all job-aids that can enhance the effectiveness of the functioning of the system.

Effective management of the Structural Funds requires that all 3 dimensions are taken into account.

In addition, if cohesion policy assistance is to be used effectively and efficiently – the **administrative capacities of the beneficiaries** should receive similar attention by the programme authorities. This is not always the case. **Gaps** in administrative capacities of beneficiaries may include functional gaps in **project development and monitoring, procurement, and financial management**. These also require attention, and should be addressed.

In previous programming periods, National Strategic Reference Frameworks (NSRFs) and OPs had to contain the description of implementation systems. The following requirements are, in that perspective, a novelty, i.e. the need to:

- **assess gaps** in administrative capacities of authorities and beneficiaries, (in line with the logic described above, taking into account lessons learnt from previous programme period/ex ante evaluations);
- **describe main actions** planned – referring to the conclusions under Heading 2.5 of the PA, translating them to operational measures financed by TA – for reinforcing administrative capacities of authorities and beneficiaries.

In the Partnership Agreements and programmes⁹³ Member States were requested (recommended) to do their **analysis** following the “structures → human resources → systems and tools” logic as described above. The analysis was to conclude with a **list of bottlenecks** and challenges for the new programme period, which should be translated into **operational measures in the OPs** (to be supported by TA).

⁹³ Section 2.5 of the PA; Section 2.A.10 of operational programmes; Section 2.A.5 of co-operation programmes

The analysis focussed on examining the **capacity building needs** at both the level of **authorities** as well as the **beneficiaries**. In both cases, we also looked at the **actions** that were planned to strengthen these capacities.

3.16.2 Capacities of the Authorities

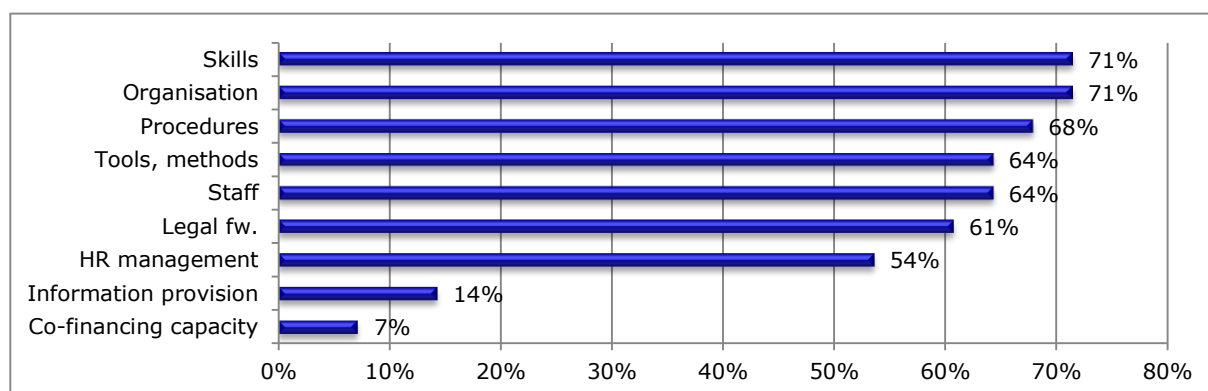
In the Partnership Agreements, capacity building needs for the authorities were addressed by all except one Member State. The categories used to classify needs were as follows:

Figure 101 - Capacity needs (problems) at the level of authorities (scale)

Need (CAPNEEDAUT)	Explanation
Co-financing capacity	The limited capacity to mobilise the financial resources was a key issue and risk factor for programmes performance
HR management	High turnover of staff / lack of motivation and retention policy
Information provision	Need to ensure better access to information and advice for applicants and beneficiaries
Legal fw.	The legal framework inhibits the functioning of authorities
Organisation	Inefficient organisational structure (e.g. improper / unclear assignment of responsibility), bad co-operation of authorities, instability of structures
Procedures	Lack of, or inefficient procedures, processes, workflows to regulate the execution of the tasks of organisational units.
Skills	Need to develop skills of staff, exchange good practices
Staff	There is not enough staff positions / members to execute authorities' tasks
Not specified	Not specified, "nothing to do", or irrelevant information

Member States' assessment of the needs of authorities managing ESI funds is summarised in Figure 102. The frequency of these needs in the Partnership Agreements has been expressed as a percentage of the number of Member States mentioning them.

Figure 102 - Capacity development needs of the authorities in PAs



(frequency – % of Member States explicitly mentioning an area of needs)

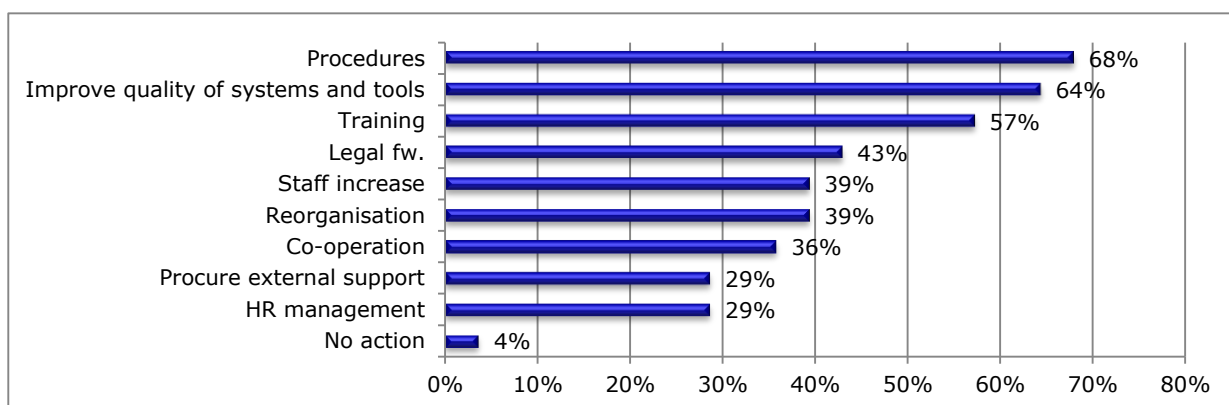
Results above show a **fairly uniform spread of needs**, with organisational and personal capacity development leading the way. Training – a cornerstone of HR development – appears at the very top of the list. It is also interesting to note that the need to **hire more staff** figures quite high on the “wish lists” of Member States (64% mentioning it in their PAs), despite the fact that – as expressed by Commission officials during **focus group interviews** – there are close to 24 000 employees working on the implementation of the ERDF and Cohesion Fund programmes all over Europe. In the Commission’s view, the emphasis should rather be on modern methods of **HR management** (such as career development and staff retention), which however, is placed towards the end of the list, even if more than half of Member States do mention it.

Needs identified in the PAs are overall consistent with the needs mentioned by interviewees. Most Member States mentioned in this context **trainings** and the **exchange of experiences** as the key tools for the strengthening of administrative capacities. The importance of **human resources** was also stressed by several counterparts. Thereby, the **continuity of staff** was emphasised partly as a requirement or as existing practice that has a major positive effect on the quality of administration. **Exchanges** – internships – of experts among authorities in different Member States (and the Commission) were also mentioned by one counterpart.

In addition, interview partners also underlined the importance of a **continuity of the legal framework**, so that experience from previous periods can be most effectively used. Some authorities saw difficulties related to the very limited availability of **funds** for capacity building (due to overall budget).

As regards the **actions** that Member States are planning in order **to respond to needs** identified, there is consistency in the sense that it is the same areas that are at the top of both lists. The perhaps most interesting point is again the already mentioned **modest focus on HR management** methods.

Figure 103 - Capacity building actions for authorities in PAs, by area



(Frequency – % of Member States explicitly mentioning an area of actions)

THE USE OF NEW PROVISIONS DURING THE PROGRAMMING PHASE OF THE EUROPEAN STRUCTURAL AND INVESTMENT FUNDS

The categories used in the graph are explained as follows:

Action	Explanation
Co-operation	Strengthen co-operation of authorities
HR management	Establish / improve motivation retention and performance management for HR
Improve quality of systems and tools	Improve methods, guidelines, manuals, IT systems, etc.
Legal fw.	Developing the legal framework, changing regulations
Procedures	Development of procedures to increase efficiency, quality, reliability
Procure external support	Provide for the recruitment of external experts (on a temporal basis)
Reorganisation	Reorganisation of the authorities to increase capacity
Staff increase	Increase staff numbers
Training	Training and skills development for staff

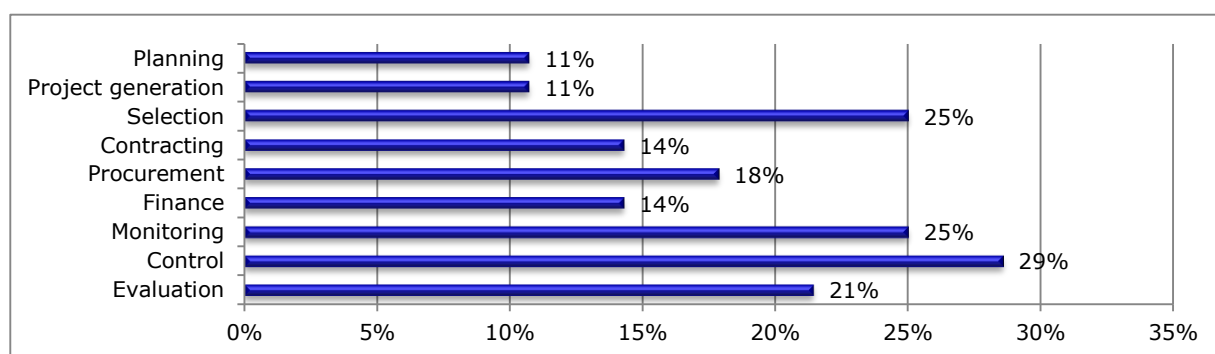
The **areas** where capacity building was considered most necessary by **Member State and ETC partners** during the **interview stage** included

- **state aid**
- **public procurement**
- **performance** oriented management
- accounting, **financial management** and audits
- **strategy**-making and long-term investment planning
- techniques related to **cost benefit analysis** and the choice between investment options

In focus group interviews, **Commission** officials mentioned **public procurement and financial control (incl. management of irregularities)** as the two main sectors of concern.

Examining planned **capacity building of the authorities by stages of the programme cycle**, the analysis of partnership agreements also show an emphasis on the **selection** of operations, programme **monitoring and evaluation**. This would indicate increasing **attention paid to results-oriented management**.

Figure 104 - Capacity building for authorities in PAs, by stages of the programme cycle



(frequency – number of Member States explicitly mentioning a stage of the programme cycle)

Overall, in the eyes of interviewed **Commission officials**, capacity development should happen in the context of **overall public administration reform** efforts under TO 11. DG Employment staff, however, were not satisfied with the extent to which programmes addressed this challenge. TA funds in the OPs substantially exceed the amounts planned under TO 11, and most of those funds go towards staff and training costs. As the Commission sees it, organisations focus on ad hoc and/or stand-alone actions (training, procedures). **Member States should move away from using TA as a lump sum for administrative capacity building**, and should programme it like any other priority axis in an OP (needs analysis, focus on areas in most need, clear targets).

Furthermore, REGIO officials pointed out

- the existence of a new **PEER 2 PEER exchange instrument** for authorities managing the ERDF and Cohesion Fund;
- the existence of **fi-compass** - a unique platform for advisory services on financial instruments provided by the Commission in partnership with EIB;
- a common **action plan on state aid** with DG COMP which includes seminars and trainings in Member States and Brussels;
- a **Public Procurement Action Plan** with 14 actions, which has been set up between DG GROW and ESIF DG's and EIB: implementation is on-going since beginning of 2014.

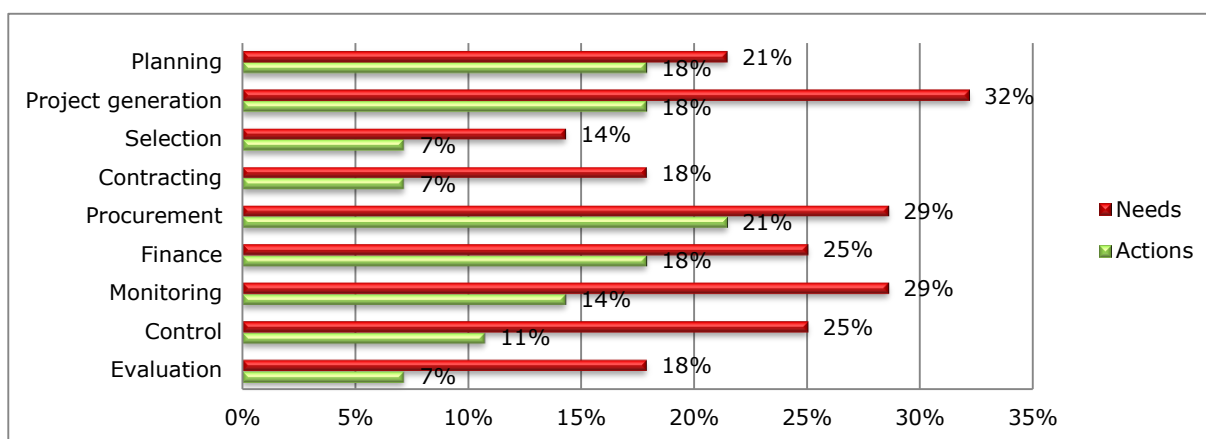
As regards **possible difficulties of capacity building**, interview partners cited the complexity and **exceedingly technical nature of management rules**, above all – again – with respect to state aids and public procurements, followed by financial instruments; e-cohesion, equal opportunities legislation; ITI and results orientation. The **lack of sufficient and skilled human resources** is a further frequently mentioned problem also from the perspective of capacity building. One member state said that the **rigidity of rules** applicable to the structure, size, and HR management of public administration institutions did not allow implementing necessary changes, capacity increases, and performance-oriented HR management practices.

3.16.3 Capacities of the Beneficiaries

As regards beneficiaries, **only half of Member States made specific statements** on capacity building measures. They were of the opinion that the biggest needs were related to **project generation, public procurement, financial management and monitoring**, if expressed in terms of stages of the programme cycle.

On the same scale, planned **actions** would be fairly evenly spread among different areas, with planning, project generation, procurement and financial management leading the way. (See Figure 105 for details).

Figure 105 - Capacity development needs and actions for beneficiaries (stages)



(% of Member States specifically mentioning an item)

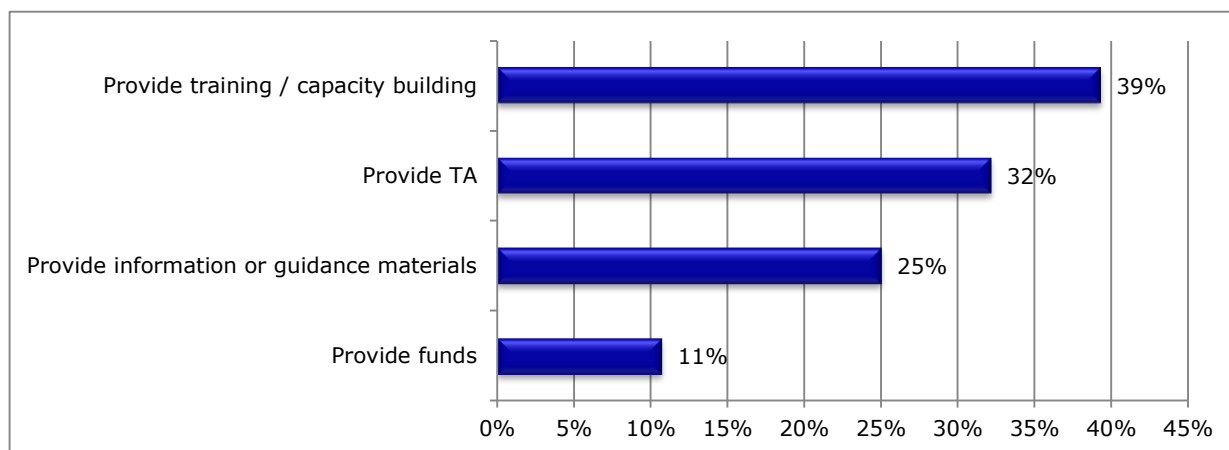
The above results from documentary analysis were also confirmed at the interview stage. Most interview partners mentioned knowledge regarding **project preparation** and **management** as the most pressing needs as regards the capacity of beneficiaries. Within that, the importance of **result orientation** was emphasised, so that beneficiaries do “not develop projects for the projects’ sake but to actually conceive of **sustainable projects**”.

Further issues where training and capacity building is said to be important are:

- public **procurement**
- **state aids**
- simplified costs
- the use of new information systems
- Territorial instruments

As regards **tools** and mechanisms for capacity building for beneficiaries, planned actions in the PA to help beneficiaries increase their capacities mainly focus on **trainings**, and the provision of **guidelines** and **methodologies** (Figure 106).

Figure 106 - Types of actions to help beneficiaries strengthen capacities



(% of Member States specifically mentioning an item)

In parallel, main tools mentioned by **interview** partners from Member States were:

- **Trainings,**
- **guidance materials,**
- **information events** and publications (about rules, techniques, as well as successful practices);
- networks of **contact points** for beneficiaries (emphasised by transnational programme authorities);
- as well as the use of **TA** – (up to the level of specific priority axes for strengthening beneficiaries capacity)

As to **who** should implement capacity building for beneficiaries, apart from managing authorities, again in **interviews**,

- counterparts mentioned the role of **regional authorities**;
- one OP under the SME Initiative mentioned the **responsibility of financial intermediaries** in setting up a “fast and agile” procedures, and preparing their clients for using them.

Last but not least, the importance of practical experience – and therefore the **stability of staff at beneficiary level** – was also highlighted. Interview partners also said that the practical application of the partnership principle – e.g. the active participation of beneficiaries in Monitoring Committees, for instance, had also a positive influence, e.g. by allowing the partners to develop relevant guidance materials for their members.

3.16.4 *Establishing Needs and Actions – the Negotiation Process*

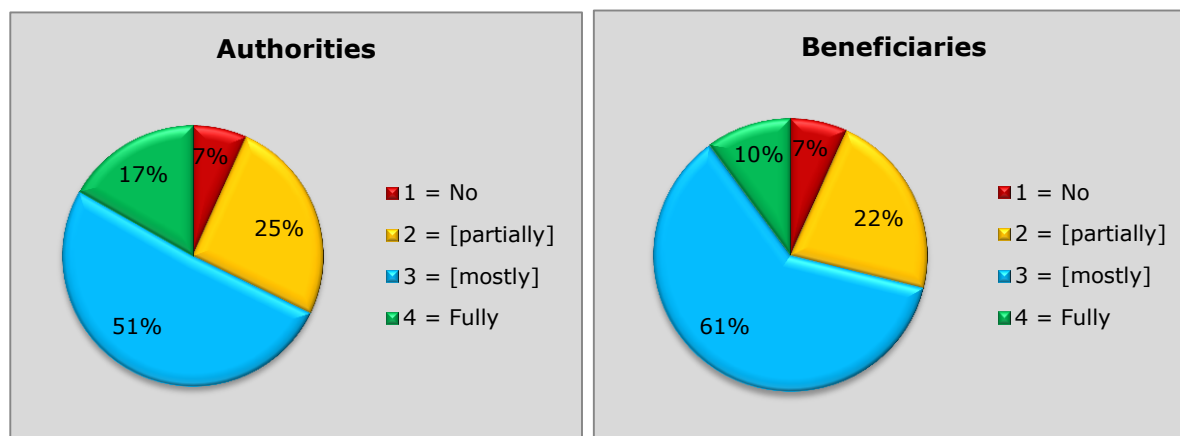
As regards the negotiation process, according to survey results, the area of capacity building was relatively **uncontroversial**. Almost 2/3 of survey respondents said there had been agreement from the outset, and compromise solutions had been found in most cases. Where there was debate, the Commission seems to have been able to convince Member States of the Union’s position, rather than the other way round (13% vs. 4% of survey responses). (See also Annex 4.15)

The most important factor shaping Member States positions was the opinion of domestic partners – who are, of course, the among the main “clients” of the MAs and IBs. According to the survey’s results, it was the opinion of social partners and civil society organisations that shaped the programmes above all else. The low score registered for the Regulation (8%) suggests that – in this respect – Member States did not perceive the regulation as particularly novel. (See also Annex 4.15)

The survey also asked respondents to assess the **expected effect of plans** to build capacities of authorities and beneficiaries: will these be addressed adequately – with

clear and credible actions, responsibilities, targets and milestones?⁹⁴ Expectations by managing authorities are fairly optimistic in both cases, as shown in Figure .

Figure 107 – Quality of capacity building plans according to MAs



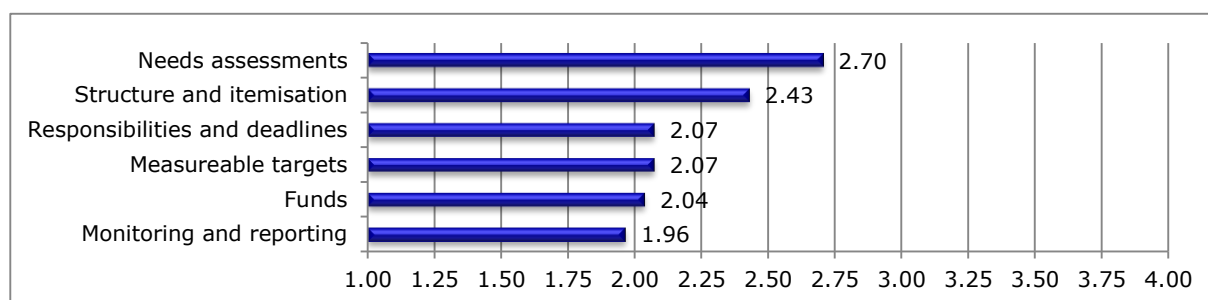
This fairly optimistic feedback is in some contrast with the results of the analysis of the Partnership Agreements. The **quality of Member States' action plans** for strengthening authorities was assessed by the country experts of the consortium. The criteria of the examination were, whether Member States have ensured:

- A clear structuring, and itemisation (breakdown to concrete, verifiable actions) of their plans;
- The determination of clear responsibilities and deadlines;
- Measureable targets, indicators, milestones;
- Monitoring and reporting arrangements for implementing planned actions;
- A clear specification of the funds needed to implement plans;
- Actions being based on specific needs assessments;

Scores given by country experts ranged from 1 to 4 (from 'no' – to 'yes, fully'). Average marks – assessing the specificity of the PAs in this respect – are **rather weak**. Converting the scale to percentages (1=0; 4=100%), scores would rank from ca. 30% to 56%. (See Figure 108)

⁹⁴This question was referring to any type of action plan (either formal or informal) not about TO 11.

Figure 108 - Quality of capacity building action plans



3.16.5 Specific conclusions

The templates of the Partnership Agreements required Member States to address capacity building in a fair amount of detail. All **Member States provided specifics** as regards either the needs or planned actions **with respect to the authorities** in charge of EU funds. (Four Member States did not provide specifics on the actions planned). The capacities of beneficiaries were addressed in detail only by about half of them.

Action plans devised by Member States seem rather unspecific. (Figure 1087). Notwithstanding that, **managing authorities**, for their part, **were fairly upbeat** about the perspectives of strengthening capacities of both the authorities and beneficiaries. (Figure).

The emphasis among planned capacity building actions on project selection, monitoring and evaluation does signify attention to some of the key elements of the new regulations, e.g. **results-oriented management**. At the same time, the “evergreen” topics of **financial control, public procurement** and **state aid** are also being considered.

As regards **capacity building of beneficiaries**, Member States see needs fairly evenly spread among the areas of project generation, public procurement, financial management and monitoring. In terms of thematic areas, it was state aids, the use of simplified costs options and new information systems, as well as territorial instruments that were added to the list of topics where national authorities plan to offer trainings and guidelines to assist beneficiaries.

Capacity building does not seem to have stood in the foreground of negotiations. Nevertheless, **recent initiatives** for the exchange of experiences – such as the PEER 2 PEER exchange instrument, and joint capacity building measures with DGs COMP and DG GROW – **are directly relevant** for the main concerns of the Member States as well as the Commission.

Substantial TA funds continue to be available – at least in most countries – to managing authorities. Not forgetting immediate technical concerns of programme implementation, a **more strategically planned use** of these TA funds – in conjunction with overall public administration reform and TO 11 – should be at the core of capacity building efforts for cohesion policy.

3.17 REDUCING THE ADMINISTRATIVE BURDEN ON BENEFICIARIES

3.17.1 Background

Reducing administrative burden has been a constant topic, over the last programming periods. More recently, it has also become a **general requirement** for many EU policies, e.g. in the context of the Small Business. It is also a recurring element of the **recitals** of the CPR⁹⁵. Furthermore, Article 4 (5) of the CPR reiterates the **principle of proportionality** – keeping the administrative burden at bay with respect to entire programme cycle: the preparation and implementation of programmes, monitoring, reporting, evaluation, management and control. According to Article 4 (10) “*The Commission and the Member States shall carry out their respective roles in relation to the ESI Funds with the aim of reducing the administrative burden on beneficiaries*”.

Accordingly, Section 2.6. of the **template for Partnership Agreements** explicitly requires Member States to

- **Assess the administrative burden** in the 2007-13 period;
- Identify its main **sources** in the 2007-13 period;
- Describe potential **scope for reduction** for the 2014-20 period (referring to data and studies where possible);
- Describe main **actions already taken** for reduction for the 2014-20 period;
- Describe main **actions planned** for further reduction for the 2014-20 period, including the introduction and use of simplified cost options, where appropriate (it is optional), with an indicative timeframe;
- Describe the **use of technical assistance** for implementing main actions for reduction for the 2014-20 period.

Similar requirements are defined in Section 10 of the OPs and Section 7 of the CPs.

The detailed analysis of the administrative burden on beneficiaries of cohesion policy, and its presentation of the programming documents is a **novelty** as compared to the previous period, where administrative burden was described at a more general level.

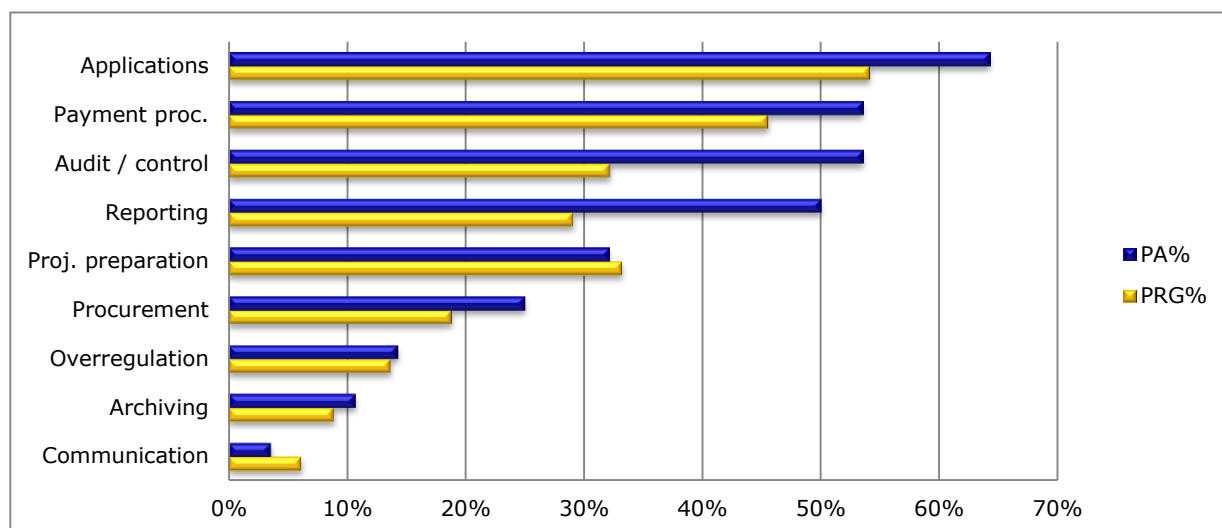
3.17.2 Sources of the Administrative Burden

In programming documents, Member States identified the **application process, payment and reporting** as the main sources of the administrative burden, with **audits** and controls and **project preparation** following closely. The analysis of Partnership Agreements and Programmes has produced very similar results in this respect, but no real surprises. Perhaps, the relatively low frequency of procurement being mentioned may seem a bit odd, given that this area is among the most frequent sources of irregularities. Additional issues mentioned as sources of administrative burden included differences in eligibility rules and language problems in ETC programmes, or the lengthy

⁹⁵ See recitals No. 10; 29; 43; 48; 50; 95; 107; 117; 122

selection procedures. (Due to their small numbers, these do not appear in the graph separately).

Figure 109 - Sources of the administrative burden in PAs and Programmes



(frequency: sources of burden mentioned as % of total number of sources identified)

In terms of **patterns across Member States**, statistical analysis of data from Operational Programmes reveals that

- OPs from the **EU-13 countries**, as well as **those using the Cohesion Fund**, are comparatively more likely to cite project preparation and public procurement among the sources of the administrative burden. At the same time, they “complain” less about audits and control.
- Significant patterns according to other discerning criteria – e.g. ETC vs. OPs; ESF or not – were not detected.

3.17.3 Actions to reduce the Administrative Burden

The results regarding the planned actions were also very similar at PA and OP level. **All Member States** are mentioning the

- simplification of **application, procurement and payment** procedures,
- extended use of **electronic administration**,
- use of **simplified cost options**, and
- reduction of **archiving** requirements

as priority actions to reduce the burden.

About half of Member States mention measures such as

- **simplifying** regulatory **requirements** (in general),
- specific **information measures** for beneficiaries,
- simplifying **monitoring, reporting and control**, and
- **capacity building** at the programme management authorities.

The **spread** of actions among different areas appears to be **quite even** in both the PAs and OPs, and the two levels of programming documents confirm each other in this respect. Also, **planned actions respond well to the identified main causes** of the administrative burden.

As to patterns across Member States, **statistical analysis** (clustering) did not reveal any discernible variations in terms of the nature of the actions planned for the reduction of the burden. Apparently, there are no significant differences in the approaches to reducing the burden among OPs from the EU-15 vs. EU-13, or ESF co-financed OPs vs. ERDF/CF financed ones, etc. On the latter point, it should be noted that the analysis did not cover ESF-lead OPs – where a difference in approach would have been more likely to emerge.

In **interviews**, the methods mentioned as most promising to achieve a reduction of the burden were, most frequently (almost uniformly),

- **simplified cost options**,
- **e-cohesion**, up to the full elimination of the paper trail.

(Interestingly, one country-specific counterparts called the introduction of e-cohesion as a “solution to a problem that did not exist”, as Irish authorities already had their IT systems in place. They foresee some difficulties in relation to the integration of these IT applications.)

Other preferred methods mentioned by Member States include

- the **standardisation** of rules, procedures and documents used;
- “**once only**” registration – avoiding asking beneficiaries for information that the member state already has (see also linking up national databases);
- reducing the burden caused by **monitoring, reporting and controls** (see also: elimination of duplicated controls).

The **integrated management of funds** is also seen as a tool for reducing the burden – e.g. through reducing the number of funding sources a beneficiary needs to apply to, in order to get funding for complex projects. Integrated territorial instruments were mentioned as a tool for reducing the burden in one Member State, along with an increased decentralisation of funding to regional and local levels. Another Member State plans to further expand “one-stop-shop” information services for applicants.

Managers from **ETC** programmes spoke out in favour of **harmonised eligibility** rules, and reliable advice regarding the clear interpretation of rules (looking also at the EU Commission).

Last but not least it should be mentioned that, in some Member States, the complicated nature of ESIF management was even said to **deter applicants** from requesting EU funds, and orientating them to other schemes where the EU does not participate.

As to potential problems in reducing the burden, a number of counterparts did not see any overly difficult areas. At the same time, several interview partners saw the new **legal framework** as at least or even more **complicated** than the previous one, which would increase the administrative burden on beneficiaries. Frequently mentioned areas of difficulty were

- public **procurement**,
- **state aids** (including the specific area of research and development),
- monitoring **indicators** (where the regulations are introducing new requirements),
- **e-cohesion**, the further development of IT systems.

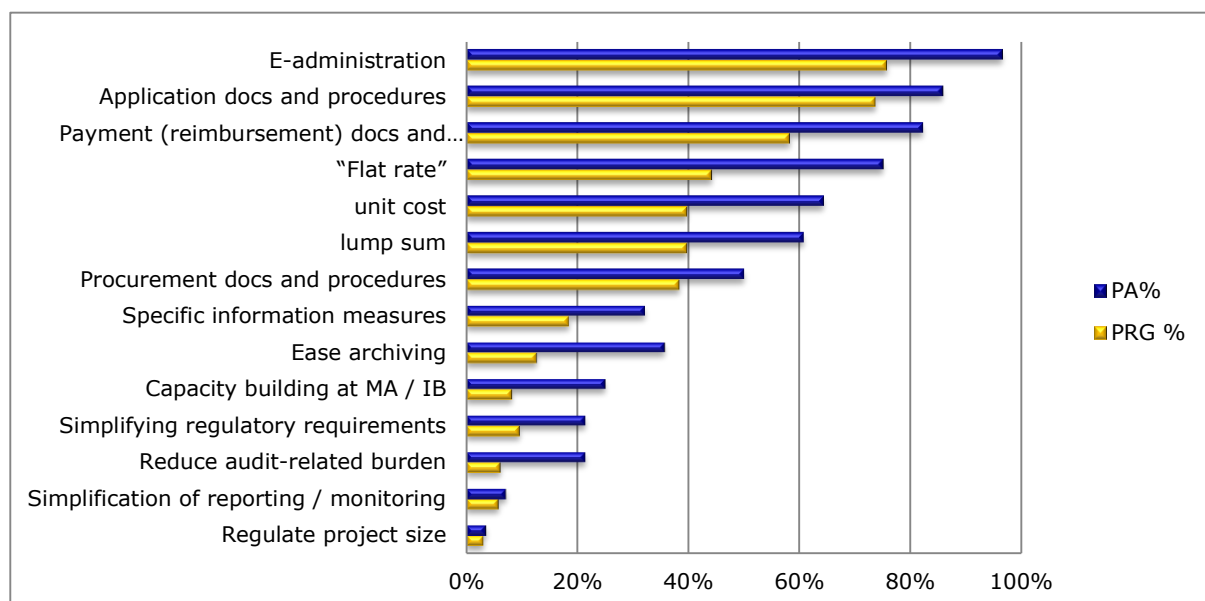
3.17.4 Use of TA

As regards the use of TA both **PAs and OPs** show largely the same results, which is positive in the sense that apparently there is a **match between overall intentions and the allocation of TA resources**.

According to the analysis, the areas where Member States specifically indicated the use of TA funds most frequently are – again – **application and payment procedures**, as well as the introduction of **simplified cost options**. **E-administration** leads the way this time, which is logical, given that IT management systems are quite cost intensive.

It should be noted that data regarding an exact **financial breakdown** of funds for such actions are **not available** in the programmes.

Figure 110 – Using TA to reduce the administrative burden



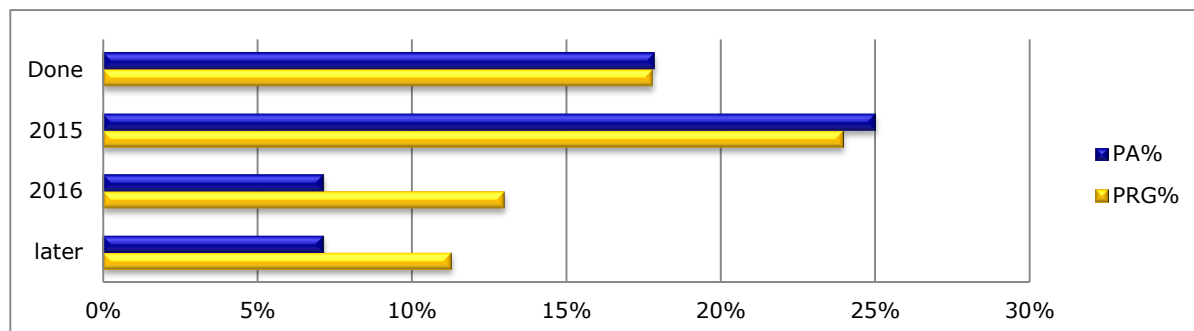
(Percentage of programming documents using TA in a given area of capacity building)

Again, **statistical analysis** did not reveal significant variations across Member States or funds. Multi-regional OPs and programmes addressing outermost regions were found to be more likely to apply TA for the reduction of the burden.

3.17.5 Timing of Actions

As regards the **timing** of actions, more than half of the cases, Member States reported about already performed actions, with short term measures in 2015 also frequently envisaged. Overall, there appears to be an **intention to front-load actions** reducing administration.

Figure 111 - Timing of actions to reduce the administrative burden

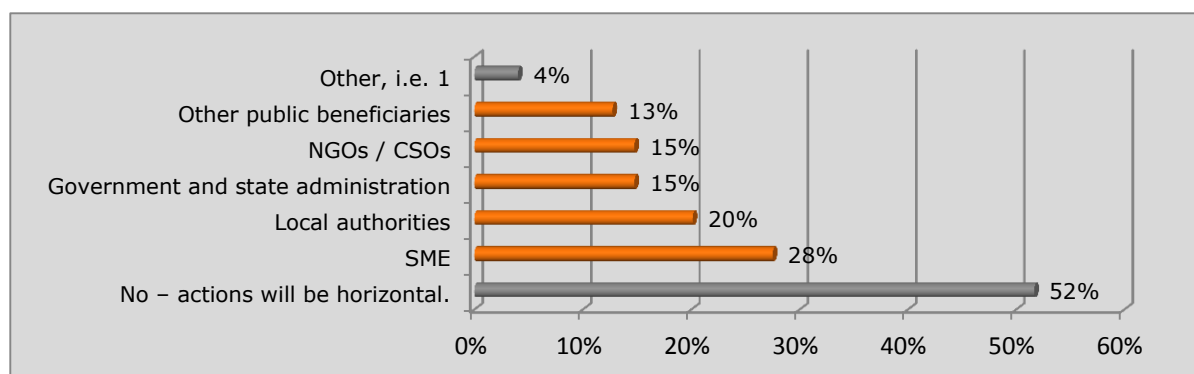


Statistical analysis did not reveal patterns across (groups of) Member States in this respect either. However, Cohesion Fund and TA programmes did more often than others indicate that actions related to the reduction of the administrative burden were already done.

3.17.6 Targeting of measures

When asked about the eventual **targeting** of anti-burden measures at specific groups of fund users, respondents gave fairly general answers. More than half of them said that measures would be horizontal, for all beneficiaries – despite the fact that their projects and needs are quite different.

Figure 112 - Targeting measures reducing the administrative burden



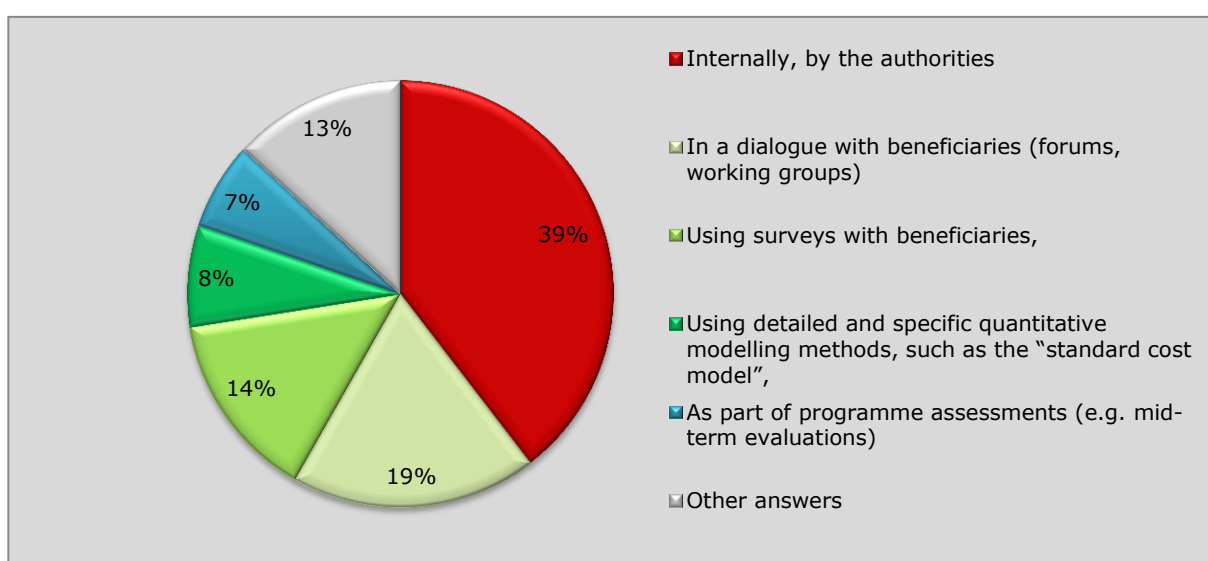
(% of survey respondents indicating a given target group. Multiple choice question)

3.17.7 *Establishing Needs and Actions – the Negotiation Process*

When asked about the basis for the establishment of needs and actions – whether there had been an in-depth **assessment of the sources of the administrative burden** – 54% of the managing authorities responding to our survey answered positively, 46% said no.

Those who did report about an in-depth assessment were also asked about the **method**. Within the group, 39% of respondents pointed to internal studies by the responsible authorities. Almost as many reported about specific consultations with programme target groups and beneficiaries (19+14%). 8% had employed quantitative modelling methods, while 7% based their plans on programme evaluations. Other answers referred to a combination of these methods. (Figure 113)

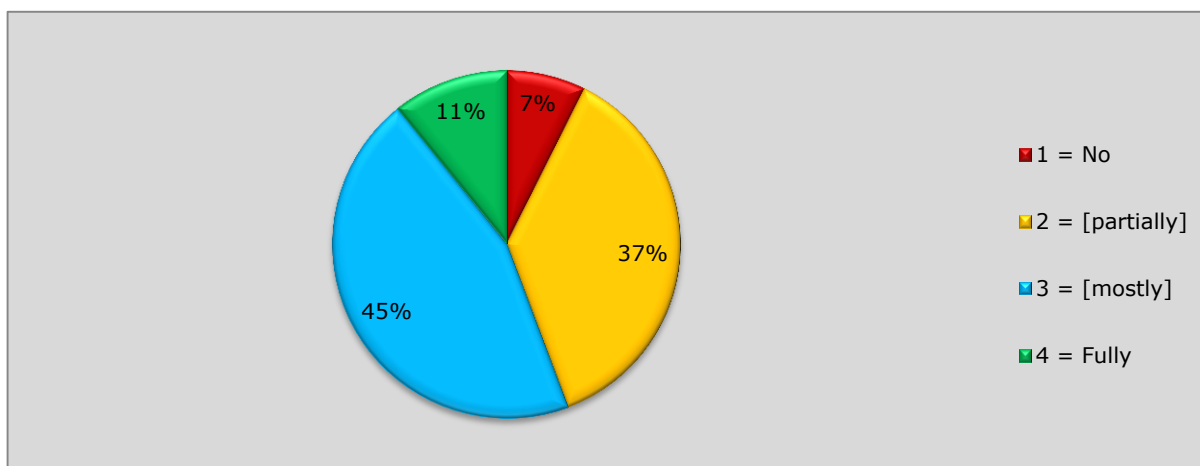
Figure 113 - The method of assessing the administrative burden



During negotiations, the main **factor that influenced Member States** in determining the needs and actions related to the reduction of the administrative burden was the national institutional context and the opinion of partners. The dialogue with the EC seems to have played a secondary role. 70% of survey respondents said that there was consensus from the very beginning, and less than 3% reported that their initial position needed to be significantly changed due to the EU's intervention. (See also Annex 4.15)

In the survey, when asked about the **expected success** of the planned measures, **56%** thought that measures were comprehensive enough, and were likely to fully or mostly solve problems. 44% answered rather negatively. This reflects indecision. The feeling of a major new departure in reducing the burden does not appear to be there, at least judged by the results from the survey.

Figure 114 - Expected success of measures to reduce the administrative burden



At the same time, some interview partners also said that the desire for simplification was in **contradiction to the level of detail and documentation required by auditors**. The lack of legal security in itself could lead to an increased administrative burden. In one interview, the introduction of simplified costs was reported to be difficult to get accepted by national ministries. In another Member State authorities warned specifically that any reduction of the administrative burden on beneficiaries should not lead to an increase of administration work on the part of the authorities.

3.17.8 ***Specific conclusions***

Programming documents contain **substantial information** regarding the administrative burden on beneficiaries, and planned actions to reduce it. However, it is only about half of the cases that this information is based on recent, detailed needs **assessments**. Survey respondents were quite undecided whether planned measures could be expected to reduce the burden. The feeling of a major new departure does not seem to be present.

The issue of the administrative burden was rather **non-controversial** during the negotiations. About 70% of survey responses indicated no major difference in opinion between the Commission and the Member States. This may also indicate that the topic did not attract a high level of attention during programming.

At the same time, **key new regulatory provisions** – e.g. the increased use of simplified cost options and e-cohesion – **figure prominently** among Member States plans to reduce the burden. The introduction of integrated instruments could also help to address one of the most important sources of bureaucracy: application procedures. In this sense, the new regulations seem to have a positive effect.

3.18 HORIZONTAL PRINCIPLES

3.18.1 Background

Horizontal **priorities** of cohesion policy represent policy objectives and concerns which are relevant across all objectives, and **to which all programmes should contribute** positively. ESI-supported projects primarily aim at one of the 11 thematic objectives in the Regulations. But, they may have **additional effects** on horizontal policy objectives.

A general principle of the regulation (Article 4 (2)) determines that “*the Commission and the Member States shall ensure, taking account of the specific context of each Member State, that support from the ESI Funds is consistent with the relevant policies, horizontal principles referred to in Articles 5, 7 and 8 and priorities of the Union, and that it is complementary to other instruments of the Union.*” Articles 5, 7 and 8 of the CPR, as well as the Common strategic framework, list the horizontal principles (although in slightly different breakdowns):

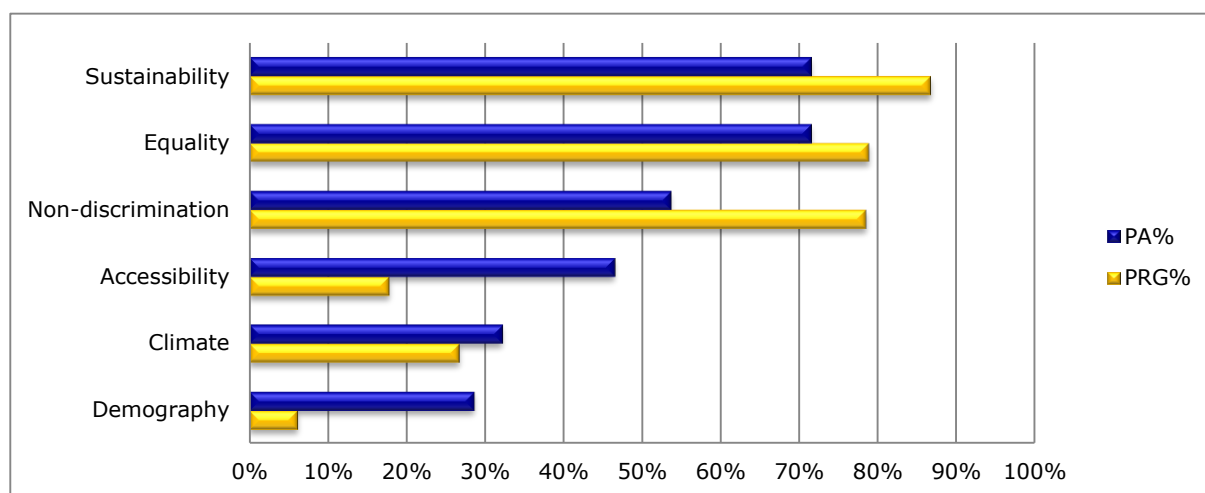
- Partnership and multi-level governance, including strengthening the institutional capacity of partners– which is dealt with under a parallel assignment;
- **Sustainable development**, including optimising impacts by avoiding options with negative impact, favouring most sustainable options, comparing life-time costs of alternative options, favouring green public procurement; and paying special attention to climate change mitigation and water management;
- **Equality between men and women** and **non-discrimination** including optimising impacts by preventing discrimination, supporting specific actions; providing expertise; paying special attention to employment;
- **Accessibility**, especially for persons with disabilities, and especially regarding physical environment, transport, ICT;
- **Addressing demographic change**, especially in regions most affected by demographic change, and especially regarding education, research and innovation, ICT, employment, social inclusion and health care;
- **Climate change mitigation and adaptation.**

The **analysis** under this study focussed on how Member States planned to ensure the promotion of horizontal principles, and to what extent they are envisaging a “mainstreaming” of these objectives into the general processes of implementation, management and evaluations. For this, we have reviewed references to horizontal principles, and methods, specific actions addressing them. Last but not least, the survey and interviews were used to examine the negotiation process and the particular challenges that are associated with this topic.

3.18.2 References to Horizontal Principles in programming documents

As Figure 115 shows, the horizontal principles most frequently targeted by Member States are **sustainability, equality and non-discrimination**. These are well rooted in the logic of intervention and day-to-day practices of managing authorities, while accessibility, climate change and demography seem to receive comparatively less attention (especially in the programmes). Nevertheless, results from PA and Programme level are consistent with each-other.

Figure 115 – Horizontal priorities to be promoted – PA and programmes⁹⁶



(% of programme documents referring to each)

The coding system used for compiling and categorising references to horizontal principles in the programmes was as follows:

Figure 116 - Types of horizontal priorities

Code	Narrative
Accessibility	Steps to prevent any discrimination based on disability. All products, public goods, services and infrastructures co- financed by the ESI Funds are accessible to all citizens. Barrier-free environment for persons with disabilities and the elderly. In particular, accessibility of the physical environment, transport, ICT etc.
Climate	Climate change mitigation and adaptation
Demography	Use of the ESI Funds to tackle demographic problems and to create growth linked to an ageing society. Facilitate inclusion of all age groups, including access to education and social support structures. Ensuring a long and healthy working life for all.
Equality	Ensuring equality between men and women and the integration of gender perspective throughout programmes, including monitoring, reporting and evaluation.

⁹⁶ At the OP level, references to horizontal principles were only recorded in cases the reference directly pointed to a specific action. Therefore, the figures reflect the specificity of the references..

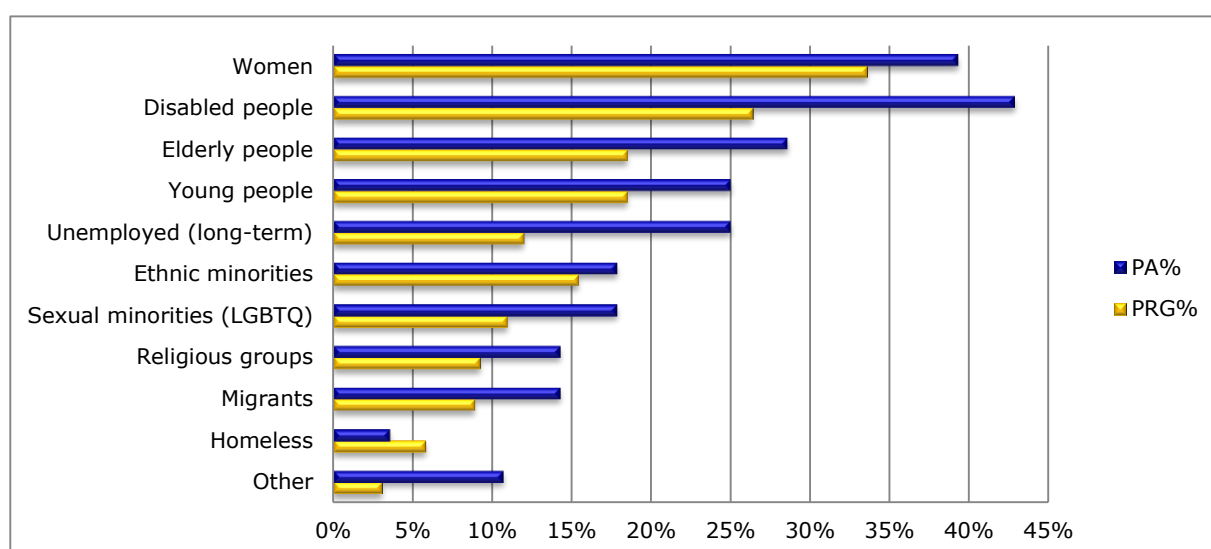
Code	Narrative
Non-discrimination (*)	Prevent any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation during the preparation and implementation of programmes.
Sustainability	Full mainstreaming of sustainable development into the all stages of using ESI Funds (sustainable development, environmental protection, polluter pays principle) Avoid or reduce environmentally harmful effects of interventions and ensure results in net social, environmental and climate benefits.

Statistical analysis did not show differences between groups of Member States (EU-15 vs. EU-13) or types of programmes (ETC vs. OPs) regarding references to horizontal principles. However, some correlations were detected:

- TA operational programmes (as well as Cohesion fund OPs) were shown to include “non-discrimination” more frequently than others ;
- Programmes with combination axes more often than others referred to sustainability as a horizontal principle;
- Outermost regions focused more often on sustainability, while climate and accessibility (for the disabled) were less emphasised by them.

As to the **breakdown of the category “non-discrimination”**, the social group most frequently referred to in programmes as a potential **target group** for non-discrimination action are women, followed by the disabled, young and old people and the long-term unemployed people. Again, data from PA and programme levels are consistent. Given recent events, the apparently low level of focus on migrants may indicate a need to revisit this aspect in programmes.

Figure 117 - Non-discrimination: Target Groups in PA and programmes



(% of programme documents referring to each)⁹⁷

⁹⁷ To sexual minorities: LGBTQ = Lesbians, gays, bisexuals, transgendered people and queers

As regards the selection of target groups to be addressed as horizontal priority, cluster analysis revealed that when choosing target in need of horizontal, anti-discrimination support

- **ESF** co-financed OPs, as well as OPs in the **EU-15**, more often included **women and young people** as target groups, than other kinds of programmes;
- **EU-13** countries target **minorities** relatively more often
- **ETC** programmes address the long-term **unemployed** more often than mainstream OPs.

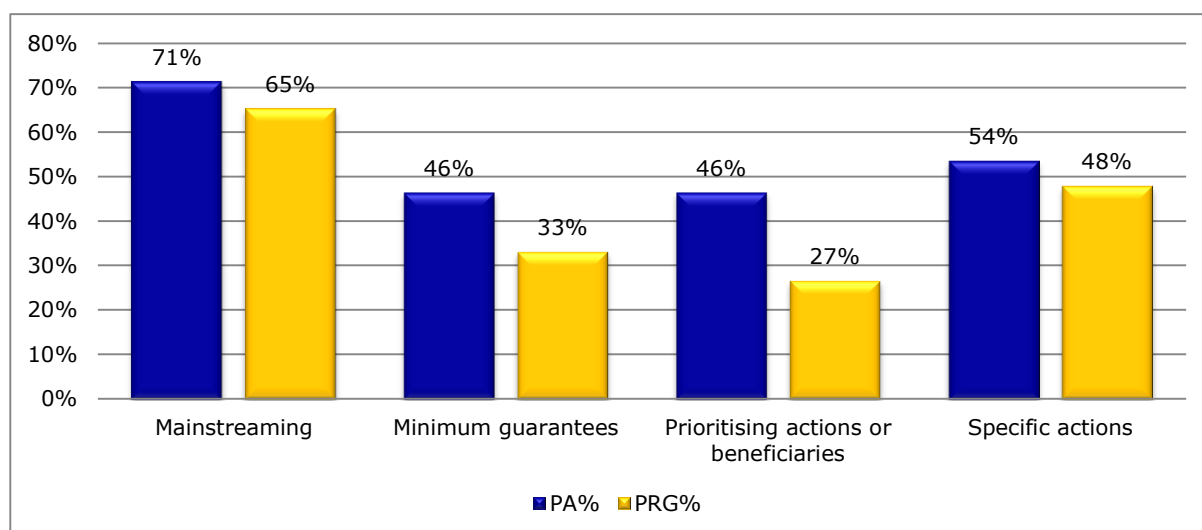
3.18.3 *Methods to promote horizontal principles*

In addition to the question of what horizontal priorities Member States wish to promote, documentary analysis also examined, what methods Member States plan to apply for this purpose. The main options considered under this aspect were

- **Minimum guarantees** – establishing mechanisms to ensure that discriminatory practices and projects are excluded during selection and implementation.
- **Prioritising** actions or beneficiaries – when during the selection of operations projects that positively contribute to a horizontal principle are preferred (e.g. giving higher scores)
- **Specific actions** – involving specific allocations are reserved to actions promoting horizontal principles, e.g. through a specific call for proposals.
- **Mainstreaming** – Ensuring the presence of horizontal objectives, through a complex set of measures, throughout the programming cycle

As the analysis of programme documents indicates, from these main categories of methods, Member States have a clear **preference towards mainstreaming**.

Figure 118 – Methods to promote horizontal principles in PAs and Programmes



(% of programme documents referring to each category)

Two of the 4 main methods above – mainstreaming and specific actions – were further analysed.

Mainstreaming

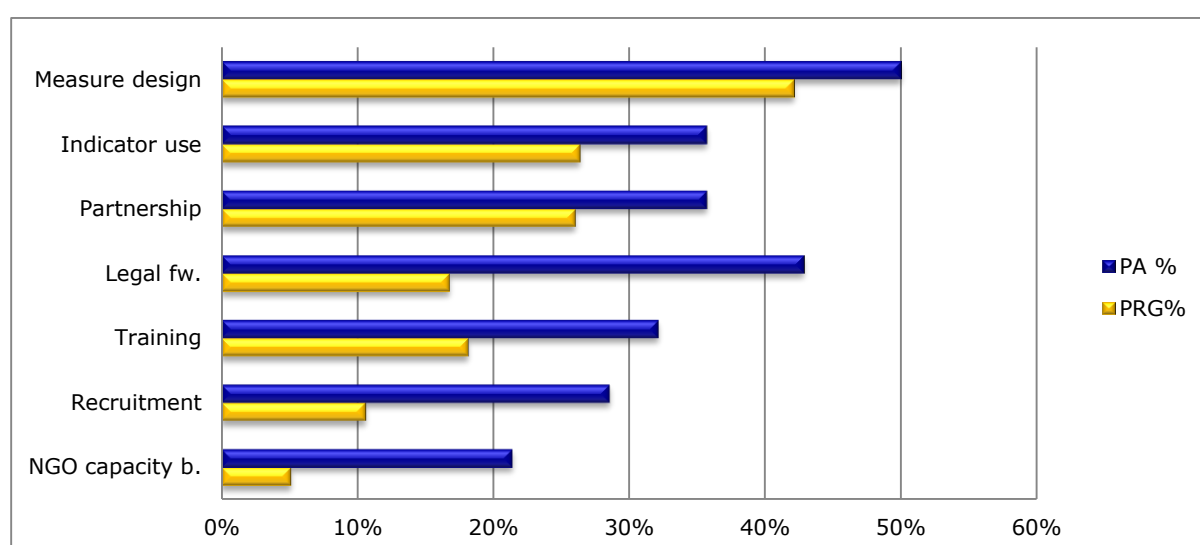
When examining possible actions to achieve a mainstreaming of promoting horizontal principles, we considered the following basic options:

Figure 119 – Actions to achieve mainstreaming

Code (MAINSTREAM)	Narrative
Legal fw.	Develop legal background
Training	training for the staff of the managing authority and intermediate bodies,
Measure design	considering horizontal priorities during designing measures,
Minimum guarantees	There are mechanisms to ensure that discriminatory practices and projects are excluded during selection and implementation.
Indicator use	using specific indicators for monitoring and evaluation,
Partnership	strong partnership with relevant organisations (governmental and non-governmental)
NGO capacity b.	capacity building for relevant non-governmental organisations.
Recruitment	promoting equal opportunities during recruitment of staff,

The results from PA and programme level are again similar. Within the programme cycle, Member States plan to concentrate their mainstreaming efforts on **measure design** and **indicator use**, followed by **partnership**. This indicates a positive trend, namely that horizontal principal are indeed being incorporated into the logic of the policy intervention across the board.

Figure 120 - Types of mainstreaming in PAs and programmes

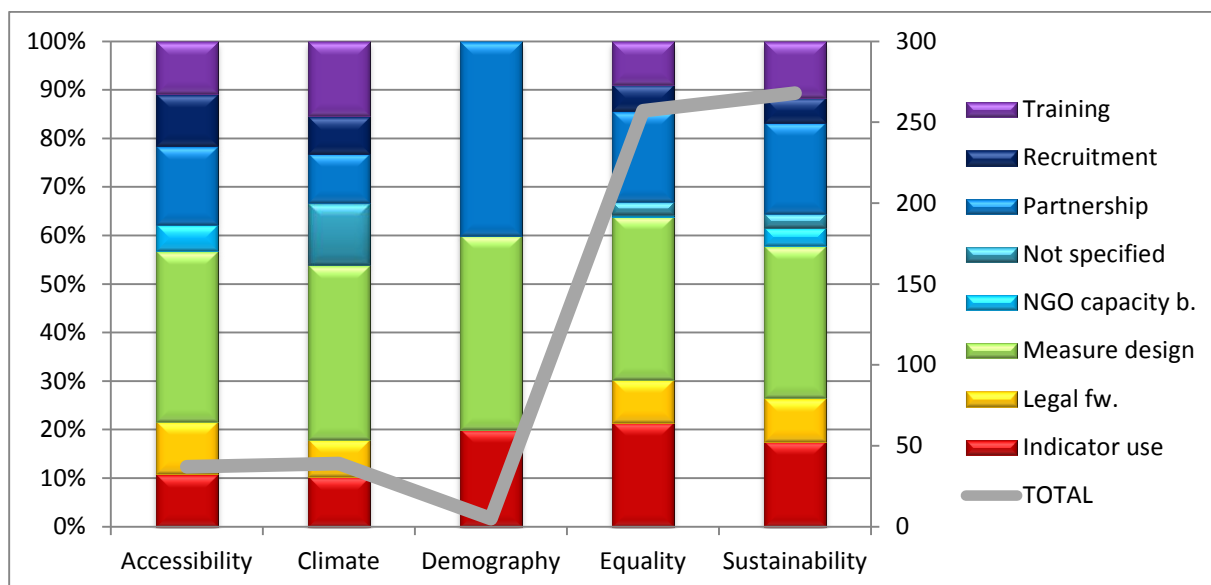


(% of programme documents referring to each category)

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Coding results may also be used to compare, what types of mainstreaming are used in the context of the different horizontal principles. As the figure below shows, patterns are similar. (Demography is somewhat different, but it has a very small number of cases, as shown on the right hand side axis of the graph). The conclusion is that mainstreaming plans mainly concern the measure design stage, followed by partnership, and indicator use. The use of mainstreaming overall is most frequent under the sustainability and equality principles.

Figure 121 – The use of mainstreaming in the context of horizontal principles



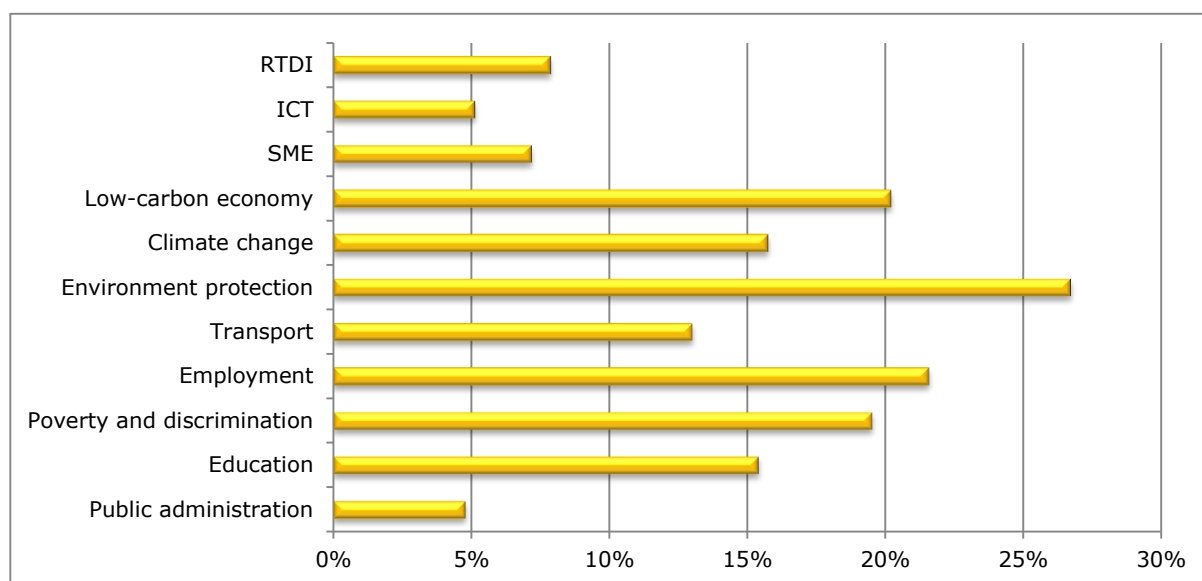
Specific actions

The category “specific actions” was also further analysed – according to **thematic objectives** and **investment priorities** in connection to which Member States indicated specific actions in the programmes.⁹⁸

At the level of thematic objectives, **sustainable development, employment, as well as the fight against poverty and discrimination** are most often referred to.

⁹⁸ Data reflect the numbers of references in programming documents to planned specific actions aimed to promote horizontal principles, grouped according to the area of intervention (TO) they relate to. (e.g. a specific call for proposals for projects with a specific contribution to non-discrimination).

Figure 122 –Specific actions by thematic objective as planned in programmes



(% of programme documents referring to each)

The **investment priorities** most often identified in the PA documents, as the ones where specific actions aimed at the promotion of horizontal priorities were planned, are the following:

Figure 123 - Specific actions for the promotion of horizontal priorities, by IP

IP	Fund	Narrative	Programmes envisaging specific actions	PRG %
8iv	ESF	Equality between men and women in all areas, including in access to employment, career progression, reconciliation of work and private life and promotion of equal pay for equal work	26	9%
4b	ERDF	Promoting energy efficiency and renewable energy use in enterprises	19	7%
4a	ERDF	Promoting the production and distribution of energy derived from renewable sources	18	6%
6d	ERDF	Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure	16	5%
9a	ERDF	Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services	15	5%
6a	ERDF	Investing in the waste sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements	14	5%
6c	ERDF	Conserving, protecting, promoting and developing natural and cultural heritage	14	5%
9iii	ESF	Combating all forms of discrimination and promoting equal opportunities	14	5%
4e	ERDF	Promoting low-carbon strategies for all types of territories, in particular for urban areas, including the promotion of sustainable multimodal urban mobility and mitigation-relevant adaptation measures	12	4%
6iii	CF	Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure	12	4%

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IP	Fund	Narrative	Programmes envisaging specific actions	PRG %
10a	ERDF	Developing education and training infrastructure	11	4%
5b	ERDF	Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems	11	4%

Again, the list is in line with the selection of horizontal priorities by Member States overall, as shown above.

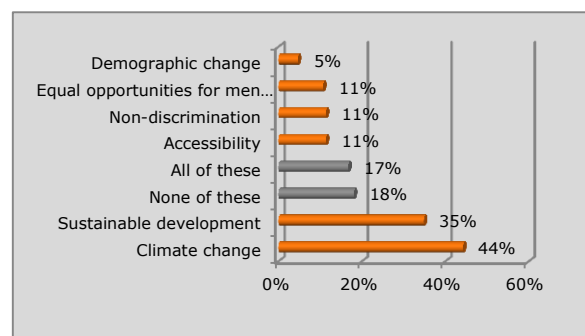
3.18.4 The Negotiation Process – Challenges and Opportunities

The results of the survey suggest that the factors most influential in shaping Member States' positions during the negotiations were the **regulations** and **EC Guidance materials** on the one hand, and the **opinion of social partners** – along with the existing **national** legal and institutional **context** – on the other. The high scores allocated to the regulation as well as EC guidance materials suggests that the application of horizontal policy principles **still seems to be a challenge** – which was partially confirmed by the interviews (see below). The strong involvement of domestic partners is both to be expected, and to be registered positively. (See also Annex 4.17)

As regards the negotiation process itself, horizontal priorities seem to have been among the **less controversial** ones. In over two thirds of the cases, member state authorities did not register a major difference in opinion. Where there were differences, the final result was, in most cases, a balanced compromise. For the remaining issues though, it was much rather the Member States that changed their initial positions than the Commission (9% vs. 3%). This suggests that the Commission managed to “enforce” a uniform, methodological approach across the Member States and programmes. (See also Annex 4.17)

Going further into details, one survey question enquired **in which area** the new regulatory framework is expected to strengthen the practical application of horizontal principles. Responses were quite clear: the implementation of climate change and sustainable development principles is being seen as substantially improved. 18% saw no substantial change. (See Figure 123)⁹⁹ Member States interview responses coincided with the results of the survey.

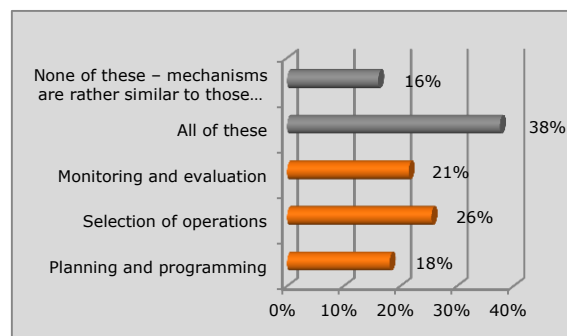
Figure 124 – Regulatory improvements by area



⁹⁹ Note to Figure 123 and Figure 124: multiple choice, therefore, numbers do not add up to 100%.)

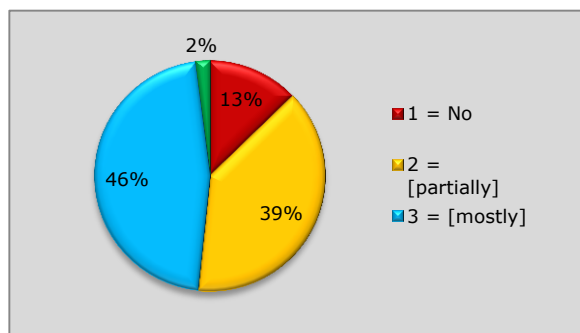
Second, – as illustrated by Figure 124 – the survey explored, **at what stage of the programme cycle Member States (managing authorities) intended to strengthen** the promotion of horizontal objectives. **Votes** for planning, the selection of operations as well as monitoring & evaluation were quite **evenly spread**. Overall, it was only 16% of authorities that had no such plans. This indicates that Member States are indeed paying attention to this aspect of the regulations.

Figure 125 – Strengthening the management of hor. principles



Finally, the survey also asked whether the mechanisms to promote horizontal objectives had **improved**, overall, in comparison to the previous programming period. The outcome is rather **undecided**. On the four-degree scale used, 48 percent of respondents said that the application of horizontal principles had rather improved, but only 2 percent – 3 respondents out of 149 – were fully satisfied. 13% saw no improvement at all, while 39% registered partial progress. (Figure 125) Similar was the outcome of the interviews. Several partners indicated that the ability of ESI Funds to address horizontal priorities had not improved, or that it had not had a discernible added value above that achieved through national legislation. Others did see a clear general improvement, as the legislative framework had become clearer, allowing national authorities to elaborate better guidelines, and devise specific mechanisms to better bring them to reality. In one Member State authorities mentioned in particular the introduction of the ex-ante conditionalities as helpful to raise awareness.

Figure 126 - Improvement of mechanisms to promote horizontal principles



As mentioned above, some survey results suggested that the application of horizontal principles may have been a **challenge** to some managing authorities. Nevertheless, Member States with a longer tradition working with cohesion policy indicated otherwise, and pointed to already existing practices for mainstreaming horizontal priorities into working processes. Several others criticised that horizontal requirements were more stringent in EU co-funded schemes. These did not always bear fruit, and may even have had a **deterrent effect** on beneficiaries, away from cohesion policy to nationally funded schemes. They also warned against the danger of increasing the **administrative burden** on beneficiaries through the emphasis on horizontal priorities. Some authorities from Member States also criticised that there was **no sufficient guidance** available from EU level, and that there was an insufficient level of understanding in national authorities on the meaning, significance and methods conducive for horizontal priorities. Respondents

of a Member State indicated - already working practices, but pointed to difficulties in relation to the reconciliation with partners as well as the different levels of government.

On a more positive note, regarding opportunities to further improve the application of horizontal principles – again confirming survey results – several interview partners emphasised the pivotal role of **partnership** and consultations with agencies and NGOs active in the relevant policy area. Counterparts from other Member States considered that clear and instructive regulations had a major role to play. **Financial incentives** and the criteria for selecting projects were mentioned by several partners, too. The already established instruments of Strategic Environmental Assessments and Environmental Impact Assessments were not forgotten either. **Guidelines** for applicants and awareness-raising were considered important by a few authorities.

3.18.5 *Specific conclusions*

Overall, there seems to be an **agreement** between the EC and the Member States on the promotion of horizontal principles, and negotiations overall seem to have proceeded rather smoothly.

Sustainable development, social inclusion and non-discrimination equally seem to receive attention, each being **present in about 80% of programmes**. These are well rooted in the logic of intervention and day-to-day practices of managing authorities, while such issue as accessibility, climate change and demography seem to receive comparatively less attention.

About 2/3 of Member States intend to promote horizontal priorities through **mainstreaming**, integrating the attention to such priorities in the general programme planning, implementation and follow-up processes.

In the survey, 84% of respondents indicated their intention to strengthen the management of horizontal principles. Ultimately, though, member state representatives were rather **undecided whether** or not the promotion of horizontal principles would **improve** in the new programming period, or not. There were also **warnings** that the pursuit of horizontal priorities was still a challenge, and that it should not lead to excessive administration, or an unwarranted complication of interventions, or programme monitoring.

3.19 E-COHESION

3.19.1 Background

The electronic **exchange of data between the Commission and the Member States was already compulsory** during the **2007-2013 programming period**. For this purpose, a **central information system** was established by the Commission. The system was used to collect and transmit information regarding a number of key transactions, such as financial allocations, financing plans, statements of expenditure, annual forecasts of payments, as well as the financial sections of annual reports. Exchanges of data bore an electronic signature.¹⁰⁰ At the same time, the General Regulation on the Funds (1083/2006) for the period 2007-2013 **did not contain provisions regarding the electronic exchange of information between programme authorities and beneficiaries**.

This has fundamentally changed **for the new programming period**. Article 74 (4) of the CPR **upholds the principle of electronic data exchange between the EC and the Member States**. But in addition, Art. 122 (3) lays down that Member States shall ensure that **no later than 31 December 2015, all exchanges of information between beneficiaries and a managing authority, a certifying authority, an audit authority and intermediate bodies can be carried out by means of electronic data exchange systems**.

The relevant Implementation **Guidelines** on e-Cohesion (European Commission , 2014) lists a number of checkpoints on the basis of which compliance with the CPR needs to be tested:

- The information system should cover all beneficiaries
- The system should cover (as a minimum) transactions related to
 - Progress reporting
 - Expenditure declarations
 - Exchange of information related to management
 - Verifications
 - Audits
- All information should be registered 'only once'
- The information system should cover all authorities / bodies involved in the implementation of programmes
- Beneficiaries should have the option to choose fully electronic communications, without a parallel paper trail
- Specifically, the system should ensure
 - Data integrity and confidentiality
 - Authentication of the sender
 - Storage in compliance with retention rules
 - Secure transfer of data
 - Availability outside office hours
 - Data connection to relevant national IT systems (synchronisation, data recording)

¹⁰⁰ Commission Implementing Regulation 1088/2006, Art. 39-42

- Protection of personal data

Overall, the above should contribute to the **reduction of the administrative burden** on beneficiaries.

The **study** has assessed – based on Partnership Agreements – the information available regarding the current status of electronic information and management systems in Member States, as well as the expected future levels of e-services towards beneficiaries. Interviews were used to explore the pros and cons – potential benefits and difficulties of introducing a fully electronic data management and exchange.

3.19.2 *Current and planned e-government service levels*

Specific data on e-service levels were found in 22 Partnership Agreements. For the remaining Member States, data were missing, unspecific, or incomplete. The **analysis** of both the current and planned e-service levels was made on the basis of allocating a score, for each stage of the programme cycle, to each member state based on their PAs (Figure 127):

Figure 127 – Scale for assessing E-service levels

Score / level	Narrative
0	No e-government functions available
1	Information: online info about public services
2	Possibility to download of forms
3	Possibility to download and fill in forms, incl. authentication
4	Possibility of full electronic case handling; decision and delivery (payment)

The stages of the programme cycle – as taken for the basis of the analysis – were defined as shown in Figure 128:

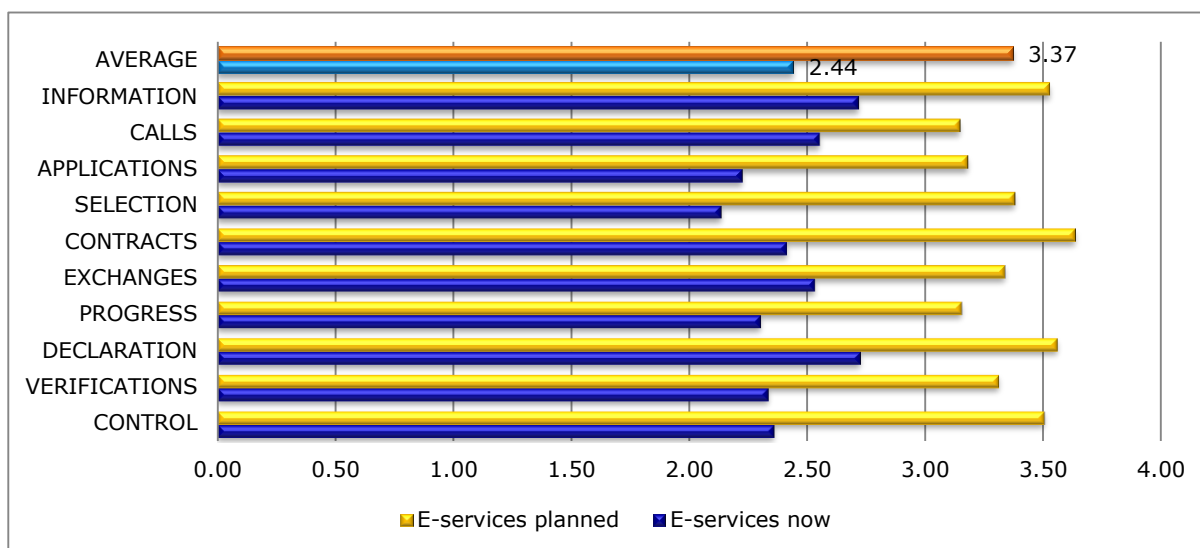
Figure 128 - Code IT Stages

CODE ITSTAGES	Narrative
INFORMATION	Comprehensive, official, and up-to-date publication of programming documents, rules, guidance, and other useful materials
CALLS	Official; and "real time" publication of calls for proposals
APPLICATIONS	Option of official electronic submission of applications by beneficiaries without paper trail
SELECTION	Full computerisation of project assessment
CONTRACTS	Contracts with beneficiaries: electronic preparation / signature electronically
EXCHANGES	Information exchange (letters, notifications, statements) on different management issues
PROGRESS	Progress reporting without paper trail
DECLARATION	Declarations of expenditure via IT tools
VERIFICATIONS	Information exchange on verifications of costs
CONTROL	Information exchange on controls, audits

Figure 129 calculates an **average results** for all Member States, at each stage of the project cycle from the data of all Partnership Agreements (i.e. those PAs that do contain

specifics). Overall, figures show **clear progress** towards more e-administration, at least in the case of Member States where plans are indeed implemented.

Figure 129 - E-cohesion according to current and planned e-services



As the graph shows, the **average levels for e-cohesion can be expected to improve**, within the regulatory deadline, **by almost an entire point** (25%) on the 4 point e-service scale.

Using the same scale, average results can also be calculated **by Member State**. Again, figures indicate that almost every member state is making progress. (See Annex 4.18).

3.19.3 Actions envisaged to boost e-service levels

In addition, several actions are planned by Member States to upgrade of their e-cohesion IT systems in order to address the regulatory requirement in Art. 122(3):

Figure 130 - Categorisation of actions for e-cohesion

EGOVACT	EGOVACT_Narrative
Availability	Availability of e-services outside office hours (24/7)
Benef. Access	Ensure availability (option to choose full e-administration) to all beneficiaries
Coverage	Ensuring that IT systems cover of all management bodies (MA/IB, CA, AA)
Data protection	Ensure data integrity and confidentiality, authentication, secure data transfer, protection of personal data
Links	Automated data links to relevant national databases for synchronisation and data recording - reducing administration
Only once	Ensure that all information is recorded 'Only once'
Paper trail	Elimination of parallel paper trail (shadowing e-administration)
Retention	Enhancing conformity with data (document) retention requirements (Art. 140 CPR)

Unfortunately, such data were available only for 7 Member States, as action plans in the other PAs were not explicit enough. In line with the regulations, all of these countries envisage to provide beneficiaries with the option to choose full e-administration. Furthermore, about half of them also indicate the intention to eliminate the paper trail, to connect national databases, and to ensure that systems cover all national authorities. (See Annex 4.18)

3.19.4 *The perception of E-cohesion rules*

During interviews, **Member States** showed themselves **generally happy** about the move towards fully electronic administration. Most saw the IT tools as a good way to introduce transparent, one-channel communication, reducing error rates, reducing administration and needs for archiving and optimising the work of the institutions involved.

In several countries, already **existing systems** mean that the transition to full e-administration should not be a problem. Others, reported **problems** in the ability of the administration **to work on a fully electronic basis**. Counterparts in one Member State said that their national authorities already used electronic administration, which however were different, and not connected with each-other. In that sense, the new requirements are seen rather as a burden in their perspective. As counterparts in another Member State said: designing an easy-to-use system for beneficiaries is not an easy task at all.

Further obstacles indicated included the lack of full **broadband coverage**, the inappropriateness of electronic administration in certain social cohesion projects, the **need to redesign working processes** in certain institutions, the low **penetration of electronic signatures**, or the **costs** of setting up the system, and training for the administration officials involved.

As regards the architecture and location of the e-cohesion IT systems, Member States are planning to establish **centralised systems**, which are accessible to users – including those in regions – through **internet portals**. Where needed, the new systems will integrate already existing systems of other institutions.

One Member State indicated that their system for the beneficiaries would be introduced step-by-step: first applications, then payments and reporting. Some are planning to reach IT targets by adding new functionalities to their existing systems, while others envisage a completely new system. Trainings for users were also mentioned as important preparatory steps.

3.19.5 *Specific Conclusions*

Partnership Agreements were not designed to allow a fully detailed and specific assessment of systems functionalities either now, or at the expiry of the regulatory deadline of December 2015. Nevertheless, data from Partnership Agreements advocate clear progress in **all Member States** and with respect to **all stages of the programme cycle**.

Data on actions to promote e-cohesion are particularly scarce in PAs. Still, interviews demonstrated that full electronic administration and electronic **access for beneficiaries**

to the IT management systems is envisaged all over the EU. Steps towards the integration of other national IT systems and the elimination of the paper trail – as suggested by the EC's relevant e-cohesion guidelines – are also envisaged.

3.20 TABULAR OVERVIEW OF KEY FINDINGS

Figure 131 - Overall Findings and Conclusions

NP	Provision Title	Key findings underlying the conclusion
NP 1	Strategic programming	<ul style="list-style-type: none"> As regards strategic references, Partnership Agreements are strongly based on European references (Europe 2020 headline targets and CSRs), while operational and co-operation programmes are more policy-oriented and refer principally to national strategies. References to Europe 2020 headline targets and to Country-Specific Recommendations have been explicit for 40% thematic objectives (chosen in the Partnership Agreements). (In money terms, the investment into Europe 2020-referenced TOs covers 58% of the programmes).
NP 2	Thematic concentration	<ul style="list-style-type: none"> ERDF concentrates on strengthening research, technological development and innovation and the competitiveness of SMEs. Cohesion Fund mainly invests in TO 4, and 7 European Social Fund allocations distribute evenly in jointly financed programmes, mainly across thematic objectives 8-9-10. Thematic objectives are not always exclusive. Almost one third of R&I (TO1) main results could have been programmed to TO2, TO3 and even TO4 thematic objectives. Environmental, climate change and network-related main results (TO4 to TO7) do show some overlap; and the same applies to employment, inclusion and education (TO8 to TO10). As regards the investment priorities selected, references in the Operational and Co-operation Programmes concentrate in 30% of the investment priorities that account for 70% of the references. Overall, a limited number of main results have been identified per thematic objective in Partnership Agreements. However, there were main results expected by the Member States that could not be directly related to thematic objectives, i.e. macro-economic and territorial results. Thematic concentration received more attention during programming, and was also more controversial than other new provisions
NP 3	Building of priority axes	<ul style="list-style-type: none"> 29% of IGJ priority axes, but only 11% of ETC priority axes are combined. As regards combining thematic objectives, environment-related objectives are favourite targets of complex priorities, while RTD, ICT and transport (and public administration) are rather addressed in simple axes. Where the use of complex priority axes was considered – Member States did not see territorial instruments as an alternative.

NP	Provision Title	Key findings underlying the conclusion
NP 4	Result-orientation ('Intervention logic')	<ul style="list-style-type: none"> • OPs used a broad range (several hundred) of types of specific objectives, expected results, actions and selection principles. However, they used these types rather concentrated, as one quarter of them account for three quarters of the references. • Results and specific objectives have been defined mostly in line with the regulations and the Commission intents, rather consistently (with few methodological mistakes). • Actions and guiding principles of project selection, on the other hand, were subject to heavy debates and hard reconciliation processes with the domestic partners and (possibly as a consequence) have been too broadly defined. • As the survey shows, the dialogue with partners appears to have focussed on the definition of actions. Conversely, the dialogue with the EC was, apparently centred on improving the overall level of the intervention logic (objectives and results). • The transition from action-based programming to a result-based one seems to have proved difficult for Member States
NP 5	Planned use of financial instruments	<ul style="list-style-type: none"> • As regards the use of financial instruments in different Member States, 24 Member States intend to use such instruments,. • As regards the use of financial instruments in different policy tools, ERDF relies rather heavily on the use of financial instruments, while Cohesion Fund and ESF make much less use of them. European Territorial Co-operation programmes do not apply financial instruments. • The apparent reluctance of Member States to take up the SME initiative could be explained with several arguments. Several Member States considered that their own financial sectors were well capable of providing similar financial products without EIB assistance. Others considered the scheme too small and too expensive.
NP 6	Planned use of major projects	<ul style="list-style-type: none"> • The use of major projects is planned in at least 18 Member States (by the time of programme adoption). • Major projects are planned to be used under all TOs, except TO 8 and 11. • Phasing is widespread in all relevant TO and IPs.
NP 7	Use of co-financing rates	<ul style="list-style-type: none"> • There is variation in the co-financing rates, above all in more developed regions, transition regions, EU-15 Member States and co-operation programmes. At the same time, the Cohesion Fund and EU-13 programmes mostly apply maximum rates. • As regards types of modulation, one third of the programmes foresee modulation. Almost two-thirds of indicated modulations address the importance of the priority axis for the delivery of the Europe 2020 strategy, having regard to the specific gaps to be addressed.
NP 8	Territorial challenges in programming documents	<ul style="list-style-type: none"> • Each Member State has identified territories for integrated territorial approaches. • Territorial challenges and needs are identified also by all of the Member States. • Survey responses indicated that programmes with purely sectoral approach are rather rare. • Ensuring a consistent approach with regard to territorial challenges identified and matching territorial challenges with the sectoral approach of the policies represented a challenge to Member States, according to the survey. • Every Member State has included in the programming documents provisions for coordination.

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NP	Provision Title	Key findings underlying the conclusion
NP 9	Community-led local development	<ul style="list-style-type: none"> • CLLD is being used beyond EAFRD, even though it is only optional. The overall take up of the instrument is, however, at less than around 0,8% of the total ERDF budget. • Main arguments of Member States pro CLLD are: appropriate tool to handle complex local problems; motivation for partnership and involvement; former experience gained through LEADER. • Main factors to eventually divert Member States from using CLLD were that it was felt to be more appropriate for rural development and EAFRD (compulsory); that it was perceived as complicated, burdensome, generated loss of efficiency, and needed extra administrative capacity. Some cases Member States felt that existing national instruments for similar purposes were easier to handle; or that too much responsibility/power would be delegated to local actors, majority of whom must be non-public.
NP10	Integrated territorial investments	<ul style="list-style-type: none"> • In OPs analysed, 20 Member States (involving around one third (94) of the programmes, including 2 ETC programmes) have indicated their intention to start ITI. The total budgets reach almost 15 billion EUR, which represents around 4,2% of the cohesion policy allocation. • The majority of the countries use ITI for sustainable urban development. Slovakia, Spain, Portugal, Romania and Belgium use the bigger part of their allocation for other (non-urban) purposes. • Almost 90% of the ITIs analysed – in 16 Member States – are already identified. • Challenges, difficulties encountered by MAs during the preparation of ITIs, were: the definition of principles for the selection, approval and funding of ITIs; the elaboration of high quality ITI strategies; the definition of the role of ITIs; and the identification of areas and/or challenges to be tackled with the help of ITI. • As data show, the delegation of functions to the sub-national level is rather limited.
NP11	Sustainable urban development	<ul style="list-style-type: none"> • Each Member State allocated at least 5% of its ERDF allocation (under the IJG goal) to integrated sustainable urban development, some of them significantly more (11 Member States), and 3 MSs much more, almost 20% of their national allocation. The EU average level is around 7,7% • 80% of the SUD areas have already been identified. The elaboration of integrated urban development strategies is well under way. • It is only 16% of survey respondents reported difficulties. Difficulties most frequently mentioned are: the specification of geographical areas quality of strategies; the perceived complicated nature of the tool uncertainties regarding the status of intermediate body; and reservation about the availability of local capacities. • Around 60% of respondents envisaged capacity building actions for local authorities. • The delegation of implementing tasks from programme authorities to the local level above the compulsory project selection is rather limited.

NP	Provision Title	Key findings underlying the conclusion
NP 12	Main priority areas for cooperation under the ESI Funds, including macro-regional and sea-basin strategies	<ul style="list-style-type: none"> • Areas for co-operation have been identified in programming documents - environmental protection, transport, SME as well as research and development – have been selected in a majority of Member States. • The greatest numbers of referrals to MRS point to the Strategy for the Baltic Sea Region and the Danube Strategy. • Programmes contain also many references to macro-regional and sea-basin strategies. Transnational actions with beneficiaries located in at least one other Member State were also identified. • Effective and timely cooperation in programming between IGJ and ETC was hampered by the fact that ETC programmes were lagging behind PA and OP programming process. • With respect to thematic coherence and operational realisation, coordination and cooperation the implementation phase will be crucial.
NP 13	Specific needs of geographical areas most affected by poverty or target groups at highest risk of discrimination or social exclusion	<ul style="list-style-type: none"> • 16 PAs (thus Member States) and OPs from 19 Member States contain territories affected by poverty. The most frequent types of territories among poor regions are those with socially marginalised communities, urban-rural areas, and areas with permanent geographical or demographic handicaps. • Nevertheless, 17 PAs and only 28 OPs (from 12 Member States) contain an assessment of needs of vulnerable groups, and less than half of the Partnership Agreements comprise concrete actions for poor regions or vulnerable groups. • It is the unemployed, the young, disabled people and minorities that are most frequently identified by PAs and OPs as social groups most at risk of social exclusion. • OPs using ESF address all categories of vulnerable groups – while ERDF and CF OPs comparatively less to women, unemployed, poor people and young people. Actions envisaged concentrate heavily on human services, while other policy areas are less present.
NP 14	Specific needs of geographical areas which suffer from severe and permanent natural or demographic handicaps	<ul style="list-style-type: none"> • Around 30 programmes contain references to needs and actions of handicapped regions. PAs and OPs do not directly address all regions with permanent geographical handicaps as such, especially mountainous regions were not always mentioned as an issue to address through the ESI Funds. • The list of identified needs, priorities and objectives to be pursued for handicapped regions is dominated by employment, economy (SME) and connectivity, which reflects well the nature of handicaps in these territories. • The main difficulty which hinders implementation – according to MAs – was the lack of accurate statistical data and indicators specific to these areas. • No major difficulties with the use of this instrument.

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NP	Provision Title	Key findings underlying the conclusion
NP 15	Coordination between the ESI Funds and other Union and national funding instruments and with the European Investment Bank	<ul style="list-style-type: none"> At both Partnership Agreement and Programme level, Member States made specific statements with respect to the co-ordination among funds. There was a high level of attention paid to both rural development and fisheries, as well as non-ESIF EU financial instruments As regards co-ordination methods, Member States emphasise the significance of programming (attention to synergies, demarcations); the use of a co-ordination body (Art. 123.8) as well as co-ordination committees at both political and technical levels. Co-ordination during implementation is mentioned less often, which carries the danger that authorities may still work "in silos", and synergy effects of combined and co-ordinated investments may not be realised after all. (For the ERDF, co-operation among MAs is more frequent, according to statistical analysis). Objective of enhanced funds co-ordination was shared by both the Member States and the EU. During negotiations, co-ordination was uncontroversial. Data from Task 3 confirm the general opinion by stakeholders that co-ordination did overall improve. Again, it remains to be seen whether practice will prove that expectation.
NP 16	Administrative capacity building	<ul style="list-style-type: none"> Information about the capacity building needs and / or plans of authorities and beneficiaries in programming documents are there. However, plans appear to be little differentiated. On the positive side, action plans at the level of authorities show a concentration on results-oriented management. As regards capacity building actions beneficiaries, Member States plan to organise trainings and issue guidelines. Areas they focus on include project preparation, procurement, financial management, state aids, the use of simplified costs, as well as integrated territorial instruments. The quality of action plans for capacity building does not seem to be very high. Overall, it is perhaps experience, rather than a new, clear-cut strategy that seems to drive the process of institution building.
NP 17	Administrative burden	<ul style="list-style-type: none"> About half of countries performed a specific assessment of the administrative burden. All Member States are reporting about plans to reduce the burden, and their plans are also similar, which suggests a coherent approach across the EU. On the other hand, their plans do not appear to be very differentiated. The most important tools to reduce the burden seem to be e-cohesion and the introduction of simplified cost options, which are both a result of the new regulations.
NP 18	Horizontal principles and policy objectives	<ul style="list-style-type: none"> Member states are paying considerable attention to the issue of horizontal principles. 84% of survey respondents reported intentions to strengthen horizontal principles at some stage of the programme cycle. Sustainable development, social inclusion and non-discrimination are well integrated into Member States' practices. Accessibility, climate change and demography seem to receive comparatively less attention. About 2/3 of Member States intend to promote horizontal principles through mainstreaming More than half of programmes also referred to specific actions in one or more policy area(s). The list of these areas spreads across all thematic objectives. Horizontal principles are an integral part of programme design.

NP	Provision Title	Key findings underlying the conclusion
NP 19	Efficient implementation of the ESI Funds ("e-cohesion")	<ul style="list-style-type: none"> • Data from Partnership Agreements indicate clear progress in all Member States and with respect to all stages of the programme cycle. • Full electronic administration and electronic access for beneficiaries to the IT management systems is envisaged all over the EU. • Steps towards the integration of other national IT systems and the elimination of the paper trail – as suggested by the EC's relevant e-cohesion guidelines – are also envisaged.

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Figure 132 - Strengths and weaknesses in applying the new regulatory provisions

NP	Provision Title	Strengths	Weaknesses
NP 1	Strategic programming	<ul style="list-style-type: none"> References to Europe 2020 headline targets and to Country-Specific Recommendations are explicit for about half of thematic objectives chosen in the Partnership Agreements. Direct links to Europe 2020 allow monitoring strategic alignment in programming and during implementation. Strategic programming was an area where there was a relatively high level of consensus between the two sides. Flexibilities to transfer funds have been used in most cases to fight intra-regional imbalances and offset unwanted regulatory distortions in fund allocation 	<ul style="list-style-type: none"> Linking operational programmes with a timeframe of ten years to a strategy of half of it may hinder strategic re-alignment.
NP 2	Thematic concentration	<ul style="list-style-type: none"> The menu approach of thematic objectives and investment priorities made allocation and programming more transparent and programmes more apt to analysis and scrutiny. A limited number of main results have been identified per thematic objective in Partnership Agreements. Thematic concentration received more attention during programming, concentration requirements were respected, several times exceeded, channelling more funds to investment fields more important for the Europe 2020 strategy. Thematic concentration was achieved on the level of the Community, making European added value more visible, both on the level of thematic objectives and regarding investment priorities. 	<ul style="list-style-type: none"> Macro-economic and territorial goals identified by the Member States could not be directly related to thematic objectives and thus did not fit into the system. Thematic objectives are not defined in an exclusive way, many main results were programmed to more than one thematic objectives. The biggest allocation of ESI funds goes for promoting sustainable transport and removing bottlenecks in key network infrastructures, a thematic objective that is compatible but not in the heart of the Europe 2020 strategy.

NP	Provision Title	Strengths	Weaknesses
NP 3	Building of priority axes	<ul style="list-style-type: none"> The regulatory framework of the ERDF and CF allow for programming priority axes along strategic goals, drawing freely from the available pool of interventions, making holistic approaches and place-based policies easier to program and to adjust during implementation. ESF-funded priority axes are easy to monitor and control to finance strategic goals defined in the Europe 2020 strategy and especially in the Country-Specific Recommendations. Priority axes implemented solely through community-led local development amount for two-thirds the overall Cohesion policy resources allocated to CLLDs. 	<ul style="list-style-type: none"> In priority axes financed by regional policy funds (ERDF /CF), there is no breakdown of the financial allocations behind investment priorities, actions and specific objectives. (For the ESF there is a tentative breakdown for fields of action, which directly relate to IPs) Simple priority axes tend to be smaller and more numerous than combined ones. This problem is relatively more pronounced in the case of programmes jointly financed with the ESF. Justifications provided for the use of combined axes were often missing or poor. Despite the special incentives to create priority axes dedicated to certain delivery mechanisms, the number of dedicated axes is small.
NP 4	Result-orientation ('Intervention logic')	<ul style="list-style-type: none"> Basic elements of the intervention logic had to be specifically defined, easing monitoring and ensuring assessment. Concentration is apparent, one quarter of the specific objectives, expected results, actions and guiding principles of selection account for three quarters of the total references. Definition of investment priorities is well-detailed yielding misplaced results and actions below 2%. The choice of specific objectives, actions and result indicators were at the heart of the negotiations during the planning process and usually compromise solutions were achieved. 	<ul style="list-style-type: none"> The logical link between actions and specific objectives cannot be reproduced based on programming data, since actions are not established at the level of investment priorities. The process to move from action-based programming to a result-based one, especially defining indicators, has been very demanding, and often difficult for Member States. The definitions of actions and guiding principles for the selection of operations is not clear and precise in about two-thirds of the cases (i.e. too broad, or missing). Domestic partners are interested in the actions and selection rules, rather than in objectives and measurable results creating a solid base for result orientation and accountability.
NP 5	Planned use of financial instruments	<ul style="list-style-type: none"> Justification why to use financial instruments correspond to the goals they want to obtain. The use of financial instruments were substantially extended in width (planned to be used under at least 9 thematic objectives) and depth (24 Member States stated their intention to implement such schemes). 	<ul style="list-style-type: none"> The SME initiative uptake is low, it is considered complicated and expensive. Some Member States also consider that it came too late and might create unwanted dependence on an external player instead of contributing to developing a well-functioning domestic microcredit system.

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NP	Provision Title	Strengths	Weaknesses
NP 6	Planned use of major projects	<ul style="list-style-type: none"> • The use of major projects is planned in at least 18 Member States, more extensively in 9 Member States. • Major projects are planned to be used under almost all TOs. • Almost all TOs, and more than half of the investment priorities concerned plan to use phasing, and continue projects already started in the previous programming period. 	
NP 7	Use of co-financing rates	<ul style="list-style-type: none"> • There is variation in the co-financing rates in more developed regions, transition regions, EU-15 Member States and co-operation programmes. • One third of the programmes foresee modulation, mostly along the importance of the priority axis for the delivery of the Europe 2020 strategy 	<ul style="list-style-type: none"> • At the same time, the Cohesion Fund and EU-13 programmes mostly apply maximum rates. • No information could be collected as regards the ways in which modulation would be applied when implementing programmes

NP	Provision Title	Strengths	Weaknesses
NP 8	Territorial challenges in programming documents	<ul style="list-style-type: none"> • Each Member State has identified territories for integrated territorial approaches. • Territorial challenges and needs are identified also by all of the Member States. • As to territories with special features, geographical areas most affected by poverty or target groups at highest risk of discrimination or social exclusion as well as regions with permanent geographical handicaps are identified in the programming documents. • Survey answers show that territorial analyses were performed starting from the local level, either on the basis of some national level guidance, or according to a general bottom-up approach. Survey shows also that programmes with pure sectoral approach are rather rare, the vast majority of programmes reflect territorial approach, most of them entirely, and one third by integrating it into sectoral policies. • Practices for the promotion of territorial approach in programming and implementation most mentioned by interviewees are: the existence of a characteristic national regional development policy/strategy; the institutional involvement of regional actors in programming; and specific methods during the implementation phase: application of selection criteria giving priority to projects contributing to ITI programs; necessity to justify a project by diagnosis of the local situation and analysis of territorial impact; harmonisation of timing of calls for proposals. • Every Member State has included in the programming documents provisions for coordination. 	<ul style="list-style-type: none"> • However, there are 45 OPs and 12 ETC programmes which do not have territorial analysis (contain neither information on the type of the territory covered nor on external (territorial) challenges and even not on territorial needs. • Ensuring consistent approach with regard to territorial challenges identified and matching territorial challenges with the sectoral approach of the policies represented a challenge to Member States, according to the survey. • Reasons given for opposing the use new territorial instruments above the compulsory extent included furthermore, e.g., that they were "too complicated and inflexible", the wish not to give too much power and responsibility to local actors (who were not sufficiently experienced), and the inappropriateness of the tool to programmes specific challenges/intentions.

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NP	Provision Title	Strengths	Weaknesses
NP 9	Community-led local development	<ul style="list-style-type: none"> • CLLD is being used beyond EAFRD, even though it is only optional. • The needs that the Member States intend to tackle with CLLD do go beyond rural development, and also relate to SME development, followed by the generation of employment and social inclusion. • Main arguments of Member States pro CLLD are: appropriate tool to handle complex local problems; motivation for partnership and involvement; former experience gained through LEADER. • There were measures to provide preparatory support – including training, support of existing LAGs and coverage of their strategic and administrative costs. 	<ul style="list-style-type: none"> • Only 33 programmes in 17 Member States have indicated financial allocations to CLLD, from ERDF and ESF resources. In relative terms the average allocation to CLLD at EU-level (EU average) is around 0,8% of the ERDF budget. • 13 priority axes of 10 operational programmes implemented solely through community-led local development stand for 65% of the overall allocation to CLLD – what shows that the use of CLLD is rather concentrated, the majority of OPs and priority axes are not concerned by it. • Main factors to divert Member States from using CLLD (cons) were: more appropriate for rural development and EAFRD (compulsory), less for TOs of more developed areas; it is complicated, burdensome, generates loss of efficiency, needs extra administrative capacity - in some cases existence of national instruments easier to handle; too much responsibility/power to local actors, majority of whom must be non-public; difficulties linked to the identification of areas and selection, approval and funding of LAGs and CLLD strategies.

NP	Provision Title	Strengths	Weaknesses
NP10	Integrated territorial investments	<ul style="list-style-type: none"> • The total budgets reach almost 15 billion EUR, which represents around 4,2% of the cohesion policy allocation. • In OPs analysed, 20 Member States have indicated their intention to start ITI. • ITI is being used in the majority of countries with a considerable budget (while the positive correlation with ITI-type sustainable urban development certainly influences the figures.) • In terms of definition, almost 90% of the ITIs analysed – in 16 Member States – are already identified. 	<ul style="list-style-type: none"> • Main factors to eventually divert Member States from using ITI are (cons): mechanism is not relevant to the TOs targeted by the given programme (typically in more developed areas); too complicated use of the tool, complemented by a kind of uncertainty, caused - among others - by the insufficient guidance available, resulting in a worry about the lack of sufficient management capacities; similar national instrument/decentralised implementation structures are more familiar and less complicated to implement. • As data show, the delegation of functions to the sub-national level is rather limited - even though ITI would give the possibility to delegate. The delegation of project selection is compulsory under SUD (which influences results on ITI, too). Otherwise, it is mostly planning and monitoring where – based on partnership – the local level will have a major role to play.
NP11	Sustainable urban development	<ul style="list-style-type: none"> • According to Table 10 of the OPs (and Table 9 of ETC programmes) all Member States have complied to Art. 7 ERDF requirement. Some of them allocated significantly more (11 Member States), and 3 MSs much more, 15-20% of their national allocation. • Main arguments of Member States pro SUD are: previous experience of similar instrument; possibility for local capacity building and partnership; partnership also between different administrative levels; appropriate tool for complex, integrated projects addressing specific needs. • 80% of the SUD Areas have already been identified and a further 10% are planned to be identified by the end of 2016 – with only 10% left to for 'later'. The elaboration of integrated urban development strategies is under way, one third of them is under consultation (approval), 30% are already approved or under implementation. • As a response to the survey, around 60% of respondents envisaged capacity building actions for local authorities. 	<ul style="list-style-type: none"> • Inconsistent encoding practices in some Member States between Tables 10 (categories of expenditure) and 20 (SUD allocations) of the OPs. • The delegation of project selection in SUDs is compulsory. Delegation of further implementing tasks to the local level (on top of project selection) is rather limited. • Several kinds of challenges, difficulties occurred during the implementation of SUDs, such as: difficulties related to the status of intermediate body; reluctance of managing authority to delegate certain implementation responsibilities to cities; the specification of geographical area, the selection criteria to be used for the designation of cities; the complicated and burdensome nature of the tool; the lack of knowledge of the tool by the programmers; the elaboration of high quality territorial development strategies; lack of capacities of cities in strategy making, programming, and implementation.

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NP	Provision Title	Strengths	Weaknesses
NP 12	Main priority areas for cooperation under the ESI Funds, including macro-regional and sea-basin strategies	<ul style="list-style-type: none"> • Areas for co-operation have been identified in programming documents, environmental protection, transport, SME as well as research and development have been selected in a majority of Member States. • Programmes contain also many references to macro-regional and sea-basin strategies. The greatest numbers of referrals point to the Strategy for the Baltic Sea Region and the Danube Strategy. • Interregional and transnational actions with beneficiaries located in at least one other Member State were also identified. 	<ul style="list-style-type: none"> • Effective and timely cooperation in programming was hampered by the fact that ETC programmes were lagging behind PA and OP programming process. • Since no specific funding or projects have been earmarked in the "mainstream" programmes, MAs consider of high importance cooperation during the implementation phase.
NP 13	Specific needs of geographical areas most affected by poverty or target groups at highest risk of discrimination or social exclusion	<ul style="list-style-type: none"> • Altogether, 16 PAs (thus Member States) and OPs from 19 Member States identify territories affected by poverty. Vulnerable groups have been identified in 17 PAs (Member States) and OPs from 16 Member States. 	<ul style="list-style-type: none"> • Although territories affected by poverty and vulnerable groups have been identified in part of the programming document, not all them in fact contain an assessment of needs of vulnerable groups (only 28 OPs in 12 Member States) and less than half of the Partnership Agreements comprise concrete actions for poor regions or vulnerable groups. • Planned actions concern most of all "human services", such as employment, education and social and antidiscrimination policy, other fields of policy necessary for an integrated approach (e.g.: SME) are much less present. • There is a lack of systematic and reliable data, especially at local level.
NP 14	Specific needs of geographical areas which suffer from severe and permanent natural or demographic handicaps	<ul style="list-style-type: none"> • The regions with permanent geographical handicaps are generally identified in PAs and OPs • Overall, there is coherence between needs identified and actions planned. Planned actions cover a wide range of areas, which suggests an integrated approach. • There were very few difficulties mentioned by Member States in the application of the provisions on handicapped regions. This is most likely thanks to the considerable experience the countries concerned have already accumulated with these types of instruments. 	<ul style="list-style-type: none"> • PAs and OPs do not directly address all regions with permanent geographical handicaps as such. Especially mountainous regions were not always mentioned as an issue to address through the ESI Funds (out of the 17 possible countries only 9 mentioned). • Among the programmes where permanent geographical handicaps had been identified, a few of them only contains reference to needs and actions of handicapped regions (around 30). • The main difficulty which hinders implementation according to MAs is the lack of accurate data and indicators specific to these areas.

NP	Provision Title	Strengths	Weaknesses
NP 15	Coordination between the ESI Funds and other Union and national funding instruments and with the European Investment Bank	<ul style="list-style-type: none"> • Programming documents address the co-ordination of funds in much more detail than in previous programme periods. • Approach in PA and OP seems consistent – indicative of a systematic approach • Attention shown towards both rural development and fisheries (i.e. non-cohesion policy instruments) • Objective of better co-ordination was apparently by Member States and EC during negotiations (no major debates registered). • Programme authorities expect that that fund co-ordination should improve. 	<ul style="list-style-type: none"> • Co-ordination methods indicated by Member States concentrate on programming phase. Co-ordination during implementation less emphasised. This carries the danger that co-ordination in the end may co-ordination may not improve after all. The possibility of MAs “working in silos” is still there.
NP 16	Administrative capacity building Partially confirmed	<ul style="list-style-type: none"> • Capacity building is specifically discussed in programme documents of all Member States • Planned capacity building measures emphasise some of the key concerns of the reform – e.g. strategic programming, project selection and monitoring – contributing to result-orientated management. • Programme authorities are optimistic about prospects of capacities strengthening as a result of new provisions • Recent capacity building initiatives (PEER 2 PEER network, joint capacity building actions with DG COMP and DG GROW etc.) should help capacity building in all Member States 	<ul style="list-style-type: none"> • Programme documents do not always dedicate equal attention to all aspects of capacity building (needs/actions; authorities/beneficiaries) • Link between TA and TO 11 (public administration reform) still to be strengthened • Technical Assistance funds apparently still often regarded as a “lump sum” for management, rather than a resource that needs thorough programming, targets and monitoring. • Indications of planned capacity building measures appear to be rather weak and unspecific overall • Limited funds available for capacity building in Member States with relatively smaller budgets
NP 17	Administrative burden	<ul style="list-style-type: none"> • Programme documents specifically address the issue of reducing the administrative burden on beneficiaries. • Member States plans are similar, suggesting a coherent approach across the EU • Actions planned to reduce the burden are matching the diagnosis of causes. Also the use of TA funds. • The use of key new regulatory provisions – e.g. the increased use of simplified cost options and e-cohesion – figure prominently among Member States plans to reduce the burden • 	<ul style="list-style-type: none"> • It is only in half of the Member States that action plans to reduce the administrative burden rely on specific needs assessments • Areas of financial control, public procurement and state aids still regarded as sources of uncertainty and administrative burden (NP 16) • Expectations of programme authorities about the success of planned measures are divided

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NP	Provision Title	Strengths	Weaknesses
NP 18	Horizontal principles and policy objectives	<ul style="list-style-type: none"> • The intention of strengthening the application of horizontal principles is very much present (84% of survey respondents) • Sustainable development, social inclusion and non-discrimination are well integrated into Member States practices. They are an integral part of programme design. • The key planned method of addressing horizontal principles is mainstreaming • Specific actions in support of horizontal principles spread across all thematic objectives. 	<ul style="list-style-type: none"> • Accessibility, climate change and demography are – as for now – receiving comparatively less attention by Member States • Some stakeholders warn that the pursuit of horizontal priorities is still a challenge, and that it should not lead to a complication of management and monitoring
NP 19	Efficient implementation of the ESI Funds ("e-cohesion")	<ul style="list-style-type: none"> • Programming documents demonstrate clear progress in e-administration in all Member States and with respect to all stages of the programme cycle • E-administration seen by most Member States as a key measure to reduce administrative burden and increase efficiency • Interviews indicate intentions to integrate e-cohesion systems with other national data systems, and to eliminate the paper trail, too 	<ul style="list-style-type: none"> • Data in PAs do not allow full assessment of the situation, in particular the fulfilment of Article 122 (3) • Possible complications due to inexperience with IT – on the part of both authorities and beneficiaries – may carry some risks.

4 ANNEXES

4.1 ANNEX TO "BACKGROUND" – DEEPER STATISTICAL ANALYSIS (CORRELATIONS)

As indicated in Chapter 1, where relevant, references to **statistical correlations**. The general methods to do statistical analysis are:

- Correspondence analysis** – determining whether or not the behaviour of two codes showed a statistically significant correspondence; or
- Cluster analysis** – determining whether or not coding results for a given cluster of programmes – grouped according to a set of 10 criteria used uniformly across all provisions – could be statistically differentiated.

The preconditions to mentioning such correlations in the report are that

- computer-based statistical analysis finds a significant correlation or differentiation of results, with a sufficiently high degree of probability.
- the detected correlation refers to a number of cases (programme documents) that can be seen as representative for the entire policy, rather than just a small number of elements in the overall database.

The determination of whether or not this is the case, was the responsibility of a dedicated sectoral expert in charge of analysis in relation to the given provision.

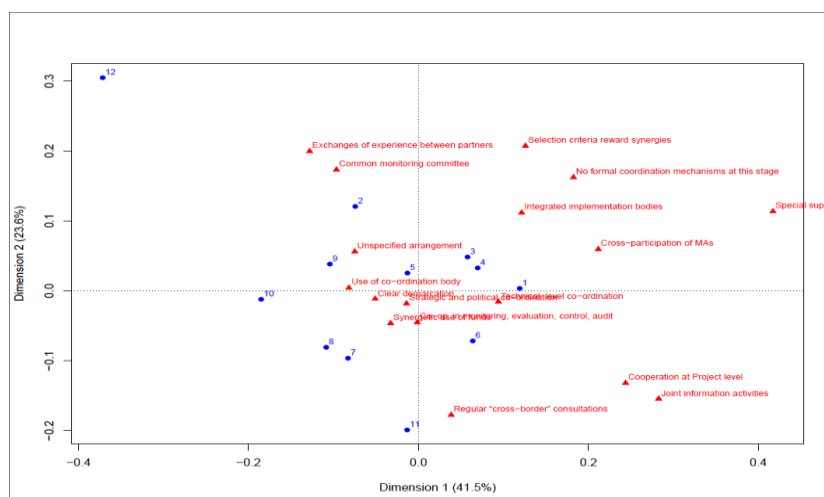
For Contingency Analysis we have used **Pearson's χ^2 (chi-squared) test**. The example below tests whether or not the choice of fund co-ordination arrangements (code ARR) depended on the thematic objectives (code TO) addressed. Our conclusion in this case was ultimately negative.

Figure 133 – Example: χ^2 Test of correlations between codes

Thematic objective	Clear demarcation	Co-op. in monitoring, evaluation, control, audit	Comm on monitoring committee	Cooperation at Project level	Cross-participation of MAs	Exchanges of experience between partners	Integrated implementation bodies	Joint information activities	No formal coordination mechanisms at this stage	Regular "cross-border" consultations	Selection criteria reward synergies	Spec. support to help obtain additional funds	Strategic and political co-ordination	Synergistic use of funds	Technical-level co-ordination
1	-0,42	-0,15	-0,54	0,50	2,20	-0,99	1,07	2,34	0,01	0,02	0,93	1,98	-0,27	0,00	0,57
2	-0,19	0,00	4,07	-0,60	-0,34	0,21	0,69	-2,04	-0,03	-1,60	0,47	-0,73	0,01	-0,99	0,00
3	-0,07	0,01	0,01	-0,17	1,63	0,01	0,44	0,02	0,06	-0,34	0,52	0,63	-0,10	-0,39	0,27
4	-0,03	-0,02	-0,07	-0,19	1,45	0,01	1,31	0,47	-0,29	-0,16	0,47	1,45	-0,26	-0,05	0,03
5	-0,12	-0,55	0,47	2,17	-0,03	0,56	-0,08	-0,74	4,95	0,25	-0,21	0,02	0,11	-0,19	-0,06
6	0,00	0,10	-0,71	1,71	0,37	0,00	-0,56	1,45	0,04	1,19	-0,29	-0,02	0,25	-0,24	1,33
7	-0,03	-0,02	-0,78	0,10	-1,27	0,63	-0,75	0,22	-0,86	0,43	-2,54	-0,15	0,00	0,44	-0,47
8	0,70	-0,24	-0,92	-0,71	-2,18	-0,42	-1,12	-0,32	0,07	0,44	-0,32	-0,06	0,02	1,90	-0,49
9	0,20	0,13	0,52	-0,31	-0,48	0,38	-0,07	-2,21	0,00	-0,63	0,00	-0,39	0,20	0,16	-1,57
10	1,35	-0,05	1,10	-1,03	-5,04	-0,49	-1,16	-0,79	-0,91	-0,03	-0,01	-2,80	0,00	0,41	-0,44
11	0,00	3,96	-1,89	-0,02	-0,05	-0,21	-0,16	0,04	-0,39	0,45	-1,06	-1,21	0,10	0,38	0,05
12	0,93	0,04	2,71	-0,08	0,22	-0,02	-0,51	-0,19	-0,03	-0,33	-0,19	-0,09	-0,48	-0,02	-1,09

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Figure 134 – Example: graphical presentation of the χ^2 test



As to Cluster Analysis, the list of criteria is shown in Figure 135 below. When performing the analysis, Partnership Agreements or programmes were, every time, clustered into two groups according to whether or not the given criterion applied to them, or not. Subsequently, we have used computer analysis to determine, whether results under a given code (analytical question) could be differentiated depending on this criterion.

Figure 135 - Criteria used in statistical analysis

No.	Factor	Explanation
1	ETC	Co-operation programmes vs. operational programmes
2	CohesionCountry	"Cohesion countries" eligible for the CF – BG, CZ, EE, EI, HR, CY, LV, LT, HU, MT, PL, PT, RO, SI, SK – vs. those which are not.
3	EU-15	Member states that joined the EEC / EC / EU before 2004 (AT, BE, DE, DK, EL, ES, FI, FR, IE, IT, LU, NL, PT, SE, UK) vs. all others All Member States that joined in 2004, 2007 and 2013: BG, CZ, EE, HR, CY, LV, LT, HU, MT, PL, RO, SI, SK
4	EU-13	Member States that joined in 2004 and after: BG, CZ, EE, HR, CY, LV, LT, HU, MT, PL, RO, SI, SK
5	TA	Operational programmes having technical assistance priorities only
6	ESF	Operational programmes co-funded by the European Social Fund
7	CF	Operational programmes funded by the Cohesion Fund as well
8	Multiobjective	Operational programmes comprised of priority axes that combine one or more complementary investment priorities from the ESI Funds under one or more thematic objectives as well
9	Multiregion	Operational programmes comprised of priority axes related to more than one category of region as well
10	Outermost	Operational programmes covering outermost and Northern sparsely populated areas as well
11	National / regional OP	Operational programmes covering all of a member state / or just certain regions

For example, in the case of arrangements for co-ordinating, the analysis has found that the combination of instruments was indeed slightly different for individual ESI funds: ERDF programmes were more likely to invite representatives of managing authorities from other programmes for joint decision making; Cohesion Fund programmes were more likely to perform cross-border consultations, while for the ESF a coordinated programming approach ("the synergetic use of funds") seems especially important.

4.2 ANNEX TO NP1 – STRATEGIC PROGRAMMING -

Overview Tables on the use of Thematic Objectives

The following four tables show:

- in Figure 136 – how often each TO has been selected under Partnership Agreements with specific reference to Europe 2020 and Country-Specific Recommendation – expressed as percentages of the same TO being selected by Partnership Agreements altogether. The calculation was performed for each TO (columns) and for each fund (rows). The bottom row is not an addition of the numbers above, but the result of the same calculation – number of TO choices with explicit references vs. the total number of choices – for all funds together.
- In Figure 137 – the budget of the Partnership Agreements having selected a given TO with explicit references to Europe 2020 and Country-Specific Recommendation, versus the total budget of all Partnership Agreements, again expressed as percentages.
- Figure 138 – The same calculation as Figure 136 at programme level
- Figure 139 – The same calculation as Figure 137 at programme level

Figure 136 –Selection of Thematic Objectives in Partnership Agreements
Number of selections with explicit references to Europe 2020 & Country-Specific Recommendation – versus total number of TO selections

frequency	01	02	03	04	05	06	07	08	09	10	11	Total
CF				40,0%	18,2%	26,7%	20,0%					21,7%
EAFRD	69,6%	7,7%	24,0%	56,5%	41,7%	36,0%	100,0%	68,2%	56,0%	73,9%		44,5%
EMFF			20,0%	50,0%		33,3%		60,0%				30,3%
ERDF	66,7%	5,0%	24,0%	59,3%	46,7%	31,8%	26,3%	76,9%	50,0%	77,8%	66,7%	41,5%
ESF								69,2%	53,8%	72,0%	50,0%	49,6%
Under any fund	68,0%	6,1%	22,7%	53,9%	38,0%	32,6%	25,7%	67,9%	53,3%	74,2%	54,5%	40,5%

Figure 137 –Selection of Thematic Objectives in Partnership Agreements
Budgets of Partnership Agreements with explicit references to Europe 2020 & Country-Specific Recommendation – versus the total budgets of Partnership Agreements

budget	01	02	03	04	05	06	07	08	09	10	11	Total
CF				21,6%	14,0%	36,1%	9,7%					18,4%
EAFRD	85,8%	3,5%	19,9%	76,2%	54,8%	43,9%	100,0%	79,8%	65,1%	89,8%		45,7%
EMFF			29,6%	62,7%		34,5%		56,6%				33,3%
ERDF	59,4%	1,8%	30,3%	55,4%	43,1%	27,6%	14,4%	28,1%	31,8%	90,3%	70,3%	36,7%
ESF								67,8%	56,4%	73,2%	56,8%	63,8%
Under any fund	60,8%	1,9%	26,4%	52,7%	46,1%	36,2%	12,3%	59,7%	49,7%	78,8%	60,9%	39,9%

Figure 138 – Selection of Thematic objectives in Programmes
Number of selections with explicit references to Europe 2020 & Country-Specific Recommendation – versus the total number of TO selections

frequency	01	02	03	04	05	06	07	08	09	10	11	Others	Any TO
CF				72,7%	0,0%	40,0%	33,3%						28,4%
ERDF	83,6%	31,8%	44,6%	80,2%	10,8%	25,1%	39,5%	53,3%	64,8%	58,7%	21,4%	20,0%	42,9%
- of which ETC	71,4%	100,0%	50,0%	58,8%	22,7%	27,9%	32,1%	57,9%	50,0%	50,0%	13,5%		32,3%
ESF								65,2%	72,3%	74,0%	24,1%		49,1%
Under any fund	83,6%	31,8%	44,6%	79,8%	9,6%	26,1%	38,8%	52,3%	67,4%	65,7%	22,5%	20,0%	42,9%

Figure 139 – Selection of Thematic objectives in Programmes
Budgets of programmes with explicit references to Europe 2020 & Country-Specific Recommendation – versus the total budgets of the programmes

budget	01	02	03	04	05	06	07	08	09	10	11	Others	Any TO
CF				90,0%	0,0%	43,1%	60,4%						54,0%
ERDF	86,2%	44,8%	41,8%	75,7%	8,7%	23,6%	57,6%	68,2%	76,3%	57,3%	34,0%	7,7%	57,7%
- of which ETC	62,2%	100,0%	53,7%	56,0%	27,0%	26,7%	29,6%	65,6%	39,7%	52,3%	16,2%		35,0%
ESF								69,5%	70,6%	78,1%	26,2%		66,5%
Total	86,2%	44,8%	41,8%	78,5%	4,7%	32,9%	59,2%	66,0%	74,1%	70,3%	29,5%	7,7%	57,7%

4.3 ANNEX TO NP2 – THEMATIC CONCENTRATION

Main results sought

According to Article 15.1(a)(iii), Partnership Agreements should contain for each of the selected thematic objective a summary of the main results expected for each of the ESI Funds. The analysis of PA provides the following results:

Figure 140 – Main results¹⁰¹ expected by TO in Partnership Agreements

Thematic objective	Main results	Used in PAs
01	Increased RDT-based innovation	21
02	Increase in ICT products and services sales on internet	12
03	More high growth SMEs	16
03	More technology-based, innovative SMEs	11
04	Reduction in GHG emissions	15
04	Higher energy efficiency	15
04	Renewable energy production	14
05	Adaptation to climate change	15
05	Better risk prevention	8
06	Preserving natural and cultural heritage	11
06	Improving waste collection	10
06	Sustainable land use	8
07	Better, quicker and safer accessibility	10
08	Better employability	15
08	Managing aging and youth unemployment	12
09	Reduction in poverty	14
09	Improved access to social services	8
10	Inclusive education system	10
10	Life-long learning widens	9
11	Increased performance of public services	8

Each element on the list of “main results” – code MAINRES, used as the basis for the frequency analysis – unambiguously matches the list of thematic objectives (i.e. each main result corresponds to a single TO). This means that, in theory at least, each main

¹⁰¹ only main results common for ten or more Member States have been included in the table

result should always be mentioned in relation to one and the same TO. This is, however, not case, as shown in Figure 141.

Figure 141 - Main results and thematic objectives

Primary TO	MAINRES	01	02	03	04	05	06	07	08	09	10	11
01	Increased RDI investment	2										
01	Increased RDT-based innovation	21				1						
01	More innovative firms	3										
01	Strengthening the European Research Area	5					1					
02	Better access to internet		1									1
02	ICT in public services		3									
02	Increase in ICT products and services sales	1	12	1								
03	More high growth SMEs			16	1		1					
03	More technology-based, innovative SMEs	4		11		1		1				
03	Productivity increase	2		2								
04	Higher energy efficiency	3			15	1						
04	Reduction in GHG emissions				15	5		1				
04	Renewable energy production	1			14	1						
05	Adaptation to climate change					15						
05	Better risk prevention					8	1					1
06	Environmental monitoring						1					
06	Improving waste collection						10					
06	Preserving natural and cultural heritage						11					
06	Waste reduction						1					
07	Better, quicker and safer accessibility				1			10				
07	Decrease in congestion and pollution				2	1	2	6				
07	Efficient energy network							1				
08	Better employability								15		1	
08	Bigger participation								2			
08	Flexicurity								1			1
08	Improved PES								1	1		
08	Managing aging and youth unemployment								12			
08	More and better jobs								2			1
08	Social dialogue									1		
09	Improved access to social services								2	8		
09	Reduction in poverty								1	14		
10	Educational capacities										2	
10	Formation of researchers										2	
10	Inclusive education system								1	1	10	
10	Life-long learning widens							1	3		9	
11	Administration capacity and efficiency									1		2
11	Civil society participation											2
11	Increased performance of public services											8
11	Reduction of the administrative burden											7
11	Transparency and corruption-free governance											6
	Improved cooperation between urban/rural areas									1		2
	Macroeconomic and competitiveness goals	1		2					1			
	Reducing territorial disparities	1										
	Sustainable land use					2	8					1
	Education and training linked to the needs of the labour market										1	

The **possible reasons** for referring to a main result under a different thematic objective may be due to that:

- the result in question is a "**borderline case**", i.e. one that may be reasonably be identified under several thematic objectives, due to an imprecise demarcation between two TOs.; (see cells highlighted in yellow)
- or that reference to a main result under a different TO reflects either very specific circumstances or an actual **inconsistency** of the programming logic. (see cells highlighted in red).

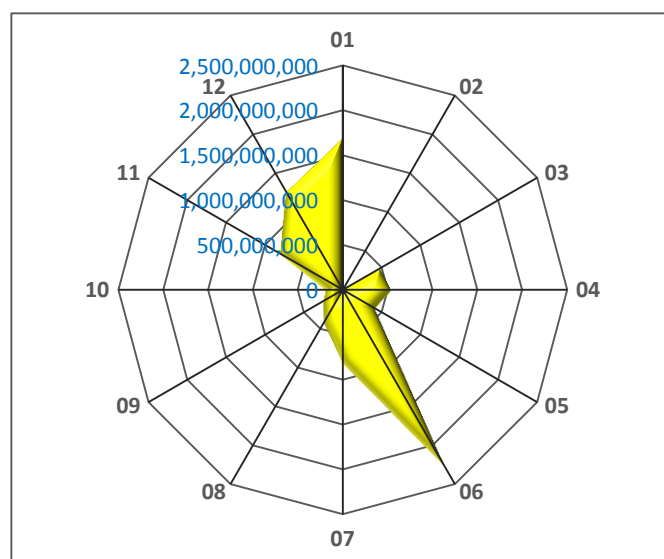
The existence of borderline cases and inconsistencies shows that in the negotiation process, there was some **flexibility** when defining main results expected by TO. Nevertheless, as demonstrated in the Figure, in the majority of the cases, main results were generally associated with one thematic objective (cf. green cells).

Considering the frequency of "borderline cases per TO" – i.e. the frequency numbers in red and yellow cells pertaining to the rows or columns associated with a TO – one can conclude that

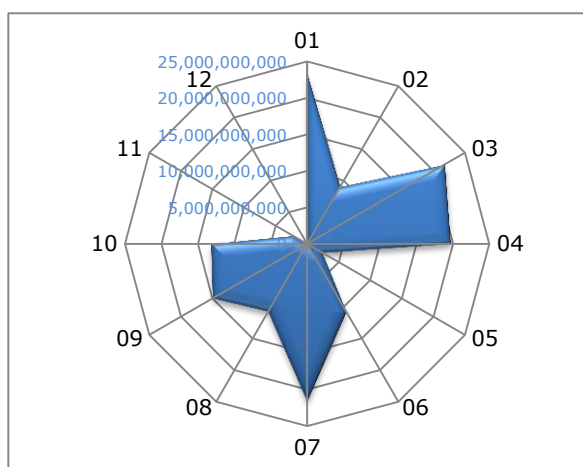
- the definitions of **thematic objectives 01** related to RDI; **05** related to climate change adaptation and risk prevention; **and 06** related to environment protection **may have been insufficiently clear**.
- There is also some **overlap between ESF-related thematic objectives**, as inclusive education and lifelong learning may be associated with combating poverty and improving education as well.
- a number of **cross-cutting territorial challenges** – (the bottom four rows of the table) that had been identified in PAs with no clear correspondence to any thematic objective, therefore illustrating the fact that the reformed policy does not only address sectoral needs but also macroeconomic and territorial needs.

**Financial allocations in programmes excluding technical assistance
priority axes**

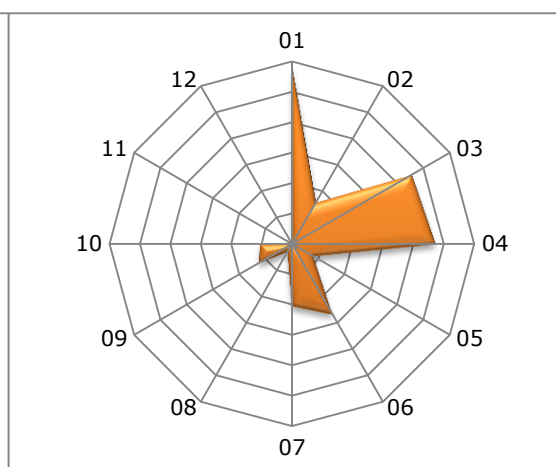
**Figure 142 - Graph - financial allocations of European Territorial Co-operation
by thematic objectives¹⁰²**



**Figure 143 - Allocations to less developed
regions**



**Figure 144 - Allocations to
Transition Regions**



¹⁰² Specific thematic concentration requirements apply to cross-border and transnational programmes (according to Art. 6 ETC Reg).

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Figure 145 - Allocations to more developed regions

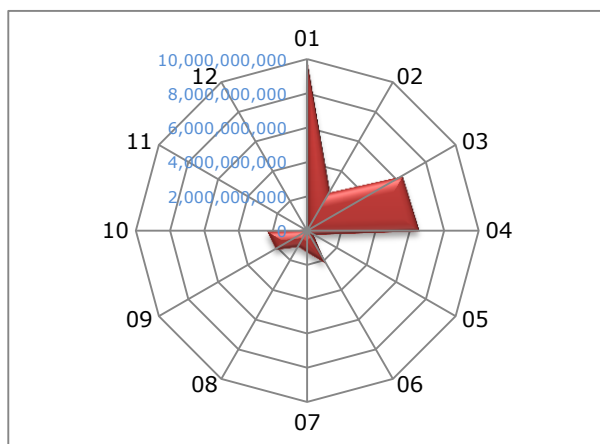
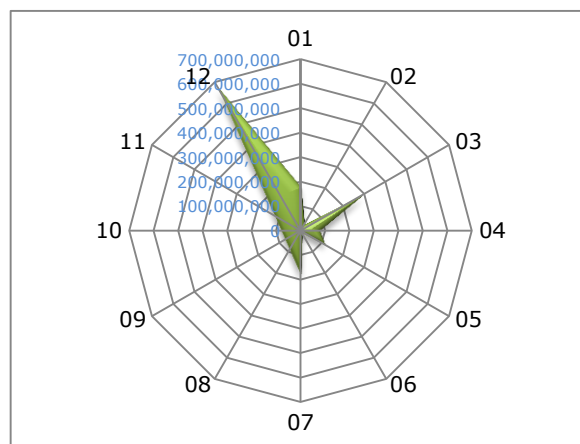


Figure 146 - Allocations to outermost and Northernmost regions



Investment priorities in the adopted Operational and Co-operation Programmes, by Fund

The table below shows the use of investment priorities – as measured by the references to them in the programmes. IPs are grouped by thematic objectives. References are shown separately for ETC vs. IGJ, as well as per fund.¹⁰³

TO_key	IP_key	Narrative	ETC	IGJ	CF	ERDF	ESF	Grand Total
01	1a	Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest	17	129		146		146
	1b	Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social	42	166		208		208
02	2a	Extending broadband deployment and the roll out of high speed networks and supporting the adoption of emerging technologies and networks for the digital economy	0	77		77		77
	2b	Developing ICT products and services, e-commerce, and enhancing demand for ICT	0	49		49		49
	2c	Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health	1	119		120		120
03	3a	Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators	12	129		141		141
	3b	Developing and implementing new business models for SMEs, in particular with regard to internationalisation	6	61		67		67

¹⁰³ Since Cohesion Fund investment priorities are aligned with European Regional Development Fund investment priorities, for the sake of clarity, the table shows the CF investment priorities under the relevant ERDF investment priority references.

TO_key	IP_key	Narrative	ETC	IGJ	CF	ERDF	ESF	Grand Total
	3c	Supporting the creation and the extension of advanced capacities for products and service development	1	71		72		72
	3d	Supporting the capacity of SMEs to grown in regional, national and international markets, and to engage in innovation processes	16	119		135		135
04	4a	Promoting the production and distribution of energy derived from renewable sources	3	75	6	72		78
	4b	Promoting energy efficiency and renewable energy use in enterprises	1	99	2	98		100
	4c	Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector	10	156	9	157		166
	4d	Developing and implementing smart distribution systems that operate at low and medium voltage levels	0	21	4	17		21
	4e	Promoting low-carbon strategies for all types of territories, in particular for urban areas, including the promotion of sustainable multimodal urban mobility and mitigation-relevant adaptation measures	8	122	6	124		130
	4f	Promoting research and innovation in, and adoption of, low-carbon technologies	4	21	0	25		25
	4g	Promoting the use of high-efficiency co-generation of heat and power based on useful heat demand	0	16	1	15		16
05	5a	Supporting investment for adaptation to climate change, including ecosystem-based approaches	6	33	8	31		39
	5b	Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems	19	67	8	78		86
06	6a	Investing in the waste sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements	0	55	12	43		55
	6b	Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements	6	70	15	61		76
	6c	Conserving, protecting, promoting and developing natural and cultural heritage	53	104	0	157		157
	6d	Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure	32	91	8	115		123
	6e	Taking action to improve the urban environment, to revitalise cities, regenerate and decontaminate brownfield sites (including conversion areas), reduce air pollution and promote noise-reduction measures	5	80	9	76		85
	6f	Promoting innovative technologies to improve environmental protection and resource efficiency in the waste sector, water sector and with regard to soil, or to reduce air pollution	13	4	0	17		17
	6g	Supporting industrial transition towards a resource-efficient economy, promoting green growth, eco-innovation and environmental performance management in the public and private sectors	10	6	0	16		16
07	7a	Supporting a multimodal Single European Transport Area by investing in the TEN-T	1	36	15	22		37
	7b	Enhancing regional mobility by connecting secondary and tertiary nodes to TEN-T infrastructure, including multimodal nodes	14	61	0	75		75

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TO_key	IP_key	Narrative	ETC	IGJ	CF	ERDF	ESF	Grand Total
	7c	Developing and improving environmentally-friendly (including low-noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and I	25	43	10	58		68
	7d	Developing and rehabilitating comprehensive, high quality and interoperable railway systems, and promoting noise-reduction measures	1	30	7	24		31
	7e	Improving energy efficiency and security of supply through the development of smart energy distribution, storage and transmission systems and through the integration of distributed generation from renewable sources	1	11	0	12		12
08	8a	Supporting the development of business incubators and investment support for self-employment, micro- enterprises and business creation	3	6		9		9
	8b	Supporting employment-friendly growth through the development of endogenous potential as part of a territorial strategy for specific areas, including the conversion of declining industrial regions and enhancement of accessibility to, and development of, s	3	21		24		24
	8c	Supporting local development initiatives and aid for structures providing neighbourhood services to create jobs, where such actions are outside the scope of Regulation (EU) No 1304/2013 of the European Parliament and of the Council (1)	1	2		3		3
	8d	Investing in infrastructure for employment services	0	2		2		2
	8e	Promoting sustainable and quality employment and supporting labour mobility by integrating cross-border labour markets, including cross-border mobility, joint local employment initiatives, information and advisory services and joint training	17	0		17		17
	8i	Access to employment for job-seekers and inactive people, including the long-term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility	0	42		0	42	42
	8ii	Sustainable integration into the labour market of young people, in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implemen	0	29		0	12	29
	8iii	Self-employment, entrepreneurship and business creation including innovative micro, small and medium sized enterprises	0	44		0	44	44
	8iv	Equality between men and women in all areas, including in access to employment, career progression, reconciliation of work and private life and promotion of equal pay for equal work	0	26		0	26	26
	8v	Adaptation of workers, enterprises and entrepreneurs to change	0	47		0	47	47
	8vi	Active and healthy ageing	0	18		0	18	18
	8vii	Modernisation of labour market institutions, such as public and private employment services, and improving the matching of labour market needs, including through actions that enhance transnational labour mobility as well as through mobility schemes and be	0	9		0	9	9
09	9a	Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services	9	72		81	0	81

TO_key	IP_key	Narrative	ETC	IGJ	CF	ERDF	ESF	Grand Total
	9b	Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas	0	78		78	0	78
	9c	Providing support for social enterprises	1	8		9	0	9
	9d	Undertaking investment in the context of community- led local development strategies	1	21		22	0	22
	9e	Promoting social inclusion, combating poverty and any discrimination by promoting gender equality, equal opportunities, and the integration of communities across borders	2	0		2	0	2
	9i	Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability	0	53		0	53	53
	9ii	Socio-economic integration of marginalised communities such as the Roma	0	22		0	22	22
	9iii	Combating all forms of discrimination and promoting equal opportunities	0	17		0	17	17
	9iv	Enhancing access to affordable, sustainable and high- quality services, including health care and social services of general interest	0	46		0	46	46
	9v	Promoting social entrepreneurship and vocational integration in social enterprises and the social and solidarity economy in order to facilitate access to employment	0	40		0	40	40
	9vi	Community-led local development strategies	0	19		0	19	19
10	10a	Developing education and training infrastructure	3	70		73	0	73
	10b	Investing in education, training and vocational training for skills and lifelong learning by developing and implementing joint education, vocational training and training schemes	13	0		13	0	13
	10i	Reducing and preventing early school-leaving and promoting equal access to good quality early-childhood, primary and secondary education including formal, non-formal and informal learning pathways for reinte grating into education and training	0	39		0	39	39
	10ii	Improving the quality and efficiency of, and access to, tertiary and equivalent education with a view to increasing participation and attainment levels, especially for disadvantaged groups	0	19		0	19	19
	10iii	Enhancing equal access to lifelong learning for all age groups in formal, non-formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and va	0	60		0	60	60
	10iv	Improving the labour market relevance of education and training systems, facilitating the transition from education to work, and strengthening vocational education and training systems and their quality, including through mechanisms for skills anticipatio	0	41		0	41	41
11	11a	Enhancing institutional capacity of public authorities and stakeholders and efficient public administration through actions to strengthen the institutional capacity and the efficiency of public administrations and public services related to the implementa	7	5		12	0	12
	11b	Enhancing institutional capacity of public authorities and stakeholders and efficient public administration by promoting legal and administrative cooperation and cooperation between citizens and institutions	26	0		26	0	26
	11c	Enhancing institutional capacity of public authorities and stakeholders and efficient public administration by developing and coordinating macro-regional and sea-basin strategies	3	0		3	0	3

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TO_key	IP_key	Narrative	ETC	IGJ	CF	ERDF	ESF	Grand Total
	11e	Promoting the exchange of experience in order to reinforce the effectiveness of territorial cooperation programmes and actions as well as the use of EGTCs pursuant to point (3)(c) of Article 2 (concerning the identification, transfer and dissemination of	1	0		1	0	1
	11f	Strengthening the evidence base in order to reinforce the effectiveness of cohesion policy and the achievement of the thematic objectives through the analysis of development trends	1	0		1	0	1
	11i	Investment in institutional capacity and in the efficiency of public administrations and public services at the national, regional and local levels with a view to reforms, better regulation and good governance	0	25		0	25	25
	11ii	Capacity building for all stakeholders delivering education, lifelong learning, training and employment and social policies, including through sectoral and territorial pacts to mobilise for reform at the national, regional and local levels	0	6		0	6	6
12	12a	Freight transport services and start-up aid for transport services in the outermost regions		3		3		3
	12b	Operations linked to storage constraints, the excessive size and maintenance of production tools, and the lack of human capital in the local market in the outermost regions		1		1		1
	12c	Operating aid and expenditure covering public service obligations and contracts in the outermost regions		5		5		5
Total			0	22	2	3	17	22

References to Europe 2020 and CSRs in ESF co-financed programmes

As the table shows, overall, 65% of the ESF allocations to jointly financed programmes (i.e. multi-fund programmes financed by the ERDF and the CF) were made with an explicit reference to headline targets and Country-Specific Recommendations.¹⁰⁴

Intervention code/investment priority		% of ESF allocations to IP with explicit Europe 2020/Country-Specific Recommendation reference	Share of IP from total ESF funding
8i	Access to employment for job-seekers and inactive people, including the long-term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility	72,7%	15,8%
8ii	Sustainable integration into the labour market of young people, in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities	24,6%	2,8%

¹⁰⁴ Note: the ESF allocations referred to in the table do not add up to 100% of the ESF allocation, merely to the allocations made to ERDF-led jointly financed programmes.

Intervention code/investment priority		% of ESF allocations to IP with explicit Europe 2020/Country-Specific Recommendation reference	Share of IP from total ESF funding
8iii	Self-employment, entrepreneurship and business creation including innovative micro, small and medium sized enterprises	78,9%	3,3%
8iv	Equality between men and women in all areas, including in access to employment, career progression, reconciliation of work and private life and promotion of equal pay for equal work	91,0%	2,0%
8v	Adaptation of workers, enterprises and entrepreneurs to change	45,2%	6,8%
8vi	Active and healthy ageing	97,5%	1,1%
8vii	Modernisation of labour market institutions, such as public and private employment services, and improving the matching of labour market needs, including through actions that enhance transnational labour mobility as well as through mobility schemes	38,6%	0,5%
9i	Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability	70,4%	10,7%
9ii	Socio-economic integration of marginalised communities such as the Roma	48,4%	3,3%
9iii	Combating all forms of discrimination and promoting equal opportunities	73,8%	0,6%
9iv	Enhancing access to affordable, sustainable and high- quality services, including health care and social services of general interest	73,7%	6,8%
9v	Promoting social entrepreneurship and vocational integration in social enterprises and the social and solidarity economy in order to facilitate access to employment	69,0%	1,9%
9vi	Community-led local development strategies	27,1%	0,9%
10i	Reducing and preventing early school-leaving and promoting equal access to good quality early-childhood, primary and secondary education including formal, non-formal and informal learning pathways for reintegrating into education and training	80,8%	14,0%
10ii	Improving the quality and efficiency of, and access to, tertiary and equivalent education with a view to increasing participation and attainment levels, especially for disadvantaged groups	62,5%	6,4%
10iii	Enhancing equal access to lifelong learning for all age groups in formal, non-formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways	59,5%	9,8%

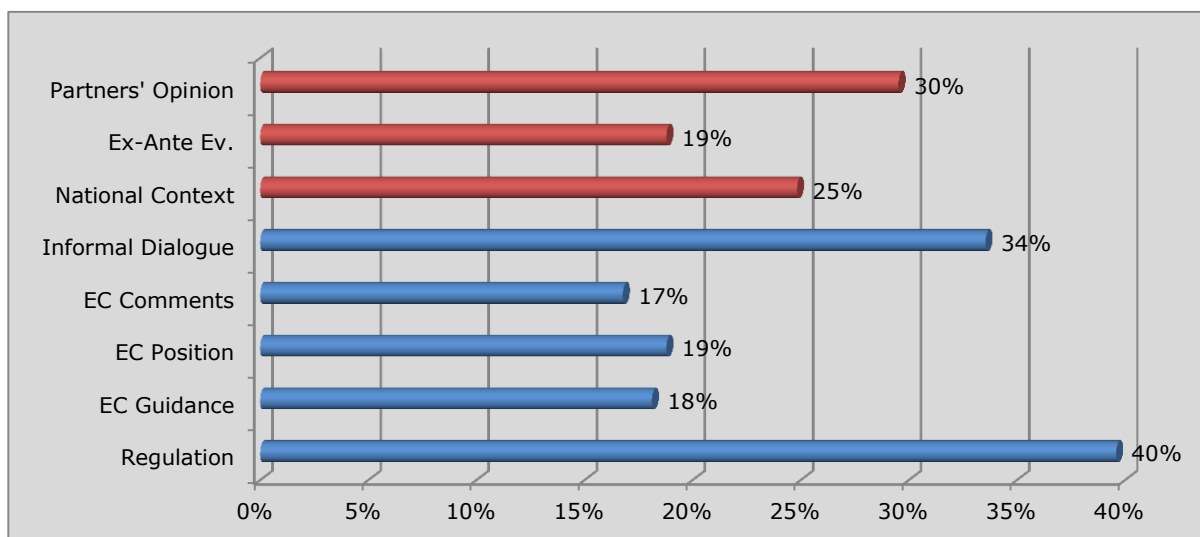
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Intervention code/investment priority		% of ESF allocations to IP with explicit Europe 2020/Country-Specific Recommendation reference	Share of IP from total ESF funding
10iv	Improving the labour market relevance of education and training systems, facilitating the transition from education to work, and strengthening vocational education and training systems and their quality	78,1%	6,5%
11i	Investment in institutional capacity and in the efficiency of public administrations and public services at the national, regional and local levels with a view to reforms, better regulation and good governance	26,8%	6,5%
11ii	Capacity building for all stakeholders delivering education, lifelong learning, training and employment and social policies, including through sectoral and territorial pacts to mobilise for reform at the national, regional and local levels	15,8%	0,2%
WEIGHTED AVERAGE / GRAND TOTAL		65,1%	100,0%

Negotiation process

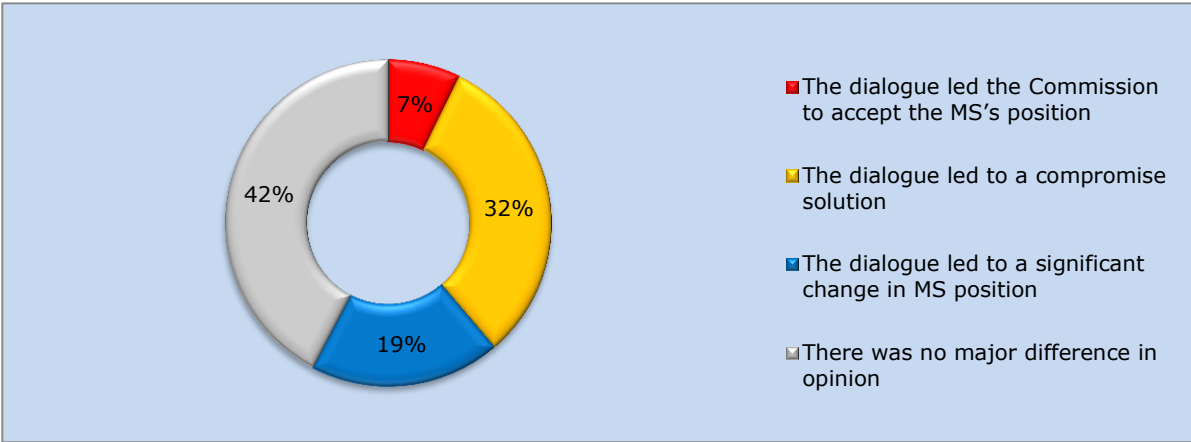
As shown on the figure below, the factors influencing negotiations regarding the selection of thematic objectives were, above all, the regulation and the informal dialogue. Partners' opinion was also taken into account.

Figure 147 - Factors influencing negotiations – Selection of thematic objectives



As regards the impact of contacts with the Commission, the survey indicated that on this provision, there were relatively many debates, and in those debates, the Commission had a quite strong position.

Figure 148 – Impact of exchanges with EC on the selection of thematic objectives



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4.4 ANNEX TO NP4 – RESULT ORIENTATION

Most Frequently Targeted Results in Programmes

Those results used the most frequently (accounting for 50% of the references) are as follows:

TO	Investment priority		Expected results		References	Programmes
01	1a	Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest	More laboratories and science centres	Demonstrable increase in labs etc that are accessible to SMEs	72	70
01	1a	Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest	SME spin-outs into transnational projects	SME spin-outs into transnational projects	57	54
01	1a	Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest	R&D employment in region and institutes	Number of people employed in research and development areas in the public and private sectors and research	38	32
01	1b	Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies	Increased knowledge sector cooperation	Addressing bottlenecks to innovation and increasing investment in business R&D through close collaboration between public and private actors.	168	119
01	1b	Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies	More product development by SMEs	More product development by SMEs	124	102

TO	Investment priority		Expected results		References	Programmes
01	1b	Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies	More university-company R&D contracting	Temporary collaboration between researchers and knowledge-intensive industries	94	76
01	1b	Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies	More SME-university product creation	Including spin-outs from universities and corporate/large firms.	69	57
01	1b	Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies	(Wider and deeper) clusters	New clusters, more members to existing clusters, more activity of clusters offering permanent forms of collaboration between researchers and knowledge-intensive industries. May also be applied to large enterprise separately, if made explicit in Actions.	65	53
02	2a	Extending broadband deployment and the roll out of high speed networks and supporting the adoption of emerging technologies and networks for the digital economy	More SME broadband use in online trading	SMEs involved in web trading	43	41
02	2a	Extending broadband deployment and the roll out of high speed networks and supporting the adoption of emerging technologies and networks for the digital economy	Higher online take-up in poorer areas	Additional households with broadband access of at least 30 Mbps	41	39
02	2b	Developing ICT products and services, e-commerce, and enhancing demand for ICT	Increase in ICT products and services	Increase in ICT products and services	38	34
02	2c	Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health	Lower burden on SMEs of data submission	Better data submission and use processes	114	92

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TO	Investment priority		Expected results		References	Programmes
03	3a	Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators	More technology, innovative SMEs	More technology, innovative SMEs	93	82
03	3a	Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators	More growing technology, innovative SMEs	More growing technology, innovative SMEs	66	62
03	3b	Developing and implementing new business models for SMEs, in particular with regard to internationalisation	More exports by SMEs	More exports by SMEs	50	39
03	3b	Developing and implementing new business models for SMEs, in particular with regard to internationalisation	More SME-international linkages	More SME-international firm linkages	34	25
03	3c	Supporting the creation and the extension of advanced capacities for products and service development	More SME competitiveness in new markets	More SME competitiveness in new markets	69	57
03	3d	Supporting the capacity of SMEs to grown in regional, national and international markets, and to engage in innovation processes	More high growth SMEs	Creating higher incomes, employment	73	67
03	3d	Supporting the capacity of SMEs to grown in regional, national and international markets, and to engage in innovation processes	Volume of SME exports	Volume of SME exports	56	53
03	3d	Supporting the capacity of SMEs to grown in regional, national and international markets, and to engage in innovation processes	More innovative SME products & services	Increase innovative products and services provided by SMEs	44	40
04	4a	Promoting the production and distribution of energy derived from renewable sources	Renewable energy	Renewable energy - either in qualitative or quantitative terms	56	54
04	4b	Promoting energy efficiency and renewable energy use in enterprises	Energy efficiency SMEs	Energy efficiency in SMEs - either in quantitative or qualitative form.	57	55
04	4c	Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector	Energy efficiency - public	Energy efficiency from public buildings/infrastructure - either in qualitative or quantitative measure	125	112
04	4c	Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector	Energy efficiency - residential	Energy efficiency from residential buildings - either in qualitative or quantitative measure	68	61
04	4c	Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector	GHG emissions	GHG emissions from public buildings/infrastructure and residential buildings	68	55
04	4c	Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector	Renewable energy use - public	Renewable energy use in public buildings/infrastructure	44	41

TO	Investment priority		Expected results		References	Programmes
04	4e	Promoting low-carbon strategies for all types of territories, in particular for urban areas, including the promotion of sustainable multimodal urban mobility and mitigation-relevant adaptation measures	Sustainable urban public transport	Sustainable urban public transport, represented either in quantitative or qualitative terms (e.g. increased number of passengers in sustainable public transport, increased sustainable urban transport engineering capacity, exchange of information, etc.)	79	73
04	4e	Promoting low-carbon strategies for all types of territories, in particular for urban areas, including the promotion of sustainable multimodal urban mobility and mitigation-relevant adaptation measures	GHG emissions	GHG emissions from urban public transport and implemented low carbon measures in urban areas	63	51
04	4e	Promoting low-carbon strategies for all types of territories, in particular for urban areas, including the promotion of sustainable multimodal urban mobility and mitigation-relevant adaptation measures	Implemented low-carbon measures	Implemented low-carbon measures and investments in all types of territories, in particular in urban areas, represented either in quantitative or qualitative terms	50	44
05	5b	Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems	Preventive measures and risk reduction	Preventive measures undertaken and reduced risk (in quantitative or qualitative terms), e.g. constructed infrastructure, capacity of the infrastructure, risk-exposed population/area, number of rescue service units in the system, joint risk management; joint emergency response systems, transboundary cooperation, etc.	63	56
06	6b	Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements	Wastewater services	Level of wastewater (sewerage and wastewater treatment) services - either in qualitative or quantitative terms.	43	41
06	6b	Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements	Water supply service	Level of water supply services. - either in qualitative or quantitative terms.	34	30

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TO	Investment priority		Expected results		References	Programmes
06	6c	Conserving, protecting, promoting and developing natural and cultural heritage	Opportunities for growth	Opportunities for growth and cohesion due to preserved natural and cultural heritage: either in qualitative or quantitative terms, e.g. increase in employment or earnings, social cohesion, improved attractiveness of the region, increase in tourism investments and products, number of visitors/participants, better management, etc.	125	106
06	6c	Conserving, protecting, promoting and developing natural and cultural heritage	Cultural heritage	Status of the cultural heritage - either in qualitative or quantitative terms, e.g. number of permits to intervene on cultural heritage, number of managed cultural heritage	103	84
06	6c	Conserving, protecting, promoting and developing natural and cultural heritage	Natural heritage	Status of the natural heritage - either in qualitative or quantitative terms, e.g. new green infrastructure, development of tools to preserve the natural heritage, improvement of environmental management capacities, etc.	93	76
06	6d	Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure	Biodiversity status	Conserved biodiversity, and/or restored ecosystems - either in qualitative or quantitative terms	85	75
06	6d	Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure	Natura 2000 status	Developed Natura 2000 network - either in qualitative or quantitative terms	44	39
06	6d	Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure	Green infrastructure level	Level of green infrastructure - either in qualitative or quantitative terms	38	35

TO	Investment priority		Expected results		References	Programmes
06	6e	Taking action to improve the urban environment, to revitalise cities, regenerate and decontaminate brownfield sites (including conversion areas), reduce air pollution and promote noise-reduction measures	Sustainable urban development	Sustainable and integrated urban development, including measures and investments for improvement of the social, economic, environmental and physical conditions in urban areas	42	35
08	8i	Access to employment for job-seekers and inactive people, including the long-term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility	Employment (STR)	participants in employment, including self-employment, upon leaving	33	27
08	8iii	Self-employment, entrepreneurship and business creation including innovative micro, small and medium sized enterprises	New enterprises/jobs	Number of new enterprises/ new jobs established / survived / moved from informal to formal sector	39	35
08	8v	Adaptation of workers, enterprises and entrepreneurs to change	Qualification	participants gaining a qualification upon leaving	34	25
09	9a	Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services	Access to care / social services	Number of people using care services	72	58
09	9a	Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services	Improved access to health services	Number of people representing marginalised groups with improved access to health services	54	48
09	9b	Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas	Disadvantage groups	Number of people from disadvantage groups whose situation is better, improved situation in terms of social integration, housing, education etc	52	36
09	9b	Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas	Improving economic and social situation	Improving economic, social and demographic situation, quality of life and activity, , infrastructure in disadvantaged areas, attractiveness	37	28
09	9b	Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas	Reduced concentration of poverty	Reduced number of people living in the poverty (measured by number of receiver of social benefits) in the integrated areas	36	32

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TO	Investment priority		Expected results		References	Programmes
09	9i	Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability	Employment (STR)	participants in employment, including self-employment, upon leaving	35	30
09	9iv	Enhancing access to affordable, sustainable and high- quality services, including health care and social services of general interest	Improvement of access to social services	Number of people benefiting with better social/ care services	44	30
10	10a	Developing education and training infrastructure	Education infrastructure	Capacity of supported childcare, education and LLL infrastructure, improved educational infrastructure, number of improved establishment; Improved technical equipment in ICT and language classrooms, improved safety of educational infrastructure	51	41
10	10a	Developing education and training infrastructure	Improved access to education	Improved access to different levels of education, including pre-school, vocational education, LLL, different groups, e.g. females	38	32
10	10a	Developing education and training infrastructure	Improved results	Improved results of different stages of education, in terms of qualifications (percentage of VET students passing final exams) and labour market (employment of graduates), improved level of education of the population, decreased level of drop-out	32	23
10	10i	Reducing and preventing early school-leaving and promoting equal access to good quality early-childhood, primary and secondary education including formal, non-formal and informal learning pathways for reintegration into education and training	Improved learning outcomes	Number of students achieving better learning outcomes	34	28
10	10iii	Enhancing equal access to lifelong learning for all age groups in formal, non-formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences	Improved competences	Number of adult with improved and competences, basic, vocational etc.	54	41

Specific objectives frequently defined

Those specific objectives used the most frequently (accounting for 50% of the references) are as follows:

TO	Investment priority		Expected specific objectives		References	Programmes
01	1a	Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest	More laboratories and innovation centres	Strengthening public R&D infrastructures	96	89
01	1b	Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies	More R+D in enterprises	Can also apply to SMEs and large firms separately so may be different SO, Actions, etc	120	100
01	1b	Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies	More researcher-knowledge-sector links	Can also apply to SMEs and large firms separately so may be different SO, Actions, etc., include labour market	93	70
01	1b	Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies	Better SME-research facilities links	May also include innovation in SMEs and complementary schemes for big firms	56	52

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TO	Investment priority		Expected specific objectives		References	Programmes
01	1b	Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies	Strengthen international competitiveness	If it can be the same words as 1a1, then "Strengthening public R&D infrastructure"; if not then "Strengthening regional competitiveness"	54	45
02	2a	Extending broadband deployment and the roll out of high speed networks and supporting the adoption of emerging technologies and networks for the digital economy	More broadband & better ITC systems	Faster and greater capacity, lower cost	73	67
02	2b	Developing ICT products and services, e-commerce, and enhancing demand for ICT	More SME developed ICT products/services	Business and finance support	37	34
02	2c	Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health	Better sub-national government ICT use	Examples could include IT developments in delivering health remotely,	107	88
02	2c	Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health	More efficient e-data SME-govt exchange	and of citizens	37	31
03	3a	Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators	Raising new innovative firms birth rate	Raising the rates of formation of new innovative firms and university start-ups	87	79
03	3a	Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators	Promoting higher innovative SMEs growth	Business support, infrastructure	58	55
03	3b	Developing and implementing new business models for SMEs, in particular with regard to internationalisation	Increasing internationalisation by SMEs	Opening branches outwith the home market, franchising etc	40	33
03	3c	Supporting the creation and the extension of advanced capacities for products and service development	More SME R&D and intelligence capacity	finance, innovation, human capital, internationalisation, etc	58	51
03	3d	Supporting the capacity of SMEs to grown in regional, national and international markets, and to engage in innovation processes	Faster SME innovation, info-based growth	Finance and business support. Similar to ERDF3.b,c May mention 'gazelles' or high tech firms	65	59
03	3d	Supporting the capacity of SMEs to grown in regional, national and international markets, and to engage in innovation processes	Facilitating internationalisation of SMEs	Facilitating internationalisation of SMEs, i.e. entering new, foreign markets	38	37

TO	Investment priority		Expected specific objectives		References	Programmes
04	4a	Promoting the production and distribution of energy derived from renewable sources	Increased energy production-renewables	Increase in the share of energy produced from renewable sources - form SMEs and large enterprises	48	47
04	4b	Promoting energy efficiency and renewable energy use in enterprises	Increased energy efficiency -enterprises	Increase in the energy efficiency of the enterprises	71	69
04	4c	Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector	Increased energy efficiency- public	Increase in the energy efficiency of public buildings/ infrastructure	71	66
04	4c	Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector	Increased energy efficiency	Renovation of public and residential building, including social housing, decrease in energy consumption in buildings, street lighting	48	42
04	4e	Promoting low-carbon strategies for all types of territories, in particular for urban areas, including the promotion of sustainable multimodal urban mobility and mitigation-relevant adaptation measures	Implemented low-carbon measures	Increase in the implemented low-carbon measures in urban areas, incl. reduction of emissions, less energy consumption, increase in the use of renewable energy, development of green cities schemes, sustainable urban neighbourhoods, sustainable multimodal mobility, reduction of trucks traffic in towns, etc.	41	37
04	4e	Promoting low-carbon strategies for all types of territories, in particular for urban areas, including the promotion of sustainable multimodal urban mobility and mitigation-relevant adaptation measures	Sustainable urban public transport	Increase in the sustainable urban public transport, including increase in the underground transport	40	37
04	4e	Promoting low-carbon strategies for all types of territories, in particular for urban areas, including the promotion of sustainable multimodal urban mobility and mitigation-relevant adaptation measures	Decreased GHG emissions	Decrease in the emissions from transport, heating systems, low-carbon measures implemented in urban areas	38	30
05	5b	Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems	Enhanced security	e.g. floods, better equipped rescue services and preparedness to cope with natural disasters, rehabilitated infrastructure (including mining infrastructure), environmental rehabilitation of industrial areas, etc.	32	30
06	6c	Conserving, protecting, promoting and developing natural and cultural heritage	Improved natural and cultural heritage	Increase in the status of the natural and cultural heritage	69	64

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TO	Investment priority		Expected specific objectives		References	Programmes
06	6c	Conserving, protecting, promoting and developing natural and cultural heritage	Improved cultural heritage	Increase in the status of the cultural heritage	50	42
06	6c	Conserving, protecting, promoting and developing natural and cultural heritage	Created opportunities for growth	Created new opportunities for growth derived from natural and/or cultural heritage, e.g. increased attractiveness, developed sustainable/diversified tourism, increased economic and social benefits from tourism, etc.	49	47
06	6d	Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure	Improved protection of biodiversity	Improved protection of biodiversity, preserved biodiversity and natural environment, coordinated/integrated management of natural territories, including through sustainable urban development, preserved green and blue zones, etc.	67	63
06	6e	Taking action to improve the urban environment, to revitalise cities, regenerate and decontaminate brownfield sites (including conversion areas), reduce air pollution and promote noise-reduction measures	Improved urban environment	Improvement of the environmental status of urban areas, e.g. air quality, noise levels, traffic disturbance, land use, increased number of integrated urban regeneration initiatives, etc.	46	41
08	8v	Adaptation of workers, enterprises and entrepreneurs to change	Adaptability of workers	Improved adaptability of workers	39	32
09	9a	Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services	Improved access to health services	Improved access to health services, adapting health care system to demographic changes	46	44
09	9a	Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services	Improved access to social services	Improved access to social services (care services, services against child deprivation)	43	36
09	9b	Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas	Reduce concentration of poverty	Reduce the spatial concentration of poverty in urban and rural areas Improve social situation on revitalised territories	44	42

TO	Investment priority		Expected specific objectives		References	Programmes
09	9b	Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas	Integration of disadvantaged groups	Improve the integration of disadvantaged groups in work, education and in the community	43	30
09	9i	Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability	Reduced risk of social exclusion	Reduced risk of social exclusion	36	25
10	10a	Developing education and training infrastructure	Improved edu and VET infrastructure	Improved education, higher education and VET infrastructure; Improved conditions for education and training	39	27
10	10a	Developing education and training infrastructure	Improving equal access to education	Improving equal access to education in terms of territorial disparities and non-segregated education, improving access to education	34	30
10	10i	Reducing and preventing early school-leaving and promoting equal access to good quality early-childhood, primary and secondary education including formal, non-formal and informal learning pathways for reintegration into education and training	Effectiveness of learning systems	Improving effectiveness of learning system in terms of learning outcomes Improving learning outcomes of students lagging behind	33	24
10	10iv	Improving the labour market relevance of education and training systems, facilitating the transition from education to work, and strengthening vocational education and training systems and their quality, including through mechanisms for skills anticipation, adaptation of curricula and the establishment and development of work-based learning systems, including dual learning systems and apprenticeship schemes	Connections - VET and the labour market	Improving connections between VET and the labour market Increased employment of VET graduates Improving competences of adults,	49	35

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Actions frequently defined

Those actions used the most frequently (accounting for 50% of the references) are as follows:

TO	Investment priority		Expected actions		References	Programmes	
01	1a	Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest	Strengthening infrastructure	RTD	Including innovative fieldwork and trials	127	124
01	1a	Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest	Promoting trans-national cooperation	R&D	Funded support for research centres' participation in advanced technology supply chains	51	49
01	1a	Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest	Supporting knowledge transfer partnerships		Example of match-funding for R&D investment	41	40
01	1b	Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies	Assistance to SMEs	R+I in SMEs	Assistance to R+I in SMEs	158	146
01	1b	Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies	Networking between SMEs and universities		Promoting SME-researcher co-operation	158	152

TO	Investment priority		Expected actions		References	Programmes
01	1b	Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies	Establishing innovation centres	Establishing, investing and new ways of working	79	76
01	1b	Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies	Promoting researcher-company networking	Addressing bottlenecks to innovation and increasing investment in business R&D through close collaboration between public and private actors.	68	65
01	1b	Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies	Assistance to R+I in large firms	Grants and subsidised loans to companies for dedicated R&D spend	51	48
02	2a	Extending broadband deployment and the roll out of high speed networks and supporting the adoption of emerging technologies and networks for the digital economy	Investment in ITC and broadband systems	Investment in ITC and broadband systems	75	72
02	2b	Developing ICT products and services, e-commerce, and enhancing demand for ICT	Product and process development by SMEs	e-product & e-process development support	44	42
02	2c	Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health	local govt and agencies ICT applications	Including e-health, e-education, e-administration	125	117

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TO	Investment priority		Expected actions		References	Programmes
03	3a	Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators	Innovative new businesses development	Include range of services, advice and help securing property, finance, specialist assistance, labour market etc.	131	127
03	3a	Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators	Serviced business incubators	Examples include business innovation centres, science and technology parks, incubators, spin-offs. boot camps	80	79
03	3c	Supporting the creation and the extension of advanced capacities for products and service development	Advice on higher standards & quality	Advice, guidance support for SMEs on attaining higher standards and quality	51	49
03	3d	Supporting the capacity of SMEs to grown in regional, national and international markets, and to engage in innovation processes	Development support for high growth SMEs	Advisory services	118	112
04	4b	Promoting energy efficiency and renewable energy use in enterprises	Energy efficiency - SMEs	Investments for development and improvement of energy efficiency in SMEs.	86	85
04	4b	Promoting energy efficiency and renewable energy use in enterprises	Energy efficiency -large enterprises	Investments for development and improvement of energy efficiency in large enterprises.	51	51
04	4b	Promoting energy efficiency and renewable energy use in enterprises	Renewable energy use- SMEs	Investments for introduction and improvement of renewable energy use in SMEs.	39	39
04	4c	Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector	Energy efficiency - public building	Investments in energy efficiency and smart energy management in public buildings.	137	128
04	4c	Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector	Energy efficiency- residential buildings	Investments in energy efficiency and smart energy management in residential buildings.	97	92
04	4c	Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector	Energy efficiency-public infrastructure	Investments in energy efficiency and smart energy management in public infrastructure, including public lighting	79	73
04	4c	Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector	Renewable energy use - public building	Investments in renewable energy use in public buildings.	59	58
04	4c	Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector	Renewable energy- residential buildings	Investment in renewable energy use in residential buildings	43	42
04	4e	Promoting low-carbon strategies for all types of territories, in particular for urban areas, including the promotion of sustainable multimodal urban mobility and mitigation-relevant adaptation measures	Sustainable urban transport	Sustainable urban transport	115	104

TO	Investment priority		Expected actions		References	Programmes
04	4e	Promoting low-carbon strategies for all types of territories, in particular for urban areas, including the promotion of sustainable multimodal urban mobility and mitigation-relevant adaptation measures	Low-carbon strategies	Development and implementation of low-carbon strategies in urban areas, including climate protecting strategies; implementation of combined mitigation and adaptation solutions to demonstrate feasibility and to refine regional development plans for the future.	78	71
05	5b	Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems	Risk prevention investments	Investments for risk prevention systems and actions, infrastructure and equipment, including risks from flood, fire, earthquake, former mining activities, hydrogeology risks, etc.	65	63
06	6b	Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements	Wastewater	Investments for wastewater treatment, including wastewater infrastructure, transfer of best practices, etc.	50	49
06	6b	Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements	Water supply	Investments for efficient water supply	47	44
06	6c	Conserving, protecting, promoting and developing natural and cultural heritage	Cultural heritage	Investments for cultural heritage, including improvement of cultural infrastructures	114	108
06	6c	Conserving, protecting, promoting and developing natural and cultural heritage	Natural heritage	Investments for natural heritage	84	79
06	6c	Conserving, protecting, promoting and developing natural and cultural heritage	Natural and cultural heritage	Investments for development of natural and cultural heritage, including promotion of natural and cultural heritage values, development and rehabilitation of green infrastructure, etc. for social, cultural, educational and other community purposes.	42	42
06	6d	Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure	Biodiversity and ecosystems	Investments for observing, preserving and improving biodiversity and ecosystems, environmental restoration, including coastal protection, removal of invasive species, rehabilitation of reserves and biodiversity corridors, etc.	102	97
06	6d	Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure	Natura 2000	Investments for Natura 2000 network	58	56
06	6d	Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure	Green infrastructure	Investments in "green infrastructure"	46	45

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TO	Investment priority		Expected actions		References	Programmes
		green infrastructure				
06	6d	Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure	Capacity building and soft measures	Development of strategic planning documents mainstreaming the investments, adequate framework conditions, capacity building, awareness raising, mapping, knowledge management systems, best practices sharing, studies, open databases, joint education, etc.	42	39
06	6e	Taking action to improve the urban environment, to revitalise cities, regenerate and decontaminate brownfield sites (including conversion areas), reduce air pollution and promote noise-reduction measures	Urban environment	Investments for improving urban environment and integrated urban development, reduction of air pollution and promotion of noise-reduction measures, incentive schemes for cleaner transport, development of clean public transport infrastructure, etc.	64	58
06	6e	Taking action to improve the urban environment, to revitalise cities, regenerate and decontaminate brownfield sites (including conversion areas), reduce air pollution and promote noise-reduction measures	Brownfield sites	Investments for regeneration and decontamination of brownfield sites, development through promoting new incubators on brownfield sites, etc.	40	35
07	7b	Enhancing regional mobility by connecting secondary and tertiary nodes to TEN-T infrastructure, including multimodal nodes	New roads	Building new regional roads connecting to TEN-T	45	44
08	8iii	Self-employment, entrepreneurship and business creation including innovative micro, small and medium sized enterprises	support to start and develop businesses	Support for unemployment and inactive to start and develop new business, including coaching, personalised assistance etc.	45	44
08	8v	Adaptation of workers, enterprises and entrepreneurs to change	Adaptation of workers	Training, education, coaching for workers in the context of needs of the enterprise, e.g new technologies and ICT	42	41
08	8v	Adaptation of workers, enterprises and entrepreneurs to change	Support for enterprises facing changes	Support for enterprises facing changes: advice, coaching, training,	42	40
09	9a	Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services	Investment in health services	Investment in health services	69	65

TO	Investment priority		Expected actions		References	Programmes
09	9a	Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services	Investment in social and care services	Investment in social and care services to improve access to social services for marginalised groups	63	60
09	9b	Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas	Physical and economic regeneration	Support for the physical and economic regeneration of deprived urban and rural communities	62	58
09	9i	Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability	Social integration and employability	Integrated pathways combining various forms of social integration, education and employability measures	50	50
09	9iv	Enhancing access to affordable, sustainable and high- quality services, including health care and social services of general interest	Improvement of access to social services	Enhanced access to affordable, sustainable and high-quality social services such as employment and training services, services for the homeless, out of school care, childcare and long-term care services; improvement of systems of social services	42	40
10	10a	Developing education and training infrastructure	Investments in education and training infrastructure	Investment in education and training infrastructure, including pre-school, primary and secondary.	71	67
10	10iii	Enhancing equal access to lifelong learning for all age groups in formal, non-formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences	Upgrading the skills and key competences	Support for upgrading skills and key competences of the adult population, including migrants and other groups, and creating new opportunities to capitalise on the knowledge and skills of older adults;	46	45

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Principles of project selection frequently defined

Those principles of project selection used the most frequently (accounting for 50% of the references) are as follows:

TO	Investment priority		Expected selection principles		References	Programmes
01	1a	Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest	Horizon 2020 restricted call for support	High technology research centres support	144	88
01	1a	Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest	Macro regional contribution	Project contribution to wider Regional Strategy	67	37
01	1a	Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest	State planning procedures	Project planning, implementing smart specialisation strategy	40	27
01	1b	Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies	Promoting researcher-company networking	Addressing bottlenecks to innovation and increasing investment in business R&D through close collaboration between public and private actors, including cross border	127	91
01	1b	Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies	Open call for smes	Wider benefits to region and partners	126	55

TO	Investment priority		Expected selection principles		References	Programmes
01	1b	Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies	Open call for entry to innovation centre	Open call for entry to innovation centre and networks	76	60
01	1b	Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies	Meeting horizontal criteria	Projects that promote horizontal criteria as tools for growth	53	46
02	2a	Extending broadband deployment and the roll out of high speed networks and supporting the adoption of emerging technologies and networks for the digital economy	Open call to improve broadband capacity	Open call to improve broadband capacity	31	30
02	2b	Developing ICT products and services, e-commerce, and enhancing demand for ICT	Open Call for projects wider impacts	Contracting, human capital effects	30	26
02	2c	Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health	Open call for SMEs to access ICT services	Open call for SMEs to access ICT services	105	73
02	2c	Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health	Explicit horizontal criteria	As tools for growth	26	22
03	3a	Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new	Open to innovative	Open to innovative entrepreneurs	64	61

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TO	Investment priority		Expected selection principles		References	Programmes
		firms, including through business incubators	entrepreneurs			
03	3a	Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators	Impact on employment	Impact on employment by area or group	29	19
03	3a	Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators	Incubators to support innovative SMEs	Incubators to support innovative SMEs and to firms or areas	27	25
03	3b	Developing and implementing new business models for SMEs, in particular with regard to internationalisation	Open to SMEs to develop their activities	Internationalisation, trade missions, innovation, and other networks	29	23
03	3d	Supporting the capacity of SMEs to grown in regional, national and international markets, and to engage in innovation processes	Open to SMEs to use high growth services	Open to SMEs to use high growth services may be sector or area specific	54	51
03	3d	Supporting the capacity of SMEs to grown in regional, national and international markets, and to engage in innovation processes	Promoting strategies on different levels	S3, regional strategies, Europe 2020 etc	25	24
04	4a	Promoting the production and distribution of energy derived from renewable sources	Impact oriented	Impact on employment, competitiveness, etc.	44	20
04	4a	Promoting the production and distribution of energy derived from renewable sources	Open call	Selection of operations based on competition with open call, according to defined criteria	37	37
04	4a	Promoting the production and distribution of energy derived from renewable sources	Strategy	Selection of operations based on fitting to a national, regional or local strategy	29	29
04	4a	Promoting the production and distribution of energy derived from renewable sources	Open call according to a strategy	Open call according to sectoral or regional strategy	26	20
04	4b	Promoting energy efficiency and renewable energy use in enterprises	Open call	Selection of operations based on competition with open call, according to defined criteria	50	49

TO	Investment priority		Expected selection principles		References	Programmes
04	4b	Promoting energy efficiency and renewable energy use in enterprises	First in first served	based on project merit, permanently open call	23	7
04	4c	Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector	Strategy	Selection of operations based on fitting to a national, regional or local strategy or plan	217	74
04	4c	Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector	Result oriented	Result oriented	211	49
04	4c	Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector	Open call	Selection of operations based on competition with open call, according to defined criteria	65	63
04	4e	Promoting low-carbon strategies for all types of territories, in particular for urban areas, including the promotion of sustainable multimodal urban mobility and mitigation-relevant adaptation measures	Strategy	Selection of operations based on fitting to a national, regional or local strategy, consistency with policy context	59	54
04	4e	Promoting low-carbon strategies for all types of territories, in particular for urban areas, including the promotion of sustainable multimodal urban mobility and mitigation-relevant adaptation measures	Open call	Selection of operations based on competition with open call, according to defined criteria	45	40
05	5a	Supporting investment for adaptation to climate change, including ecosystem-based approaches	Strategy oriented	Selection of operations based on fitting to an international, national, regional or local strategy or plan	24	11
05	5b	Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems	Strategy	Selection of operations based on fitting to a national, regional or local strategy	34	32
05	5b	Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems	Open call	Selection of operations based on competition with open call, according to defined criteria	29	29
06	6b	Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those	Strategy	Selection of operations based on fitting to a national, regional or local strategy	26	26

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TO	Investment priority		Expected selection principles		References	Programmes
		requirements				
06	6c	Conserving, protecting, promoting and developing natural and cultural heritage	Open call	Selection of operations based on competition with open call, according to defined criteria	64	62
06	6c	Conserving, protecting, promoting and developing natural and cultural heritage	Strategy	Selection of operations based on fitting to a cross-border, national, regional or local strategy or plan	52	52
06	6c	Conserving, protecting, promoting and developing natural and cultural heritage	Result oriented	Result oriented, including durable results, Programme results, etc.	26	25
06	6c	Conserving, protecting, promoting and developing natural and cultural heritage	Horizontal criteria	Contribution to sustainable development, non discriminating and/or equal opportunity	25	25
06	6d	Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure	Strategy	Selection of operations based on fitting to a national, regional or local strategy	45	40
06	6d	Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure	Open call	Selection of operations based on competition with open call, according to defined criteria	44	44
06	6e	Taking action to improve the urban environment, to revitalise cities, regenerate and decontaminate brownfield sites (including conversion areas), reduce air pollution and promote noise-reduction measures	Strategy	Selection of operations based on fitting to a national, regional or local strategy	27	24
07	7b	Enhancing regional mobility by connecting secondary and tertiary nodes to TEN-T infrastructure, including multimodal nodes	Compliance with infrastr. plans & pol.	Compliance with infrastructure plans & policies	32	31
08	8i	Access to employment for job-seekers and inactive people, including the long-term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility	Open call	All institutions delivering employment services entailed/ open call with or without deadline	26	25

TO	Investment priority		Expected selection principles		References	Programmes
09	9a	Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services	Strategy	Selection of operations based on fitting to a national, regional or local strategy related to health or social services	35	32
09	9a	Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services	Open call	Selection of operations based on competition with open call, according to defined criteria	29	28
09	9b	Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas	Strategy	Selection of operations based on fitting to a national, regional or local strategy related to health or social services	38	36
09	9b	Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas	Open call	Selection of operations based on competition with open call, according to defined criteria	37	35
09	9i	Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability	Open call	Selection of operations based on competition with open call, according to defined criteria	25	23
09	9iv	Enhancing access to affordable, sustainable and high- quality services, including health care and social services of general interest	Open call	Selection of operations based on competition with open call, according to defined criteria	25	24
10	10a	Developing education and training infrastructure	Open call	Open call for schools	27	27
10	10i	Reducing and preventing early school-leaving and promoting equal access to good quality early-childhood, primary and secondary education including formal, non-formal and informal learning pathways for reinte grating into education and training	Open call	Open call for schools	22	22
10	10iii	Enhancing equal access to lifelong learning for all age groups in formal, non-formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences	Cooperation and social innovation	Open call for all institutions	45	39

Factors influencing the outcome of negotiations

The programming process led to a significant change in the initial position of the two-thirds of the programmes in defining specific objectives, selecting main actions and using result indicators.

The biggest influencing factors were the formal comments from and the informal dialog with the Commission. These exchanges with the Commission mostly lead to compromise solution. Ex ante evaluation also contributed to changes regarding specific objectives and result indicators, while selection of actions was rather influenced by the domestic legal, institutional or methodological context and partners.

Figure 149 - Factors influencing the choice of objectives

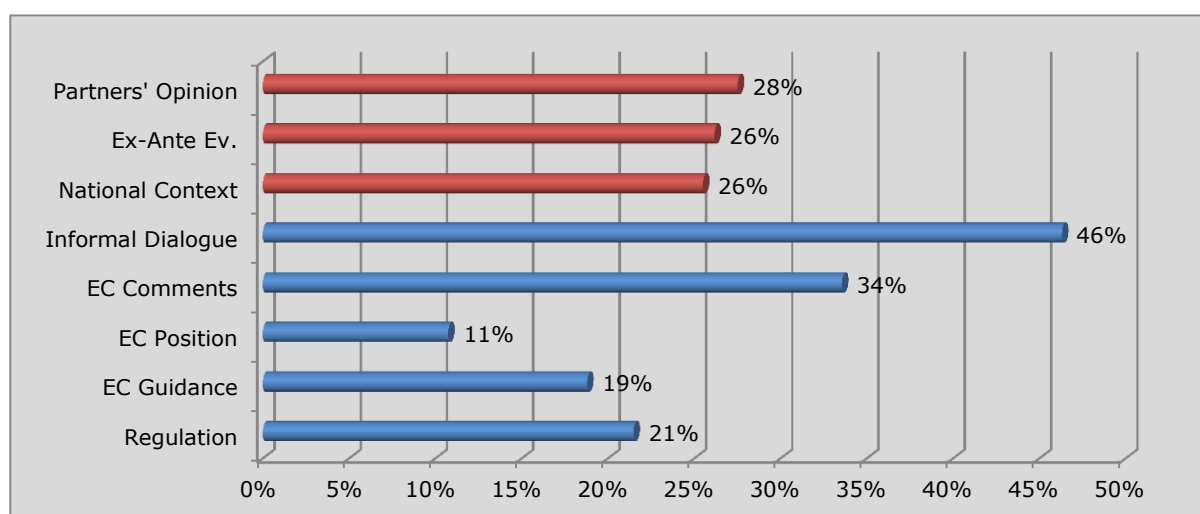


Figure 150 - Factors influencing the selection of actions

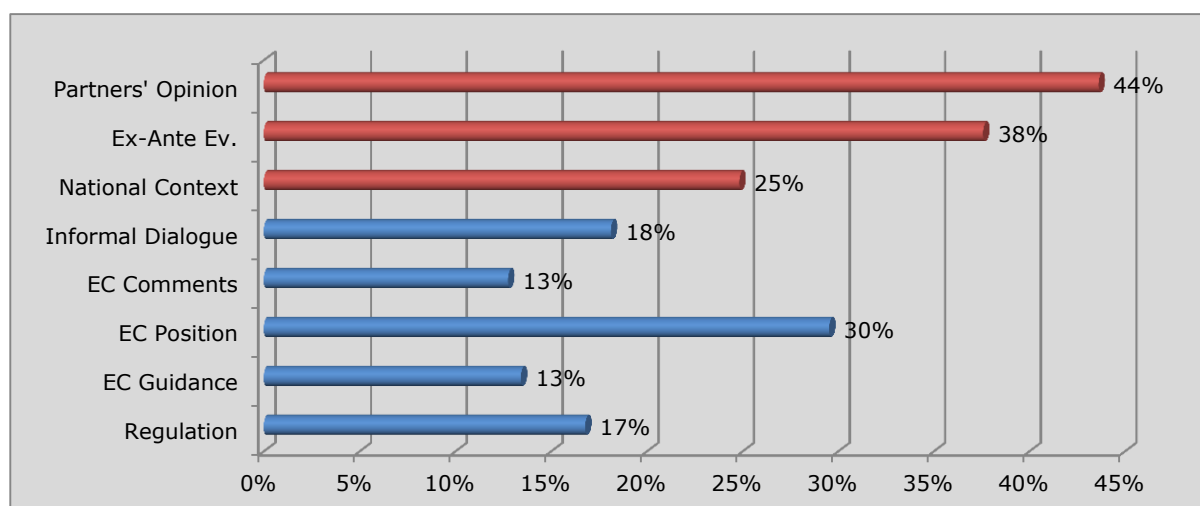
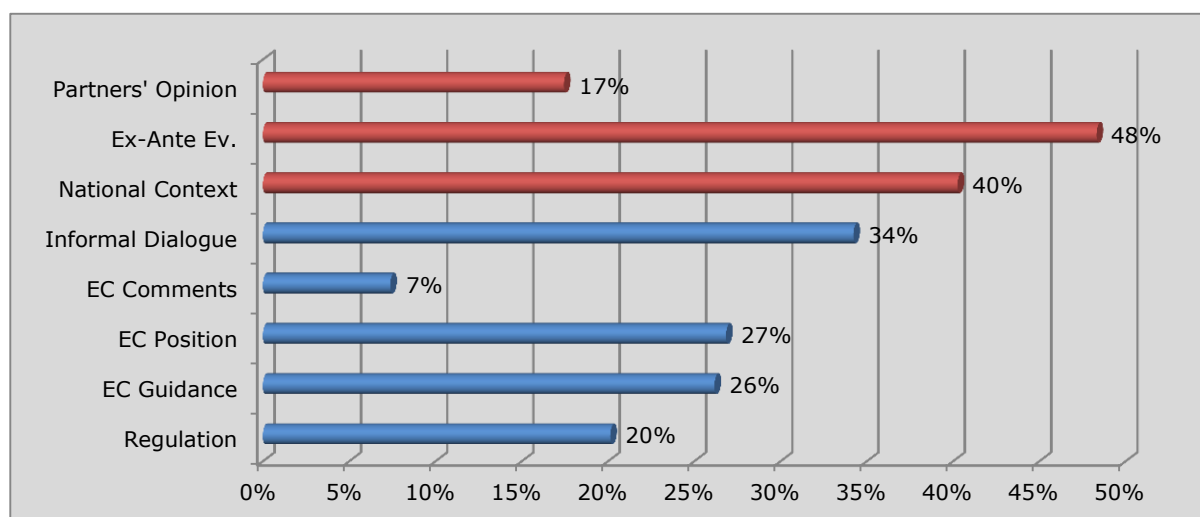


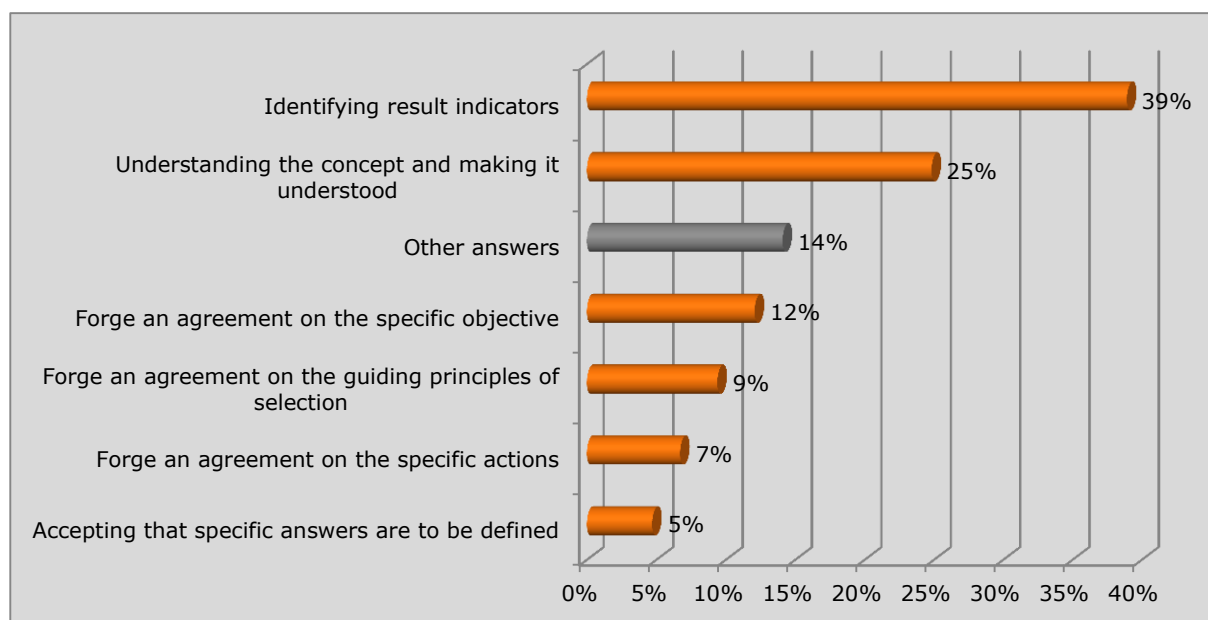
Figure 151 - Factors influencing the use of result indicators



The challenges faced when establishing the intervention logic

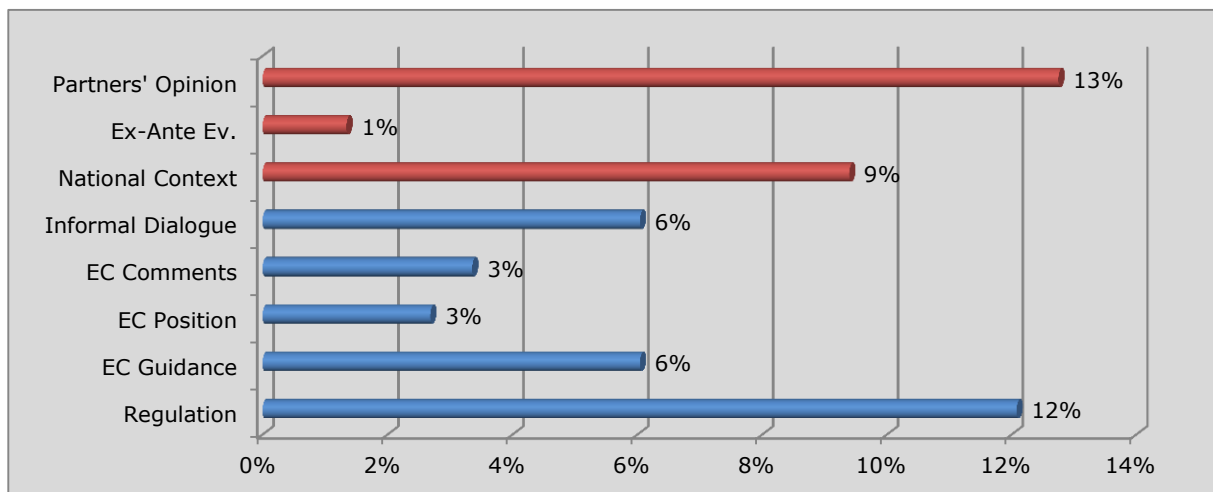
Identifying result indicators seems to be the major challenge in establishing the intervention logic, as almost 40% of the MAs indicated. Apparently, understanding and adapting to the result-orientation of the new regulations was in itself a major issue for many programmes, and the change of approach manifested in the indicator definition process.

Figure 152 - Survey: Challenges of establishing the intervention logic



4.9 ANNEX TO NP9 – CLLD

Figure 153 - Factors influencing negotiations – use of CLLDs



(percentage of MA's indicating that a given factor had an impact)

Figure 154 – Impact of exchanges with EC on use of CLLDs

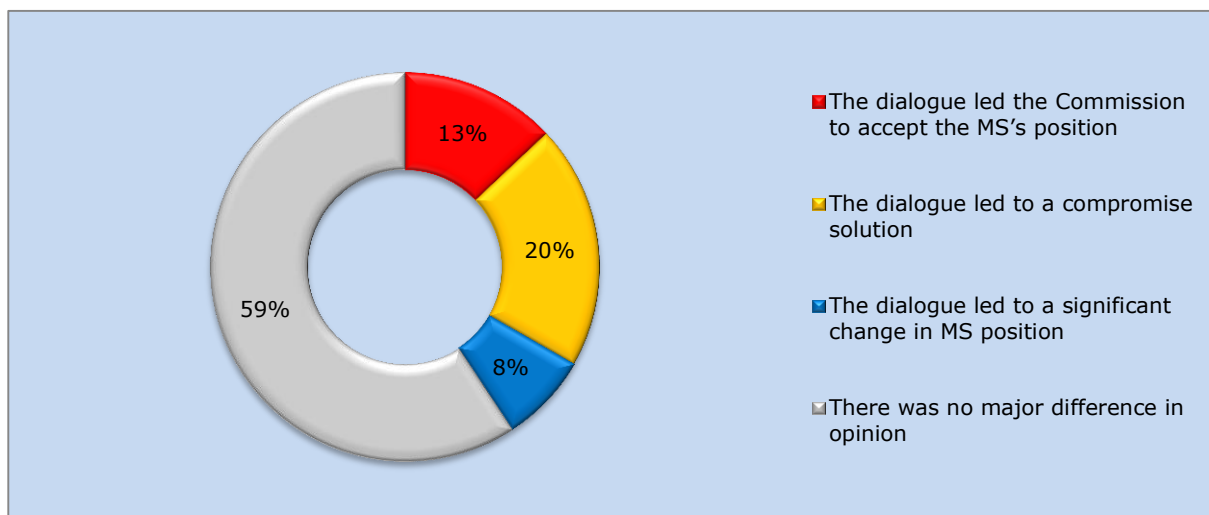
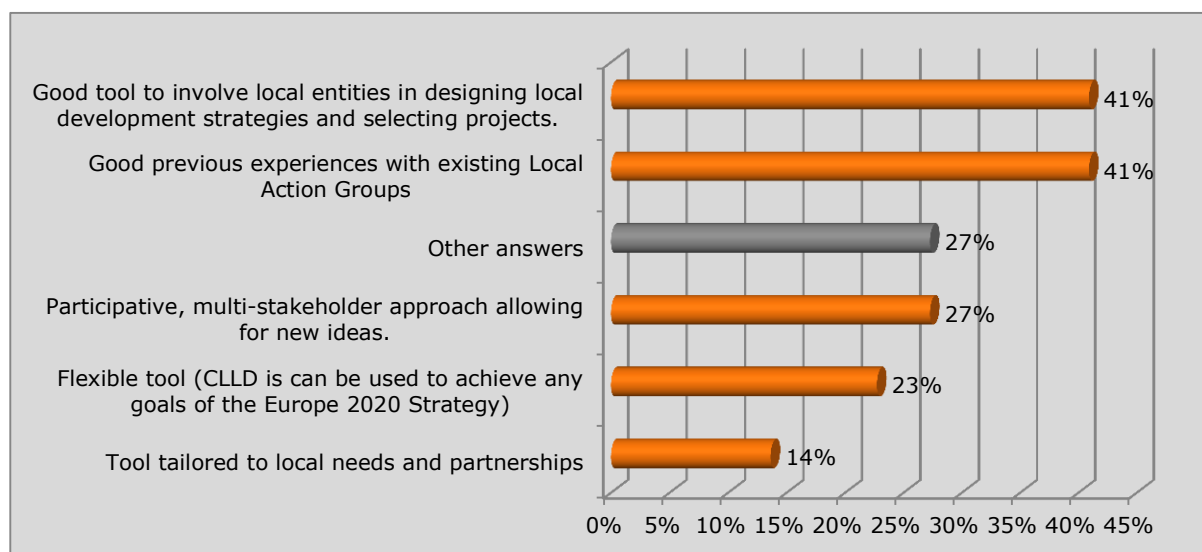


Figure 155 - Survey Q 9.1 Why did you choose the use of CLLD in implementing integrated approaches?



Principles & methods for selecting territories and LAGs for CLLD

Figure 156 provides an overview of the principles according to which territories to use CLLD are selected. The scale used is the following:

Figure 156 - Principles for selecting territories for using CLLD

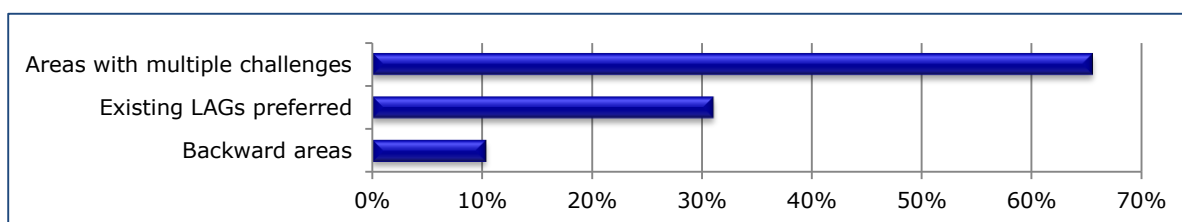
List element (CLLDTSEL)	Narrative
Areas with multiple challenges	Preference to support areas with multiple challenges and defined through specific criteria such as size (population); urban/rural; funding source or approach etc.
Existing LAGs preferred	Preference to select areas with pre-existing Local Action Groups
Backward areas	Preference to support areas with persistent socio-economic challenges

(The code was multiple choice, so more than 1 option could be selected when coding each programming document).

According to programme data, Member States prefer to **apply CLLD to territories with multiple challenges** and those having former experience – rather than to backward areas.

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Figure 157 - Principles for selecting territories for using CLLD (OP/ETC)



(frequency, expressed as % of the number of programmes where the use of CLLD is indicated)

As to the selection of strategies and local action groups the scale used for the analysis was this:

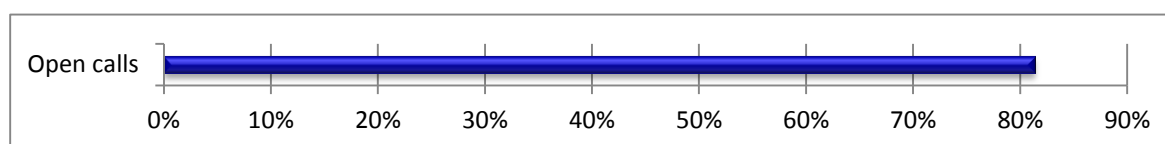
Figure 158 - Principles for selecting strategies and local action groups

List element (CLLDLAGSEL)	Narrative
Type of selection	
Open competitive calls (whether or not)	Open competitive calls
The basis (criteria) for selection	
Strategy-based	Selection based on compliance with existing national and regional strategies
Synergy with other funding	Selection based on expected synergies with other ESI funding
Challenge-based	Selection based on the size and nature of the challenges targeted by the CLLD strategy
Result-based	Selection based on the targeted results of the CLLD strategy and/or previous interventions

Note: Between the two categories and within the categories as well multiple choice was permitted. Nevertheless, figures on choices show, that neither in the case of type of selection, nor for the basis (criteria) for selection, and not even between the two categories, despite the fact that choice was multiple, the possibility to check more options was practically not utilised.

As shown in Figure 159, selection of CLLD-s is mostly performed on a competitive basis by open calls.

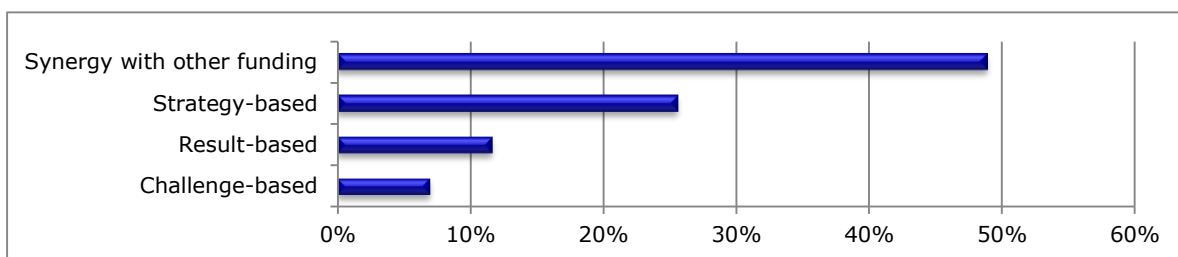
Figure 159 – Type of selection of CLLD (OP/ETC)



(frequency, expressed as % of the number of programmes where the use of CLLD is indicated)

As concerns the basis (criteria) for selection of strategies and local action groups, **synergy with other sources** of funding and compliance with existing national and regional **strategies** are the principles most often applied.

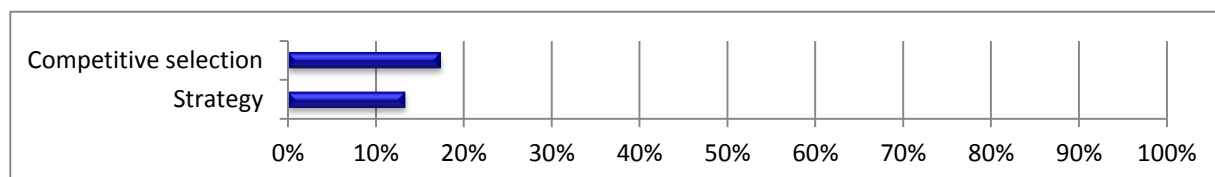
Figure 160 – Basis (criteria) for selection of strategies and local action groups (OP/ETC)



(frequency, expressed as % of the number of programmes where the use of CLLD is indicated)

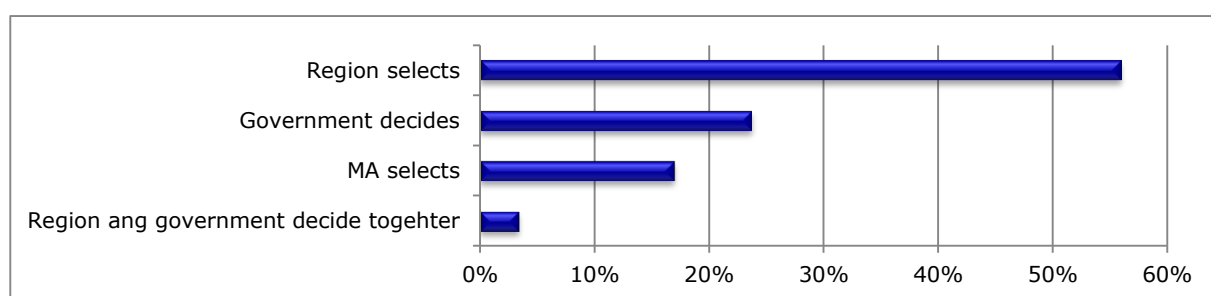
4.10 ANNEX TO NP10 – INTEGRATED TERRITORIAL INVESTMENTS (ITI)

Figure 161 – Type of selection of ITI (OP/ETC)



(frequency, expressed as % of the number of programmes where the use of ITI is indicated, multiple choice)

Figure 162 - Competent institution to select ITI (OP/ETC)



(frequency, expressed as % of the number of programmes where the use of ITI is indicated, multiple choice)

The categories used for this part of the analysis are as follows:

Figure 163 - Way of selection of ITIs (ITIHOW)

List element (ITIHOW)	Narrative
Type of selection	
Competitive selection (whether or not)	Competitive selection of territories / development strategies for ESI support
Strategy (whether or not)	Decided on the basis of a strategic document adopted at the appropriate devolved level and recognised in the approved OP
Competent institution to select	
Government decides	Designation by government/line ministry
MA selects	Designation by Managing Authority
Region selects	Designation by designated authority: region; city-region; devolved administrations, different from MA

Note: Between the two categories and within the categories as well multiple choices were permitted. Nevertheless, figures on choices show, that in the case of competent institutions performing selection, despite the fact that choice was multiple, the possibility to check more options was practically not utilised.

Figure 164 - Survey Q 10.3B Which kind of difficulties did you meet in implementing integrated approaches with the use of ITI instrument?

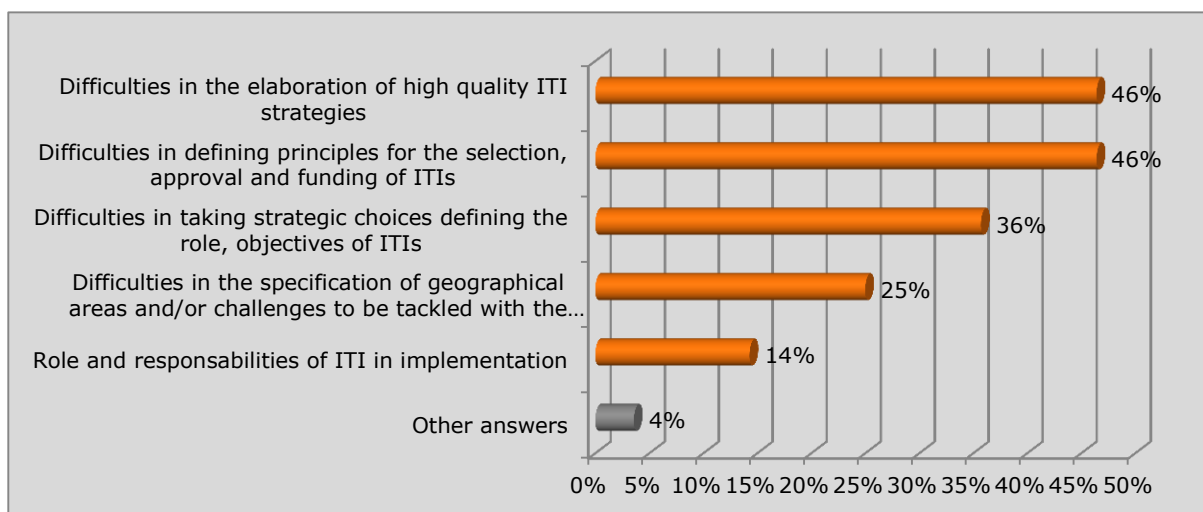
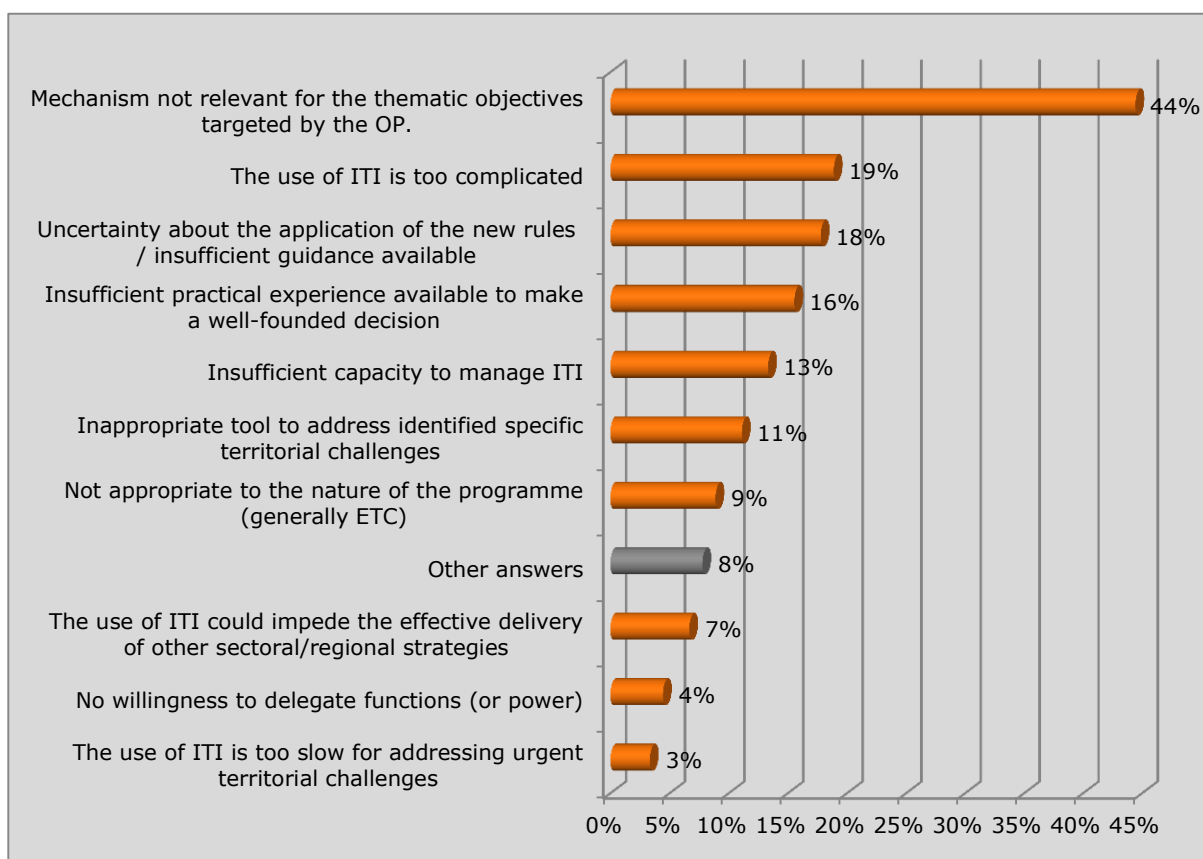


Figure 165 - Survey Q 10.2 Why did you not choose ITI?



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Figure 166 - Survey Q 10.4 Are there any capacity building and support measures envisaged to help the application of ITI?

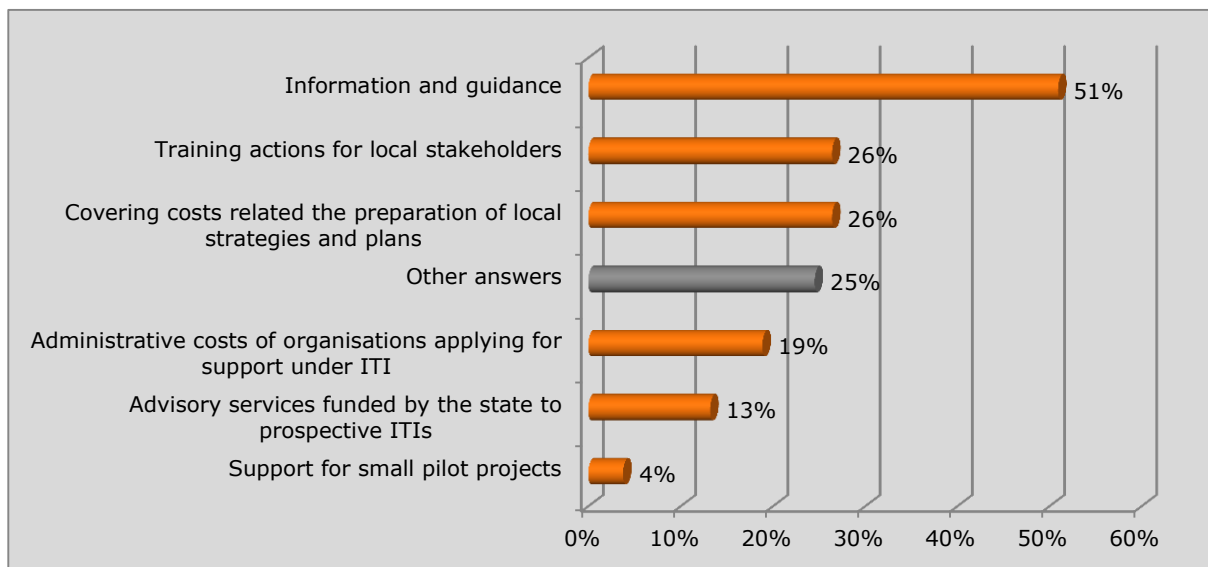


Figure 167 - Factors influencing negotiations – use of ITIs

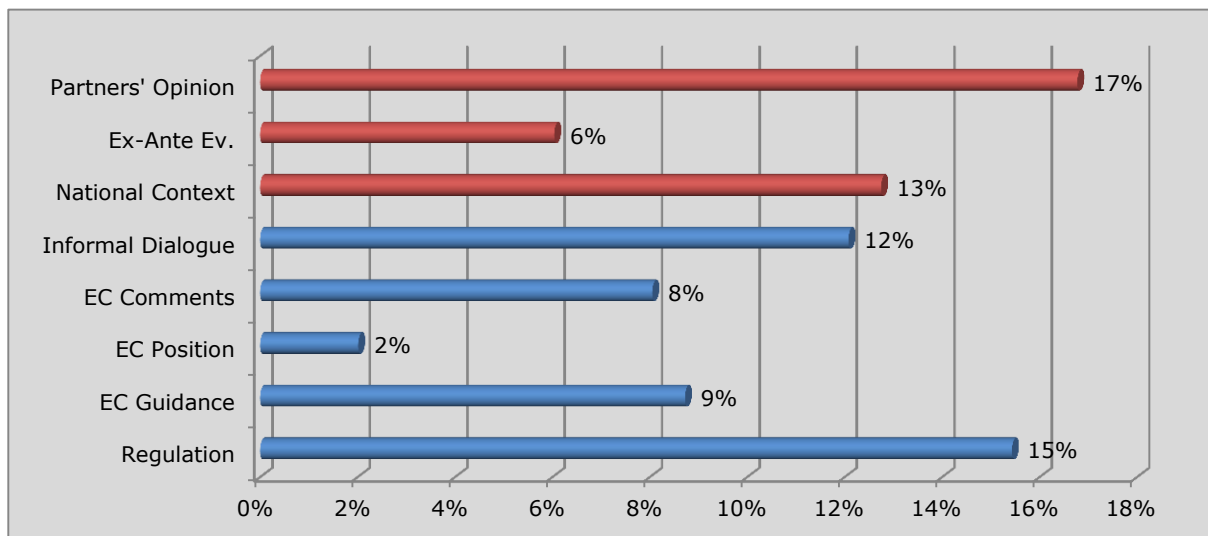
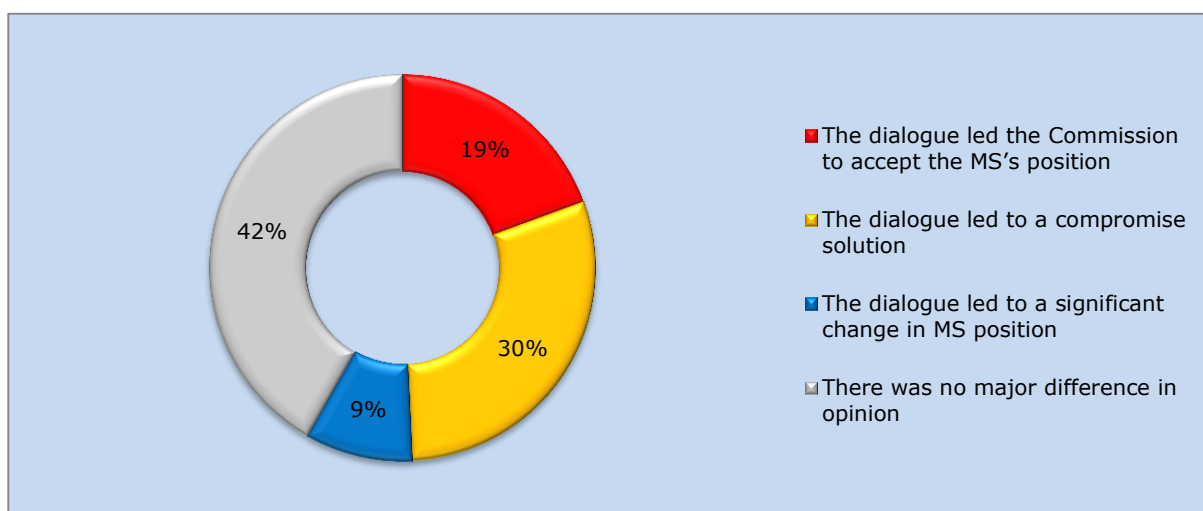


Figure 168 – Impact of exchanges with EC on the use of ITIs



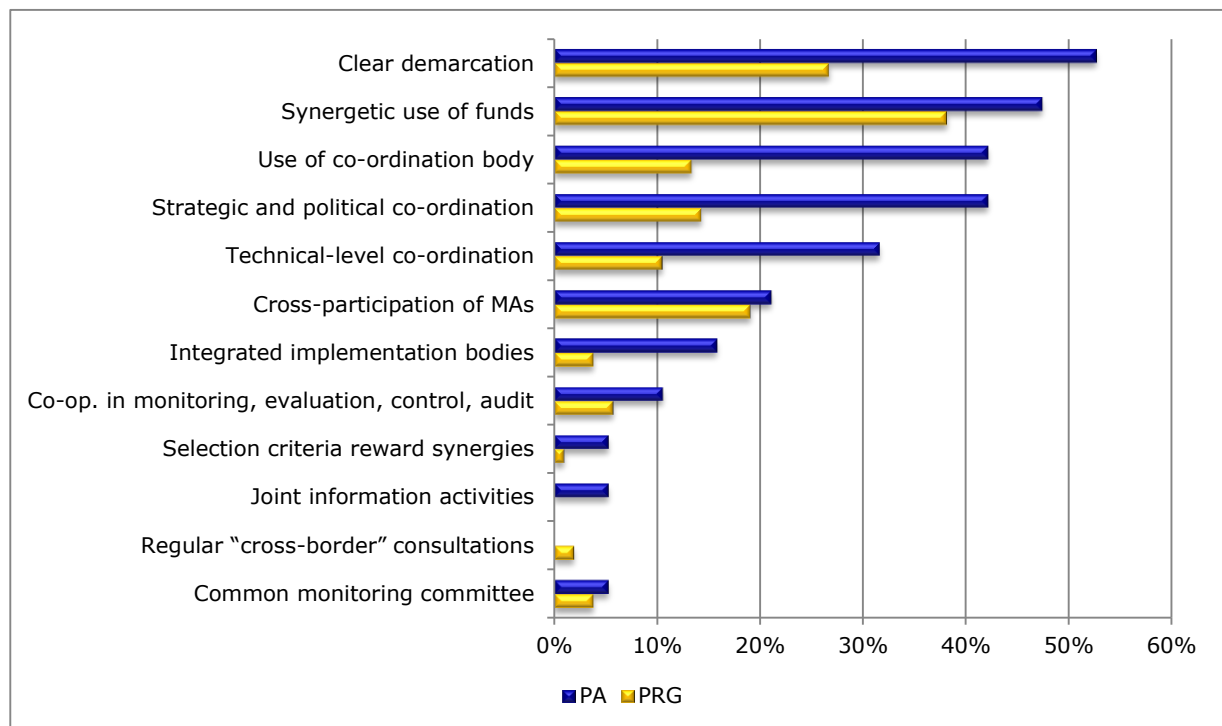
Coordination arrangements used for different funds and OPs

Figure 169 shows the distribution of **co-ordination mechanisms** to be used to implement ITI. The code list (categories) used for this analysis is the same as the list presented in Chapter 3.8.

The results themselves from the analysis are also similar to those – regarding co-ordination methods – under provision 8, and under provision 15. It is mainly programming (“synergetic use of funds”, and a “clear demarcation during planning and programming”) that Member States want to rely on. Then comes the use of a co-ordination body (in the sense of Art. 123 (8)), as well as different (strategic-political or technical-managerial) co-operation committees.

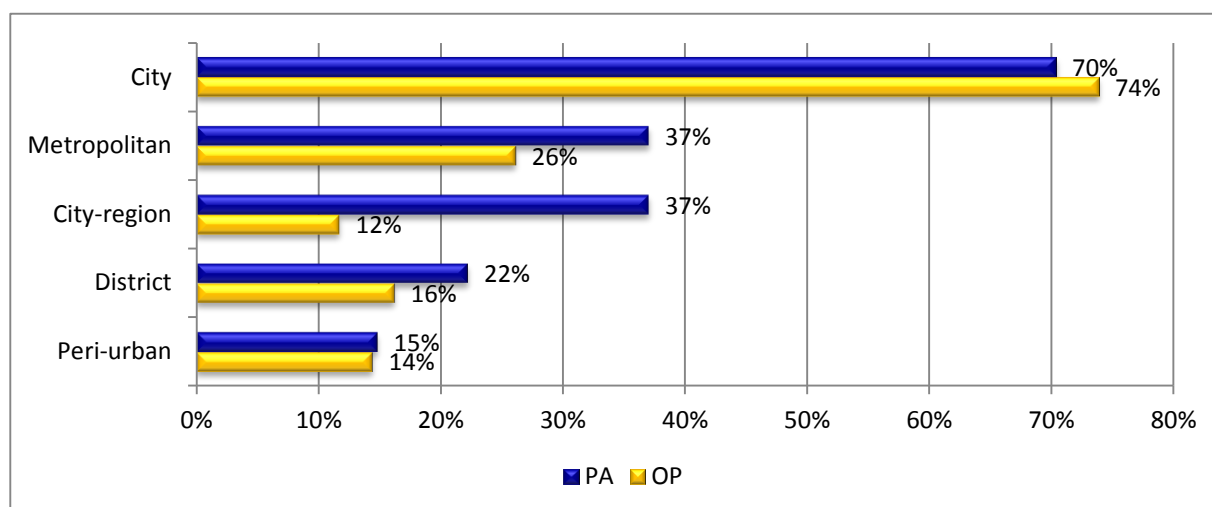
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Figure 169 - Co-ordination arrangements between ESI Funds and managing authorities needed to carry out ITIs (PA, OP/ETC)



4.11 ANNEX TO NP11 – SUSTAINABLE URBAN DEVELOPMENT (SUD)

Figure 170 - Type of urban territories in which SUD will be used (PA, OP/ETC)



(frequency, expressed as % of the number of Member States / programmes concerned. Multiple choices possible in each Member State/programme)

With respect to the types of urban territories, where SUD is to be employed, the scale used for the analysis was this:

List element (SUDTYPE)	Narrative
City	Entire city or town
Metropolitan	Metropolitan area (a pivotal metropolis with its expansive circle of suburbs)
District	District (the zones, quarters of a city)
Peri-urban	The urban-rural linkage around a city
City-region	City-region (an area comprising a network of several cities each other)

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Figure 171 - SUD allocations per member state (absolute terms)

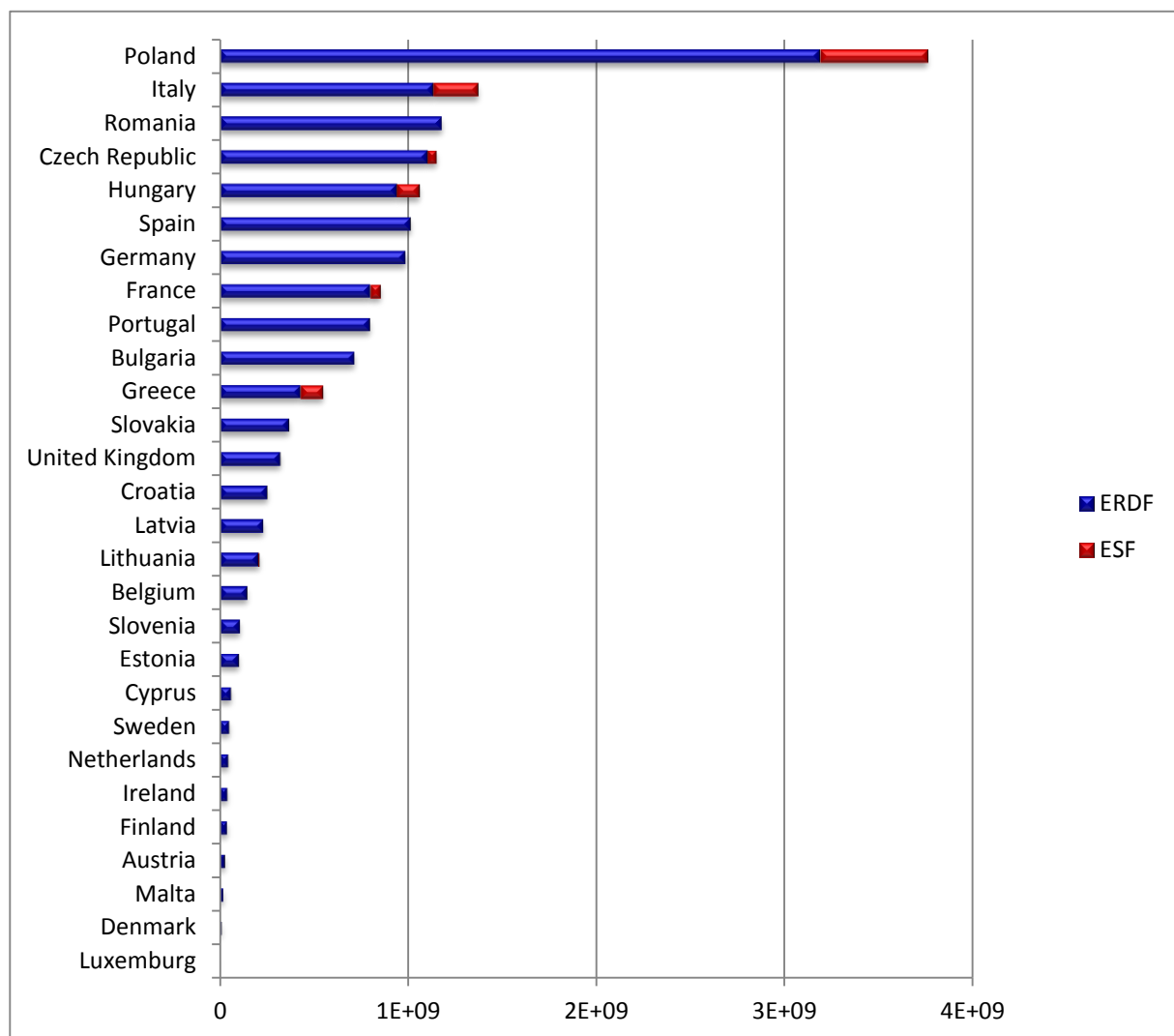
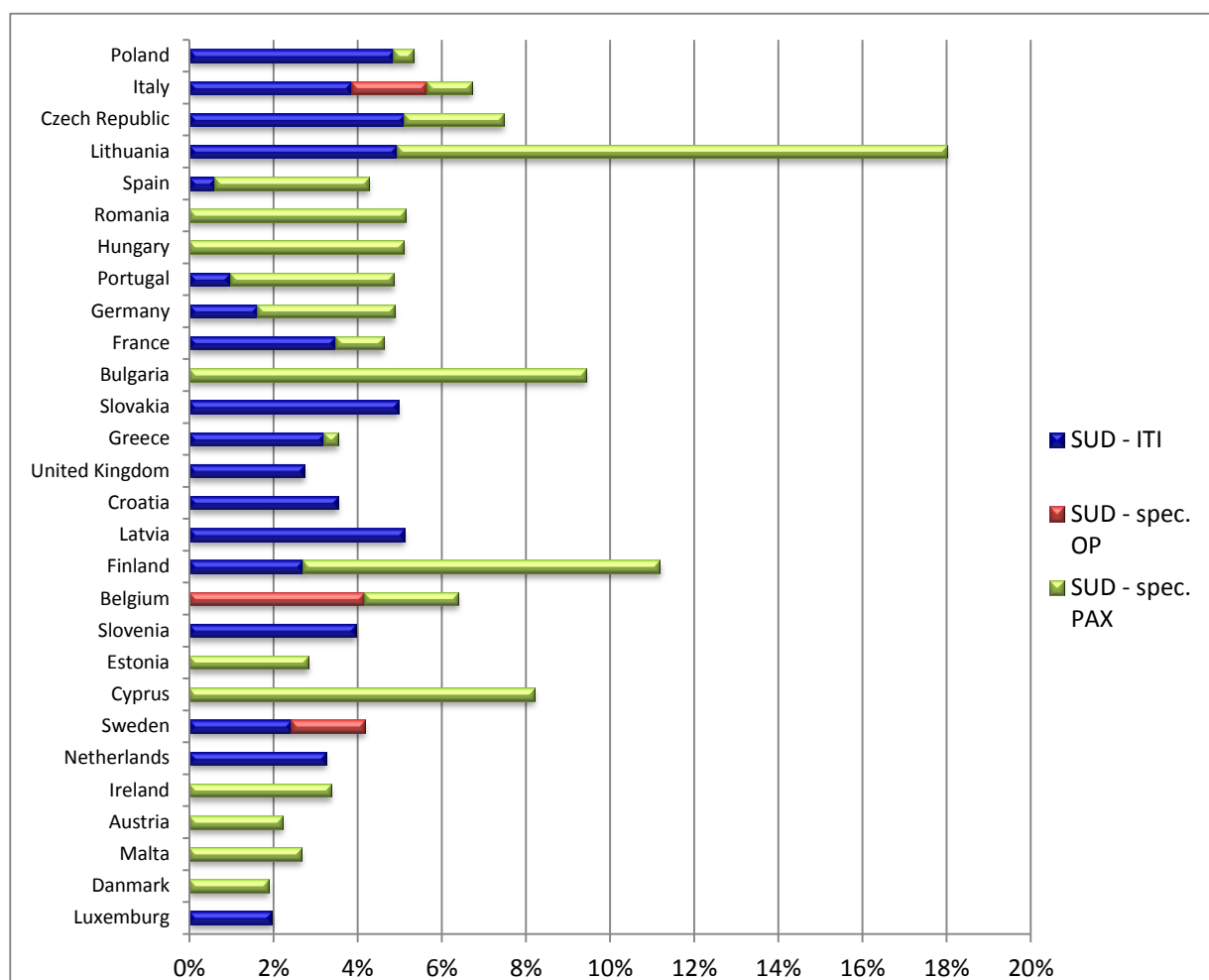


Figure 172 – Delivery modes of SUD (%)¹⁰⁵



(as percentage of the total cohesion policy allocation of each country)

¹⁰⁵ Distribution by delivery mode can only be calculated from Table 10 of OPs (and Table 9 for ETC programmes). However, the comparison of those data with data encoded in Table 20 of OPs (and Table 19 of ETC programmes) demonstrates inconsistent encoding practices in some Member States. For example:

- PL, CZ, LT, GR, FI uses exclusively ITI for Article 7.
- ES, PT use exclusively priority axis for Article 7.
- SE also uses a priority axis under the South Sweden OP for SUD which is not indicated in the graph.

Figure 173 - Survey Q 11.1 Are the required integrated urban development strategies in place?

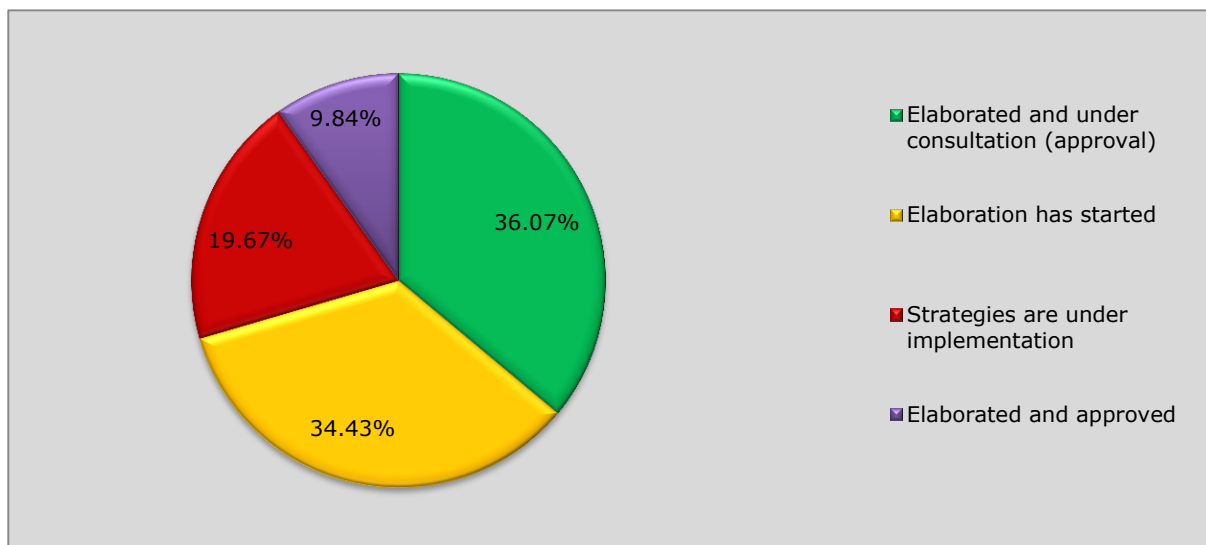


Figure 174 - Survey Q 11.3 Provision of institution building measures, or other support to urban authorities

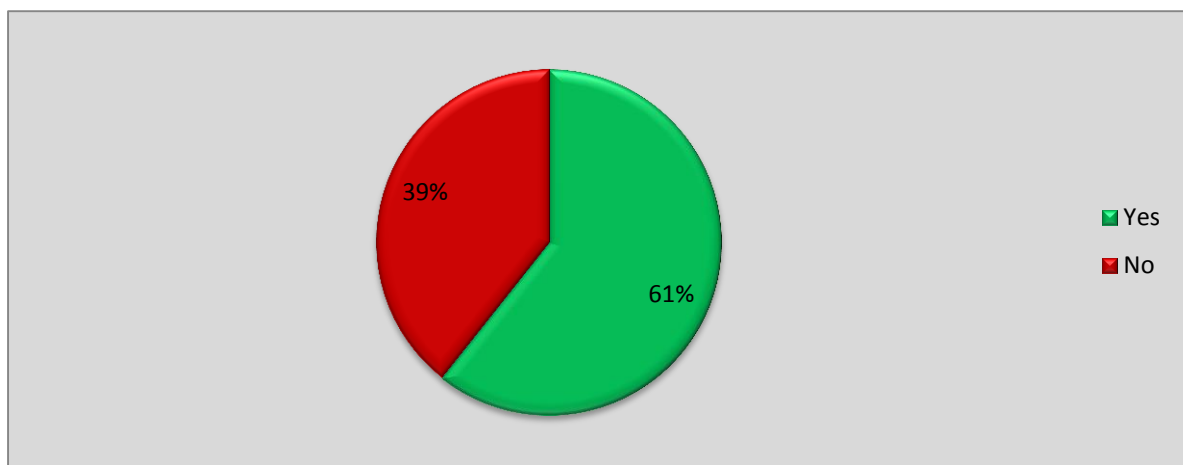


Figure 175 - Factors influencing negotiations – approach to sustainable urban development

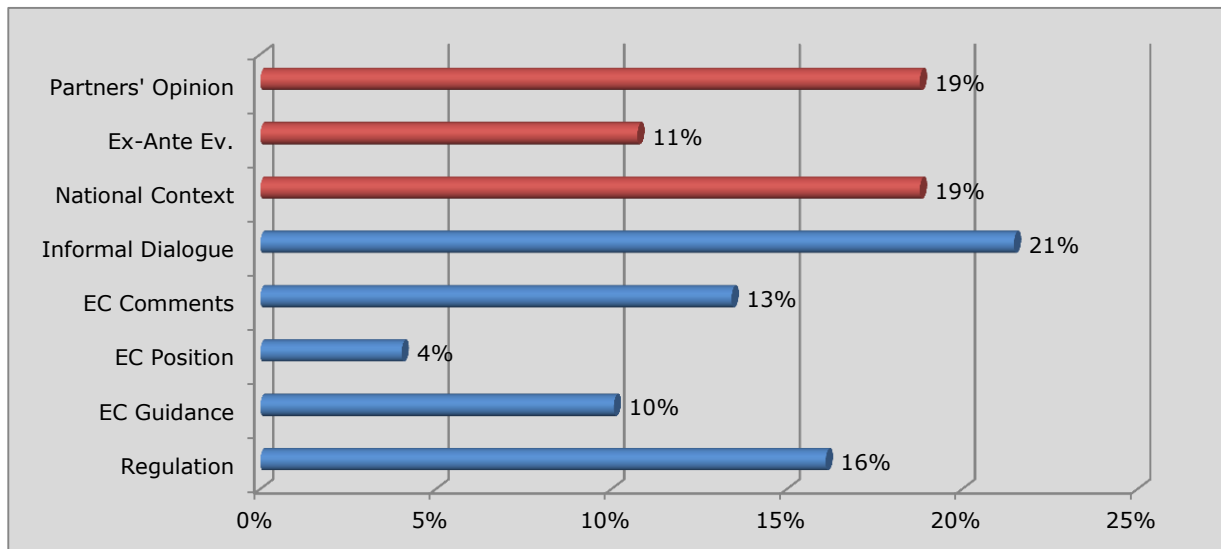
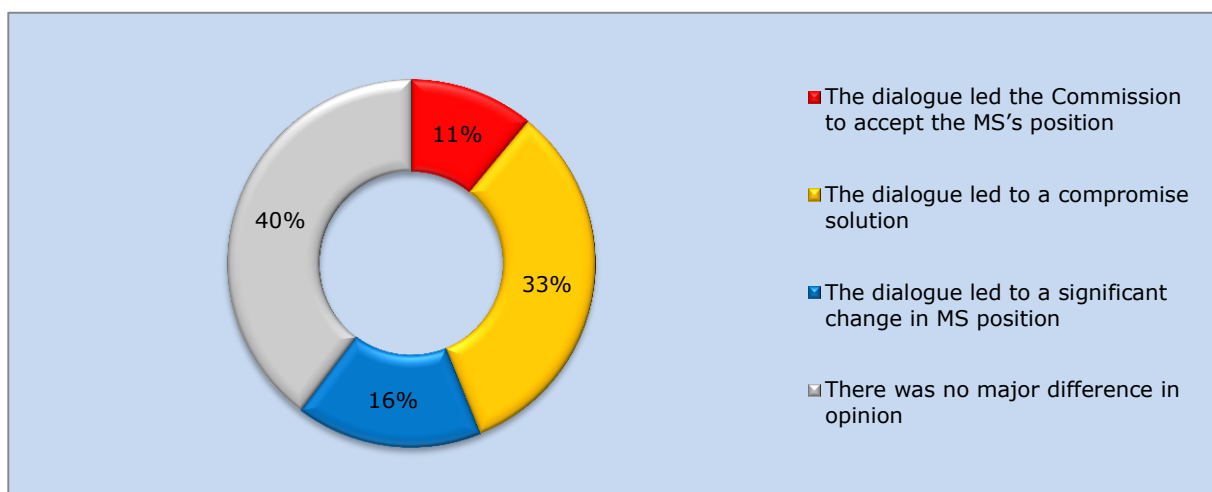


Figure 176 – Impact of exchanges with EC on the approach to sustainable urban development



4.12 ANNEX TO NP12 – TERRITORIAL COOPERATION AND MACRO-REGIONAL STRATEGIES

Figure 177 provides a detailed picture regarding which elements of macro-regional strategies programmes refer to, and how often they do so. (The same methodological note as for Figure 83 applies.)

Figure 177 - Referrals to Macro-strategies in Programmes¹⁰⁶

Strategy / Pillar / Priority	No. or referrals
EU Strategy for the Baltic Sea Region (EUSBSR)	291
P1 - Sea	76
Agriculture	9
Biodiversity	15
Hazards	9
Nutrient	17
Safety	8
Secure	8
Shipping	10
P2 - Prosperity	149
Culture	19
Education	18
Health	9
Innovation	36
Internal market	13
SME	33
Tourism	21
P3 - Connectivity	66
Crime	2
Energy	27
Transport	37
EU Strategy for the Alpine Region (EUSALP)	77
P1 - Sust. Growth	30
Employment	9
R&D	9
Support for enterprises	12

¹⁰⁶ The statistics present references contained by Programmes to macro-regional strategies' priorities, aggregated to pillar and strategy level.

Strategy / Pillar / Priority	No. or referrals
P2 - Connectivity	22
Connected society	6
Sustainable accessibility	8
Transport systems	8
P3 - Sustainability	25
Alpine risk management	6
Natural and cultural resources	15
World-class Alpine Region	4
EU Strategy for the Danube Region (EUSDR)	167
P1 - Connectivity	47
Culture and tourism	17
Mobility Rail-Road-Air	12
Mobility Waterways	8
Sustainable Energy	10
P2 - Environment	52
Biodiversity	20
Environmental risks	18
Water quality	14
P3 - Prosperity	50
Competitiveness	14
Knowledge society	14
People and skills	22
P4 - Strengthen region	18
Capacity and cooperation	15
Security	3
EU Strategy for the Adriatic and Ionian Region (EUSAIR)	79
P1 - Blue Growth	22
Blue technologies	11
Fisheries	3
Maritime	8
P2 - Connectivity	20
Energy networks	5
Intermodal	8
Maritime transport	7
P3 - Sustainability	19
Tourism management	8
Tourism offer	11

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Strategy / Pillar / Priority	No. or referrals
P4 – Environment	18
Marine environment	10
Terrestrial habitats	8
Total	614

Figure 178 - Factors influencing negotiations – way of co-ordinating with transnational actions, ETC programmes and the relevant macro-regional strategy

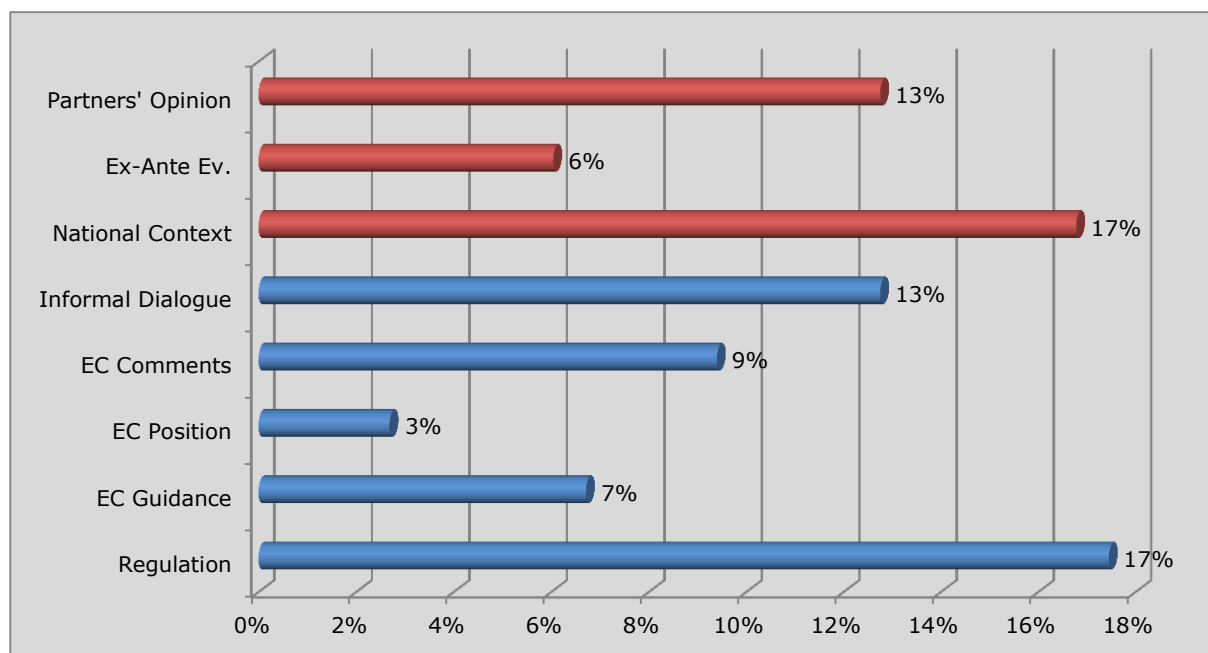
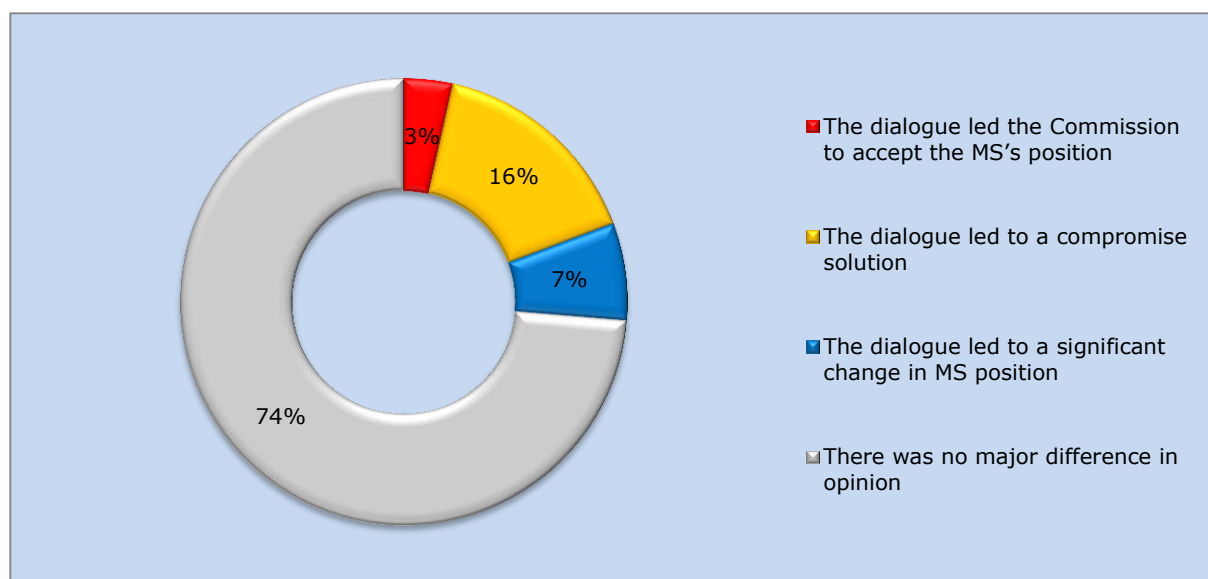


Figure 179 – Impact of exchanges with EC on the way of co-ordinating with transnational actions, ETC programmes and the relevant macro-regional strategy



The **investment priorities most frequently mentioned** in Programmes with beneficiaries in at least one other Member States are:

Investment Priority	Frequency
Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector (...) – Art 5.1(b), ERDF reg.	54%
Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, (...) – Art 5.1(a), ERDF reg.	41%
Promoting entrepreneurship, (...) – Art 5.3(a), ERDF reg.	36%
Supporting the capacity of SMEs to grown in regional, national and international markets , and to engage in innovation processes, (...) – Art 5.3(d), ERDF reg.	33%
Developing and implementing new business models for SMEs , in particular with regard to internationalisation – Art 5.3(b), ERDF reg.	31%
Promoting energy efficiency and renewable energy use in enterprises	28%
Conserving, protecting, promoting and developing natural and cultural heritage – Art 5.4(b), ERDF reg.	26%
Promoting low-carbon strategies for all types of territories, in particular for urban areas, (...) – Art 5.4(e), ERDF reg.	21%
Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure , (...) – Art 5.4(c), ERDF reg.	18%
Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure – Art 5.6(d), ERDF reg.	15%
Promoting the production and distribution of energy derived from renewable sources – Art 5.4(a), ERDF reg.	15%
Supporting the creation and the extension of advanced capacities for products and service development – Art 5.3(c), ERDF reg.	15%

(frequency as % of the total number of programming documents comprising reference to Priority areas for co-operation)

Note: For this list, the list of IPs has been taken as is in the regulations. IPs with identical content under different funds have been treated as separate categories.

4.13 ANNEX TO NP13 – POVERTY, SOCIAL EXCLUSION

Figure 180 – Impact of exchanges with EC on the approach to map and combat poverty

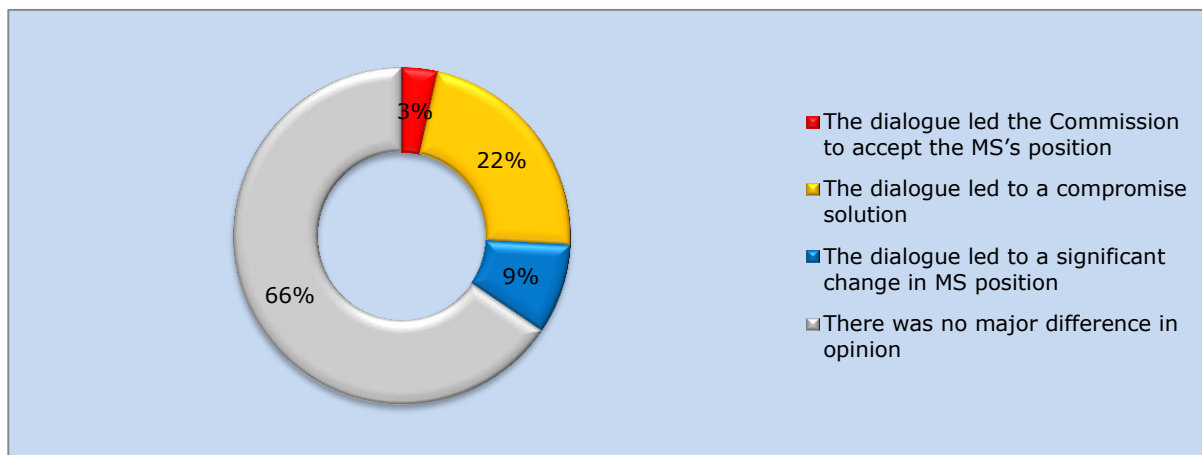


Figure 181 - Factors influencing negotiations – approach to map and combat poverty

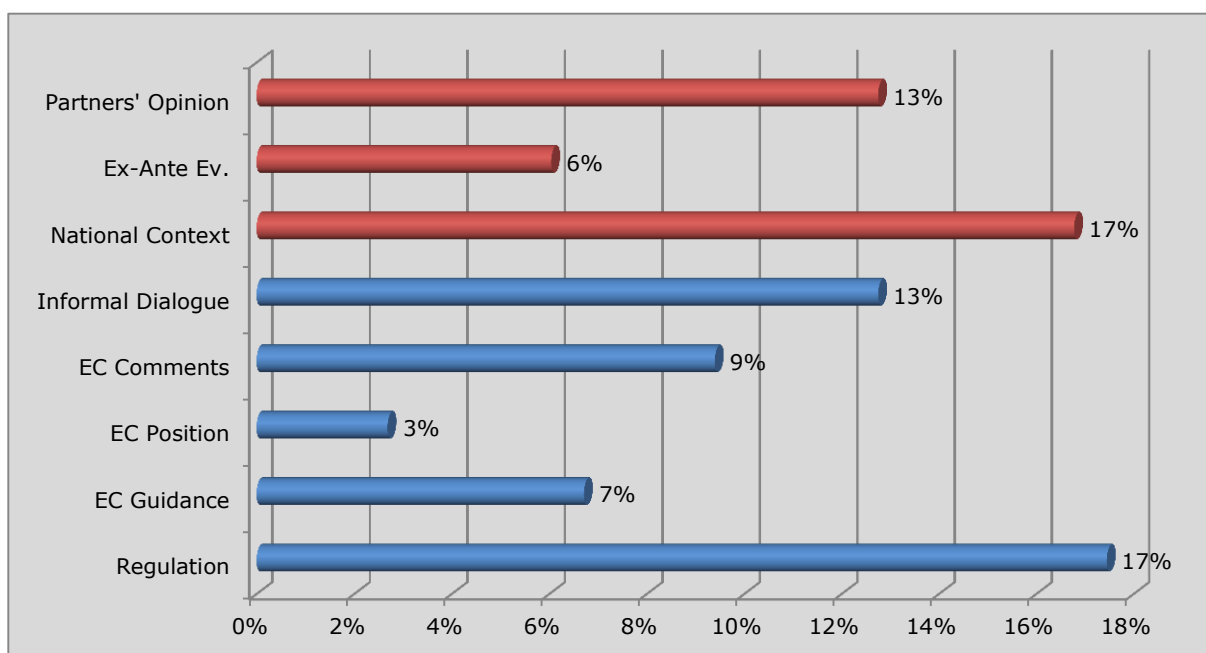


Figure 182 - Survey Q 13.1 Were there particular difficulties in implementing integrated approaches to territorial development?

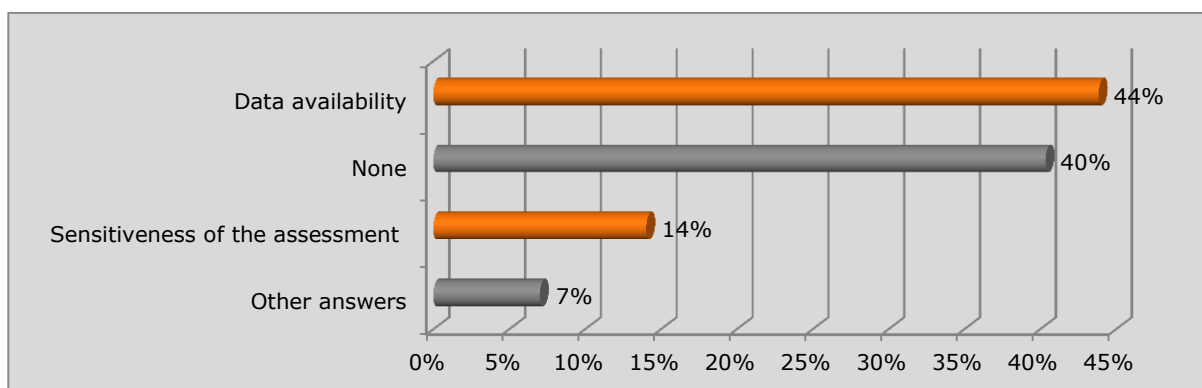
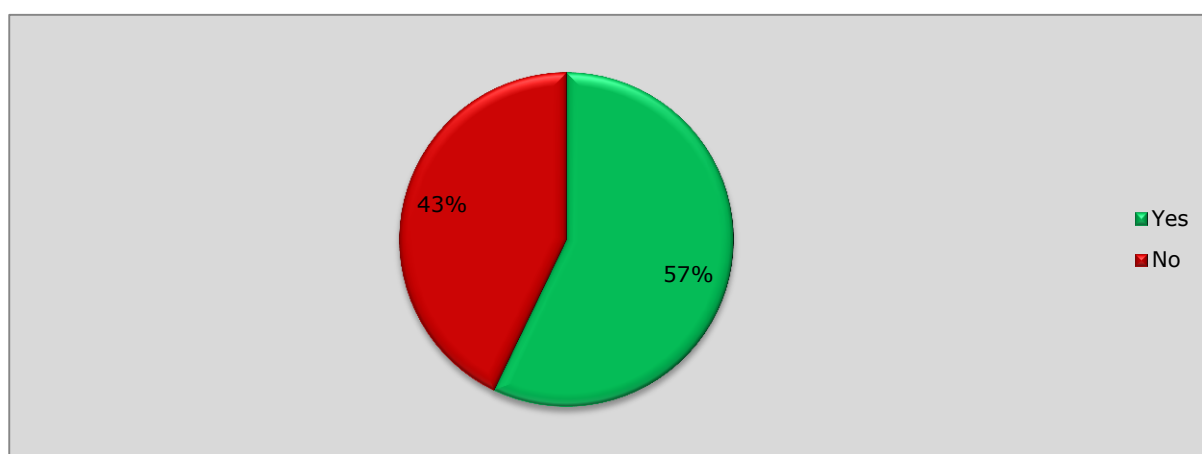
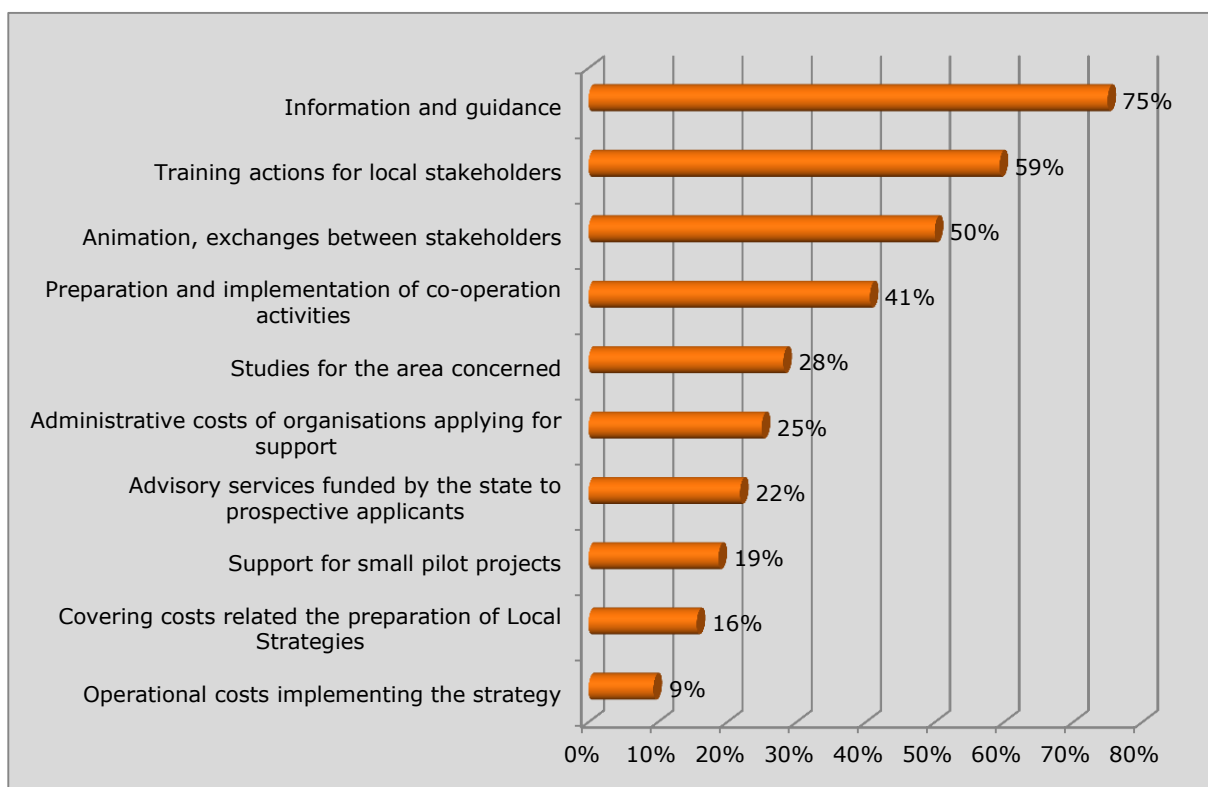


Figure 183 - Survey Q 13.2A Have you considered institution building measures, or other support to beneficiaries/ stakeholders concerned?



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Figure 184 - Survey Q 13.2B What kind of institution building measures, or other support to beneficiaries/ stakeholders concerned have you considered?



4.14 ANNEX TO NP 15 - COORDINATION BETWEEN THE ESI FUNDS AND OTHER UNION AND NATIONAL FUNDING INSTRUMENTS AND WITH THE EIB

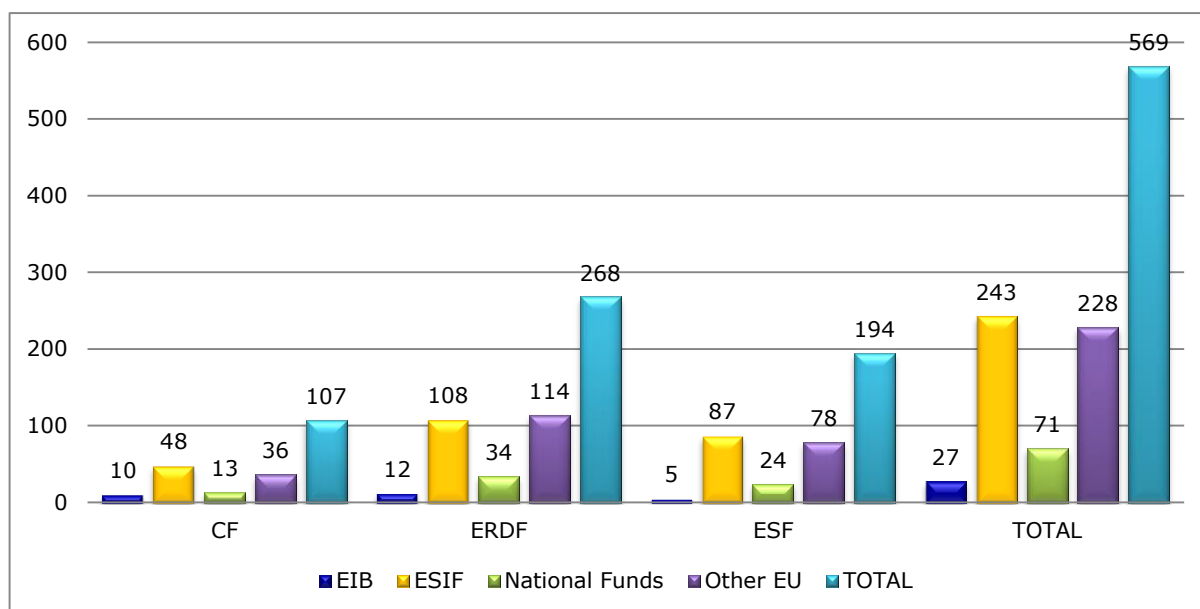
Areas where a co-ordinated use of funds is foreseen

Figure 185 shows, according to the content of Partnership Agreements

- what cohesion policy funds (ERDF, ESF, CF) Member States wish to use together, - in a co-ordinated manner – with
- what types funds (ESI Funds, other EU resources, National Funds, or the EIB).

Data are arranged according to the **number of times that each combination of funds is mentioned** by the Member States in their Partnership Agreements, listed by fund types.

Figure 185 - Co-ordination of ESI Funds with other fund TYPES – as stated in PAs



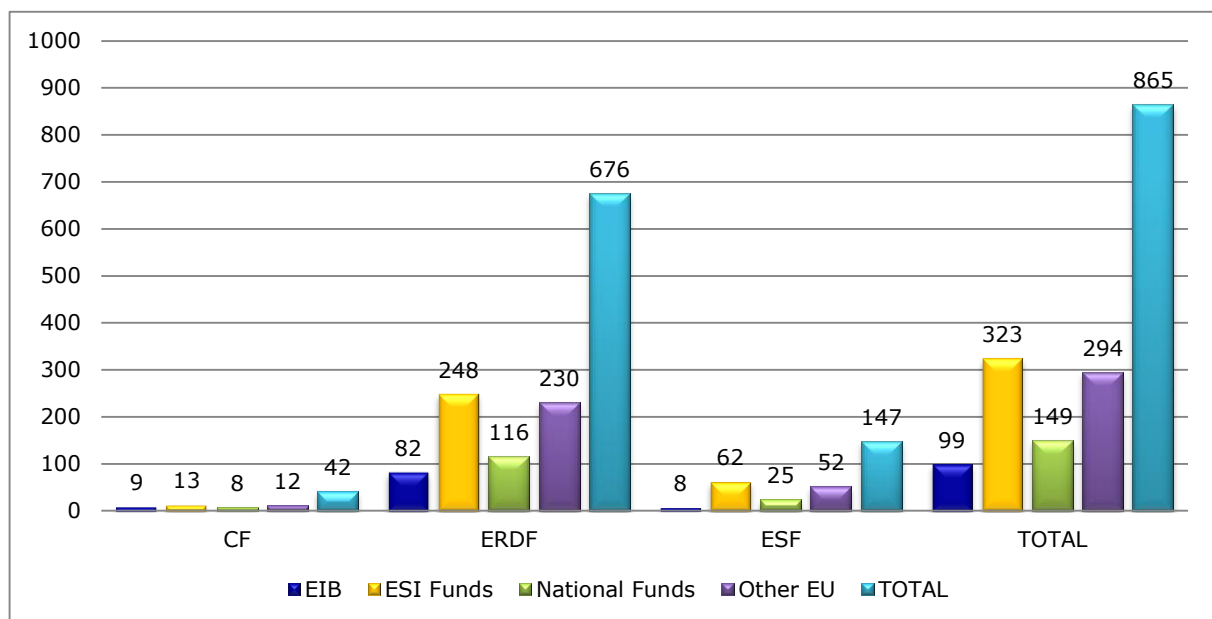
(Frequency of fund combinations being mentioned in PAs)

As the figure shows, the co-ordination of ESI Funds is most often planned by Member States with the other ESI Funds, followed by (non-ESIF) union instruments and to a lesser extent with national funds. The pattern is similar for the CF, ERDF and ESF as well.

Posing the **same question at OP** level, results are the same: the need to co-ordinate is most often mentioned with respect to other ESI Funds, then other EU instruments, followed by national funds, and the EIB being mentioned almost exclusively with respect to the ERDF.

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Figure 186 - Co-ordination of ESI Funds with other fund TYPES – in Programmes



(Frequency of fund combinations being mentioned in programmes)

Co-ordination arrangements by fund

Figure 187 - Use of co-ordination arrangements by Funds, as indicated in PAs¹⁰⁷

Coordination arrangement	CF	ERDF	ESF	AVERAGE
Synergetic use of funds	19%	17%	18%	18%
Clear demarcation	14%	13%	14%	14%
Use of co-ordination body	16%	13%	14%	14%
Strategic and political co-ordination	12%	13%	15%	13%
Technical-level co-ordination	10%	10%	13%	11%
Common monitoring committee	9%	6%	5%	6%
Co-op. in monitoring, evaluation, control, audit	5%	7%	6%	6%
Cross-participation of MAs	5%	5%	4%	5%
Integrated implementation bodies	3%	5%	3%	4%
Regular "cross-border" consultations	2%	4%	3%	3%
Joint information activities	2%	3%	1%	2%
Selection criteria reward synergies	0%	2%	0%	1%
Unspecified arrangement	3%	3%	3%	3%
TOTAL	100%	100%	100%	100%

(number of Member States referring to a given arrangement, for a specific fund, in PAs)

¹⁰⁷ The legend is explained above with respect to Figure 99. The "Average" column shows the unweighted average of the figures for each fund. Percentages express the frequency of arrangements for the specific fund vs. the total number of co-ordination needs (arrangements) registered.

A statistical analysis of programme level data showed that while patterns are similar for all three funds – e.g. as regards the generally high importance of programming, or the use of a co-ordination body, etc. – statistical analysis reveals some differences (significant correlations) with respect to the approaches to co-ordination. According to the data:

- ERDF programmes are more likely than others to
 - use “cross-participation of MAs in decision-making – i.e. involve other MAs in project selection;
 - co-operate with other programmes in monitoring, evaluations, control and audit.
- Cohesion Fund programmes,
 - the co-ordination body in the sense of Art. 123 (8) is seen to play an important role.
 - Regular cross-border consultations are also frequently mentioned.
- For the ESF, the importance of coordination in programming is relatively high, even higher than for other funds.

Co-ordination arrangements by Member State

The use of different co-ordination methods **by Member State** is shown in Figure 188 below.

As it can be seen from the table, most Member States indicate that **programming has a key role** in the co-ordination of funds, either “actively”, through a synergetic use of funds, or “passively” i.e. through clear demarcations, minimising the need for co-ordination. The other type of most frequently used co-ordination arrangements are, again, **committees** – at strategic-political levels (including committees between the government and regions – as well as technical level (e.g. between MAs).

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Figure 188 - Use of co-ordination arrangements by Member States (based on PAs)

	Clear demarcation	Common monitoring committee	Co-op. in monit., eval, control, audit	Cross-participation of MAs	Integrated implementation bodies	Joint information activities	Regular "cross-border" consultations	Selection criteria reward synergies	Strategic & political co-ordination	Synergetic use of funds	Technical -level co-ordination	Unspecified arrangements	Use of co-ordination body	TOTAL
Austria									X	X			X	3
Belgium	X	X		X	X				X	X	X			7
Bulgaria	X	X							X	X			X	5
Croatia	X	X	X				X			X	X		X	7
Cyprus								X	X	X	X		X	5
Czech	X		X	X		X		X	X	X			X	8
Denmark	X			X	X	X	X		X	X	X		X	9
Estonia	X					X				X	X	X	X	6
Finland										X				1
France	X				X	X	X	X	X	X	X		X	9
Germany									X					1
Greece	X		X	X					X	X	X		X	7
Hungary	X			X					X	X	X		X	6
Ireland	X	X	X		X					X	X	X	X	8
Latvia									X				X	2
Lithuania	X	X	X	X	X				X	X	X			8
Luxemb.	X	X							X	X	X			5
Malta	X	X	X						X	X	X		X	7
Netherl.			X				X			X				3
Poland	X	X	X		X				X	X	X		X	8
Portugal	X	X	X	X	X				X	X			X	8
Roman.	X									X	X	X		4
Slovakia	X			X					X				X	4
Slovenia	X								X	X	X		X	5
Spain		X	X				X		X	X	X		X	7
Sweden	X	X	X	X	X	X	X	X	X	X	X	X	X	13
UK				X						X	X		X	4
TOTAL	19	11	11	10	8	5	6	4	20	24	18	4	20	160

Arrangements helping beneficiaries to access funds in a co-ordinated way

In the programming documents 21 Member States have provided specific data on how they intended to support beneficiaries to access different types of funding sources.¹⁰⁸ (See Figure 189 below).

Figure 189 - Support beneficiaries in the co-ordinated use of funds, by Member States

	Contact points	E-government	Guidance	Info. & training	Planning documents	TOTAL
Belgium	X	X	X			3
Bulgaria		X				1
Croatia	X		X		X	3
Cyprus	X		X		X	3
Czech R.	X	X				2
Denmark	X	X	X			3
Estonia		X		X		2
Finland	X		X			2
France	X	X	X	X		4
Greece			X	X	X	3
Hungary	X	X	X			3
Ireland	X					1
Latvia		X				1
Luxemburg	X	X	X			3
Malta	X	X	X			3
Netherlands		X				1
Portugal	X	X	X			3
Romania	X	X	X			3
Slovakia			X			1
Sweden	X	X	X	X	X	5
UK			X			1
TOTAL	14	14	15	4	4	51

As it can be seen from the data, Member States, quite uniformly, plan to provide help to beneficiaries mainly through

- Specific guidance documents for beneficiaries;
- Dedicated contact points and one-stop-shop information services to beneficiaries;
- As well as e-government solutions (web-pages, etc.).

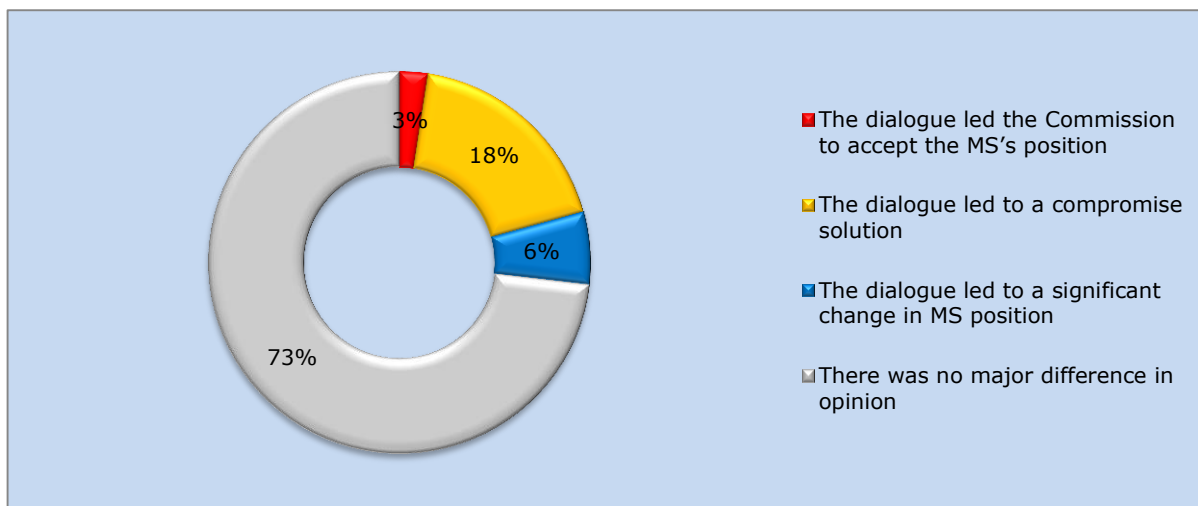
Those Member States that included information into their PAs, indicated – on average – at least 2 measures (methods) that they intended to use.

¹⁰⁸ The countries that did not include such information into their PAs were AT, DE, IT, LT, PL, SI, ES

The negotiation process regarding the co-ordination of funds

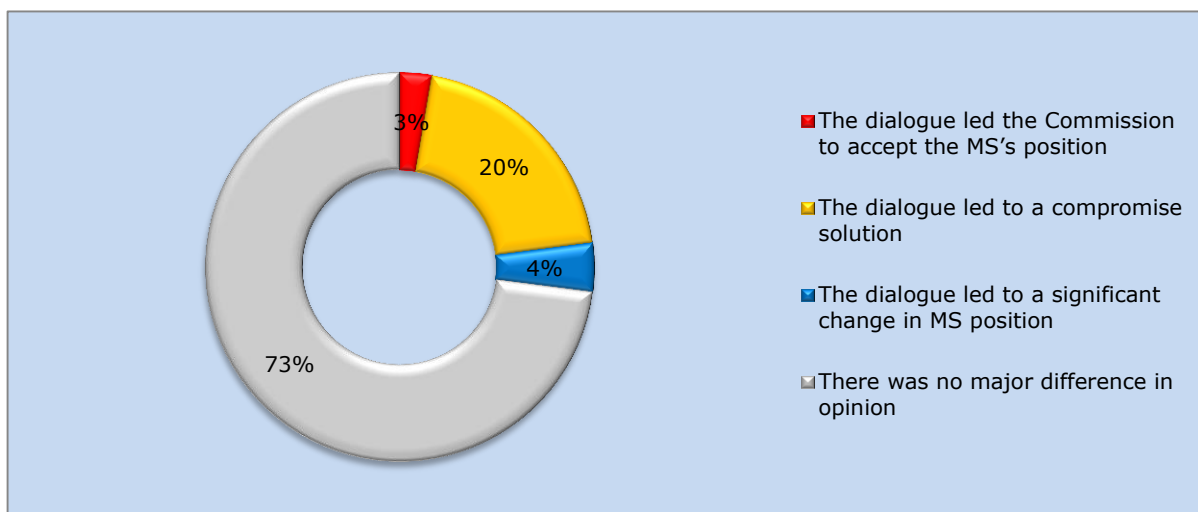
As shown in Figure 190, managing authorities did not perceive the question of funds co-ordination as particularly contested. In three quarters of the cases there were no major differences in approach between the Member States and the Commission. Where there were initial differences, compromise solutions were found.

Figure 190 – Impact of exchanges with EC on co-ordinating ESIF



Again, the results are very similar with respect to the co-ordination of ESI Funds vs. other policies and instruments at EU and national level.

Figure 191 - Impact of exchanges with EC - coordinating ESIF vs. other funds

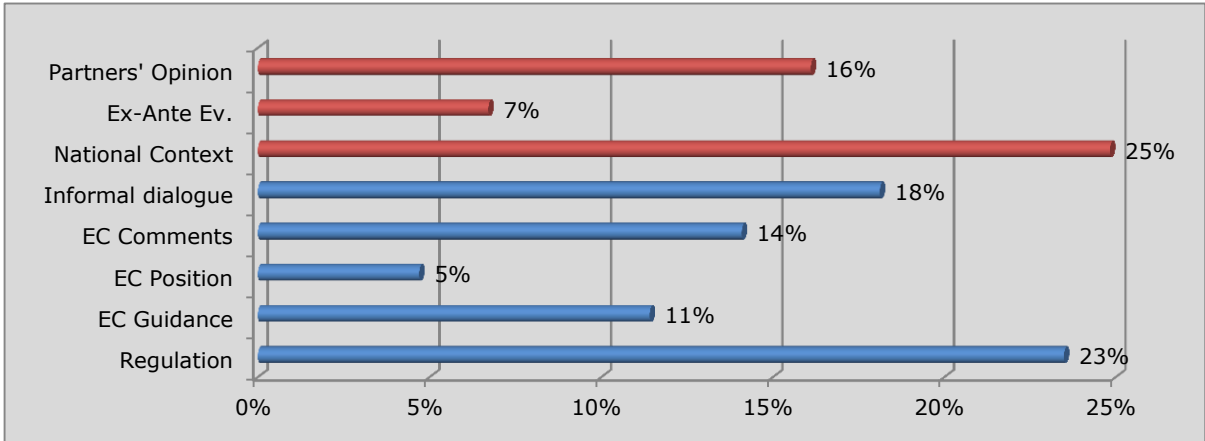


As Figure 192 shows – based on the first horizontal survey question – managing authorities indicated that the content of programming documents regarding the co-ordination among ESI funds was shaped, quite unsurprisingly,

- by the national legal and institutional context on the one hand; and
- by the regulations on the other.

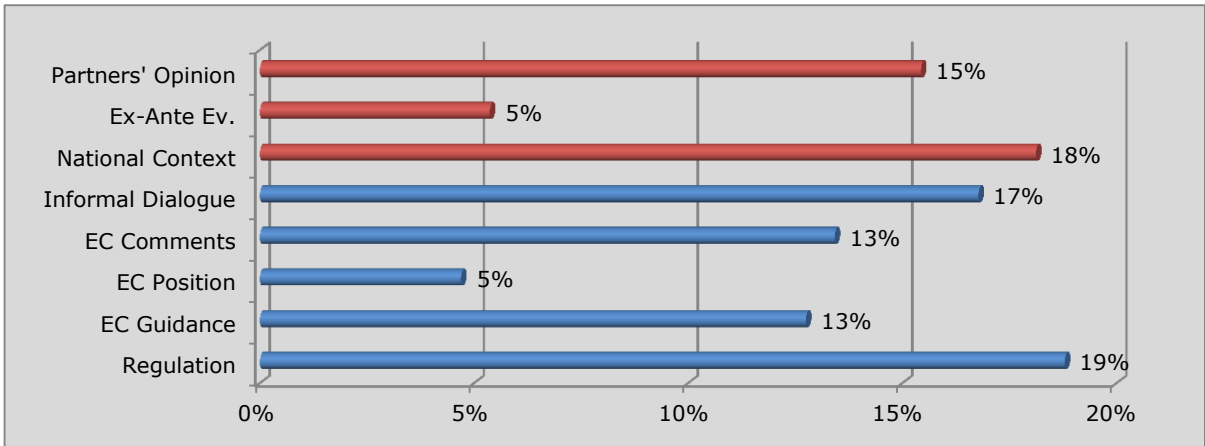
In addition Member States took account of the opinion and proposals of partners. The informal dialogue with the EC was also considered important by the MAs.

Figure 192 - Factors influencing negotiations – co-ordination of ESIF



Almost exactly the same results were produced for the co-ordination of ESI Funds with other policies and instruments.

Figure 193 - Factors influencing negotiations – ESIF vs. other policies



4.15 ANNEX TO NP 16 – ADMINISTRATIVE CAPACITY

Figure 194 - Impact of exchanges with the Commission on admin. capacity

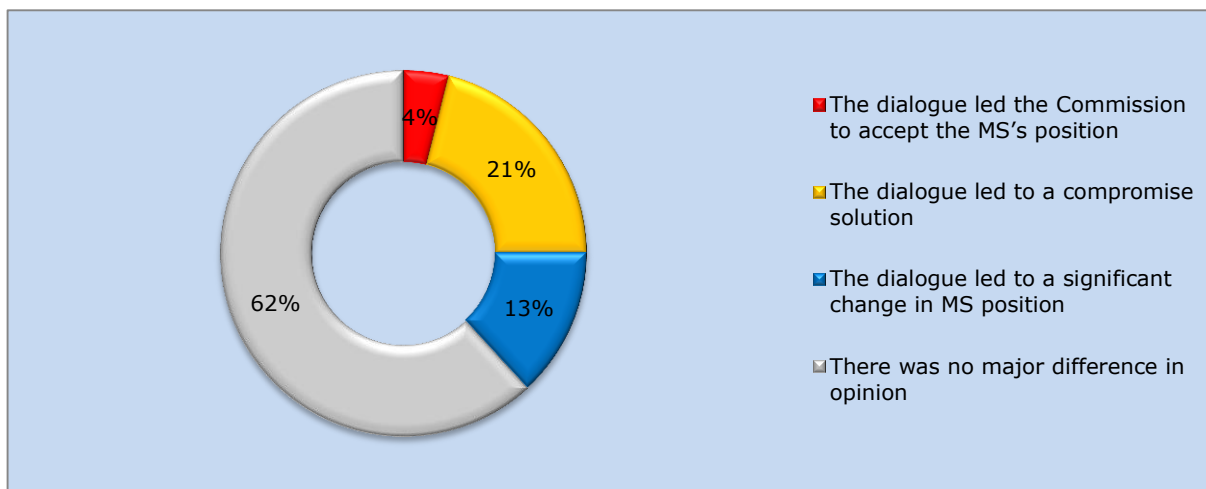
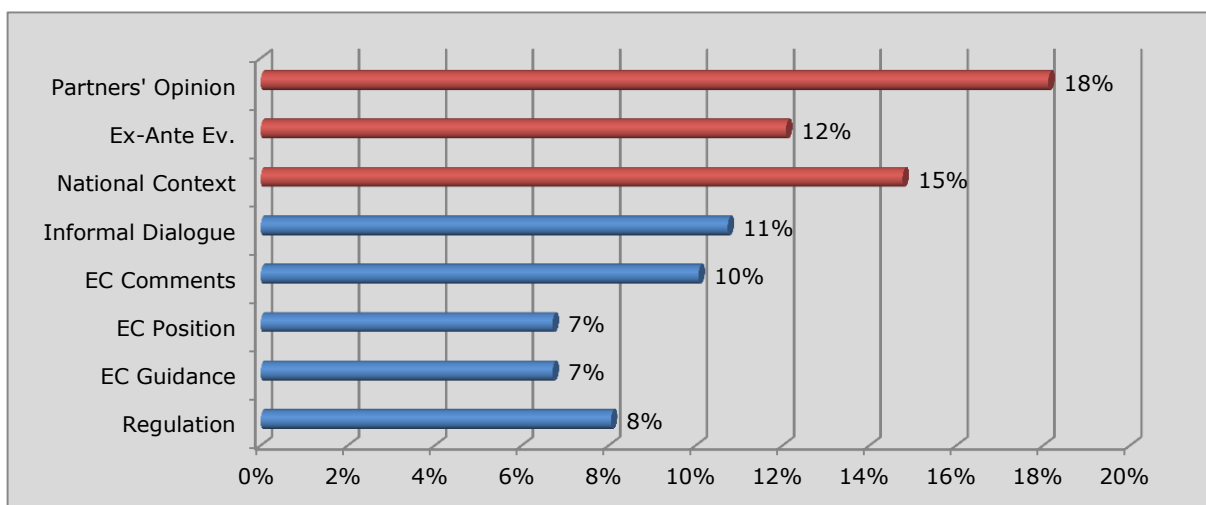


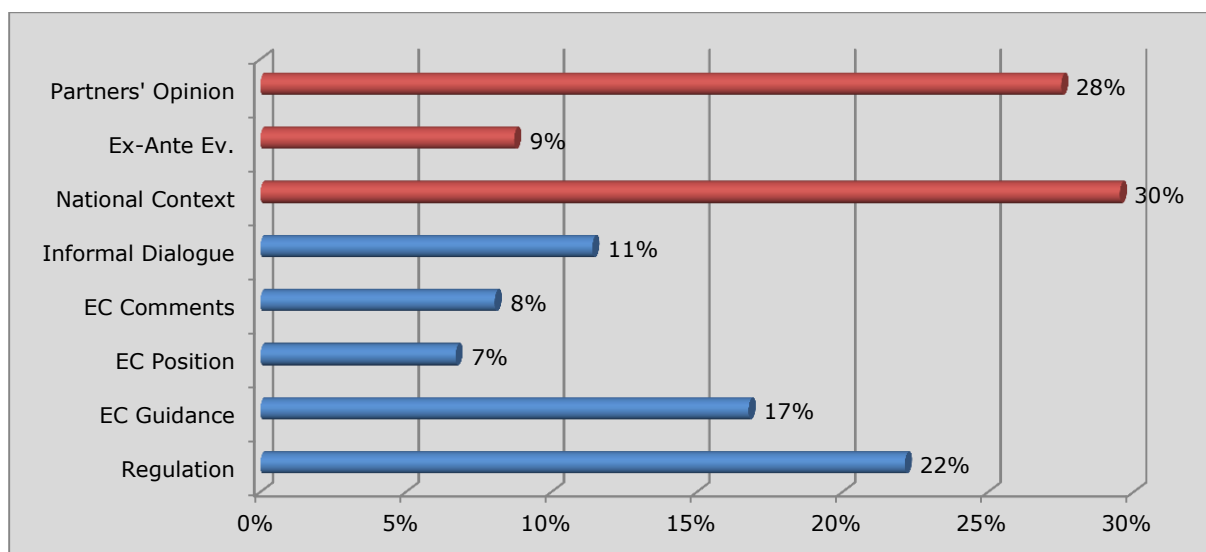
Figure 195 - Factors influencing Member States' choices on admin. capacity



4.16 ANNEX TO NP 17 – REDUCTION OF THE ADMINISTRATIVE BURDEN

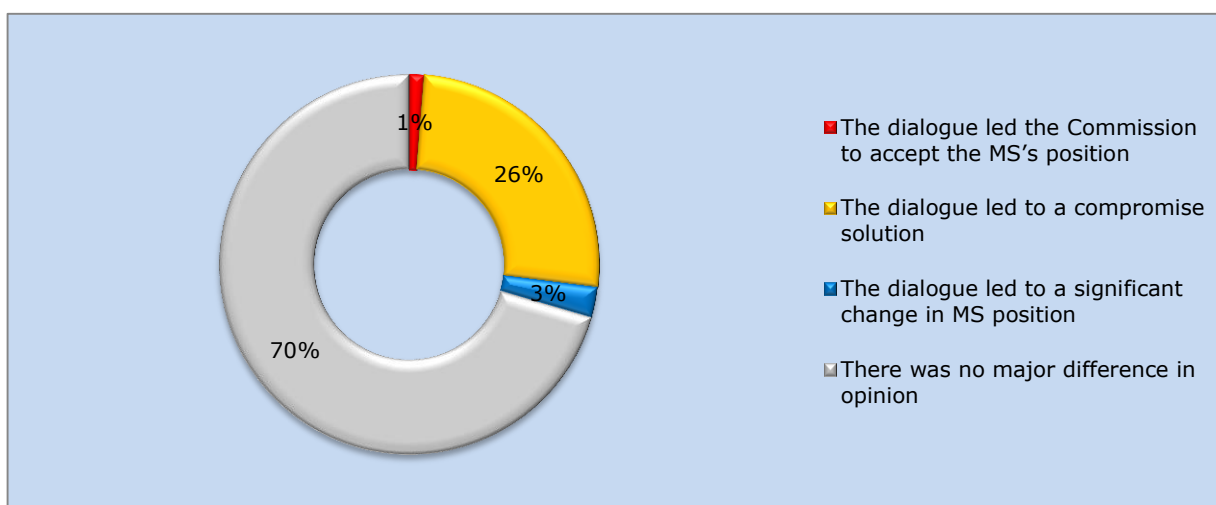
Based on responses to the survey question – apart from the national legal and institutional context – it was **partners opinion** that most influenced Member States positions regarding plans to reduce the administrative burden. Partnership has been used a lot in this area, even as compared with other new provisions – which are both understandable and noteworthy.

Figure 196 - Factors influencing the outcome of negotiations on admin. burden



As to the impact of exchanges with the Commission, the reduction of the administrative burden seems to have been an area with a lot of **consensus**, and little disagreement.

Figure 197 - The influence of exchanges with the Commission on admin. burden



4.17 ANNEX TO NP 18 – HORIZONTAL PRINCIPLES

Figure 198 - Factors influencing negotiations on horizontal principles

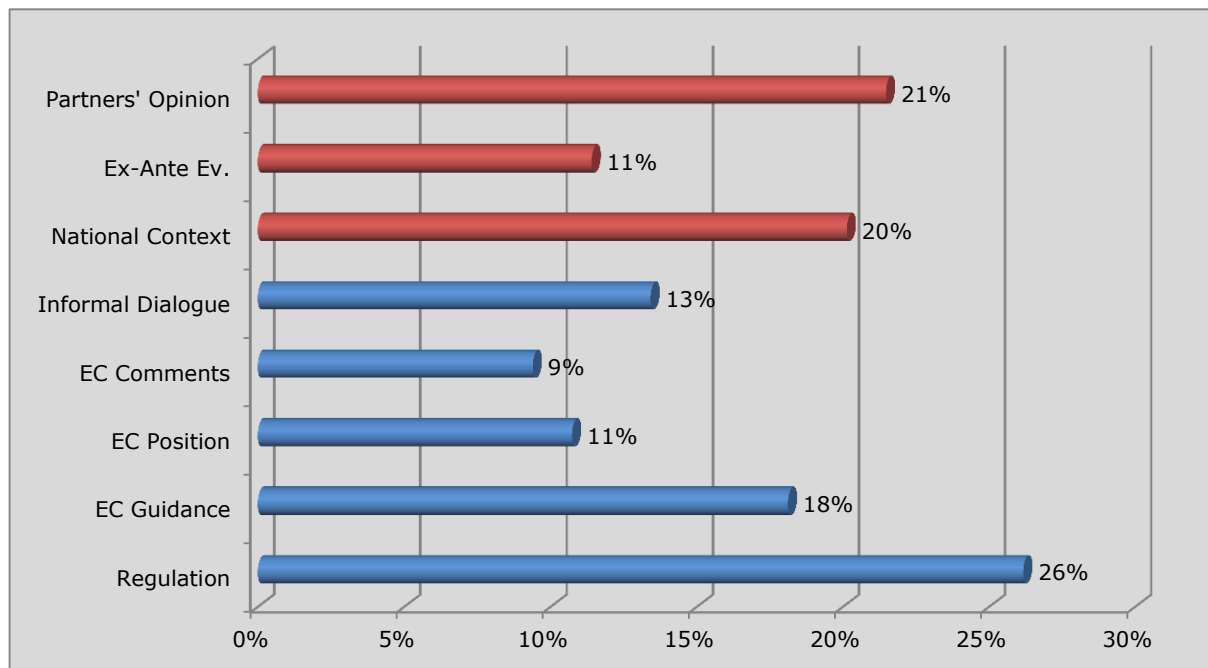
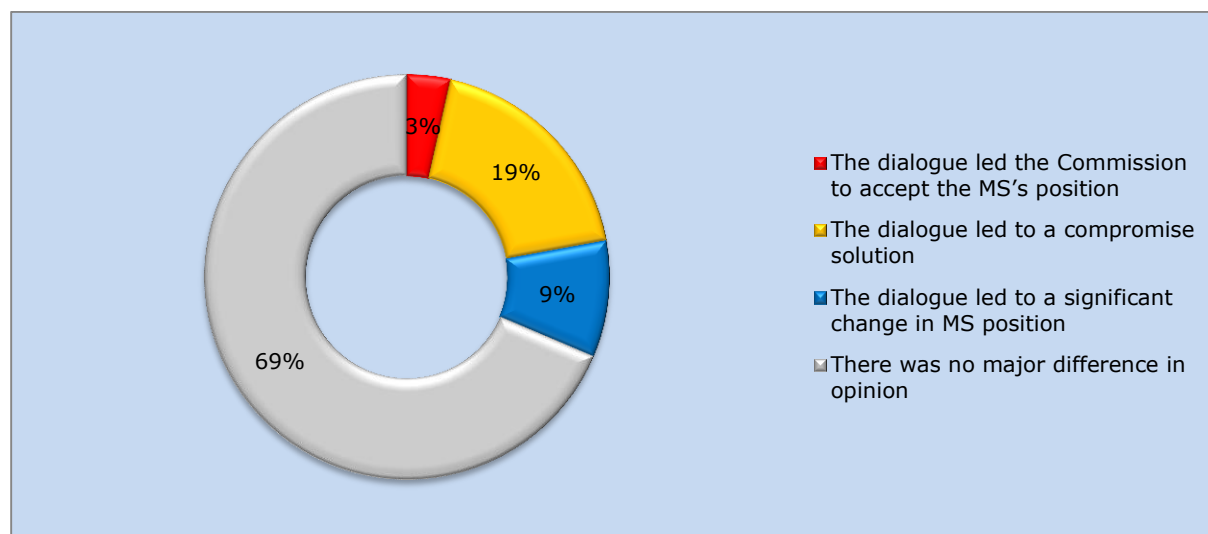


Figure 199 - The outcome of negotiations on horizontal principles



4.18 ANNEX TO NP 19 – E-COHESION

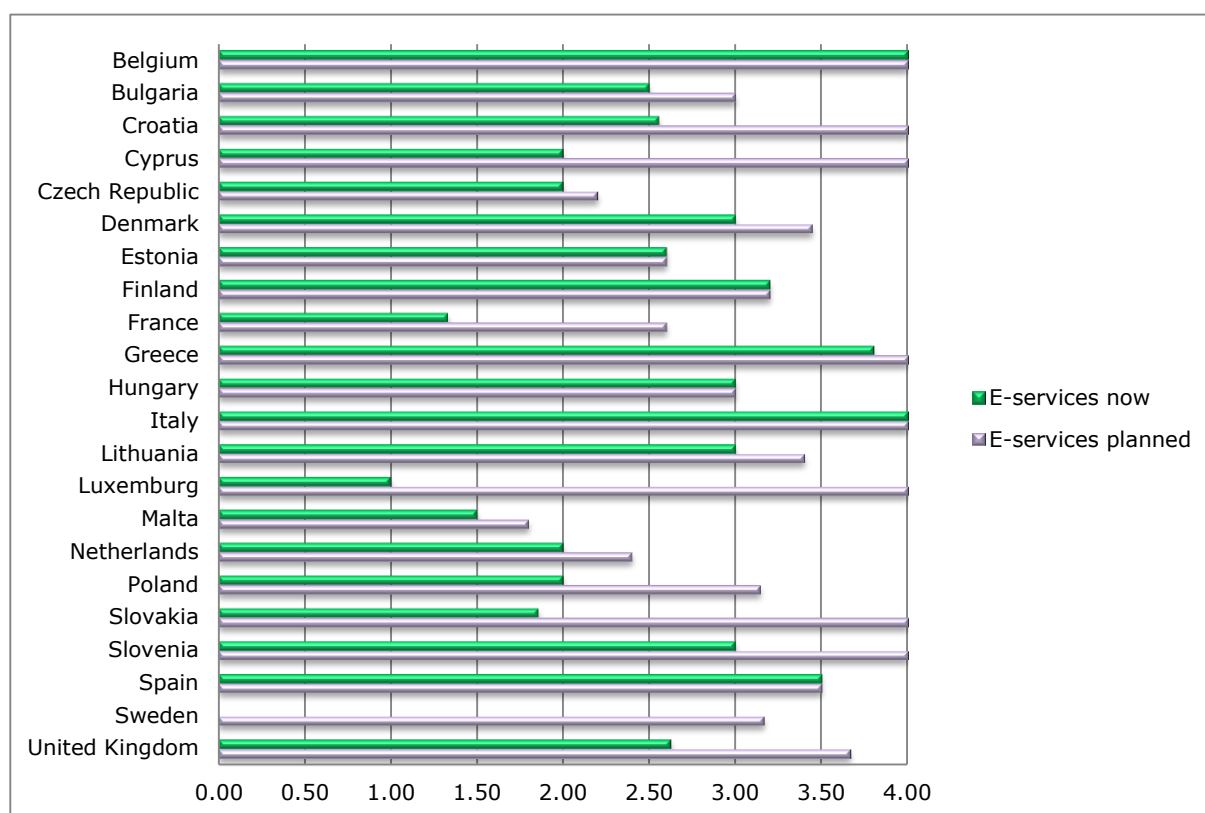
To some extent, coding results could also be used to make an estimation whether or not each member state fulfils the regulatory requirement of 122 (3) CPR (i.e. on-line exchange of data by end of 2015)¹⁰⁹. One way to do that would be to assume that e-service levels of

- (3) - Two-way interaction: processing of forms, incl. authentication
- (4) - Transaction: case handling

are those that allow for a full electronic exchange of information and e-administration between authorities and beneficiaries (at the relevant stages of the programme cycle).

Based on this logic, and the data from the Partnership Agreements, Belgium, Finland, Italy, Slovenia and Spain would already have e-service levels that comply with regulatory requirements. As to future planned levels, Croatia, Cyprus, Denmark, Hungary, Lithuania, Luxembourg and Slovakia could also be added to the list. Poland and Sweden seem very close to the objective. During the interviews, France and Germany also reported readiness for e-cohesion.

Figure 200 – Average E-service levels per Member State (based on PA)



¹⁰⁹ Art. 122 (3) CPR, first subparagraph: „Member States shall ensure that no later than 31 December 2015, all exchanges of information between beneficiaries and a managing authority, a certifying authority, an audit authority and intermediate bodies can be carried out by means of electronic data exchange systems.”

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Again, it needs to be stressed that PAs are not complete, and do not give a specific, fully detailed and comparable account on e-service levels. Therefore, data should be interpreted cautiously. The above analysis regarding the fulfilment of the specific e-cohesion requirement cannot be more than an approximation. As described in Section 3.19.4, Member States were generally supportive of the new provisions regarding e-cohesion, while some of them also mentioned difficulties.

A summary of data analysing Member States' planned e-cohesion upgrades from the point of view of the criteria of the Commission's e-cohesion guidelines is provided in the table below. Data in PAs were specific enough to fill this table for only 7 Member States (such a breakdown of data was not specifically required by the PA Guidelines).

Figure 201 - Actions for e-cohesion as indicated in PAs.

	Availabil ity	Benef. access	Coverag e	Data protecti on	Links	Only once	Paper trail	Retentio n
Croatia		1					1	
Czech Republic		1						
Denmark		1			1			1
Lithuania		1						
Luxemburg	1	1	1	1	1	1	1	
Slovakia		1	1			1	1	
Sweden	1	1	1	1	1		1	1

4.19 LIST OF PROGRAMMES ANALYSED

CCI	CCI_TITLE_EN
2014AT16RFOP001	Investments in Growth and Employment Austria 2014-2020 - Operational Programme for the use of the ERDF funds
2014BE16RFOP001	OP Brussels Capital Region
2014BE16RFOP002	OP Flanders
2014BE16RFOP003	OP Wallonia
2014BG05M2OP001	Operational Programme Science and Education for Smart Growth
2014BG16M1OP001	Operational programme "Transport and transport infrastructure"
2014BG16M1OP002	Operational programme "Environment"
2014BG16RFOP001	Operational programme "Regions in Growth"
2014BG16RFOP002	Operational programme "Innovations and Competitiveness"
2015BG16RFSM001	Operational Programme under the SME Initiative
2014CY16M1OP001	Competitiveness and sustainable development
2014CZ05M2OP001	OP Research, Development and Education
2014CZ16CFTA001	Technical assistance
2014CZ16M1OP001	Transport
2014CZ16M1OP002	Environment
2014CZ16M2OP001	OP Prague – Growth Pole
2014CZ16RFOP001	Enterprise and Innovation for Competitiveness
2014CZ16RFOP002	Integrated Regional Operational Programme
2014DE16M2OP001	OP Niedersachsen ERDF/ESF 2014-2020
2014DE16RFOP001	OP Baden-Württemberg ERDF 2014-2020
2014DE16RFOP002	OP Bayern ERDF 2014-2020
2014DE16RFOP003	OP Berlin ERDF 2014-2020
2014DE16RFOP004	OP Brandenburg ERDF 2014-2020
2014DE16RFOP005	OP Bremen ERDF 2014-2020
2014DE16RFOP006	OP Hamburg ERDF 2014-2020
2014DE16RFOP007	OP Hessen ERDF 2014-2020
2014DE16RFOP008	OP Mecklenburg-Vorpommern ERDF 2014-2020
2014DE16RFOP009	OP Nordrhein-Westfalen ERDF 2014-2020
2014DE16RFOP010	OP Rheinland-Pfalz ERDF 2014-2020
2014DE16RFOP011	OP Saarland ERDF 2014-2020
2014DE16RFOP012	OP Sachsen ERDF 2014-2020
2014DE16RFOP013	OP Sachsen-Anhalt ERDF 2014-2020
2014DE16RFOP014	OP Schleswig-Holstein ERDF 2014-2020
2014DE16RFOP015	OP Thüringen ERDF 2014-2020
2014DK16RFOP001	Innovation and Sustainable Growth in Businesses. National Programme for the European Regional Fund – 2014-2020
2014EE16M3OP001	Operational Programme for cohesion policy Funding 2014-2020
2014ES16RFOP001	Smart growth ERDF 2014-20 OP
2014ES16RFOP002	Sustainable growth ERDF 2014-20 OP
2014ES16RFOP003	Andalucía ERDF 2014-20 OP
2014ES16RFOP004	Aragón ERDF 2014-20 OP
2014ES16RFOP005	Asturias ERDF 2014-20 OP

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2014ES16RFOP006	Baleares ERDF 2014-20 OP
2014ES16RFOP007	Canary Islands ERDF 2014-20 OP
2014ES16RFOP008	Cantabria ERDF 2014-20 OP
2014ES16RFOP009	Castilla y León ERDF 2014-20 OP
2014ES16RFOP010	Castilla-La Mancha ERDF 2014-20 OP
2014ES16RFOP011	Cataluña ERDF 2014-20 OP
2014ES16RFOP012	Ceuta ERDF 2014-20 OP
2014ES16RFOP013	Comunidad Valenciana ERDF 2014-20 OP
2014ES16RFOP014	Extremadura ERDF 2014-20 OP
2014ES16RFOP015	Galicia ERDF 2014-20 OP
2014ES16RFOP016	La Rioja ERDF 2014-20 OP
2014ES16RFOP017	Madrid ERDF 2014-20 OP
2014ES16RFOP018	Melilla ERDF 2014-20 OP
2014ES16RFOP019	Murcia ERDF 2014-20 OP
2014ES16RFOP020	Navarra ERDF 2014-20 OP
2014ES16RFOP021	País Vasco ERDF 2014-20 OP
2014ES16RFSM001	SME Initiative ERDF 2014-20 OP
2014FI05M2OP001	Entrepreneurship and skills, Åland Structural Fund Programme 2014-2020
2014FI16M2OP001	Sustainable growth and jobs 2014-2020 - Structural Funds Programme of Finland
2014FR05M0OP001	Operational Programme ERDF-ESF ile-de-France et Seine 2014-2020
2014FR05M2OP001	Operational Programme ERDF-ESF Guadeloupe et St Martin Etat 2014-2020
2014FR16M0OP001	Regional programme Aquitaine 2014-2020
2014FR16M0OP002	Regional programme Auvergne 2014-2020
2014FR16M0OP003	Regional programme Centre 2014-2020
2014FR16M0OP004	Regional programme Champagne-Ardenne 2014-2020
2014FR16M0OP005	Regional programme Haute-Normandie 2014-2020
2014FR16M0OP006	Regional programme Languedoc-Roussillon 2014-2020
2014FR16M0OP007	Regional programme Midi-Pyrénées et Garonne 2014-2020
2014FR16M0OP008	Regional programme Picardie 2014-2020
2014FR16M0OP009	Regional programme Guadeloupe Conseil Régional 2014-2020
2014FR16M0OP011	Regional programme Martinique Conseil Régional 2014-2020
2014FR16M0OP012	Regional programme Nord-Pas de Calais 2014-2020
2014FR16M0OP013	Regional programme Provence Alpes Côte d'Azur 2014-2020
2014FR16M2OP001	Regional programme Basse-Normandie 2014-2020
2014FR16M2OP002	Regional programme Bourgogne 2014-2020
2014FR16M2OP003	Regional programme Bretagne 2014-2020
2014FR16M2OP004	Regional programme Corse 2014-2020
2014FR16M2OP005	Regional programme Franche-Comté et Jura 2014-2020
2014FR16M2OP006	Regional programme Limousin 2014-2020
2014FR16M2OP007	Regional programme Lorraine et Vosges 2014-2020
2014FR16M2OP008	Regional programme Pays de la Loire 2014-2020
2014FR16M2OP009	Regional programme Poitou Charentes 2014-2020
2014FR16M2OP010	Regional programme Rhône Alpes 2014-2020
2014FR16M2OP011	Regional programme Guyane Conseil Régional 2014-2020
2014FR16M2OP012	Regional programme Mayotte 2014-2020

2014FR16M2TA001	National technical assistance programme 2014-2020
2014FR16RFOP001	Interregional programme Alpes 2014-2020
2014FR16RFOP002	Interregional programme Loire 2014-2020
2014FR16RFOP003	Interregional programme Massif Central 2014-2020
2014FR16RFOP004	Interregional programme Pyrénées 2014-2020
2014FR16RFOP005	Interregional programme Rhône 2014-2020
2014FR16RFOP006	Interregional programme Alsace 2014-2020
2014FR16RFOP007	Interregional programme Réunion Conseil Régional 2014-2020
2014GR05M2OP001	Reform of the Public Sector
2014GR16M1OP001	TRANSPORT INFRASTRUCTURE, ENVIRONMENT AND SUSTAINABLE DEVELOPMENT OP
2014GR16M2OP001	COMPETITIVENESS, ENTREPRENEURSHIP AND INNOVATION OP
2014GR16M2OP002	CENTRAL MACEDONIA OP
2014GR16M2OP003	THESSALY OP
2014GR16M2OP004	EPIRUS OP
2014GR16M2OP005	WESTERN GREECE OP
2014GR16M2OP006	WESTERN MACEDONIA OP
2014GR16M2OP007	CONTINENTAL GREECE OP
2014GR16M2OP008	PELOPONNESUS OP
2014GR16M2OP009	IONIAN ISLANDS OP
2014GR16M2OP010	NORTH AEGEAN OP
2014GR16M2OP011	CRETE OP
2014GR16M2OP012	ATTICA OP
2014GR16M2OP013	SOUTH AEGEAN OP
2014GR16M2OP014	EASTERN MACEDONIA-THRACE OP
2014GR16M3TA001	Technical Assistance Programme
2014HR16M1OP001	Competitiveness and Cohesion OP
2014HU05M2OP001	Human Resources Development Operational Programme
2014HU05M3OP001	Public Administration and Civil Service Development OP
2014HU16M0OP001	Economic Development and Innovation Operational Programme
2014HU16M1OP001	Environmental and Energy Efficiency OP
2014HU16M1OP003	Integrated Transport OP
2014HU16M2OP001	Territorial and settlement development OP
2014HU16M2OP002	Competitive Central-Hungary OP
2014IE16RFOP001	Border, Midland and Western Regional Operational Programme 2014-2020
2014IE16RFOP002	Southern & Eastern Regional Operational Programme
2014IT05M2OP001	National Operational Programme on Education
2014IT05M2OP002	National Operational Programme on Governance, networks, special projects and technical assistance
2014IT16M2OP001	ROP Molise ERDF ESF
2014IT16M2OP002	ROP Puglia ERDF ESF
2014IT16M2OP003	National Operational Programme on Legality
2014IT16M2OP004	National Operational Programme on Metropolitan Cities
2014IT16M2OP005	National Operational Programme on Research and Innovation
2014IT16M2OP006	ROP Calabria ERDF ESF
2014IT16RFOP001	National Operational Programme on Culture

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2014IT16RFOP002	National Operational Programme on Infrastructures and Networks
2014IT16RFOP003	National Operational Programme on Enterprises and Competitiveness
2014IT16RFOP004	ROP Abruzzo ERDF
2014IT16RFOP005	ROP PA Bolzano ERDF
2014IT16RFOP007	ROP Campania ERDF
2014IT16RFOP008	ROP Emilia Romagna ERDF
2014IT16RFOP009	ROP Friuli Venezia Giulia ERDF
2014IT16RFOP010	ROP Lazio ERDF
2014IT16RFOP011	ROP Liguria ERDF
2014IT16RFOP012	ROP Lombardia ERDF
2014IT16RFOP013	ROP Marche ERDF
2014IT16RFOP014	ROP Piemonte ERDF
2014IT16RFOP015	ROP Sardegna ERDF
2014IT16RFOP016	ROP Sicilia ERDF
2014IT16RFOP017	ROP Toscana ERDF
2014IT16RFOP018	ROP PA Trento ERDF
2014IT16RFOP019	ROP Umbria ERDF
2014IT16RFOP020	ROP Valle d'Aosta ERDF
2014IT16RFOP021	ROP Veneto ERDF
2014IT16RFOP022	ROP Basilicata ERDF
2014LT16MAOP001	Operational Programme for EU Structural Funds Investments for 2014-2020
2014LU16RFOP001	Operational Programme ERDF Luxembourg 2014-2020
2014LV16MAOP001	Growth and Employment
2014MT16M1OP001	Fostering a competitive and sustainable economy to meet our challenges
2014MT16RFSM001	Stimulate private sector investment for economic growth
2014NL16RFOP001	OP North Netherlands ERDF 2014-2020
2014NL16RFOP002	OP West Netherlands ERDF 2014-2020
2014NL16RFOP003	OP South Netherlands ERDF 2014-2020
2014NL16RFOP004	OP East Netherlands ERDF 2014-2020
2014PL16CFTA001	OP Technical Assistance
2014PL16M1OP001	OP Infrastructure and Environment
2014PL16M2OP001	ROP 1 Regional Operational Programme for Dolnośląskie Voivodeship 2014-2020
2014PL16M2OP002	ROP 2 Regional Operational Programme for Kujawsko-Pomorskie Voivodeship 2014-2020
2014PL16M2OP003	ROP 3 Regional Operational Programme for Lubelskie Voivodeship 2014-2020
2014PL16M2OP004	ROP 4 Regional Operational Programme for Lubuskie Voivodeship 2014-2020
2014PL16M2OP005	ROP 5 Regional Operational Programme for Łódzkie Voivodeship 2014-2020
2014PL16M2OP006	ROP 6 Regional Operational Programme for Małopolskie Voivodeship 2014-2020
2014PL16M2OP007	ROP 7 Regional Operational Programme for Mazowieckie Voivodeship 2014-2020
2014PL16M2OP008	ROP 8 Regional Operational Programme for Opolskie Voivodeship
2014PL16M2OP009	ROP 9 Regional Operational Programme for Podkarpackie Voivodeship
2014PL16M2OP010	ROP 10 Regional Operational Programme for Podlaskie Voivodeship
2014PL16M2OP011	ROP 11 Regional Operational Programme for Pomorskie Voivodeship
2014PL16M2OP012	ROP 12 Regional Operational Programme for Śląskie Voivodeship
2014PL16M2OP013	ROP 13 Regional Operational Programme for Świętokrzyskie Voivodeship

2014PL16M2OP014	ROP 14 Regional Operational Programme for Warmińsko-Mazurskie Voivodeship
2014PL16M2OP015	ROP 15 Regional Operational Programme for Wielkopolskie Voivodeship
2014PL16M2OP016	ROP 16 Regional Operational Programme for Zachodniopomorskie Voivodeship
2014PL16RFOP001	OP Smart growth
2014PL16RFOP002	OP Digital Poland
2014PL16RFOP003	OP Development of Eastern Poland
2014PT16CFOP001	Sustainability and Resource Use Efficiency OP
2014PT16M2OP001	Regional OP Norte
2014PT16M2OP002	Regional OP Centro
2014PT16M2OP003	Regional OP Alentejo
2014PT16M2OP004	Regional OP Azores (Autonomous Region)
2014PT16M2OP005	Regional OP Lisboa
2014PT16M2OP006	Regional OP Madeira (Autonomous Region)
2014PT16M2OP007	Regional OP Algarve
2014PT16M3OP001	Competitiveness and Internationalisation OP
2014PT16RFTA001	OP Technical Assistance
2014RO16M1OP001	Large Infrastructure Operational Programme
2014RO16RFOP001	Competitiveness Operational Programme
2014RO16RFOP002	Regional Operational Programme
2014RO16RFTA001	Technical Assistance Operational Programme
2014SE16M2OP001	Community-led local development programme with support from ERDF and ESF 2014-2020
2014SE16RFOP001	South Sweden
2014SE16RFOP002	Småland and islands
2014SE16RFOP003	West Sweden
2014SE16RFOP004	East-Central Sweden
2014SE16RFOP005	Stockholm
2014SE16RFOP006	North-Central Sweden
2014SE16RFOP007	Central Norrland
2014SE16RFOP008	Upper Norrland
2014SE16RFOP009	National regional fund programme for investments in growth and jobs 2014-2020
2014SI16MAOP001	Operational Programme for the Implementation of the EU cohesion policy in the period 2014 – 2020
2014SK05M0OP001	Operational Programme Human Resources
2014SK16M1OP001	Integrated Infrastructure
2014SK16M1OP002	Quality of Environment
2014SK16RFOP001	Research and Innovation
2014SK16RFOP002	Integrated Regional Operational Programme
2014SK16RFTA001	Technical Assistance
2014TC16M4TN001	Mediterranean
2014TC16M4TN002	Adriatic-Ionian
2014TC16M4TN003	Balkan-Mediterranean
2014TC16M5TN001	Baltic Sea
2014TC16M6TN001	Danube
2014TC16RFCB001	Interreg V-A - Belgium-Germany-The Netherlands (Euregio Meuse-Rhin/Euregio Maas-Rijn/Euregio Maas-Rhein)

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2014TC16RFCB002	Interreg V-A - Austria-Czech Republic
2014TC16RFCB003	Interreg V-A - Slovakia-Austria
2014TC16RFCB004	Interreg V-A - Austria-Germany/Bavaria (Bayern-Österreich)
2014TC16RFCB005	Interreg V-A - Spain-Portugal (POCTEP)
2014TC16RFCB006	Interreg V-A - Spain-France-Andorra (POCTEFA)
2014TC16RFCB007	Interreg V-A - Spain-Portugal (Madeira-Açores-Canarias (MAC))
2014TC16RFCB008	Interreg V-A - Hungary-Croatia
2014TC16RFCB009	Interreg V-A - Germany/Bavaria-Czech Republic
2014TC16RFCB010	Interreg V-A - Austria-Hungary
2014TC16RFCB011	Interreg V-A - Germany/Brandenburg-Poland
2014TC16RFCB012	Interreg V-A - Poland-Slovakia
2014TC16RFCB013	Interreg V-A - Poland-Denmark-Germany-Lithuania-Sweden (South Baltic)
2014TC16RFCB014	Interreg V-A - Finland-Estonia-Latvia-Sweden (Central Baltic)
2014TC16RFCB015	Interreg V-A - Slovakia-Hungary
2014TC16RFCB016	Interreg V-A - Sweden-Norway
2014TC16RFCB017	Interreg V-A - Germany/Saxony-Czech Republic
2014TC16RFCB018	Interreg V-A - Poland-Germany/Saxony
2014TC16RFCB019	Interreg V-A - Germany/Mecklenburg-Vorpommern-Brandenburg-Poland
2014TC16RFCB020	Interreg V-A - Greece-Italy
2014TC16RFCB021	Interreg V-A - Romania-Bulgaria
2014TC16RFCB022	Interreg V-A - Greece-Bulgaria
2014TC16RFCB023	Interreg V-A - Germany-The Netherlands (Deutschland-Nederland)
2014TC16RFCB024	Interreg V-A - Germany-Austria-Switzerland-Liechtenstein (Alpenrhein-Bodensee-Hochrhein)
2014TC16RFCB025	Interreg V-A - Czech Republic-Poland
2014TC16RFCB026	Interreg V-A - Sweden-Denmark-Norway (Öresund-Kattegat-Skagerrak)
2014TC16RFCB027	Interreg V-A - Latvia-Lithuania
2014TC16RFCB028	Interreg V-A - Sweden-Finland-Norway (Botnia-Atlantica)
2014TC16RFCB029	Interreg V-A - Slovenia-Croatia
2014TC16RFCB030	Interreg V-A - Slovakia-Czech Republic
2014TC16RFCB031	Interreg V-A - Lithuania-Poland
2014TC16RFCB032	Interreg V-A - Sweden-Finland-Norway (Nord)
2014TC16RFCB033	Interreg V-A - Italy-France (Maritime)
2014TC16RFCB034	Interreg V-A - France-Italy (ALCOTRA)
2014TC16RFCB035	Interreg V-A - Italy-Switzerland
2014TC16RFCB036	Interreg V-A - Italy-Slovenia
2014TC16RFCB037	Interreg V-A - Italy-Malta
2014TC16RFCB038	Interreg V-A - France-Belgium-The Netherlands-United Kingdom (Les Deux Mers/Two seas/Twee Zeeën)
2014TC16RFCB039	Interreg V-A - France-Germany-Switzerland (Rhin supérieur/Oberrhein)
2014TC16RFCB040	Interreg V-A - France-United Kingdom (Manche/Channel)
2014TC16RFCB041	Interreg V-A - France-Switzerland
2014TC16RFCB043	Interreg V-A - France (Saint Martin-Sint Maarten)
2014TC16RFCB044	Interreg V-A - Belgium-France (France-Wallonie-Vlaanderen)
2014TC16RFCB045	Interreg V-A - France-Belgium-Germany-Luxembourg (Grande Région/Großregion)
2014TC16RFCB046	Interreg V-A - Belgium-The Netherlands (Vlaanderen-Nederland)

2014TC16RFCB047	Interreg V-A - United Kingdom-Ireland (Ireland-Northern Ireland-Scotland)
2014TC16RFCB048	Interreg V-A - United Kingdom-Ireland (Ireland-Wales)
2014TC16RFCB049	Interreg V-A - Romania-Hungary
2014TC16RFCB050	Interreg V-A - Estonia-Latvia
2014TC16RFCB051	Interreg V-A - France (Mayotte-Comores-Madagascar)
2014TC16RFCB052	Interreg V-A - Italy-Austria
2014TC16RFCB053	Interreg V-A - Slovenia-Hungary
2014TC16RFCB054	Interreg V-A - Slovenia-Austria
2014TC16RFCB055	Interreg V-A - Greece-Cyprus
2014TC16RFCB056	Interreg V-A - Germany-Denmark
2014TC16RFIR001	INTERREG EUROPE
2014TC16RFIR002	INTERACT
2014TC16RFIR003	URBACT
2014TC16RFIR004	ESPON
2014TC16RFPC001	Ireland-United Kingdom (PEACE)
2014TC16RFTN001	Alpine Space
2014TC16RFTN002	Atlantic Area
2014TC16RFTN003	Central Europe
2014TC16RFTN004	Northern Periphery and Arctic
2014TC16RFTN005	North Sea
2014TC16RFTN006	North West Europe
2014TC16RFTN007	South West Europe
2014TC16RFTN008	Caribbean Area
2014TC16RFTN009	Indian Ocean Area
2014TC16RFTN010	Amazonia
2014UK16RFOP001	United Kingdom - ERDF England
2014UK16RFOP002	United Kingdom - ERDF Gibraltar
2014UK16RFOP003	United Kingdom - ERDF Northern Ireland
2014UK16RFOP004	United Kingdom - ERDF Scotland
2014UK16RFOP005	United Kingdom - ERDF West Wales and The Valleys
2014UK16RFOP006	United Kingdom - ERDF East Wales

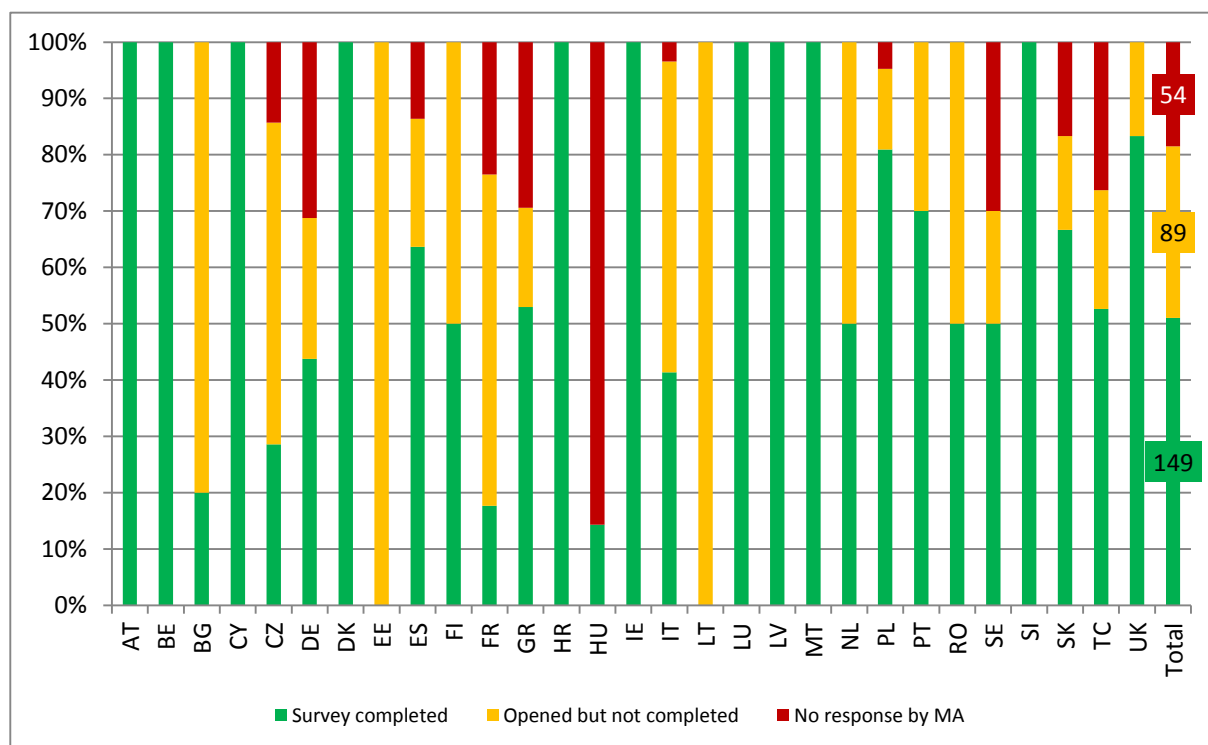
4.20 RESPONSES TO THE SURVEY

The **survey** – under which 292 questionnaires were sent, in the relevant EU languages, to all managing authorities in charge of the programmes covered by the study – has been closed and evaluated, on the basis of 149 fully completed responses as detailed in Figure 202 (51% of the sample).

The contractor has carried out all measures to contact managing authorities invited to participate in the survey, as planned in the agreed methodology.

The incoming results were sufficient to conduct an analysis.

Figure 202 - Survey status at closure, at the end of August 2015



4.21 LIST OF INTERVIEWS

CCI	Member States	CCI_TITLE_EN	Counterparts	Status
	EU		Officials from DG Regio and DG Employment; functional units and geographical units	Completed though focus groups
2014AT16M8PA001	AT		MMag. Michael W. BAUMGARTNER and Mag. Andreas MAIER Both work in the 'Team Regional Economy, Working Group Cross-Border Cooperation' at the Austrian Conference on Spatial Planning	Completed
2014BE16M8PA001	BE		Mr Christophe Mazza – Cabinet of the Minister-President of the Wallonia region	Completed
2014BG05M9OP001	BG	Operational programme "Human Development" Research	Mrs. Koleshanska – Director of the MA	Completed
2014BG16M8PA001	BG		Peter Mihaylov, Project manager in CCU, responsible for the PA development	Completed
2014CY16M8PA001	CY		Member States Anthi Philippidou and Mr. Charis Soteriou, Directorate General for European Programmes, Coordination and Development	Not available (but focus group with DG Regio geo unit)
2014CZ16M8PA001	CZ		Mr. Miroslav Danek, he participated on preparation of the current programming period at the National Coordination Unit	Completed
2014DE16M8PA001	DE		Member States Karin Scheffel and Member States Ulrik Schreckenberger	Completed
2014DE16RFOP012	DE	OP Sachsen ERDF 2014-2020	Andrea Decker, Sächsisches Staatsministerium für Wirtschaft, Arbeit und Verkehr - Referat 55 Verwaltungsbehörde Sachsen für den EFRE	Not available (but focus group with DG Regio geo unit)
2014DK16M8PA001	DK		Susanne Kirkegaard Brodersen, Head of Unit, Danish ERDF and ESF programmes	Completed
2014EE16M8PA001	EE		Mrs Kadri Tali, Advisor, State Budget Department, Ministry of Finance	Completed
2014ES16M8PA001	ES		Jorge García Reig and María José Muñoz Martínez-Subdirectorates of Community Funds Programming and Evaluation, Ministry of Finance and Public Administration	Completed
2014ES16RFOP007	ES	Canary Islands	Montserrat Cabrera - Directorate General of Planning and Budget of the Canarian Government	Completed
2014ES16RFSM001	ES	SME Initiative ERDF 2014-20 OP	Francisco Tovar - Subdirectorates of Community Funds Programming and Evaluation, Ministry of Finance and Public Administration	Completed

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2014FI16M8PA001	FI		Member States Osenius, Minsitry of Labour and Economic Development	Completed
2014FR16M2OP012	FR	Regional programme Mayotte 2014-2020	Bertrand Brohon	Completed
2014FR16M8PA001	FR		Florence Clermont Brouillet the responsible for Europe at CGET (ex Datar)	Completed
2014GR16M2OP001	GR	COMPETITIVENESS, ENTREPRENEURSHIP INNOVATION OP AND	Member States Aggeliki FETSI	Not available (but focus group with DG Regio geo unit)
2014GR16M8PA001	GR		Mr Dimitrios IAKOVIDIS	Completed
2014HR16M8PA001	HR		Member States Helga Bubanović, Assistant Minister, Ministry of Regional Development and EU Funds accompanied by Member States Ivana Nagy, Head of Department, and Member States Iva Šeler	Completed
2014HU16M8PA001	HU		Rákossy Balázs, Minister of State for the Utilisation of EU Funding	Declined (but focus group with DG Regio geo unit)
2014IE16M8PA001	IE		Kieran Moylan of BMW Managing Authority. It was impossible to date to set up an interview with Coordinating Body in Ministry of Public Expenditure and this was the suggested route to take.	Completed
2014IT16M8PA001	IT		Mr Donato Vincenzo Head of Ministry of Italian Council with EU relation and Mrs Federica Busillo head of Partnerships Agreement	Completed
2014LT16M8PA001	LT		Mrs. Loreta Maskaliovienė, Director of the EU assistance management department, Ministry of Finance (Managing Authority) Mr. Aurimas Antanaitis, Head of the EU cohesion policy division, EU assistance management department, Ministry of Finance (Managing Authority)	Completed
2014LT16MAOP001	LT	Operational Programme for EU Structural Funds Investments for 2014-2020	Mrs. Loreta Maskaliovienė, Director of the EU assistance management department, Ministry of Finance (Managing Authority) Mr. Aurimas Antanaitis, Head of the EU cohesion policy division, EU assistance management department, Ministry of Finance (Managing Authority)	Completed

CCI	Member States	CCI_TITLE_EN	Counterparts	Status
2014LU16M8PA001	LU		Mr Romain Weisen – Regional Policy Directorate of the Ministry of Economy of Luxemburg	Completed
2014LV16M8PA001			Mr. Edgars Šadris, Head of ESI Funds Strategy Department, Ministry of Finance (MA)	Completed
2014MT16M8PA001	MT		Dr Sperati Vanessa of Ministry of University and Research - Research Office VII - PON National Research Programme	Completed
2014NL16M8PA001	NL		Mr van Raak, Programme Manager, Managing Authority ERDF Program Opportunities for West Netherlands	Completed
2014PL16M2OP002	PL	ROP 2 Regional Operational Programme for Kujawsko-Pomorskie Voivodeship 2014-2020	Barbara Jesionowska, Deputy Head of Department of Regional Development, Marshal Office of Kujawsko-Pomorskie Voivodship, Toruń	Completed
2014PL16M8PA001	PL		Agnieszka Dawydzik, Head of Department for Strategy and Development Policy Coordination, Ministry of Infrastructure and Development, Warsaw	Completed
2014PT16M8PA001	PT		Mr. Duarte Rodrigues, member of the board of the Agency for Development and Cohesion, the institution which coordinates elaboration and negotiation of PA and OPs for 2014-20	Completed
2014RO16M8PA001	RO		Mrs Mihaela Toader, Director of the Analysis, Programming and Evaluation Department within the Ministry of European Funds	Completed
2014SE16M8PA001	SE		Mr Daniel Karlsson and Member States Anna Larsson at the Ministry of Enterprise and Innovation	Completed
2014SI16M8PA001	SI		Natasa Kobe Logonder, Head of the Department for Development Policy Department for Development Policy, the Government Office for Development and European cohesion policy	Completed
2014SK16M8PA001			Mr Lubos Littera Director of cohesion policy Department of Central Co-ordination Authority	Completed
2014TC16M5TN001	TC	Baltic Sea	Member States KADRI JUSHKIN, Ministry of the Interior Regional Development Department	Completed
2014TC16RFCB024	TC	Interreg V-A - Germany-Austria-Switzerland-Liechtenstein (Alpenrhein-Bodensee-Hochrhein)	Christoph Dubenbostel, MA Contact Person, Regional Government of Baden-Wuerttemberg	Declined
2014TC16RFCB039		Interreg V-A - France-Germany-Switzerland (Rhin supérieur/Oberrhein)	Mr Thomas Koehler – MA of the TC OP – Region of Alsace	Completed

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CCI	Member States	CCI_TITLE_EN	Counterparts	Status
2014TC16RFIR003	TC	URBACT	Raphael LeMehauté, Head of the Managing Authority	Completed
2014TC16RFTN003	TC	Central Europe	Luca Ferrarese, Head of Joint Secretariat	Completed
2014UK16M8PA001	UK		Tim Goodship, European Reform Directorate	Completed

4.22 ABBREVIATIONS

Art.	Article
AT	Austria
BE	Belgium
BG	Bulgaria
CF	Cohesion Fund
CLLD	community-led local development
CP	Co-operation Programme
CPR	"Common Provisions" Regulation (of the EP and the Council 1303/2014)
CY	Cyprus
CZ	Czech Republic
DE	Germany
DG	Directorate General
DG EMPLOI	Directorate General for Employment, Social Affairs and Inclusion
DG REGIO	Directorate General for Regional and Urban Policy
DK	Denmark
EAFRD	European Agricultural Fund for Rural Development
EC	European Commission
EE	Estonia
EL	Greece
ERDF	European Regional Development Fund
ES	Spain
ESF	European Social Fund
ESI Funds / ESIF	European structural and investment funds
ETC	European Territorial Co-operation
ETC	European Territorial Co-operation
EU	European Union
FI	Finland
FR	France
HR	Human resources
HR	Croatia
HU	Hungary
IE	Ireland
IGJ	Investment for growth and jobs (goal)
IP	Investment Priority
IT	Italy
ITI	integrated territorial investment

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LT	Lithuania
LU	Luxembourg
LV	Latvia
Member States	Member State(s)
Member States	Member State
MT	Malta
NL	The Netherlands
NSRF	National Strategic Reference Framework (2007-2013)
OP	Operational Programme
PA	Partnership Agreement
PAX	Priority axis
PL	Poland
PRG	Programme(s)
PT	Portugal
RO	Romania
SE	Sweden
SI	Slovenia
SK	Slovakia
SUD	Sustainable Urban Development
TA	Technical assistance
TO	Thematic Objective
UK	United Kingdom
YEI	Youth Employment Initiative

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